

Orthopedic products

Orthopedic spending trends reflect growth in joint reconstruction and other high-volume procedural categories. Hip and knee implants remained the largest orthopedic spend category and experienced one of the largest increases in relative share, while arthroscopy and shoulder implants also gained share. In contrast, spinal implants declined in relative share, reflecting slower growth compared with other orthopedic categories.

Spending patterns suggest continued momentum in procedure-based orthopedic technologies, with growth concentrated in categories associated with joint replacement and minimally invasive interventions. Together, these trends highlight the influence of procedural mix on orthopedic purchasing patterns.

Top 15 orthopedic spend categories

Rank	Product spend category	Portion of spend (%), summer 2026	Portion of spend (%), winter 2026 ^a	Percentage point change ^b
1	Implants–hips and knees	19.8	19.0	+0.8 ↑
2	Implants–spinal	15.5	16.1	-0.6 ↓
3	Trauma	12.9	13.0	-0.1 ↓
4	Implants–neurostimulation	10.6	10.6	—
5	Orthobiologics	9.6	9.9	-0.3 ↓
6	Arthroscopy	8.8	8.0	+0.8 ↑
7	Implants–shoulders	5.0	4.7	+0.3 ↑
8	Cranio-maxillofacial (CMF)	4.1	4.4	-0.3 ↓
9	Implants–neurosurgical	3.5	3.8	-0.3 ↓
10	Neuro power tools and accessories	2.1	2.2	-0.1 ↓
11	Small joints	2.0	2.0	—
12	Surgical navigation systems and accessories	1.9	2.1	-0.2 ↓
13	Ortho power tools and accessories	1.4	1.5	-0.1 ↓
14	Vertebral compression fracture	1.2	1.2	—
15	Orthopedic personal protection equipment	0.8	0.7	+0.1 ↑

Source: Vizient Supply Analytics, April 2025–March 2026

^a Previously ranked in the summer 2025 Outlook, with data analyzed from October 2024–September 2025

^b Arrows indicate increase (↑) or decrease (↓) since the winter 2026 edition

Category movements

Increases in spend

- **Implants—hips and knees (+0.8%):** Hip and knee implants experienced the largest increase in share, supported by strong growth in joint replacement volumes and migration of procedures into ambulatory surgery center (ASC) settings. High procedural throughput, standardization of care pathways, and predictable utilization continue to make this category a primary driver of orthopedic spend.
- **Arthroscopy (+0.8%):** Arthroscopy increased in share, reflecting growth in minimally invasive procedures well suited to ambulatory settings. The expansion of sports medicine and outpatient orthopedic interventions is driving faster growth compared to more complex inpatient categories.

Decreases in spend

- **Implants—spinal (–0.6%):** Spinal implants declined in relative spend share, reflecting slower growth compared with other orthopedic categories rather than reduced demand. Spine procedures remain high-cost and complex, with growth moderated by site-of-care limitations, procedural intensity, and longer recovery requirements.

The orthopedic margin trap: When lower-cost care settings don't mean lower costs

As orthopedic procedures rapidly migrate to ASCs, health systems are discovering that a shift in care setting doesn't automatically translate to financial relief. Reimbursement compression, rising implant costs, technology adoption pressures, and looming episode-based payment mandates are creating a new margin paradox—one that demands a fundamentally different approach to supply strategy, contracting, and physician alignment.

Shift to ambulatory settings and margin pressure

Approximately 36% of major orthopedic procedures in adults now occur in ASCs, according to the Vizient Impact of Change 2026 report. While ASCs offer a lower cost than inpatient and HOPD, margins remain highly variable and require careful management of procedural mix, implant selection, and total supply costs per case. Financial performance in these settings also is influenced by reimbursement complexity, coding accuracy, and payer-specific requirements, creating additional operational and administrative burden for organizations managing orthopedic care across ambulatory settings.

As more complex procedures—including total joint and select spine cases—move into these settings, organizations are placing greater emphasis on reducing unwarranted variation, standardizing suppliers, and aligning implant selection with cost constraints. ASC leaders are strengthening supplier consolidation and cost discipline to maintain financial performance. As a result, financial performance depends on careful management of case mix, payer mix, and cost-per-procedure—all of which directly influence profitability in lower-reimbursement environments.

ASC contracting and supply strategy

Contracting strategy is becoming a more critical lever for managing orthopedic physician preference item (PPI) spend as organizations navigate increasing margin pressure across ambulatory settings. Aggregated purchasing and commitment-based contracting models are improving pricing consistency and reducing variation across sites.

