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Podcast Special: J&J's Andrie Leday Addresses ASC Market With Customized Approach

by [Reed Miller](#)

In this special podcast from *Medtech Insight*, editor Reed Miller talked to Andrie Leday, the US vice president for ambulatory surgery centers (ASCs) at Johnson & Johnson/DePuy Synthes. Leday's group is dedicated to creating a new "ecosystem" around DePuy Synthes' broad range of orthopedic implants and tools to meet the demand of an aging population.

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The shift of orthopedic surgeries from hospitals to outpatient centers has accelerated in the last decade and is not likely to slow down soon, so orthopedic companies have to adapt to the demanding outpatient market segment.

"We're focused on the growth and clinical success of ASCs," Andrie Leday, the US vice president for ambulatory surgery centers (ASCs) at [Johnson & Johnson/DePuy Synthes](#), told *Medtech Insight*. "We're not focused on shifting patient care from traditional settings in hospitals ... but for the patients and the business that are moving into that space, our goal is to make sure that we help to support and really create a brand-new ecosystem across the entire DePuy Synthes space."

Leday joined DePuy Synthes in August 2022 after about 12 years with Medtronic. He recently talked to *Medtech Insight* about his role with the company

According to the [Ambulatory Surgery Center](#)

and how it is serving the growing surgical patient population while optimizing value for surgeons.

[Editor's note: *This interview has been edited for clarity and length.*]

Q Medtech Insight: What drew you to join Johnson & Johnson after your time at Medtronic, and what drew you to this job in particular?

A Andrie Leday: What drew me to this opportunity and this organization is that J&J is a storied American institution. And their global commitment to addressing health care disparities has always been front and center, in my mind, as is their longtime commitment to things like innovation and technology and this particular team's [commitment] to ASCs, the growth in this new channel of surgical health care, and the greater access of care that this provides to all Americans.

I was really intrigued by that space. And then, as I got through the interview process, I realized how really talented this team was, and it was just a combination I couldn't deny. So I am really excited to be here.

[Association](#), about 6,100 ASCs perform an estimated 30 million procedures across a range of specialties in the US each year. Orthopedic surgery is the largest ASC segment, including over 2,200 centers certified by the [Centers for Medicare and Medicaid Services](#) (CMS).

According to J&J, the ASC market as a whole is growing 6% every year and the orthopedics segment is growing nearly 10% annually.

CMS is trying to incentivize the shift of surgeries to outpatient centers, because they consistently cost less than surgeries in hospitals. (Also see "[Medtech Companies Must Adjust To Growth Of Outpatient Centers, ZS Consultant Advises](#)" - Medtech Insight, 2 Mar, 2020.)

DePuy Synthes markets a broad range of devices and tools for joint reconstruction, sports medicine, craniomaxillofacial, and spine surgery. The company's main growth driver is the Velys robotic surgery solution for knee and hip surgeries. (Also see "[Exec Chat: J&J DePuy Synthes' Sharrolyn Josse Outlines Strategy For VELYS Digital Surgery](#)" - Medtech Insight, 12 Jul, 2021.)

Q What is your group's role and what are you focused on, specifically?

A Leday: The US commercial ASC team for DePuy Synthes is focused specifically on the ASC channel, with the majority of the ownership in surgeon owners – as well as ASC administrator groups and some are [integrated delivery network]-based or health care based ownership groups as well.

But we're focused on the growth and clinical success of ASCs.

We're not focused on shifting patient care from traditional settings in hospitals, but we are focused on the patients and the businesses that are moving into that space. And our goal is to make sure that we help to support and really create a brand new ecosystem across the entire DePuy Synthes space, which is everything from joint reconstruction, shoulders, hips and knees, to robotics, sports medicine and spine surgery.

So all of these critical areas, as well as beyond within the greater J&J MedTech, where there's opportunities for us to partner and really show up as a partner of choice and building and helping sustain growth in the ASC group.

Q What is what is driving this growth of ASCs and how has that trend changed in recent years?

A Leday: If you look, even 10 or 15 years ago, [ASCs were] seen more as a novelty or a specialty for some groups to find block time, honestly, in crowded hospitals. And so you'd see groups like ENT or possibly some extremity groups or plastic surgeons, primarily, in the ambulatory surgery center space.

