American Society of **Anesthesiologists** Volume 86 ■ Number 10 ■ October 2022 asamonitor.org

SAMonitor (R)

THE LEADING SOURCE FOR PERIOPERATIVE HEALTH CARE NEWS

ASA Survey Results:

Commercial Fees Paid for Anesthesia Services – 2022

Stanley W. Stead, MD, MBA, FASA Sharon K. Merrick, MS, CCS-P

annual commercial conversion factor survey for 2022. Each summer, we survey anesthesiology practices across the country. We ask them to report up to five of their largest managed care (commercial) contract conversion factors (CFs) and the percentage each contract represents of their commercial population, along with some demographic information. Our objectives for the survey are to report

SA is pleased to present the to our members the average contractual amounts for the top five contracts and to present a view of regional trends in commercial contracting.

Summary

Based on the 2022 ASA commercial conversion factor survey results, the national average commercial conversion factor was \$85.42, ranging between \$81.22 and \$89.52 for the five contracts. The Continued on page 4





Biased Signaling in G-Protein- The 33% Problem: Coupled Receptors: The µ Opioid Receptor

Richard Simoneaux

Steven L. Shafer, MD, FASA Editor-in-Chief

n 2012, the Nobel Prize in Chemistry was awarded to Robert J. Lefkowitz, Howard Hughes Medical Institute/ Duke University Medical Center, and Brian K. Kobilka, Stanford University School of Medicine, for "groundbreaking discoveries that reveal the inner workings of... G-protein-coupled receptors" (asamonitor.pub/3Cb1vVL).

G-protein-coupled receptors are a group of proteins consisting of seven transmembrane strands that connect receptors on the inside and outside of the cell membrane. These proteins serve the vital function of allowing communication between the intra- and extracellular environments. G-protein-coupled receptors represent the largest family of mammalian proteins, and

Continued on page 7

SPECIAL SECTION Advocacy: Taking Your Seat at the Table Guest Editor: Sam L. Page, MD, FASA

A Discussion With Hospital Executives

Catlin Nalley

t is one of the most enduring challenges faced by the specialty and one unique to anesthesiology - the discrepancy in Medicare payments for anesthesia services known as the "33% Problem". Whereas Medicare rates for other specialties represent between 75% and 85% of their commercial payment rates, payment for anesthesia services are less than one-third of commercial rates. In fact, it has been determined by some that the real number is likely now in the mid-20% range. ASA's economic experts have been working ceaselessly to address this issue since the early 1990s. soon after the flawed Resource-Based Relative Value Scale was established in 1992. Today, ASA continues to devote significant resources to the 33% Problem, including through our Payment Progress Initiative (asamonitor.pub/3Qi9WTk), and the issue has been explored extensively in the ASA Monitor (asamonitor. pub/3AmE76F).

This month, the Monitor reached out to two anesthesiology thought leaders who have long been intimate with the 33% Problem as both clinicians and health care executives. Below, Joanne Conroy, MD, President and CEO of Dartmouth-Hitchcock Health, and David Reich, MD, President and COO of The Mount Sinai Hospital, offer insights and possible solutions to the specialty's lingering 33%

As a hospital executive, what is your perspective on the "33% Problem?"

Dr. Conroy: "This is not a new issue. It has been going on for years, and there are several factors at play. Number one, I'm not sure that people completely understand anesthesiology billing, which is very

Continued on page 8

1000.0-00001.pdf by guest on 19 April 2024

Commercial Fees

Continued from page 1

national median remained at \$78.00, ranging between \$75.12 and \$81.12 for the five contracts (Figure 1, Table 1). In the 2021 survey, the mean conversion factor ranged between \$79.04 and \$90.23 for the five contracts, and the median ranged between \$74.00 and \$81.50. In contrast, the current national Medicare conversion factor for anesthesia services is \$21.5623, or about 25.24% of the 2022 overall mean commercial conversion factor.

Figure 1 shows the frequency in percent and distribution of contract values. In order to show all the values in limited space, we are using a broken axis for all plots. The ranges plotted are \$0-\$220, with a break indicated by solid lines and then \$290-\$300. The estimated normal distribution is the solid blue line. We have added a box -and-whiskers plot of the same data immediately below the histogram. The left and right whiskers delineate the minimum and maximum values. The box represents the interquartile range, the left edge of the box is the 25^{th} percentile, the vertical line in the box is the median, and the right edge of the box is the 75th percentile. The solid diamond in the box is the mean.

