

Understanding Anesthesia Reimbursement

Most people think of the anesthesiologist as the person who puts them to sleep before surgery and wakes them up when it's over. That's true, but they actually do much more. During and after your surgery, the anesthesiologist makes sure you are comfortable, that your breathing, heart rate and blood pressure are steady and that you aren't feeling any pain.

If you're going to have surgery, or another procedure that requires anesthesia, it's important to understand how these services work. That's because they are often billed and paid separately, and are administered by specific providers who may not be affiliated with your hospital or your doctor's practice. For example, even if you have surgery at an in-network hospital, the anesthesiologist still may not be part of your plan's network.

Make sure you find out beforehand:

- Whether the anesthesiologist who will provide your care is in your plan's network;
- How much she or he will charge; and
- How much your plan will cover.

That way, you'll have an idea of how much you can expect to pay.

What Services Will I Need?

Anesthesia is usually used to block pain, relax you, or control your level of consciousness during surgery or other complex medical procedures. You may need anesthesia even if you're not in the operating room. An anesthesiologist might treat you for pain management for an acute illness, a chronic condition like cancer, during childbirth or for outpatient tests like endoscopies.



There are two main types of anesthesia:

- With **general anesthesia**, you are unconscious and have no awareness or other sensations. There are a number of general anesthetic drugs. Some are gases or vapors that you inhale through a breathing mask or tube. Others are medications that are injected into your vein.
- With **regional anesthesia**, your anesthesiologist makes an injection near a cluster of nerves to numb the area of your body that needs surgery. You may stay awake, or may be given a sedative. Either way, you do not see or feel the actual surgery. There are several kinds of regional anesthesia. The two most common are spinal anesthesia, and epidural anesthesia. Both are injected into the fluid around your spinal cord, but epidural anesthesia is most often used during childbirth.

Who Provides Anesthesia Services?

Anesthesia professionals make sure that patients receive anesthesia safely. This includes evaluating you before surgery, consulting with the surgical team, creating a tailored anesthesia plan, managing your breathing and other life support functions during surgery, and controlling pain. Usually, anesthesiologists are also the first to diagnose and treat medical problems during the recovery period after

surgery. Anesthesia professionals may provide services at hospitals, ambulatory surgical centers, in an office or clinic, and other settings.

Anesthesia is often administered by an **anesthesiologist**, but may also be given by a **certified registered nurse anesthetist (CRNA)** or **anesthesiologist assistant (AA)**. The differences are:

- Anesthesiologists are physicians (MDs or DOs) who have completed four years of college, four years of medical school, an accredited four-year residency in anesthesiology and are legally licensed to practice by the state where they work. Most, but not all, have also been certified by the American Board of Anesthesiology.
- Certified Registered Nurse Anesthetists (CRNAs) are registered nurses who are licensed by the state where they work. A CRNA must either be currently certified by the Council on Certification of Nurse Anesthetists or the Council on Recertification of Nurse Anesthetists, or have graduated within the past 18 months from a nurse anesthesia program that meets the Council of Accreditation of Nurse Anesthesia Educational Programs' standards and be awaiting initial certification. Some states let CRNAs practice independently, while in others they must be supervised by a physician (the physician does not have to be an anesthesiologist).
- Anesthesiologist Assistants (AAs) are allowed by state law to administer anesthesia. They have successfully completed a six year program, which consists of four years of college and two years of specialized academic and clinical training in anesthesia. AAs must be supervised by an anesthesiologist. Depending on state laws, an AA may either be licensed independently, or delegated to practice under the license of an anesthesiologist.

How Are Charges Calculated?

The cost of anesthesia is based on several factors: the difficulty of the procedure, the time it took, and "modifying factors" like the patient's health. The formula for calculating anesthesia charges also includes a dollar value that depends on where you have the service.

The formula that is generally used to calculate an anesthesia charge is:

(Base units + Time units + Modifying units) x Conversion factor = Anesthesia charge



Let's see how each of these factors works:

Anesthesia Base Units

Each anesthesia procedure has a "base unit" value. The base unit reflects how hard the procedure is to perform, and how much skill it takes. The more difficult it is, the higher the number of base units. The number of base units for each anesthetic procedure is fixed, and does not change.

Time Units

The anesthesia charge also includes the amount of time that it took to provide the anesthesia. These “time units” are usually 15 minutes long. For example, if anesthesia is provided for 45 minutes, 3 time units will be included in the formula for calculating the anesthesia charge ($45 \div 15 = 3$).

Modifying Units

The “modifying unit” accounts for special conditions that may affect the anesthesia. This could include the patient’s health – for instance, if the patient has cancer – or if the anesthesia was provided in an emergency.

Conversion Factor

Conversion factors are dollar amounts assigned to specific geographic areas. For instance, the conversion factor in Buffalo, New York may be different from the factor for Raleigh, North Carolina. This accounts for the difference in the cost of providing care in different areas.

Total Anesthesia Charge

The total number of units (base units, time units, and modifying units) is multiplied by the conversion factor to calculate the charge.

Here’s an example:

A relatively healthy patient (no modifying units apply) received anesthesia for gallbladder surgery, which is valued at 7 base units, for 75 minutes (5 time units). The patient was in a location with a conversion factor of \$70. The anesthesia charge will be:

(Base units + time units + modifying units) x Conversion factor = Anesthesia charge

(7 base units + 5 time units + 0 modifying units) x \$70 = \$840 charge

Your Action Plan: Know Before You Go

There are times when receiving anesthesia services outside your network is simply unavoidable. But, when you can plan in advance, make your choice an informed one. Follow these tips to help manage your out-of-pocket costs:

- Ask your provider to refer you in-network first, unless there is a specific reason why you want to go out-of-network.
- Before you have surgery or a medical procedure requiring anesthesia, ask if the professional who will administer the anesthesia participates in your plan’s network.
- If you choose to go out-of-network, ask your provider (or the hospital where you will be receiving care) how much you will be charged for anesthesia services. Then, ask your insurer how much of the service your plan will cover, and what you will have to pay.
- For more information, read about Out-of-Network Docs at In-Network Hospitals.

And most importantly – if you’re not sure, ask! You are your best advocate. Speaking up and asking questions up front may help you avoid unexpected bills and plan appropriately for your medical expenses.

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