ASA Clarification of Teaching and Payment Scenarios Under 2010 Medicare Physician Fee Schedule, and CMS Updates to Medicare Claims Processing Manual:

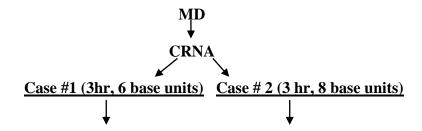
The recently released 2010 physician fee schedule (PFS) contains important payment changes for anesthesiologists involved in the teaching of anesthesiology residents or student nurse anesthetists (SRNAs). Most notably, for the first time since 1994, teaching anesthesiologists will now receive 100% of the Medicare Fee Schedule for each case when they work with two residents in overlapping cases. In addition, the rule also codifies new payment rules in scenarios where an anesthesiologist is involved in a case with a CRNA and/or a SRNA. This document is intended to clarify how anesthesiologists and CRNAs will be paid in various scenarios under the new Medicare rule for services provided after January 1, 2010.

First, it is important to note that the medical direction rules for anesthesiologists have not changed. As under current law, anesthesiologists may still medically direct up to 4 separate concurrent cases involving CRNAs, and will get paid 50% of the Medicare allowed amount for each case.

Prior to the release of the 2010 final rule, an August 2002 CMS transmittal, allowed non-medically directed CRNAs to be involved in up to two teaching cases with SRNAs. In these cases, the teaching CRNA would receive the full base units for each case plus the actual time spent in each case, multiplied by the anesthesia conversion factor. We refer to this payment scenario as "base + face" because the CRNA gets paid the full base units plus the "face" time spent with each SRNA. Under the PFS, CMS has modified payment for CRNAs in these cases so that the non-medically directed CRNA is now entitled to 100% of the allowed amount for each of the two cases involving SRNAs.

The 2010 PFS codified the CRNA payment transmittal into law and added that if the CRNA is being medically directed by an anesthesiologist in a case involving the training of a SRNA, the anesthesiologist would receive 50% of the allowed amount (full base units + time, multiplied by conversion factor, all of which is divided by 2) and the CRNA would receive 50% of the base + face calculation.

For example, assume an anesthesiologist medically directs one CRNA in two separate concurrent cases involving SRNAs in a state where the Medicare conversion factor is \$20.00. Further assume that Case 1, which is valued at 6 base units, takes 3 hours to complete, and Case 2, which is valued at 8 base units, also takes 3 hours to complete. Finally, assume the CRNA spends 40 percent of his/her time (72 minutes) in Case 1 and 60 percent of his/her time (108 minutes) in Case 2 and Medicare would calculate the payments under the new rule as follows:



SRNA #1 SRNA #2

MD	Case #1 - [(6 + 180min/15) x \$20]/2	= \$180
	+	
	Case #2 - [(8 + 180min/15) x \$20]/2	= \$200
	Total MD Payment	= \$380
CRNA	Case #1- [(6 + 72min/15) x \$20]/2 +	= \$108
	Case #2 - [(8 + 108min/15) x \$20]/2	= \$152
	Total CRNA Payment	= \$260

SRNAs No payments made for SRNA services because they are not qualified anesthesia providers under Medicare

The following is a list of various, teaching scenarios and their payment implications. This is not a complete list of all possible teaching scenarios and the inclusion of any teaching scenarios is not considered an endorsement of a particular practice by the ASA. Instead, the scenarios provided are intended to illustrate the types of teaching situations that will be allowed under the new Medicare PFS Rule beginning in 2010 and how CMS will likely pay the various providers.

