

Dear Secretary Sebelius:

As part of the authority granted to you under Section 3134, Misvalued Codes Under the Physician Fee Schedule, of the Patient Protection and Affordable Care Act (PPACA), we ask that you review Medicare payments for anesthesia services as possibly “misvalued” and potentially undervalued.

Anesthesiology suffers from a significant payment disparity under the Medicare system. While modest disparities between Medicare and commercial physician payment rates are longstanding and well-recognized, the disparity in payments for anesthesia services is unique. A July 2007 Government Accountability Office (GAO-07-463) report found that within a representative sample of anesthesia services performed in 41 Medicare payment localities, Medicare payments represented only 33% of commercial insurance payment rates for the same service. In contrast, the Medicare Payment Advisory Commission (MEDPAC) consistently reports Medicare’s payments for other physician services represent approximately 80% of commercial rates when averaged across all physician services and geographic areas. Accordingly, we believe the unique level of the disparity known as the “33% problem” warrants consideration as “misvalued.”

Although the anesthesia payment system is linked to the system for payments for other physician services – the Resource-based Relative Value Scale (RBRVS), the two differ methodologically. Accordingly, we would ask that you consider this issue with the involvement of individuals with recent clinical experience, generalized expertise in the valuation process used for Part B services, and specific expertise in unique payment methodologies specifically including that employed for anesthesia services. A thorough review by these experts of possible inaccurate links between the anesthesia payment system and RBRVS system may prove fruitful. Indeed, some payment observers have suggested that misvalued links between the two systems are contributing to the anesthesia payment disparity.

Thank you for your efforts to ensure accurate and appropriate payment levels under Medicare and for your consideration of this request.

/s/  
Gene Green  
Member of Congress

/s/  
Sue Myrick  
Member of Congress

/s/  
Eddie Bernice Johnson  
Member of Congress

/s/  
Leonard Lance  
Member of Congress