



September 23, 2009

Members of the Senate Finance Committee
U.S. Senate
Washington, DC 20515

Dear Committee Members:

I am writing as President of the American Society of Anesthesiologists (ASA) and its 43,000 physician members who practice anesthesiology, pain and critical care medicine, to thank you for your continued efforts to move needed health care and insurance reform legislation forward. ASA continues to support basic health insurance reforms that will strengthen our nation's health care system and assure access to quality health care for all Americans.

As you consider the Chairman's Mark, I urge you, as a member of the Senate Finance Committee, to support language that allows for free negotiation by physicians in any new health insurance offering that emerges from the Committee. ASA firmly believes that no legislation should move forward with a Medicare rate-based plan, and we appreciate that the Chairman's Mark does not include such unfair payments to anesthesiologists.

ASA further appreciates that the Finance Committee already has accepted an amendment offered by Ranking Member Grassley that strengthens language allowing physicians to negotiate payments. This amendment specifies in part that "the Secretary may not interfere with the negotiations between a co-op or co-ops and...any other health care provider; and may not require or institute a price structure for the reimbursement of any health care service covered by the co-op or co-ops." This is a very positive development, and ASA urges you to work to ensure that the amended language remains in the final version of the legislation.

Medicare has historically undervalued anesthesia services and discounted payments for pain services. An expansion of this unsustainable payment system to a larger population would have serious ramifications for the medical specialty of anesthesiology, and the patients who receive our care.

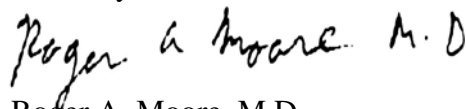
In a 2007 report (GAO-07-463), the Government Accountability Office (GAO) confirmed the payment disparity between Medicare and commercial payments for anesthesia services. The GAO concluded that Medicare paid an average of 33 percent of what private insurers pay for anesthesia services. (Meanwhile, for 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). The 33 percent rate simply does not cover the costs of providing anesthesiology medical care.

Exacerbating the Medicare payment disparity for anesthesia services, all physicians are facing a 21% payment reduction in Part B physician payments scheduled for 2010 because of the unfair across-the-board application of the SGR formula. We urge the Committee to replace this formula with policies that fairly identify high volume growth procedures for appropriate analysis and resolution, where warranted, but do not penalize all physicians, many of whom are not contributing to the growth in health care spending in America.

As highly trained physicians, anesthesiologists are uniquely qualified to make medical judgments and oversee the broad practice of anesthesiology and other medical care. Our medical expertise provides the leadership and skilled care patients need when they are most vulnerable. Indeed, in the past decade, the Institute of Medicine has singled-out anesthesiologists alone as the leaders in quality and patient safety. And today, our efforts to advance quality and ensure patient safety continue unabated.

For these efforts to succeed they must be supported by adequate and reasonable payment rates across all health plans, especially any new offerings. Please ensure that the final health reform legislation allows for free negotiation under any new health plan, and includes meaningful reform to the SGR formula.

Sincerely,

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

Roger A. Moore, M.D.

President

American Society of Anesthesiologists