



June 2, 2009

Health, Education, Labor and Pensions Committee  
U.S. Senate  
Washington, DC 20515

Dear Committee Members:

As President of the American Society of Anesthesiologists (ASA) and its 43,000 physician members who practice anesthesiology, pain and critical care medicine, I am writing regarding the “publicly sponsored and guaranteed option” referenced in the Health, Education, Labor and Pensions Committee’s May 21, 2009 document titled “A New Vision for American Health Care: Strengthening What Works and Fixing What Doesn’t.”

While ASA remains open to a wide range of options for health reform – including supporting a public plan option -- **we implore the Committee not to pursue any new public health insurance plan that would be an expansion or imitation of Medicare and its unacceptably low payment rates for the services of anesthesiologists.** Medicare has long underfunded payments for anesthesia services and discounted payments for pain services. An expansion of such a flawed funding and payment mechanism to a larger segment of the population would be unsustainable for the medical specialty of anesthesiology.

In a 2007 report (GAO-07-463), the Government Accountability Office (GAO) confirmed the payment disparity between Medicare and commercial payments for anesthesia services. **The GAO concluded that Medicare paid an average of 33 percent of what private insurers pay for anesthesia services.** Meanwhile, for most other medical specialties, Medicare has paid an average of 80 percent of what is paid by private insurers, according to the Medicare Payment Advisory Commission (MedPAC) in its March 2009 report to Congress. This is an extremely serious economic issue for anesthesiology, as according to 2007 data, (the most current available), anesthesiologists delivered 9,628,152 anesthetics to Medicare patients. Overall, anesthesiologists’ services account for roughly 2 percent of overall Medicare costs.

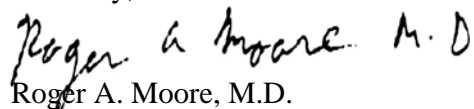
In the same report, GAO warned that, “the difference between Medicare and private payments for anesthesia services is larger than the difference in payments for other physician services, *raising the concern that Medicare payment levels could affect where anesthesia practitioners locate and more generally whether interest in anesthesiology as a profession is also affected* [emphasis added].”

Consequently, ASA strongly believes that rates in any public plan, should Congress pursue it, must be fairly negotiated to incentivize participation by all providers. Along these lines, we would take issue with any related proposal that would mandate that providers participate in a public option. **ASA believes that physicians and hospitals should be able to voluntarily opt-in to participate, should a public plan be established.**

As you know, ASA, along with other medical specialties and the AMA, continues to educate Congress and the Administration that the underlying financing of the current Medicare payment structure is a house of cards that is close to collapsing as the Medicare trustees have just warned us yet again. Right now, we are facing a 21% payment reduction in Part B payments scheduled for 2010 because of the SGR formula. Building upon that house of cards with a public plan based upon Medicare is simply not sustainable and could ultimately harm patient access to medical care at multiple levels, including anesthesiologists and their ability to provide care to patients.

On behalf of our patients and physician members, ASA is committed to a bipartisan approach to sustainable, responsible reform that ensures access to health insurance for all Americans and that preserves the strength and vitality of our specialty. Please use us as a resource as the committee discusses key aspects of health system reform in the coming weeks. We would welcome the opportunity to work with you.

Sincerely,

Handwritten signature of Roger A. Moore, M.D. in black ink.

Roger A. Moore, M.D.

President

American Society of Anesthesiologists