Table 1 provides the overall survey results by reported managed care contract. As with previous surveys, we requested that participants submit data on five commercial contracts. Most practices submitted three or more contracts. The 2022 survey reflects valid responses from 312 practices in 46 states and Washington, D.C. The 2021 survey results included data from 219 practices in 47 states and D.C.

Methodology

The survey was disseminated in June and July 2022. To comply with the principles established by the Department of Justice (DOJ) and the Federal Trade Commission (FTC) in their 1996 Statements of Antitrust Enforcement Policy in Health Care, the survey requested data that were at least three months old. In addition, the following three conditions must be met:

- 1. There are at least five providers reporting data upon which each disseminated statistic is based, and
- 2. No individual provider's data represents more than 25% on a weighted basis of that statistic, and
- 3. Any information disseminated is sufficiently aggregated such that it would not allow recipients to identify the prices charged or compensation paid by any particular provider.

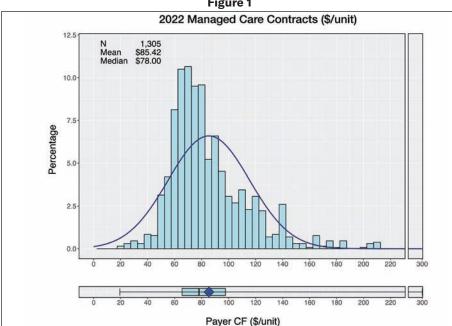
To comply with the statements, we are only able to provide aggregated data. Since some states did not respond, and other states had insufficient response rates, we are unable to provide specific

Table 1: National Managed Care Anesthesia Conversion Factors (\$/unit), 2022

Conversion Factors	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5	ALL
Mean	\$81.22	\$83.55	\$87.08	\$89.52	\$87.75	\$85.42
Minimum	\$25.00	\$22.08	\$25.00	\$19.38	\$28.51	\$19.38
25th Percentile	\$65.00	\$65.00	\$65.88	\$68.74	\$68.90	\$65.47
Median	\$75.12	\$76.55	\$79.35	\$81.12	\$80.38	\$78.00
75th Percentile	\$91.19	\$95.00	\$102.68	\$105.28	\$102.45	\$97.63
Maximum	\$300.00	\$300.00	\$209.98	\$209.98	\$209.98	\$300.00
# of Contracts	312	295	264	232	202	1,305
% of Responses	22.14	10.31	6.05	3.97	2.64	10.07

Source: ASA 2022 CF Survey. Note: Percent of Managed Care is the average reported and may not total 100%.

Figure 1



data for all states. We term "Eligible States" those that submitted sufficient data to be compliant with DOJ and FTC principles and provide state-specific data for only those states. We have 27 Eligible States this year.

This is the 12th year that we offered the survey electronically through the

Stanley W. Stead, MD, MBA

CEO, Stead Health Group, Inc., Los Angeles, California.



Sharon K. Merrick, MS, CCS-P Former ASA Director of Payment and Practice Management and current ASA Payment and Practice Management Consultant.

website www.surveymonkey.com. ASA urged participation through various electronic mail offerings, including ASA committee listserves, ASAP (all-member weekly e-mail digest), Vital Signs, the Monday Morning Outreach, communications to state component societies and our Anesthesia Administators and Executives (AAE) members, and via the ASA website.

The responses to the survey represented 332 unique practices. However, due to respondents providing incomplete data, we excluded 20 responses from the overall analysis. Our results are based on the data from 312 practices.

Results

Table 2 presents respondent information for 277 practices (35 practices did not provide us with complete practice demographics) in the analytic sample per Major Geographic Region as identified by the

Table 2: Respondent Information by Major Geographic Region, 2022

	Harry Control		0 1	Taran Taran Santa	TANK TO THE PART OF THE		Consideration (Alberta Constant)	
Region	Practices Reporting ¹	Cases	Units	Mean Units/ FTE MD	Mean Units/ Case	FTE MD	FTE Nurse Anesthetist	FTE AA
Eastern	51	2,832,001	29,858,044	12,355.3	15.5	2,642.6	1,832.6 (1,152.5)	99.7 (70)
Midwest	65	2,109,416	24,442,422	15,425.2	11.6	1,566.8	1,270.6 (493.0)	267.8 (5)
Southern	89	4,337,900	34,252,713	20,520.6	14.1	2,543.9	3,100.5 (746.5)	706.5 (2)
Western	72	2,893,125	35,218,564	12,999.3	11.7	3,470.6	772.2 (9.0)	222.6 (7)
ALL	277	12,172,442	123,771,742	15,685.3	13.2	10,223.8	6,975.9 (2,401.0)	1,296.5 (84)

Source: ASA 2022 CF Survey. (Number in brackets indicates the number of non-employed FTEs). Results are rounded to nearest tenth. Note: 277 of the 312 practices reported case, unit or FTE data.

