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By Mark A. Singleton, M.D., President

"Now is the winter of our discontent."

—Richard III, Act 1, scene 1, William Shakespeare.



I doubt that there has been a period of greater frustration, anger and outrage among American physicians over the continuing loss of economic autonomy and mounting regulation of medical practice than we are enduring currently. Our hallmarks of professionalism—mastery of special skills and knowledge, the independence of judgment in providing and charging for a service, and a position of authority in society—are being eroded with alarming constancy. As anesthesiologists, the providers of essential and uncompromising services, we are targeted especially by forces outside our profession that seek to constrain our ability to provide quality care. To allow this to occur—by consent, fear of confrontation, or apathy—risks the vitality, and perhaps even the continuing existence, of our specialty. This sentiment has been expressed by many of our most respected leaders. But what can we do? I believe we must exercise our only true power: take back our proper authority; act with dignity; behave professionally; and, when something is misguided, inequitable and wrong, refuse to be a part of it.

Medicare has treated anesthesiologists unfairly for over a decade, ignoring our pleas for parity with other specialties and reform of the “teaching rule” that cuts in half payments to academic anesthesiologists who supervise two residents. The excellent three-part essay by Dr. Kenneth Pauker, published in the most recent issues of the *Bulletin*, has given a clear history and analysis of how these conditions came to be and the role ASA played in the process. We hope that, because CMS repeatedly has ignored us and failed to remedy these inequities, Congress will do it legislatively. Several bills that have been introduced during this session would revoke the teaching rule. The American Association of Nurse Anesthetists has worked actively against our efforts, undoubtedly fearing redirection of some of their Medicare dollars. I was pleased recently to hear from my own congressman that he, along with many others, was co-sponsoring one of these bills. It is a tremendous accomplishment by our ASA Washington office, those of you who have donated to ASAPAC, and our own Ken Pauker, Chair of our Legislative and Practice Affairs Division, who publicly challenged Pete Stark during his address to ASA last spring, to support ASA’s effort.

Medicare payments to physicians are determined by a complicated formula called the Sustainable Growth Rate, which was originally designed to restrain

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the Medicare budget in the face of increasing numbers of Medicare beneficiaries. The predictable result (even without the math) is that payment to physicians decreases every year while other parts of the Medicare budget increase. Congress has failed to abolish the SGR, despite the fact that it is widely recognized as a disastrous mechanism, and even Congress's own advisory body has, for years, urged its replacement with an index of medical practice expenses. In the final months of 2006, physician organizations and individuals across the nation have been imploring their legislators to at least act as they have every previous year, namely, temporarily block the SGR-evoked 5 percent decrease due to go into effect automatically January 1, 2007. The lack of action by the CMS is a clear indication that our government does not consider payment to physicians in the Medicare program a problem. The effect on anesthesiologists is compounded by practice expense methodology and work value adjustments, and, by combining all of these factors, it results in a 12 percent to 13 percent decrease. We must each ask ourselves, "Is this unacceptable, and, if so, what am I willing to do about it?"

In one of his last weekly reports before leaving the CMA, recently departed (though alive and well) CEO Dr. Jack Lewin commented on his dismay and disappointment with congressional inaction on Medicare, after spending a week in Washington with CMA physician leaders, pleading the case for fair payments to California physicians. Far more telling was his comment that the only "silver lining" might be that perhaps this latest insult would drive physicians out of the Medicare program in numbers big enough for the government to realize that it is unacceptable and a failure as it currently exists. The CMA has just reminded its members in an e-mail alert that December 31, 2006, is the deadline to become a nonparticipant in Medicare for the coming calendar year. It appears that few alternatives are left for many practitioners. If enough Medicare patients were told that the anesthesiologist will be happy to care for them, but the patient will have to pay since Medicare is not paying its fair share, this would have far more impact than any amount of lobbying.

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Projected 2007 Anesthesia Conversion Factors for California

On Saturday, December 9, Congress passed legislation that cancels the planned 5 percent reduction in physician payments that were tied to the sustained growth rate. The legislation only softens the blow to anesthesiologists, however. It did not address reductions derived from the new practice expense methodology and changes in work relative value units from the recently completed five-year review, which **cuts payments for anesthesia services by approximately 8 percent**. Those payment reductions will begin on January 1, 2007.

The Congressional bail-out freezes the Medicare conversion factors for physician reimbursement at 2006 levels for one year and would give a 1.5 percent increase to physicians who participate in the Centers for Medicare and Medicaid Services' Physician Voluntary Reporting Program beginning July 1. More details will be provided as they become available.

Projected 2007 Anesthesia Conversion Factors for California							
	Par 2006	Par 2007*	Non Par 2006	Limiting Charge 2006	Non Par 2007*	Limiting Charge 2007*	
03	Marin/Napa/Solano	18.52	17.04	17.59	20.23	16.18	18.61
05	San Francisco	19.35	17.80	18.38	21.14	16.91	19.45
06	San Mateo	19.50	17.94	18.53	21.31	17.05	19.60
07	Alameda, Contra Costa	18.86	17.35	17.92	20.61	16.49	18.96
09	Santa Clara	19.59	18.02	18.61	21.40	17.12	19.69
17	Ventura	18.19	16.73	17.28	19.87	15.90	18.28
18	Los Angeles	18.63	17.14	17.70	20.36	16.28	18.73
26	Orange	18.73	17.23	17.79	20.46	16.37	18.82
99	Rest of California	17.58	16.17	16.70	19.21	15.36	17.67