

Address of the President

2003 CSA House of Delegates

By Patricia A. Dailey, M.D., CSA President

Mr. Speaker, officers, delegates, guests, and friends, it has been my privilege to serve you as President of the CSA this past year.

Last year when I spoke to you, I emphasized the importance of patient access to anesthesiologists. Today I continue this theme by advocating for reasonable reimbursement for our services to preserve patient access to anesthesiologists.

The keyword is “reasonable.” If we want to keep anesthesiologists in California, we must be paid reasonably for our services. Public and private entities must pay reasonable fees for our services, just as we have a duty to bill reasonable fees. Anesthesiologists should not be priced out of California by unreasonably low fees paid by insurance plans. Equally important, anesthesiologists should not price themselves out of the market by billing seemingly unreasonably high fees.

I am seeing abuses both by payers and anesthesiologists. We all know that Medicare and Medi-Cal do not pay reasonable fees. Back in 1988, Medicare paid two times what it now pays. For every \$100 I made in 1988, I am now paid \$50, fifteen years later. Taking into account inflation and the consumer price index, Medicare should be paying me \$156, not \$50, just to keep even. I don't know of any other worker-professional or non-professional who has suffered such a decrease. To add insult to injury, we now see more Medicare patients in our practices due to the aging population.

At the CSA, we have received some complaints from patients unaware that they would be balance billed by the anesthesiologists, despite picking a surgeon and hospital within their plan. At the CSA, we are hearing of a few allegedly high fees for labor epidurals. What would you think if you received a multiple thousand dollar bill for an epidural for labor and cesarean delivery? Of course, you would be upset. As are our patients, surgeons, and hospitals; it is hard to get support from obstetricians when they are paid less than \$2,000 for the entire pregnancy.

As Pogo said: “We have met the enemy and it is us.” Just one report of egregious overbilling can be magnified and cause extreme reactions from other interested parties and lead to potential regulation. This year we have seen hospitals terminate contracts with existing anesthesia groups. We have seen hospital boards pit other physician specialties against anesthesiologists. We

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have seen hospital boards send surveys to patients inquiring about billing practices of anesthesiologists.

We need to listen and respond to complaints. We need to police ourselves; we need to explain ourselves. Patients and hospitals need to know that Medicare and Medi-Cal are not paying their fair share. As a result, anesthesiologists and hospitals are finding themselves forced to increase their fees to non-Medicare and non-Medi-Cal patients. We have no choice if we want to keep anesthesiologists in California. The key is to be *reasonable* in our billing practices.

But what is reasonable? The California Department of Managed Health Care has proposed that health plans pay non-contracted providers a reasonable and customary value for services that are emergent or urgent. A reasonable and customary value is based upon information that takes into account, among other things:

1. Fees usually charged by the provider and
2. Prevailing provider rates charged in the general geographic area in which the services were rendered

How can individual anesthesiologists and groups obtain information on rates and fees charged within their geographic area? This is where the CSA comes in. Antitrust limitations prevent anesthesiologists from collecting this data. The CSA, as a third-party trade association, however, can collect this data. This summer the CSA will be sending out surveys regarding prices for services. To satisfy the Department of Justice and antitrust concerns, we need at least five data points for each geographic area and the data must be at least three months old. Please take part so we can collect meaningful data. This information will then be compiled and provided to our members. **This will be another important benefit of membership in the CSA.**

The CSA has accomplished a lot this year and I would like to touch on some highlights.

Continuing the theme of advocacy, I have divided our accomplishments by advocacy for our patients, advocacy for anesthesiologists, and advocacy for the CSA organization.

Our most important advocacy this year has been for **our patients' safety**. We have:

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- maintained the requirement for supervision of CRNAs in California, while seven states have “opted-out”: Nebraska, Iowa, Idaho, Minnesota, New Hampshire, New Mexico, and Kansas;
- developed a policy on pediatric anesthesia;
- worked with the CMA and the Medical Board of California on pain management guidelines for acute, chronic, intractable, and end-of-life pain;
- pressed for increased education of labor and delivery nurses with regard to labor analgesia. In fact, we successfully have had our recommendations adopted by the ASA in policy statements; and
- in response to member concerns about patient safety during spinal manipulation by chiropractors under general anesthesia, asked the ASA and CMA to explore the safety and efficacy of this practice.