Table 3: Respondent Information by Minor Geographic Region, 2022

Region	Practices Reporting ¹	Cases	Units	Mean Units/ FTE MD	Mean Units/ Case	FTE MD	FTE Nurse Anesthetist	FTE AA
CAAKHI	19	1,166,307	14,192,563	22,845.5	12.4	1,119.2	115.0 (0.0)	42.0 (0)
Eastern Midwest	54	1,479,234	16,212,960	19,640.8	10.9	998.9	1,089.8 (311.0)	182.8 (5)
Lower Midwest	38	1,299,453	10,205,372	17,456.9	10.3	810.5	951.8 (109.5)	157.9 (1)
Mid Atlantic	11	544,065	5,730,688	15,499.9	32.0	444.2	486.5 (46.5)	9.0 (20)
North Atlantic	23	1,460,200	14,854,448	10,055.5	10.6	1,378.7	845.5 (148.0)	64.8 (0)
Northeast	7	249,910	2,117,176	14,905.9	9.7	279.6	230.2 (100.0)	1.0 (50)
Northwest	18	639,330	8,015,461	10,594.2	10.9	768.4	308.1 (4.0)	36.0 (7)
Rocky Mountain	35	1,087,488	13,010,540	8,333.3	12.0	1,583.0	349.1 (5.0)	144.6 (0)
Southeast	52	3,362,578	28,475,009	18,303.2	16.9	2,163.7	2,098.2 (1,495.0)	573.5 (1)
Upper Midwest	20	883,877	10,957,526	14,922.2	12.7	677.6	501.8 (182.0)	85.0 (0)
ALL	277	12,172,442	123,771,742	15,685.3	13.2	10,223.8	6,975.9 (2,401.0)	1,296.5 (84)

Source: ASA 2022 CF Survey. (Number in brackets indicates the number of non-employed FTEs). Results are rounded to nearest tenth. 1 Note: 277 of the 312 practices reported case, unit or FTE data.

Table 4: Conversion Factor Adjustment Based on Time Units, 2022

Time Units	Time Units/Case	Sum of Base and time Units	CF Value Ratio based for 15-minute units
10-minute time units	6.9762	12.2120	1.2352
12-minute time units	5.8135	11.0493	1.1176
15-minute time units	4.6508	9.8866	1.0000

Source: Mean Minutes per Case and Base Unit taken from is based on data from the 2020 CMS Physician/Supplier Procedure Summary (PSPS) Master File ("Master File")

(https://data.cms.gov/search?keywords=Physician%2FSupplier%20Procedure%20Summary)

Table 5: Respondents Having Flat Fee Components, 2022

Region	Flat Fee (Any)	Labor & Delivery	Cataract	Endoscopy	Pain	Other
Eastern	25	1	0	0	3	7
Midwest	38	12	0	3	0	4
Southern	45	9	0	9	9	11
Western	32	2	2	3	0	7
ALL	140	24	2	15	12	29

Source: ASA 2022 CF Survey. (Others include cosmetic and plastic surgery, bundled surgical procedures, TEE, Total Joint Replacement spine surgery, general surgery, organ trasnplant, radiation oncology, invasive monitoring and open heart surgery.)

