Anesthesiology Finance 101 – The Public Option

What is the Public Option?

The Public Option is a proposed new government-run health insurance plan that would compete with other private health insurance plans in the Affordable Care Act (ACA) marketplaces. A fundamental component of the Public Option is a reliance upon insufficient Medicare payment rates.

Why it matters

For anesthesiologists, a health care system that bases physician payments on historic Medicare payment rates is unsustainable and will significantly compromise anesthesiologists’ ability to provide quality care for patients.

For nearly three decades, the Medicare payment gap has been a persistent challenge because anesthesia services are paid at less than 33 percent of private payment rates. This represents the lowest rate among all medical specialties, most of which are paid by Medicare at approximately 80 percent of private payment rates. Because of this, a system built upon universal Medicare payment rates cannot support anesthesia practices and appropriately ensure patient access to high quality anesthesia services.

A Public Option could pull tens of millions of Americans into a system that undervalues anesthesia care, paying out a mere 33% of commercial payor rates for anesthesia services. The shift could devastate anesthesia practices and reduce the quality of patient care.
ASA will continue to advocate on behalf of anesthesiologists to ensure fair payment and access to affordable health care services for all Americans, building on the best features of public and private coverage, which includes maintaining a robust employer-sponsored insurance system.

- ASA is opposed to any new government health plan that uses flawed Medicare payment rates for anesthesia services.
- In order to better understand the potential implications of health care reform, ASA has established an Ad Hoc committee on Medicare for All to conduct a comprehensive literature and policy review.
- ASA recruited an outside researcher to perform an analysis of the implications of the public option on the specialty. The analysis and committee recommendations will guide ASA’s approach as the Society continues to educate state and federal lawmakers on the potential impact of a Public Option on anesthesiologists and the care they offer.
- ASA is creating resources, such as a whitepaper, to support state and federal advocacy efforts.
- ASA continues to meet with key stakeholders, including a recent meeting with the House Congressional Progressive Caucus, the authors of the current public option bill, and other key members of Congress and staff to share the Society’s concerns.

**How ASA is responding to the Public Option**

**What you can do to help**

- Expand your knowledge of this issue, so you can educate others on the consequences of a Public Option on the availability of care.
- Actively participate in your professional organizations at the state and national level.
- Develop long-term relationships with your government representatives so you’re able to educate them on how proposed health care solutions would impact anesthesiologists and patients.
- Communicate the importance of private health insurance to your colleagues and emphasize the economic implications of a Public Option tied to inadequate Medicare rates.
- Attend ASA’s federal legislative conferences.
- Stay informed when it comes to the latest legislative efforts.

“We have to invest in our specialty. We cannot preserve our profession unless we work together to bring awareness to the value of anesthesiology.”

— Robert Hsiung, MD, FASA, staff anesthesiologist, Virginia Mason Medical Center