- 1) 1 MD + 1 Resident = MD paid 100% of the allowed amount
- 2) **1 MD** + **2 Residents in two separate concurrent cases** = MD paid 100% of the allowed amount for each case
- 3) 1 MD + 1 Resident + medical direction of 1 CRNA in two separate concurrent cases = MD paid 100% of the allowed amount for the resident case and 50% of the allowed amount for the CRNA case. CRNA paid 50% of the allowed amount for his/her case
- 4) **1 MD** + **2 SRNAs in two separate concurrent cases** = MD paid 50% of the allowed amount for each case (Note: MDs cannot be involved in more than two concurrent SRNA cases without a CRNA also involved)
- 5) 1 MD medically directing 1 CRNA + 1 SRNA (CRNA teaching SRNA in same case) = MD paid 50% of the allowed amount, CRNA paid 50% of allowed amount
- 6) 1 MD medically directing 1 CRNA + 1 SRNA in two separate concurrent cases = MD paid 50% of the allowed amount for each case, CRNA paid 50% of the allowed amount for his/her case. No payment made for the SRNA service
- 7) **1 Non-medically directed CRNA** + **1 SRNA** = CRNA paid 100% of the allowed amount
- 8) 1 Non-medically directed CRNA + 2 SRNAs in two separate concurrent cases = CRNA paid 100% of the allowed amount for each case

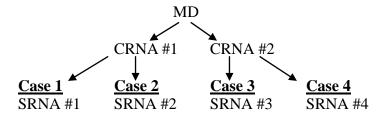
- 9) 1 MD medically directing 1 CRNA + 2 SRNAs in two separate concurrent cases = MD paid 50% of the allowed amount for each of the 2 cases, CRNA paid 50% of base + face for each case
- 10) **1 MD medically directing 4 CRNAs, each involved in 1 case with a SRNA** = MD paid 50% of the allowed amount for each of the 4 cases, and each of the 4 CRNAs paid 50% of the allowed amount for the case in which he/she was involved

It is important to remember that ACGME rules prohibit an anesthesiologist from supervising or medically directing more than two concurrent cases if the anesthesiologist is involved in the training of a resident. Similar rules apply for the training of SRNAs. Therefore, the following are examples of scenarios that are not allowed:

- 1 MD + 1 Resident + 2 CRNAs in three separate concurrent cases
- 1 MD + 1 Resident + 1 SRNA + 1 AA or CRNA in three separate concurrent cases
- 1 MD + 4 SRNAs (with no CRNA involvement) in four separate concurrent cases

Again, there is nothing preventing 1 anesthesiologist from medically directing up to 4 cases involving SRNAs provided each case also involves a CRNA. That being said, the one scenario that remains unclear, based on the language provided in the final rule is the following:

• 1 MD medically directing 2 CRNAs, each of whom is involved in 2 cases involving SRNAs



ASA asked CMS whether this scenario is permissible. CMS officials stated that they need to review this scenario before they provide definitive guidance. In the meantime, ASA suggests that practices consult with their legal counsel and consider taking a conservative approach by maintaining the supervision of SRNAs at a 2 to 1 ratio until CMS provides guidance on this scenario.

Finally, CMS recently released an official Change Request transmittal that updates the Medicare Claims Processing Manual and provides guidance to Medicare carriers as they implement the final rule. It also provides guidance to providers about the requirements needed to successfully report a case involving the training of anesthesiology resident or SRNA. For example, the transmittal emphasizes that the teaching anesthesiologist, or a different anesthesiologist in the same anesthesia group, must be present during all critical or key portions of the anesthesia service or procedure. Further, the teaching anesthesiologist (or another anesthesiologist with

whom the teaching anesthesiologist has entered into an arrangement) must be immediately available to provide anesthesia services for the entire procedure and that both of these requirements must be documented in the patient's medical records. If different teaching anesthesiologists are present during the procedure, the performing physician, for purposes of claims reporting, is the teaching anesthesiologist who began the case.

For a copy of the official CMS Change Request transmittal, please click here: <u>CMS Change</u> Request # 6706, Subject: MIPPA Section 139 Teaching Anesthesiologists.

For a copy of the CMS issued MLN Matters Article regarding this Change Request please click here: http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6706.pdf.

If you have further questions on any of these scenarios or about the CMS transmittal, please feel free to call Chip Amoe or Sharon Merrick in the ASA Office of Government and Legal Affairs at 202-289-2222, or email your question to <u>c.amoe@asawash.org</u> or <u>s.merrick@asawash.org</u>.

Revised December 15, 2009