Figure 2

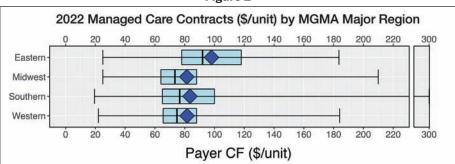


Table 6: Major Region Managed Care Anesthesia Conversion Factors (\$/unit), 2022

	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5	ALL
Eastern	n = 59	n = 57	n = 54	n = 48	n = 39	n = 257
Mean	\$93.78	\$96.54	\$96.79	\$103.32	\$101.64	\$98.00
Minimum	\$30.02	\$29.50	\$25.00	\$27.50	\$28.51	\$25.00
25th Percentile	\$74.45	\$79.20	\$77.25	\$82.90	\$79.25	\$78.00
Median	\$90.75	\$90.00	\$93.60	\$93.50	\$95.00	\$92.00
75th Percentile	\$109.70	\$114.00	\$119.50	\$120.50	\$120.85	\$118.00
Maximum	\$167.00	\$175.05	\$168.61	\$180.83	\$183.59	\$183.59
Midwest	n = 70	n = 66	n = 59	n = 55	n = 47	n = 297
Mean	\$76.06	\$80.40	\$83.37	\$84.97	\$84.13	\$81.40
Minimum	\$25.00	\$25.00	\$50.00	\$47.05	\$43.00	\$25.00
25th Percentile	\$65.50	\$60.38	\$62.90	\$63.50	\$64.00	\$64.00
Median	\$70.62	\$72.53	\$75.00	\$72.00	\$80.58	\$73.44
75th Percentile	\$79.75	\$88.00	\$92.89	\$85.33	\$88.52	\$87.99
Maximum	\$209.98	\$209.98	\$209.98	\$209.98	\$209.98	\$209.98
Southern	n = 104	n = 97	n = 83	n = 72	n = 66	n = 422
Mean	\$79.60	\$81.37	\$86.85	\$86.39	\$85.81	\$83.56
Minimum	\$33.00	\$38.00	\$29.00	\$19.38	\$45.00	\$19.38
25th Percentile	\$62.00	\$64.00	\$65.23	\$68.00	\$69.00	\$65.00
Median	\$74.21	\$74.50	\$79.50	\$79.00	\$78.38	\$76.62
75th Percentile	\$90.25	\$95.00	\$105.80	\$107.12	\$108.50	\$100.00
Maximum	\$300.00	\$300.00	\$163.53	\$138.44	\$141.00	\$300.00
Western	n = 79	n = 75	n = 68	n = 57	n = 50	n = 329
Mean	\$78.53	\$79.26	\$82.88	\$86.22	\$82.87	\$81.59
Minimum	\$31.00	\$22.08	\$50.00	\$54.00	\$58.00	\$22.08
25th Percentile	\$65.00	\$63.75	\$66.31	\$70.00	\$66.40	\$65.50
Median	\$73.54	\$73.00	\$74.90	\$75.83	\$75.00	\$74.80
75th Percentile	\$83.19	\$85.00	\$92.60	\$90.00	\$85.17	\$88.00

Source: ASA 2022 CF Survey.

Medical Group Management Association (MGMA) (asamonitor.pub/30PLj9B). 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

These 277 practices employ or contract with 10,223.8 full-time equivalent (FTE) physician anesthesiologists, 6,975.9 FTE

Figure 3

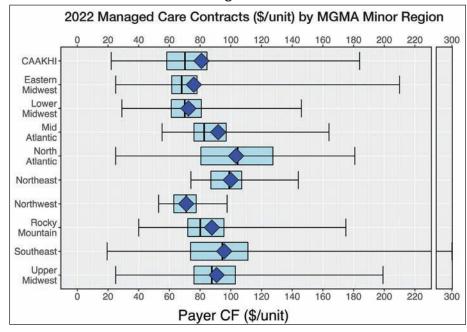


Table 7: Minor Region Managed Care Anesthesia Conversion Factors (\$/unit), 2022

MGMA Minor Region	Contracts	Low	25th Percentile	Median	Mean	75th Percentile	High
CAAKHI	90	\$22.08	\$58.25	\$70.12	\$80.88	\$84.49	\$184.00
Eastern Midwest	251	\$25.00	\$61.50	\$68.00	\$75.90	\$78.00	\$209.98
Lower Midwest	179	\$29.00	\$61.24	\$70.00	\$72.40	\$80.79	\$146.04
Mid Atlantic	60	\$55.20	\$76.00	\$82.62	\$91.79	\$97.00	\$164.00
North Atlantic	113	\$25.00	\$80.50	\$104.50	\$103.46	\$127.44	\$180.83
Northeast	41	\$74.00	\$87.01	\$99.00	\$99.96	\$107.10	\$144.00
Northwest	83	\$53.00	\$62.86	\$71.00	\$70.96	\$77.45	\$97.60
Rocky Mountain	156	\$40.00	\$71.94	\$80.10	\$87.65	\$95.55	\$175.00
Southeast	240	\$19.38	\$73.83	\$94.50	\$95.69	\$111.17	\$300.00
Upper Midwest	92	\$25.00	\$76.00	\$87.64	\$90.77	\$103.00	\$199.20

Source: ASA 2022 CF Survey.

nurse anesthetists, and 1,296.5 FTE anesthesiologist assistants (AAs). The practices also work with an additional 2,401.0 FTE nurse anesthetists and 84 FTE AAs for whom the practice does not directly pay compensation (i.e., facility hires or contracts the nurse anesthetist or AA).

