

**Payment and Practice Management Memo
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**The Company Model
Update on ASA efforts to address a growing problem**

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The term ‘company model’ refers to a financial arrangement in which referring physicians seek to share in revenue from anesthesia services. More specifically, referring physicians set up a separate company to bill for the anesthesia services, then pass along only a portion of the revenue to the anesthesia provider, keeping the rest as profit. The second ASA Survey on the company model revealed that this problem is growing both in overall incidence and in the number of states reporting such arrangements.¹ ASA members are reporting that refusal to accept company model arrangements has led to loss of existing contracts with referring physicians.

ASA recognizes the seriousness of the company model problem and is working on strategies to address it. We have sent letters to the Office of the Inspector General (OIG) in 2012, 2013 and 2014 requesting OIG review of this problem and urging the OIG to issue a special fraud alert on company model arrangements. The OIG has posted three separate Advisory Opinions that are relevant to the question. You can view our history of actions at <https://www.asahq.org/For-Members/Practice-Management/Company-Model.aspx>

The ASA Committee on Practice Management, in conjunction with ASA staff and outside counsel, is working to identify additional strategies, both at the federal and state levels, to address this problem. The committee expects to submit its recommendations to the ASA Board at its August meeting. If you have comments or suggestions for the committee, please contact Jay Mesrobian, M.D., Chair-ASA Committee on Practice Management, at 414-614-4350.

¹ Mesrobian, JR and Merrick, SK, Results of the Second Survey on the Company Model, ASA Newsletter, December 2013