

ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2011

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Based on the 2011 ASA commercial conversion factor survey results, the volume-weighted national average commercial conversion factor ranges between \$67.57 and \$72.87, while the median ranges between \$61.79 and \$65. As a reminder, the 2010 survey results showed a conversion factor range between \$69.36 and \$73.89 and the median between \$60.77 and \$64. The current Medicare conversion factor for anesthesia services is \$21.0515.

We analyzed the survey data similar to our previous survey methodology. Table 1 provides the overall survey results broken down by reported managed care contract. As with previous surveys, we requested that participants submit data on five commercial contracts. Due to the weighted adjustment, we have elected to report data on all five contracts despite some contracts representing a smaller percentage of a practice's

commercial business. Table 2 provides survey additional results broken down by region of the country as identified by the Medical Group Management Association (MGMA). These regions are as follows:

- Eastern: CT, DE, DC, ME, MD, MA, NH, NJ, NY, NC, PA, RI, VT, VA, WV
- Midwestern: IL, IN, IA, MI, MN, NE, ND, OH, SD, WI
- Southern: AL, AR, FL, GA, KS, KY, LA, MS, MO, OK, SC, TN, TX
- Western: AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY

The survey reflects responses from 214 practices in 41 states plus the District of Columbia. Our results in 2010 included 235 practices from 44 states and the District of Columbia.

Table 1: National Managed Care Anesthesia Conversion Factors, 2011

	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5
Mean	67.57	69.59	71.40	71.90	72.87
Low	38.00	35.26	39.00	30.00	36.00
25th Percentile	56.00	55.00	56.00	56.75	59.00
Median	61.79	63.00	63.63	64.00	65.00
75th Percentile	70.00	72.00	75.00	73.94	76.00
High	128.00	129.00	141.00	132.00	126.00
Number of Responses	214	205	195	164	129
Percentage of Managed Care Business	23.59	22.60	21.50	18.08	14.22



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Methodology

The survey was disseminated beginning June 7, 2011, and responses were accepted through July 8, 2011. In order to comply with the principles established by the Department of Justice and the Federal Trade Commission in their 1996 Statements of Antitrust Enforcement Policy in Health, the survey requested data from respondents that were at least three months old. In order to comply with the Statement, we are only able to provide aggregated data. Since some states did not respond and other states had insufficient response rates, we are unable to provide data on a state level.

We offered the survey electronically again this year through the website www.surveymonkey.com. ASA staff urged participation through various electronic mail offerings, including ASA committee list servers, ASAP (all-member weekly e-mail digest), Vital Signs, which is an electronic newsletter sent to all ASAPAC contributors, and via the ASA website.

“It is important that as many practices as possible participate in the survey to help us obtain an accurate representation of the anesthesia commercial conversion factor.”

The responses to the survey totaled 351 unique practices. However, due to respondents providing incomplete data, we were forced to exclude 137 responses for the overall analysis. Of the 137 excluded responses, 106 were excluded because the respondents indicated that they had at least one commercial contract (non-governmental payer) but then failed to provide any data with respect to their conversion factor(s). An additional 24 responses were excluded because the respondent did not provide practice volume data. Six responses were excluded because the respondent indicated that the practice did not have any commercial contracts. Finally, we excluded one response because the respondent did not indicate the percentage of commercial business each contract represented.

The remaining responses that serve as the basis of the overall analysis total 214 practices employing or contracting with 5,931 anesthesiologists, 4,097.8 certified registered nurse anesthetists (CRNAs) and 662.6 anesthesiologist assistants (AAs). The practices also work with an additional 1,259.3

CRNAs and 21 AAs for whom the practice does not directly pay compensation (i.e., facility hires or contracts the CRNA or AA). The 214 practices reported on a total of 907 managed care contracts. Similar to the previous survey analyses, we retained data on all commercial contracts regardless of percentage of business noted since we weighted the conversion factors.

For regional analysis, an additional 11 responses were excluded because, while the respondents provided information on their commercial contract, they failed to identify their state or ZIP code and prevented us from being able to properly categorize them into the appropriate region. Thus, a total of 203 practices reporting on 872 managed care contracts were included in the regional analysis.

We normalized all contracts with 10- and 12-minute time units to the typical 15-minute time unit using an adjustment factor of 1.26 for 10-minute units and 1.13 for 12-minute units. Similar to the 2010 survey viewer.zmags.com/publication/a1fcbfae#a1fcbfae/46, the adjustment factors are calculated as ratios based on the average number of time and base units per case. To make these calculations, we used the national averages published in the latest MGMA/ASA Cost Survey of Anesthesia Practices: 2009 Report Based on 2008 Data.

