



**Statement for the Record from the  
American Society of Anesthesiologists  
905 16th Street, N.W., Suite 400  
Washington, D.C. 20006**

**U.S. House of Representatives  
Committee on Rules  
*Hearing on H.R. 1384, the “Medicare for All Act of 2019”*  
April 30, 2019**

On behalf of the American Society of Anesthesiologists (ASA), thank you for holding the April 30, 2019, hearing entitled, the “Medicare for All Act of 2019.” ASA commends the Committee’s thoughtful consideration of the Medicare for All Act (H.R. 1384). We appreciate the opportunity to share our concerns about this legislation, specifically our “33% Problem.”

**About the American Society of Anesthesiologists (ASA)**

Representing more than 53,000 members, ASA is dedicated to raising and maintaining the standards of the medical practice of anesthesiology and to improving patient care. Since 1905, we have acted as an advocate for all patients who require anesthesia or relief from pain. Physician anesthesiologists are committed to providing safe, high quality and efficient care for patients undergoing anesthesia and surgery, and for patients requiring care in the intensive care unit, pain medicine, and palliative care. To ensure ASA members accomplish these goals, the society is committed to advancing patient health and clinical care through research designed to improve the health of patients, identify new and improved ways to care for patients and to provide value-based care that best meets the needs of each patient.

**ASA Urges Dialogue and Discussion**

The ASA has grave concerns for H.R. 1384, the “Medicare for All Act of 2019” and its impact on the practices of our physicians. ASA believes that open dialogue and stakeholder discussion is essential to ensuring the right policy approach is taken to improve access to the health care for all Americans and to minimizing the impact of unforeseen adverse consequences to the health system. ASA urges the Committee to consider the following principles when evaluating any legislative changes affecting the current health care system, and especially changes that affect patient access to health care services:

- Maintain access to affordable health care services for all Americans by building on the best features of public and private coverage - including maintaining a robust employer-sponsored insurance system that is subject to federal guardrails and oversight, and that provides comprehensive access to preventative and health maintenance services, as well as insurance protection for catastrophic illnesses. Provide levels of coverage and benefits for individuals and families at least as strong as those provided under the ACA-created exchanges.
- Ensure that all coverage defines essential benefits to include both anesthesia and pain services, as well as associated coverage for physician and hospital services, maternity care, and prescription medications. Prohibit any and all discrimination based on preexisting conditions.

- Recognize the value of physician-directed care and the integral role physicians play in delivering high quality, cost-efficient patient care based on their advanced education, skills and experience.
- Maintain patient choice of physician, insurer, and type of health plan, including health savings accounts, as well as access to physician-led care regardless of the geographic location.
- Ensure adequate funding for Medicaid and children's health services.

The legislation being considered before the Committee is one approach to address the gaps that remain in adequate and affordable health insurance. While ASA recognizes this approach may provide insurance coverage for all Americans, ASA is gravely concerned for the negative impacts this legislation would have on the adequacy and robustness of the coverage itself. Specifically, any system that builds provider payment off historic Medicare payment rates will seriously compromise the availability of adequate care for patients, particularly those who need anesthesia services.

#### **Medicare Payment Formula Unique for Anesthesia but Flawed – The “33% Problem”**

**The formula used for Medicare payments for anesthesia services is unique and unlike the formula used for other physician payments.** The formula is based on procedure time and is limited to time actually spent in direct patient care. However, longstanding flaws in Medicare's implementation of the formula result in unsustainably low rates. Accordingly, a system built upon universal Medicare payment rates cannot support anesthesia practices and appropriately ensure patient access to anesthesia services.

In most all contexts, Medicare payment rates are below payments made by commercial payers for comparable services. It is widely understood that for most services, commercial payers subsidize inadequate Medicare payments. Nowhere is this more true than with Medicare payments for anesthesia services. A Government Accountability Office (GAO) report from July 2007 entitled, “Medicare Physician Payments: Medicare and Private Payment Differences for Anesthesia Services,” found a large disparity between Medicare payments and private payer rates.<sup>1</sup> GAO found that in 2004, **average Medicare payments for a set of seven anesthesia services provided by anesthesiologists represented only 33 percent of average private insurance payments** in 41 Medicare payment localities. In the intervening years, little has been done to close the gap and improve Medicare payments.

#### **Recent Study Confirms Ongoing 33% Problem**

In addition to the GAO report, ASA conducts an annual survey of anesthesiology practices across the country where recipients are asked to report on a variety of issues, including the conversion factor from their five largest commercial contracts. ASA has been doing this survey for many years, and our data consistently affirm the findings of the original GAO findings and show this trend continues today. **Our 2018 survey showed that the average commercial conversion factors was \$76.32 and the median was \$71.81. The 2018 Medicare conversion factor was \$22.1887 – 29.1% of the national mean commercial rate. The Medicare payment gap is an ongoing and 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 and would become the default payment level if H.R. 1384 becomes law.**

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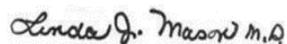
<sup>1</sup> Medicare Physician Payments: Medicare and Private Payment Differences for Anesthesia Services. GAO-07-463, Published: Jul 27, 2007. Publicly Released: Aug 27, 2007.

**Medicare Payment Rates Not Sustainable**

Should H.R. 1384 be enacted in its present form, many medical practices could not be sustained and patient access to specialty services, like anesthesiology and pain management, will suffer. As such, ASA encourages the Committee to thoroughly examine the impact of transitioning to a universal single-payer system where current Medicare rates are used for payment of specialty care.

We greatly appreciate the Committee's consideration of these principles and the potential deleterious impacts this legislation could have if enacted in its present form. A copy of the GAO's report on Medicare Physician Payments, as well as the ASA's 2018 Conversion Factor Survey is attached for the committee's review. The American Society of Anesthesiologists welcomes the Committee's questions, and the opportunity for continued dialogue on this important issue. Please contact Manuel Bonilla, ASA Chief Advocacy and Practice Officer at: [m.bonilla@asahq.org](mailto:m.bonilla@asahq.org) for additional information. The American Society of Anesthesiologists is committed to working with the Committee to ensure ready access to safe, high quality anesthesia care for our patients.

Sincerely,



Linda Mason, M.D., FASA  
President  
American Society of Anesthesiologists