Pooling orthopedic implant spend across multiple ASCs can enable access to volume-based pricing and reduced cost variability, while commitment-based agreements across implant categories support shared accountability

between providers and suppliers. These models often are aligned at the service line level, reinforcing standardization, and reducing fragmentation in product selection.

Together, these dynamics reflect a broader shift in which supply chain strategy is becoming integral to ASC financial performance rather than a secondary consideration.

Technology evolution: Robotics and navigation

Technology adoption in orthopedics continues to evolve in response to these same economic pressures. While robotic-assisted platforms remain a key area of focus, newer technologies are emerging that are more adaptable to ambulatory environments.

Recent developments include:

- Handheld and portable robotic or navigation-enabled systems
- Platforms that integrate guidance capabilities with familiar surgical tools
- Technologies with smaller footprints designed for ASC use

These systems may offer operational advantages, including improved room turnover and greater workflow flexibility. However, they also introduce incremental per-case costs—often driven by consumables such as drapes, pins, and navigation components—which can increase total cost per procedure.

While some technologies demonstrate improvements in alignment and procedural precision, translation to clinical outcomes remains variable and procedure specific. As a result, adoption reflects a balance between physician preference, perceived clinical benefit, and cost considerations, particularly in margin-constrained settings.

Emerging innovation: Personalization and next-generation implants

Innovation in orthopedics is enhancing personalization and motion-preserving technologies, particularly in spine and pediatric applications. The Vizient 2025 Impact of Change projects a 26% increase in motion preservation procedures by 2035.¹

Patient-specific implants are gaining attention as manufacturers introduce technologies designed to better match patient anatomy and improve surgical alignment. Early evidence suggests these approaches may improve alignment accuracy and reduce revision rates. For example, one study² demonstrated significantly fewer revisions for mechanical complications using personalized implants (16.6% vs. 4.3%) in complex spine cases.

Reimbursement pathways also are beginning to evolve. Centers for Medicare & Medicaid Services (CMS) has approved new technology add-on payments for certain personalized spinal implants, providing temporary supplemental reimbursement to support early adoption.

In parallel, novel implant designs are emerging in specialized populations, such as pediatrics. For example, scoliosis systems that allow the spine to grow along implanted rods may reduce the need for repeated surgical interventions and support improved long-term outcomes such as lung development.

Emerging neuromodulation applications

Innovation also is expanding across neuro-adjacent implant categories captured within orthopedic spend, including neurostimulation and neurosurgical implants. Implant-based neuromodulation technologies are gaining traction in outpatient and post-acute care settings, reflecting a broader shift toward implant-based therapies.

Recent developments include vagal nerve stimulation for stroke recovery, used in combination with rehabilitation to improve functional outcomes in patients with chronic deficits. These procedures are typically performed in outpatient settings and may expand the window for intervention beyond the acute phase of care.

Similarly, tibial nerve stimulation systems, such as implantable, leadless devices placed near the ankle, offer minimally invasive alternatives for conditions such as urinary incontinence, with simplified implantation and reduced need for ongoing clinical intervention.

While not traditional orthopedic procedures, these technologies reflect a broader trend toward implant-based therapies expanding across care settings, with implications for procedural mix, site-of-care strategy, and long-term spend.

Looking ahead: Evolving reimbursement and cost management

The FY 2027 IPPS proposed rule includes the Comprehensive Care for Joint Replacement Expanded (CJR-X) Model, which would become mandatory nationwide beginning Oct. 1, 2027, if finalized. This proposal signals ongoing federal interest in episode-based payment models that extend accountability beyond the procedure itself and across the full continuum of orthopedic care.

While still evolving, these models would increase focus on:

- Total episode cost across pre- and post-operative periods
- Integration of implant selection with care pathways
- Alignment of physician preference with cost management strategies

These developments signal continued margin compression and increasing pressure to manage both implant and ancillary costs across the full episode of care.

References:

1. Impact of Change®, 2025; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2021. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Vizient All-Payer Claims Data Set, 2023; The following 2023 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2025; Vizient Analysis, 2025.
2. Smith JS, Yen CP, Kent R, et al. Personalized Spine Surgery in Adult Deformity: Reoperation Rates and Mechanical Complications Following Customized Planning and Interbody Implant Use. *Global Spine J.* Published online December 20, 2025. doi:10.1177/21925682251409696

Learn more about how these category movements connect to broader trends by visiting the [Spend Management Outlook](#).

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