

# The President's Page

## Happy New Year?

*By Linda J. Mason, M.D., CSA President*

**T**he coming New Year is almost upon us. However, most anesthesiologists should be paying more attention to New Year's Day 2006. That's the day on which workers' compensation payments to anesthesiologists will drop to a level which will cause many—perhaps most—anesthesiologists to stop providing everyday care to workers' compensation patients. Emergencies will always be seen. Routine procedures, restoring function and alleviating pain will become problematic.

That is because payments to anesthesiologists, as of January 1, 2006, are scheduled to fall to 120 percent of Medicare rates. Under a one-size-fits-all formula contained in the workers' compensation reform bill (SB 228) passed in 2003, physicians will be paid 120 percent of Medicare. In some specialties, particularly primary care, that will be quite acceptable. Not for anesthesiology. Most lawmakers did not understand that the Medicare formula for paying anesthesiologists is unique in its impact. Anesthesiologists should know the history. (See "Anesthesia Reimbursement" on p. 34.) In the coming year, the federal government will have to justify why Medicare applied a yardstick to anesthesiology, and only anesthesiology, which pays a great deal less than fees in the market place and almost all other fee schedules. In fact, on average nationally, anesthesia services are paid by Medicare at 39 percent of commercial rates while other physician services are paid at 83 percent. A comprehensive explanation is available from the ASA: **Medicare & Anesthesia Reimbursement Methods: Why the Medicare Fee Schedule is the Wrong Benchmark for Commercial Anesthesia Payments.**<sup>1</sup>

Almost every one of us accepts Medicare payments, even though fees are less than 50 percent of what even miserly managed care organizations pay for the same procedures. Many patients who are Medicare beneficiaries are

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<sup>1</sup> (1999) A slide presentation with text is available as a booklet (\$10), as a PowerPoint file on diskette (\$15), or as 35 mm slide package (loan).

financially strapped, and much of the care we provide them addresses life-threatening conditions. Inadequate Medicare payments generate economic problems, but care still is generally available. Workers' compensation is

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different. This is not charity. Employers are financially responsible for such care, and workers' compensation insurance companies have agreed, at least until now, to pay [what may be generously interpreted as] reasonable fees. The new law would change the equation. Payments at 120 percent of Medicare would approximate less than \$22 per unit. This year, CSA's reimbursement survey found that managed care companies pay about \$45 per unit statewide, with higher payments in some urban areas.

Anesthesiologists are leaving California, moving to states where living costs are less and incomes are higher. This is not something most of us want to do, but few of us can accept a reduction in our cash flow of this magnitude. While we may choose to stay here, we find that we cannot convince new anesthesiologists to join our practices while housing and other costs skyrocket and reimbursement ratchets down.

At this moment and throughout the coming months, your officers and CSA's top-notch lobbying team will be working on a solution. We will do our best to reach consensus with other specialties, but our obligation is to seek a formula which does not demand mass subsidization by anesthesiologists. There is no moral or equitable justification for requiring anesthesiologists, and only anesthesiologists, to provide care at unaffordable levels of reimbursement. Business points out that California insurance costs are still higher than elsewhere. It must be made clear that the relatively small sum paid to anesthesiology is not the problem, while the resource anesthesiology provides is absolutely essential to good care.

If relief is not found in the coming months, it is predictable that many of you will make difficult personal decisions as to the measure of workers' compensation cases in your practice. These must be individual decisions. Factual circumstances will vary, and the law will not countenance decisions made en masse through concerted action. However, stark reality suggests the potential for great disruption in the care of workers' compensation patients will occur in another year, absent a solution.

In seeking changes addressing unreasonable cuts in what physicians receive for appropriate care, anesthesiology will be competing in the legislature with those groups who were pushed away from the trough that fed them without commensurate contributions to the welfare of injured workers. Now is the time to tell patients, and groups allied with patients, including unions and

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employers, what 120 percent of Medicare means to anesthesiologists. Your medical colleagues will need the same information. Our educational effort must begin now if we will be successful in receiving fair compensation.

### **Committee Appointments**

**Active and Resident members who are interested in becoming more involved in the CSA and would like to start by serving on a committee need to contact Edgar D., Canada, M.D., President-Elect, at [ecanada@ucsd.edu](mailto:ecanada@ucsd.edu) or the CSA office at (800) 345-3691 or [csa@csahq.org](mailto:csa@csahq.org) by February 1, 2004, indicating interest in the following committees:**

- Bylaws**
- Educational Programs Division**
- Finance and Administration**
- Leadership Development**
- Legislative and Practice Affairs**
- Liaison to Industry**
- Peer Review**
- Physician's Health and Well Being**
- Professional and Public Communications**