The CSA has also advocated **for the anesthesiologists** of California. We have:

- worked with the CMA to persuade the Department of Managed Health Care not to base payment to non-contracted physicians on Medicare and Medi-Cal rates;
- lobbied Sacramento not to further reduce Medi-Cal reimbursement;
- participated in discussions at the state level about workers’ compensation;
- gone to Washington, D.C., to advocate for better Medicare payment and medical liability reform;
- provided comprehensive well-received continuing education programs for anesthesiologists; and
- developed a survey on reimbursement.

Last, but not least, this year we have advocated **for the CSA** by strengthening the CSA. We have

- improved the financial stability of the CSA. We have reduced the budget by almost 5%, retained a new accountant and a new investment advisor;
- increased the membership in the CSA; we are at a seven-year high with 3,407 members, at a time when other organizations are losing members;

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- increased the participation and presence of Kaiser Permanente physicians in the CSA; almost 50% of Permanente anesthesiologists are now CSA members—up from about 30% last year;
- begun the development of a new CSA website; and
- developed and revised policies and procedures for the organization, including policies on president and president-elect activities, use of electronic media, as well as a process for evaluation of the executive director.

I'd like to spend just a few minutes to thank all of you that have made this a very successful year for the CSA. There is not enough time to express my thanks to everyone, but I would like to recognize a few groups of individuals.

First and foremost is my family. My husband, Josh Cooperman, and my children, Jonathan and Alicia, have been the real troopers. They knew if I wasn't at the hospital, I could be found at all hours slogging away at the computer. Much of the work of the CSA President occurs in the wee hours of the morning and at night, as well as on weekends. There is little time left for family, grocery shopping, or even helping with homework.

Next, I would like to thank my 18 partners of Anesthesia Care Associates Medical Group at Mills-Peninsula Hospitals. My partners were very supportive and allowed me to meet my commitments to the anesthesiologists of California. I had more than my share of requests for time away.

The CSA Central Office, led by our Executive Director, Barbara Baldwin, is outstanding. The front line of Linda Herren, Cammie Pisani, Andrea de la Peña, Linda Risdon, Leslie Franco, and Sandra Ferrari have a commitment to the CSA that is unmatched. They keep the CSA going, and it has indeed been my privilege to work with them this year.

We are fortunate to have our government advocacy needs in the capable hands of Bill Barnaby, Sr., and Bill Barnaby, Jr., and our legal issues handled by our legal counsel, David Willett. Their advice and counsel have been invaluable.

In my opinion, our *CSA Bulletin*, edited by Dr. Steve Jackson with the able assistance of Andrea de la Peña, is one of the best products of the CSA. This publication is packed with information about practice management and legal issues as well as articles even on art and history.

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One individual does not do the work of the CSA—it is a team effort. I would like to express my appreciation to the Executive Committee, the Board of Directors, and those who participated on committees and task forces. I would like to especially thank Drs. Dan Cole and Larry Sullivan for their support throughout the year.

And finally, you, the House of Delegates—it has been my privilege to work with you. We are a grassroots organization, and we depend on you to bring up the issues and concerns of the anesthesiologists of California. I would like to thank every District Director, Delegate and Alternate Delegate.

Last year, Dr. Dan Cole compared being president to running a relay race. The power of the CSA comes from our ability to function as a team. My position this year has been as captain of a team that has participated in a number of events and is preparing for more. Last year, Dan Cole talked of passing the baton in a relay race. When Dan Cole passed me the baton, we were already well positioned in the race. This year I have led as best I can and now see Doug Roberts ready to take the baton. It is with confidence in his ability to lead that I pass the baton and gavel to Doug Roberts.

Thank you.