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Anesthesia Reimbursement Challenges: A Deep Dive into Payor Contracting

As anesthesia groups examine their financial performance, payor contracting for appropriate reimbursement continues to be a challenge. As a part 1 of a 5-part series focusing on improving financial performance of Anesthesia providers, we take a deep dive into the opportunities and approaches to improve reimbursement from commercial payors.

Background

Negotiating appropriate reimbursement for anesthesia providers is complex and has been a challenge for many managed care contract leaders over the years. It has been difficult to understand the appropriate level of reimbursement given the escalating provider compensation expenses. As Anesthesia groups change medical oversight complement of physicians to CRNAs, billing and acceptance of the medical oversight modifiers is inconsistent among states. The challenge of aligning prior-authorization approvals for surgical services with their surgical counterparts places pressures on revenue cycle activities and adversely affects patients understanding of in-network versus out-of-network providers.

1. Aligning with Market Rates: A Balancing Act

Ensuring anesthesia services align with the market is a continued challenge. Depending on the employment structure, evaluating market reimbursement, and maintaining on-going communication with payor is often overlooked. This not only guarantees that their services are competitively priced but also mirrors the balance of regional discrepancies and distinct market dynamics. For larger employed groups where anesthesia services are embedded in professional services managed care contracts, reimbursement specific to anesthesia services is not often negotiated separately, however, included in the professional services contract. This results in lower than market rates.

> *Recommendation*
> Anesthesia administrative leaders should perform a market analysis to ensure their contracted rates are aligned with the market. If anesthesia providers are employed, carving out contracted services separately as an addendum to the larger professional services contract with payers is an option. Groups may consider improving on-going communications with payors to understand changes in medical oversight, billing, coding, etc., are addressed in future payer contracts.

2. The Role of the QZ Modifier: Optimizing CRNA Revenues

For anesthesia groups, particularly those employing CRNAs, the QZ modifier has become an indispensable asset. Many anesthesia groups are changing the ratio of anesthesia physicians to CRNAs to allow CRNAs to engage in more direct care oversight of cases. In order for this to occur, the claim for anesthesia services must include a QZ modifier denoting direct patient care provided by a CRNA with limited or no medical direction by a physician. Although CMS regularly allows for

CRNA direct care and QZ billing, many commercial payors have been slow to adopt the practice and incorporate QZ reimbursement procedures.

Recommendation
If anesthesia groups are incorporating CRNA into their care models with the goal of changing the medical direction oversight ratio, administrators must negotiate the QZ modifier and its respective reimbursement in the payor contract. Training for billing teams and CRNAs, combined with auditing, is vital to ensure the appropriate level of reimbursement.

3. Navigating the No Surprise Billing Act

Originally intended to protect patients from unexpected medical costs, the No Surprise Billing Act has unintended implications for anesthesia groups. Given that many anesthesia services are emergent, and patients often lack a say in their choice of an anesthetist, the act has posed challenges. The act prevents providers from balance billing (charging patients directly for the difference between their fees and insurance reimbursements). This leads to reduced revenues for many anesthesia groups, emphasizing the importance of aligning billing with regulations and revisiting payor contracts.

Recommendation
Anesthesia providers have to work closely with their surgeon counterparts to align anesthesia services with the preauthorized surgical services. This way, pricing estimates can be created for and provided to patients. Working closely with surgeons will ensure appropriate pricing for patients and reduce claim denials resulting from uncommunicated pre-authorized anesthesia service activities.

In the dynamic world of anesthesia billing, continuous payor negotiations, coding reviews, and alignment with surgical practices will help anesthesia providers address challenges. Tackling these complexities can be challenging, but with the right guidance along with understanding the anesthesia landscape may have a favorable impact on anesthesia revenue cycle activities, coding and documentation, and provider recruitment.

This article, jointly published by Lumina Health Partners and Anesthesia Operations Consultants, underscores the importance of professional guidance in these tumultuous times. We offer a suite of services tailored to address these specific issues and empower anesthesia groups to navigate complexities with confidence.

Please see Lumina Heath Partners at https://anesthesiaoperationsconsultants.com/.