

MEDICARE PHYSICIAN PAYMENT 101

UNDERSTANDING THE PHYSICIAN FEE SCHEDULE FOR ANESTHESIOLOGISTS

PAYMENTS FOR PHYSICIAN ANESTHESIOLOGISTS

A payment for anesthesia services includes assessment prior to the procedure, all aspects of anesthesia management during the procedure, and postoperative care.

The fee for anesthesia services is based on four elements:

- The complexity of the anesthesia service (base units)
- Any special circumstances that may increase the risk to the patient, a serious underlying health condition (patient status modifier)
- The length of the anesthesia service (time units)
- Anesthesia services have a unique conversion factor specific to anesthesia care. As is true for resource-based relative value scale (RBRVS), the national conversion factor is adjusted for geographic differences.

HOW DOES THE MATH WORK FOR ANESTHESIOLOGISTS' PAYMENTS?

Anesthesia base units are assigned to the procedure based upon the complexity of the surgical procedure. The base units are adjusted by patient status modifiers. It includes the complexity of the anesthesia care and surgical procedure, including issues related to patient co-morbidities, patient positioning and other factors that influence anesthesia management. The adjusted base units are then added to the total time units. That number is then multiplied by a special geographic Medicare anesthesia conversion factor.

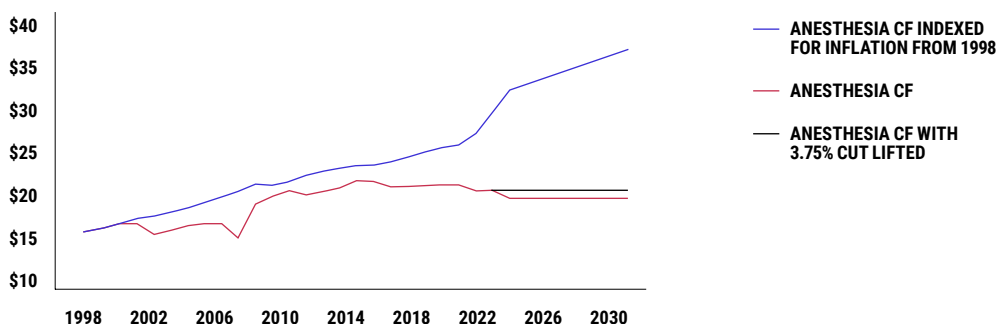
$$\text{BASE UNITS} + \text{MODIFIER UNITS} + \text{TIME UNITS} \times \text{GEOGRAPHIC-SPECIFIC MEDICARE ANESTHESIA CONVERSION FACTOR} = \text{MEDICARE ANESTHESIA PAYMENT}$$

*Note: Some services provided by anesthesiologists, including critical care medicine, other evaluation and management (E&M) services and pain management are billed using the RBRVS system.

THE CONVERSION FACTOR HAS NOT KEPT UP WITH INFLATION

Medicare's conversion factors have failed to keep up with inflation and are roughly 50 percent of what they would be if they kept pace with inflation.

ANESTHESIA CONVERSION FACTOR (CF) COMPARED TO INFLATION OVER TIME



ANNUAL MEDICARE PHYSICIAN FEE SCHEDULE (MPFS) PROCESS TIMELINE

The MPFS is published in the Federal Register annually. A proposed rule is published in the summer and finalized later in the year.

JULY 2022

CMS ANNOUNCES PROPOSED MPFS. A 60-DAY COMMENT PERIOD WHERE THE PUBLIC CAN WEIGH IN BEGINS.

JANUARY 1, 2023

NEW MPFS TAKES EFFECT

NOVEMBER 2022

CMS ANNOUNCES THE CY 2023 MPFS