# THE TARRANCE GROUP

# **EXECUTIVE SUMMARY**

July 3, 2002

To: American Society of Anesthesiologists

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Subject: Nationwide survey of senior hospital administrators about anesthesia coverage<sup>1</sup>

#### I. Overview

- This survey was designed to fulfill three primary objectives: (a) to assess current trends in anesthesia coverage in hospitals with over 100 beds; (b) to determine how these trends are impacting patient care; and (c) to explore the extent to which Medicare payment rates for anesthesia services influence trends in anesthesia coverage and care.
- Regarding current trends in anesthesia coverage, this survey reveals that almost one-half of all senior administrators in 100+ bed hospitals report the need for additional anesthesiologists on staff.
- Cited manifestations of these shortages are increased surgery wait time, limited availability of operating rooms, and the need to rely on *locum tenens* anesthesia providers.
- In fact, almost one-half of administrators report that their hospital has had to limit the number of
  operating rooms in service or the available hours of an operating room due a shortage in
  anesthesia staff.
- With respect to Medicare payment rates, four-out-of-five administrators express some degree of
  concern about the current rate that is paid for anesthesia care, and nearly three-in-ten would
  even say that Medicare payment rates for anesthesia care are having an impact on patient
  access to surgical care at their hospital.
- One of the more salient findings to be drawn from the data is that the nation's largest hospitals (250+ beds) are more likely to report that they do not have an adequate number of anesthesiologists on staff than smaller hospitals. These hospitals are more likely to be expecting departures from their anesthesia group during the months ahead, and they are more likely to indicate that Medicare payment rates for anesthesia care are having an impact on patient access to surgical care at their hospital. As a result, shortages in anesthesia coverage are having the greatest impact on patients who rely on the largest and often busiest hospitals in America.

Interviews were administered among senior-level administrators of "large" hospitals, whereby a "large" hospital is defined as a hospital with over 100 beds. According HCFA records, the total universe for this population is comprised of 2,363 hospitals. The final results are based on 327 completed interviews drawn from a sample of 957 records (34% response rate). 118 interviews were completed by telephone and 209 interviews were completed by mail. The margin or error associated with a sample of this type is  $\pm$  5.0% (at the 95% confidence level). Responses were gathered March 28 – June 17, 2002 by The Tarrance Group, Inc.

## II. Trends in anesthesia care and coverage

- Nearly three-in-four hospitals (74%) use a combination of anesthesiologists and CRNAs to perform anesthesia care. The other 26% of hospitals report that they use anesthesiologists only.
- A plurality of hospital administrators (43%) report that they have increased the number of
  anesthesiologists with privileges at their hospital over the course of the past three years. In
  response to a separate question, 36% report an increase in the number of CRNAs. Only a small
  handful of hospital administrators indicate that there has been a decrease in the number of
  anesthesiologists and CRNAs with privileges during this period of time (16% and 10%,
  respectively).
- Despite these increases, almost one-half of all administrators (47%) believe that they do not currently have an adequate number of anesthesiologists on staff. The impact of not having an adequate number of anesthesiologists on staff manifests itself in the following ways:
  - 75% of these hospitals have experienced an increase in surgery wait time;
  - 66% of these hospitals have had to limit access to ORs due to lack of anesthesia personnel;
  - 66% of these hospitals feel that Medicare payment rates are impacting access to care;
  - 62% of these hospitals have had to reduce services outside of the OR;
  - 61% of these hospitals have had to supplement staff with *locum tenens*.
- Over one-half of the administrators surveyed (59%) indicated that their hospital is currently recruiting anesthesiologists. Additionally, a slim majority of these hospitals (51%) report that they have been recruiting for over six months.
- In response to a question that asked administrators how concerned they were about the hours being worked per week by their anesthesia providers, 68% expressed some level of concern (on a 10-point scale, 68% of respondents ranked this issue with a score of 6 or higher).
- Overall, 68% of administrators report that they have had at least one departure from their
  anesthesia group during the past 12 months. Administrators that express concern about the
  number of hours their anesthesia care team is required to work are more likely to report that their
  hospital has had providers leave the anesthesia group than those administrators that are less
  concerned about this issue (72% versus 62%, respectively). Similarly, hospitals that use only
  anesthesiologists to administer anesthesia are more likely to report a greater number of
  departures over the past 12 months than hospitals that use both anesthesiologists and CRNAs
  (79% versus 64%, respectively).
- Looking down the road, nearly three-in-ten administrators (29%) indicate that they expect their hospital to lose anesthesia providers over the course of the next six months.
- More than one-third (34%) of hospitals are subsidizing the clinical practice revenues of their anesthesia providers. This practice is most prevalent at the nation's largest hospitals (40%).
- A majority (51%) of hospitals have also had to use *locum tenens* providers generally at a very large cost to supplement their anesthesia groups. Among those hospitals most likely to use *locum tenens* providers are hospitals that do not have an adequate number of anesthesiologists (66%), hospitals with over 250 beds (54%), and hospitals that use anesthesiologists and CRNAs (56%).

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## III. The net impact

- Almost one-half of administrators (47%) report that their hospital has had to limit the number of operating rooms in service or the available hours of an operating room due a shortage in anesthesia staff. This figure climbs to 55% among administrators of hospitals with over 250 beds.
- More than one-fourth (27%) of hospital administrators indicate that the wait time for surgical care services has increased within the past 5 years, while just 13% report that wait time has decreased. Those hospitals most likely to experience increased wait time for surgical care services include hospitals that do not have an adequate number of anesthesiologists on staff (43%) and hospitals with over 250 beds (36%).
- In addition, 22% of administrators say that within the last five years they have had to limit or eliminate anesthesia services that were previously provided outside of the operating room. This is less of a problem among hospitals that use anesthesiologists only (17%); however, the figure rises to 30% among hospitals with over 250 beds.

#### IV. Medicare payment rates for anesthesia services

- In response to a question that asked administrators how concerned they were about Medicare payment rates for anesthesia services, an overwhelming majority (79%) expressed some level of concern. Using a 10-point scale, 79% of respondents ranked their level of concern with a score of 6 or higher, and 33% indicated that this issue was of "major concern" by offering a score of 10.
- Fully 28% of all hospital administrators would say that Medicare payment rates for anesthesia care are having an impact on Medicare patient access to surgical and anesthesia care. Among those most likely to make this claim are administrators who have had to subsidize the clinical practice of their anesthesia providers (37%), administrators of 250+ bed hospitals (31%), and hospitals that have seen an increase in the wait time for surgical care over the past five years (49%).

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