The 277 practices reported a total of 1,305 managed care contracts. This is more than the 933 contracts reported last year.

Table 3 provides the same respondent information by Minor Geographic Region as identified by the MGMA.

- CAAKHI: CA, AK, HI
- Eastern Midwest: IL, IN, KY, MI, OH
- Lower Midwest: AR, KS, LA, MO, OK,
- Mid Atlantic: DC, DE, MD, VA, WV
- North Atlantic: NJ, NY, PA
- Northeast: CT, MA, ME, NH, RI, VT
- Northwest: ID, OR, WA
- Rocky Mountain: AZ, CO, MT, NM, NV, UT, WY
- Southeast: AL, FL, GA, MS, NC, SC,
- Upper Midwest: IA, MN, ND, NE, SD,

A total 1,246 of the contracts are based upon a 15-minute unit, 27 upon a 12-minute unit, and 32 are based upon a 10-minute unit. None were based upon an 8-minute unit. We normalized all contract conversion factors with 10- and 12-minute time units to the typical 15-minute time

unit using an adjustment factor of 1.2352 for 10-minute units and 1.1176 for 12-minute units (Table 4).

The adjustment factors are calculated as ratios based on the mean time and mean base units per case. To make these calculations, we have used the CMS Physician/ Supplier Procedure Summary (PSPS) data set, which represents over 21 million anesthesia claims (asamonitor.pub/3dpa9Wz).

The mean time was 69.7623 minutes, and mean base units per case were 5.2358 🖁 base units. Making the same calculations described above, the adjustment factors are similar to last year: 1.223 for 10-minute units and 1.112 for 12-minute units. We did not have any 8-minute units reported in last year's survey. Of note, the mean time has increased by 5.66 minutes since last year's mean time of 64.0949 minutes.

Groups continue to report flat fee contracts for certain procedures. One hundred forty (140) of the 241 groups (58.1%) responding to this question negotiated at least one flat fee contract (71 practices did not respond). Twenty four (24) of the 140 groups that reported having flat fees (17.1%) have flat fee contracts for Labor and Delivery. This is much less than last year's rate of 44.8% that reported flat fee contracts for Labor and Delivery in 2021.

Table 6 reports the conversion factor by MGMA Major Region. Contract 1

Continued on next page

¹ Mean Base Units: 5.2358

²Mean Minutes/Case: 69.7623

Commercial Fees

Continued from previous page

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 (312) but also the highest average percentage of managed care business (22.14%, Table 1). We also reported the total number of responses for each contract in Table 1. Figure 2 shows the contract data for each major region as a box-and-whiskers plot.

We had a sufficient data sample to provide detailed information for all 10 MGMA Minor Regions (Figure 3). Table 7 shows contract data for the minor regions.

This is the eighth year we are presenting state-specific data. Although we had respondents from 46 states and D.C, only 27 states were identified as eligible states (Figure 4, Table 8). Eligible states were those that complied with the DOJ and FTC requirements listed above. We believe by providing this data, we can encourage more participation in the 2023 CF study and increase the state-level detail of our reporting.

Observations

Based on our review of the analysis, the most interesting findings include:

• The national average conversion factor increased to \$85.42, while the median matched last year's median of \$78.00. The range of mean values narrowed from a range of \$79.04-\$90.23 in 2021 to a range of \$81.22-\$89.52 in 2022.

- As was the case in our 2018-2021 surveys, the Eastern Region has the highest mean this year. The Eastern Region mean in 2021 was \$93.16, and this year it is \$98.00.
- The highest conversion factor reported was \$300.00. In 2021, the highest conversion factor reported was \$292.00.
- In the 2021 survey, the Medicare conversion factor was 25.30% of the overall commercial mean. In this year's survey, it has fallen slightly to 25.24%.

Conclusions

Our sample size for this year's survey was higher than last year, continuing to represent a significant portion of U.S. practicing anesthesiologists, nurse anesthetists, and AAs. We were pleased to have respondents report across a broad geographic basis, 46 states, and Washington, D.C., allowing us to provide detailed regional responses. The number of practices reporting allowed us to report state-specific data from 27 states – nine more than last year. Most practices included complete demographic information, and we are hopeful that this trend will continue and all respondents will supply complete information in future surveys.