A CEO of a large ASC group I spoke said that, even as early as 2019, their mix was about 30%/70% on their surgical orthopedic space for their surgical units versus in the hospital. But as of today, that's shifted from 30% ASC and 70% hospital to now 82% ASC and 18% in the hospital. And he doesn't see that shifting the other way.

One of the things that is driving that bottom line is that we have an aging population in the US. These baby boomers and older people in the US are playing golf, they're wanting to live full and accurate lives, they're traveling, and some of them are still working.

And so given that dynamic, in concert with the access of care and the safety that's now been known to be found in the ASC setting, this allows people to get back to their lives. And DePuy Synthes is committed to keeping Americans moving. So our partnership in this ASC space to help do just that has been second to none.

And one of the great things is that now data has been deployed to not just say, 'Hey, this is convenient, but it's also highly effective in providing excellent clinical outcomes, while also addressing the convenience and needs of our patients.'

"DePuy Synthes is committed to keeping Americans moving. So our partnership in this ASC space to help do just that has been second to none." – Andrie Leday

Q What are the things or procedures that are particularly well suited to ASC?

A Leday: It's getting more broad than you would think. Obviously things like laminectomies in the spine space and minimally invasive opportunities like that, but also total knees and hips, etc.

We're able to now do those safely and effectively [outside] the hospital setting. If you look at even platforms and instruments, like our Velys robotic system – it is perfectly designed with that value in mind. It's got a very small footprint. Its user interface is very much user designed to be used in the ambulatory surgery center setting where you don't need a preoperative [computed tomography].

So that's one less touch point and one less cost for a patient to have to go across town to get a CT, and then have another touch point going to the surgery center. You can get a simple X-ray, load that in, and then have a knee or hip procedure. And of course, those technologies are tied into other advancements that we have that reduce waste and that reduce instruments that are unnecessary in the surgeries.

Shoulder [surgeries] are growing actually faster than any other segment that we've seen in the ASC setting. Folks are now able to safely get your shoulder procedures as well. And then of course, our lower extremities – things like bunionectomies and even some upper extremity opportunities are finding homes in those spaces as well.

Q How has the reimbursement situation incentivize? ASCs? And is that still ongoing? Or would you like to see maybe more, especially from CMS?

A Leday: I think it's fair to say that it continues to evolve. I would say the unique aspects is over the last few years, we've seen more and more procedures that have fallen off of the inpatient-only list and into consideration for ambulatory surgery centers. (Also see "[Exec Chat: OIC Expects To Disrupt Orthopedic Surgery Market With High Value Implants](#)" - Medtech Insight, 25 Feb, 2022.)

That continues to be what we find to be, not only a challenge as more patients move to that space, but it's an area I think that we can continue to see improvement.

I think payers are getting there. To be fair, they're a little slower to it than the providers and surgeons are in seeing the true value proposition of ASCs, but I think it's getting there.

I'm optimistic that they'll continue to see that not only is there strong clinical value, but there's strong economic value, because these procedures are done at oftentimes \$1,000s less than they're able to be done in a hospital setting.

Q Did COVID have much of an impact and push more surgeries outside the hospital? Or was that going to happen anyway and that was just a continuation of the trend?

A Leday: I think it's fair to say that COVID, obviously, had an impact on health care as it did much of America. We've really assessed the demands as they've shifted due to COVID and found that really spoke to this notion of 'necessity.'

And so what that meant for DePuy Synthes is that we needed to make sure that we had solutions that met this new alternate side of care. You couldn't have a ton of inventory on hand like you would at the hospital. How do we have more AI-driven deployment of our resources? How do we make sure we had 'back table' management?

Our advanced case management system does just that; we will look at the individual needs of a particular case in concert with the preferences of a surgeon and will deploy them deliver specifically what resources need to be in a specific set, right on time and make sure they're sterilized and ready for a case.

[Surgeons do not want] a multitude of resources on the back table that can be confusing for staff and can increase costs and can increase waste. So those are some of the things we had to do to pivot to make sure that we were ready to address those needs.

COVID very much put a spotlight on the need for additional sites and access points of care.

And once that was revealed, it didn't go away. It ended up being something that surgeons, patients, and even payers liked. And I think we're going to see that continue to grow in the US.