We have weight-adjusted all reported conversion factors based on case volume. The intent of the weight-adjustment is to ensure that larger practices with higher case volumes are not treated the same, for the purpose of calculating the overall conversion factor, as a small practice that sees relatively few patients each year.

The weight adjustment is identified through a couple of calculations. First, we multiplied the normalized conversion factor for a particular contract by the number of cases the group reported they perform annually and the percentage of managed care business the contract represents. In a separate calculation, we multiplied the practice's annual case volume by the percentage of managed care business for the contract. The weighted conversion factor is then the sum of the first calculation divided by the second calculation.

In reporting the data, we had to rearrange some of the responses to ensure that Contract 1 reflected the highest percentage of the reported commercial business, Contract 2 reflected the second highest percentage, and so on. Thus, when looking at the data, you can see that Contract 1 not only reflects the greatest number of responses (214), but also the highest average percentage of managed care business (23.59 percent). We also reported the number of responses for each contract in both Tables 1 and 2. The intent is to provide the reader with the broadest survey of the available data.

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Table 2: Regional Managed Care Anesthesia Conversion Factors, 2011

	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5
Eastern	(n=58)	(n=57)	(n=52)	(n=45)	(n=39)
Mean	70.40	70.59	75.66	72.33	76.44
Low	46.00	47.50	46.00	50.00	51.00
25 th Percentile	57.00	55.00	57.73	59.00	62.00
Median	64.00	65.00	69.50	66.00	68.00
75 th Percentile	75.50	81.00	85.17	78.00	84.50
High	128.00	129.00	141.00	132.00	126.00
Midwestern	(n=23)	(n=23)	(n=23)	(n=19)	(n=13)
Mean	62.32	71.22	63.65	69.31	56.70
Low	38.00	35.26	45.00	30.00	43.00
25 th Percentile	55.40	56.25	55.69	56.00	53.93
Median	60.00	61.80	61.00	62.00	57.00
75 th Percentile	62.14	68.88	64.92	68.50	63.24
High	111.45	98.80	98.80	98.80	68.00
Southern	(n=65)	(n=61)	(n=58)	(n=48)	(n=40)
Mean	66.83	73.50	72.42	75.41	76.02
Low	45.00	37.80	39.00	36.00	40.00
25 th Percentile	54.13	55.00	58.00	57.75	60.00
Median	62.00	65.00	65.00	65.75	65.50
75 th Percentile	68.85	76.00	74.11	73.94	75.98
High	110.00	106.00	95.00	96.00	117.00
Western	(n=57)	(n=55)	(n=55)	(n=47)	(n=34)
Mean	64.66	61.85	68.80	68.12	69.23
Low	39.00	36.00	40.00	36.00	36.00
25 th Percentile	56.70	51.50	53.80	55.00	59.21
Median	61.00	59.89	60.00	62.40	63.50
75 th Percentile	68.00	64.71	68.00	70.00	72.00
High	100.00	110.00	107.00	110.00	112.00

Observations

Here are some of the salient points we found interesting based on our review of the analysis:

- The national average conversion factor decreased from a range of \$69.36 to \$73.89 in 2010 to \$67.57 and \$72.87 in 2011; however, the median conversion factor increased from a range of \$60.77 to \$64 in 2010 to \$61.79 to \$65 in 2011.
- In general, average conversion factors have increased in the East and the West.
- The average conversion factors appear to have decreased slightly in the South and substantially in the Midwest, but this may be due to the decreased response rate relative to 2010.
- Every region and nearly every contract category had a reported conversion factor high of at least \$100. The highest conversion factor reported was \$141.

Conclusion

We believe the decreased national average conversion factor observed this year is due to a decreased survey response rate. In 2010, we received a total of 233 responses compared to 214

responses in 2011. Moreover, the 2010 survey had the highest ever reported conversion factor for the ASA survey of \$150.75; the second highest conversion factor reported in 2010 was \$143.64. In contrast, the highest reported conversion factor for 2011 was \$141 and the second highest was \$132. Thus, it seems that some practices with the higher conversion factors that responded last year may not have participated this year. The decreased response rate coupled with the differences in the highest conversion factors reported in 2011 relative to 2010 probably resulted in a decreased average conversion factor range but an increased median conversion factor range. The increased median conversion factor is likely due to a narrowing of the range of conversion factors trending slightly upward.

We will continue to monitor the trend in the commercial conversion factor survey and will launch the survey annually on June 1. It is important that as many practices as possible participate in the survey to help us obtain an accurate representation of the anesthesia commercial conversion factor. We look forward to your future participation and thank all of the practices who contributed to the 2011 results.

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