We will continue to monitor the trends in the commercial conversion factor survey results and will launch the survey again in June 2023. It is important that as many practices as possible participate in the 2023 survey to help us obtain an accurate representation of the anesthesia commercial conversion factor. We hope that a significant growth in participants will allow us to publish data for every state. We look forward to your future participation and thank all the practices that contributed to the 2022 results.

Figure 4

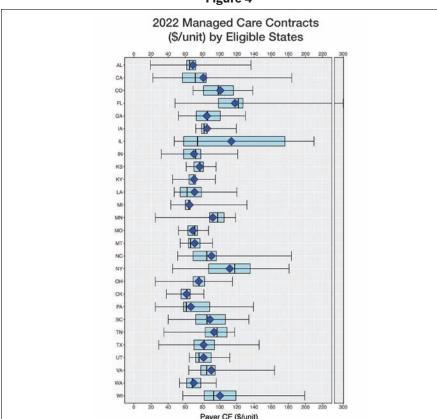


Table 8: Eligible States Managed Care Anesthesia Conversion Factors (\$/unit), 2022

State	Contracts	Low	25th Percentile	Median	Mean	75th Percentile	High
AL	23	\$19.38	\$61.50	\$65.00	\$68.85	\$72.00	\$136.51
CA	72	\$22.08	\$56.72	\$71.62	\$81.02	\$84.14	\$184.00
СО	26	\$69.00	\$81.25	\$98.34	\$100.67	\$116.08	\$138.60
FL	72	\$48.00	\$98.50	\$121.67	\$117.91	\$127.16	\$300.00
GA	40	\$52.00	\$72.75	\$86.00	\$84.98	\$100.69	\$130.00
IA	22	\$72.08	\$79.00	\$81.83	\$85.32	\$85.66	\$119.38
IL	36	\$47.00	\$58.09	\$74.13	\$113.59	\$176.02	\$209.98
IN	37	\$32.00	\$58.00	\$72.00	\$69.99	\$78.00	\$121.00
KS	28	\$61.00	\$70.00	\$77.00	\$76.68	\$81.00	\$95.70
KY	46	\$45.00	\$64.25	\$70.00	\$70.12	\$72.00	\$94.91
LA	29	\$47.00	\$54.00	\$62.00	\$70.64	\$78.75	\$120.00
MI	77	\$43.00	\$60.00	\$64.00	\$64.84	\$65.50	\$131.75
MN	22	\$25.00	\$88.26	\$97.62	\$92.00	\$105.12	\$118.61
MO	22	\$52.00	\$62.92	\$71.00	\$68.68	\$74.00	\$87.00
MT	23	\$54.00	\$63.50	\$66.00	\$70.89	\$77.00	\$91.80
NC	43	\$51.00	\$69.05	\$85.00	\$90.43	\$96.15	\$183.59
NY	71	\$45.00	\$87.17	\$117.42	\$111.75	\$135.60	\$180.83
ОН	55	\$25.00	\$69.12	\$76.00	\$75.54	\$82.38	\$115.00
OK	38	\$38.00	\$55.00	\$62.00	\$61.40	\$65.50	\$81.58
PA	24	\$25.00	\$57.94	\$61.15	\$66.47	\$88.29	\$139.50
SC	21	\$40.00	\$72.00	\$85.18	\$88.65	\$106.66	\$134.00
TN	39	\$35.00	\$83.12	\$97.00	\$93.50	\$108.50	\$117.34
TX	57	\$29.00	\$70.00	\$82.00	\$81.24	\$94.00	\$146.04
UT	40	\$64.75	\$72.00	\$75.91	\$81.26	\$90.12	\$111.82
VA	35	\$64.00	\$78.02	\$84.91	\$90.28	\$94.76	\$164.00
WA	65	\$53.00	\$61.50	\$68.00	\$69.74	\$77.99	\$96.00
WI	35	\$57.00	\$82.00	\$93.00	\$100.39	\$119.00	\$199.20

Source: ASA 2022 CF Survey.

New CPT® codes for anesthesia and pain medicine take effect in 2023.

Don't miss out—new codes will go into effect on January 1. Preorder the 2023 Relative Value Guide® and CROSSWALK® books now to avoid costly errors in the new year.

Preorder today asahq.org/billing-coding