"If you've met an ASC, you've met one ASC. They're all so very unique." – Andrie Leday

Q How has that forced you to change and adapt as a group in terms of being able to reach your customers,

A Leday: 'Force change' is one way to articulate it. But I would say, actually, it's been a welcomed opportunity to embrace what could be and it's such a high growth area. There's such excitement in our organization to look at new and clever ways that we can continue to tailor our solutions to these unique surgeon needs.

If you've met an ASC, you've met one ASC. They're all so very unique. You're seeing some that are going to stand up and be sole-specialty practices, but by and large, they are moving to multi-specialty practices [because it makes the most sense from a] cost perspective, but also to just to be a solution that meets the needs of many.

And I can't think of a better organization than J&J medtech to meet those broad needs.

We've got a strong position in orthopedics, we've got a strong position in robotic and innovations, we've got a strong position in vision, and in surgical care, we've got also an equally strong position with Ethicon general surgery – sutures, etc. ... you name it.

It's been nice to work alongside others in the organization to meet the needs of ASCs – lowering costs of surgery while also saving the entire US healthcare system money.

Q When you're going to customers and saying, 'This is why you should work with J&J as opposed to anybody else,' what is that pitch? Why do they want to work with J&J?

A Leday: We've actually seen a strong shift in a positive direction, on our position within the hearts and minds of ASC owners and surgeons. Some of the things that ring true are that we're committed to creating a brand new ecosystem in the ambulatory surgery center space.

And what that means is looking beyond the amazing implants, like our Attune knee system, and looking to find more instruments and tools that can help with delivering value along with technology. (Also see "[AAOS 2022 Roundup: Stryker, Zimmer Biomet, I&J's DePuy Synthes, Canary Medical](#)" - Medtech Insight, 29 Mar, 2022.)

It's not just the ability to create something that's 'neat' or differentiating or cutting-edge, but also figuring out how to create solutions that add value. And so that's something that makes a big difference in what DePuy Synthes brings to the table.

We're looking to add value, not only in the implants and the actual instruments themselves that are traditionally deployed, but also in how we can support staff training and staff development – you've got this huge staffing challenge and need. And so the tenure and the expertise may or may not be there across the board in some of these newer ORs.

As we're adding additional sites of care you've still got hospitals that are standing up, but now you have ASCs that are providing new employment opportunities all across America. So how do we help bridge that divide and help educate their staff?

[How can we] help educate, particularly, surgeons on new techniques, new surgical applications and new instruments, like our Kincise [surgical automated system for total hip arthroplasty] and the Cuptimize [hip-spine analysis system], to name a few of the some of the things that we brought to the table.

"The cookie-cutter approach that we utilized historically in our

legacy relationships with hospitals – we're not able to necessarily do that in the ASC setting." – Andrie Leday

Q What do ACSs and surgeons wish could be different about the process of working with medtech companies other than just making everything cheaper?

A Leday: The biggest challenges that they all share, we also share. I think it's looking at ways to continue to create efficiencies, continue to bring value when we bring opportunities and solutions and innovations forth, and also, the ability to personalize and customize the solutions that we bring forth.

The cookie-cutter approach that we utilized historically in our legacy relationships with hospitals – we're not able to necessarily do that in the ASC setting.

They're looking for us to recognize that and then rise to the occasion and the challenge to bring those differentiated solutions to their practice in a very meaningful, impactful way, but also a 'value-compressed' way.

And so those are some of the things that my team – we have a fully deployed field based team – which works alongside our field sales organizations, to have those touch points and those discussions, and continue to make sure that we're monitoring the impact of the solutions that we've deployed.

We've got a strategy and innovation group that continues to say 'What's next?' They are listening to the needs that are ever present and dynamic within ASC owners and asking 'What do we need to continue to dedicate our time, attention and resources to get ahead of what the needs are?'

We have a marketing team that helps us to make sure we're getting that message out. And we're also creating a pathway so that others can find their way. And we can find

our way to create value for those needs and figure out what's coming up next.

Further Reading

For more information on DePuy Synthes and the growth of ambulatory surgery centers, check out these articles from Medtech Insight.

[J&J Subsidiary Pays \\$9.75M To Resolve Kickback Allegations](#)

[AAOS 2022 Roundup: Stryker, Zimmer Biomet, J&J's DePuy Synthes, Canary Medical](#)

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