

# What One Eligible Knee Replacement Could Mean for Plan Savings

A conservative savings scenario for self-funded employers evaluating high-cost elective surgery spend.

## Illustrative single-case model

Domestic allowed amount

**\$42,000**

China COE pathway + support

**\$23,000**

Estimated net plan savings

**\$19,000**

## Why this matters

- Knee replacement is a common high-cost elective procedure that can create material plan spend for self-funded employers.
- The savings question is not whether care is cheaper overseas; it is whether a suitable case can be reviewed, governed, supported, and reported responsibly.
- For a voluntary, clinically appropriate case, the modeled plan savings can be large enough to justify a deeper Surgical Savings Review.

## Employer takeaway

If even 10 knee replacement cases per year are eligible and voluntary, this illustrative model shows a \$190,000 annual savings opportunity before any broader procedure expansion.

# Savings Logic

A simple CFO-ready model compares the domestic allowed amount against the full overseas pathway cost, including travel, coordination, and member support.

Cost item	Amount
Domestic allowed amount	\$42,000
China COE pathway medical cost	\$18,000
Travel + coordination + member support	\$5,000
<b>Total overseas pathway cost</b>	<b>\$23,000</b>
<b>Estimated net plan savings</b>	<b>\$19,000</b>
Estimated savings rate	45%

## Annual opportunity

5 eligible cases	10 eligible cases	25 eligible cases
<b>\$95,000</b>	<b>\$190,000</b>	<b>\$475,000</b>
modeled savings	modeled savings	modeled savings

Illustrative only. Actual savings depend on procedure category, plan design, domestic allowed amounts, member eligibility, travel suitability, clinical review, facility selection, and implementation costs. Savings are estimates, not guarantees.

# Why Knee Replacement Is a Useful Starting Point

Knee replacement is not the only relevant category, but it is a clear example because it is often elective, scheduled in advance, and financially visible in claims analysis.

## Plan-cost relevance

A single procedure can represent a large allowed amount, especially when facility and implant costs are included.

## Operational predictability

Elective timing creates room for education, clinical screening, travel review, and voluntary decision support.

## Advisor-ready discussion

The category is familiar enough for brokers, TPAs, and finance teams to understand the savings logic quickly.

## What employers need to model savings

- Annual knee replacement volume
- Domestic allowed amount
- Self-funded or level-funded status
- Covered lives or employee count
- Expected voluntary participation
- Travel suitability assumptions
- Clinical exclusions
- TPA or carrier workflow fit

# Not Medical Tourism. A Governed Surgical Pathway.

The employer value depends on clinical governance, member trust, privacy boundaries, and employer-ready reporting. The pathway should be evaluated as a benefit strategy, not as direct-to-consumer medical travel.

## Unmanaged medical tourism

- x Employee searches alone
- x Unclear facility standards
- x No plan-level savings model
- x Weak pre/post coordination
- x Limited employer reporting

## CareCostDown pathway

- + Physician-led review
- + Defined COE criteria
- + Voluntary member education
- + Travel and care coordination
- + Employer-ready reporting

## Who this is for

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- Self-funded employers and level-funded plans with meaningful elective surgery claims.
- CFO, HR benefits, broker, consultant, TPA, carrier, and plan administrator evaluation.
- Organizations seeking a pilot-friendly model before broad rollout.

## Who this is not for

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- Emergency care, unstable medical conditions, or urgent surgery needs.
- Direct patient inquiries outside an employer-sponsored benefit evaluation.
- Any public website workflow that requires PHI or patient-specific medical records.