

Anesthesiology Finance 101 – Surprise Medical Billing

What is Surprise Medical Billing?

Out-of-network billing, or “surprise medical billing,” occurs when a patient receives a bill for the difference between the out-of-network provider’s fee and the amount covered by the patient’s health insurance, after co-pays and deductibles. These bills can be unanticipated by patients, who often assume that facility-based providers, including anesthesiologists, are in-network because their surgeon and hospital are in-network.

The problem can be caused by health insurance companies who create narrow networks of health care professionals, limiting patients’ access to in-network physicians. Insurance companies may seek to improve their profitability by refusing to negotiate fair payment rates with anesthesiologists and other physicians.

The vast majority of claims for anesthesia services – more than 90% – are in their patients’ health plans or in-network, thereby limiting patient exposure to surprise medical bills.

Why it matters

Although 90 percent of anesthesiologists’ claims are in-network — meaning patients don’t receive surprise medical bills — there is still cause for concern. Some patients still face financial harm from surprise medical billing, often due to circumstances beyond their control.

Surprise billing is not only a problem for patients. Aggressive health insurance companies also harm physicians’ practices as well. Anesthesiologists must maintain the ability to negotiate fair payment rates and resolve disputes in a fair and balanced way in order to keep their practices healthy.



Surprise medical billing has affected **one in five** Americans, amounting to **\$40 billion each year.**

The “No Surprises Act”

Many states have laws on the books barring surprise billing to varying degrees. Recently, the issue was further addressed in the pandemic relief package passed by Congress in late 2020. Called the “No Surprises Act,” this legislation is a federal surprise medical bill solution that will apply to states that do not have their own surprise medical bill law and to plans in states that are federally regulated under the Employee Retirement Income Security Act (ERISA).

ASA has worked tirelessly and successfully to lobby for key provisions of the “No Surprises Act,” including those that created an independent dispute resolution (IDR) process to protect anesthesiologists’ practices from health insurers’ profit-driven negotiating and billing practices. ASA advocated for prohibiting health insurance companies from presenting artificially low Medicare, Medicaid, and public payer rates as a fair payment rate; for facilitating easy access to the IDR process by permitting claims of any amount to be considered; and for permitting batching or bundling of similar claims.

While ASA applauds recent progress, there’s still more work to be done before the January 1, 2022 implementation of the “No Surprises Act.” New regulations to implement the law will be written in coming months, and ASA will continue to advocate for fair treatment of anesthesiologists.

How ASA is responding to Surprise Medical Billing

ASA advocates for fair and functional solutions that protect patients and promote appropriate pay levels for physician anesthesiologists.

- ASA educates Congressional and White House staff on insurance abuses that lead to surprise medical bills, helping to defeat pro-insurer Congressional surprise medical bill solutions.
- To educate state and federal lawmakers on important initiatives, ASA helped organize hundreds of key contacts for grassroots efforts.
- Along with a coalition of physician organizations, ASA recently helped secure pro-physician provisions in the final No Surprises Act. The Society is working to ensure favorable provisions in the implementation of surrounding regulations.
- To educate members and keep them informed of changes, ASA is creating educational tools and resources for membership.



What you can do to help

- Educate yourself on this issue, so you can help others understand the problem.
- Communicate the disadvantages of surprise billing with your colleagues in medicine.
- Engage with local lawmakers to educate them on the problem and how proposed solutions would impact anesthesiologists and patients.
- Participate in the public comment period that will accompany the writing of the new regulations.



American Society of
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