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Physician Anesthesiologists Save Lives.™

Improve Rural Health Care Access *Reform the Anesthesia Rural Pass-through Program*

Many states face ongoing challenges in assuring access to medical care services for their citizens living in rural areas. Insufficient Medicare payments and low patient volume have made it particularly difficult for many rural facilities to attract and retain qualified health care providers. In response to these challenges, Congress has enacted a variety of incentive programs to encourage providers to practice in rural areas.

One such program is the anesthesia rural “pass-through” program – a program created as an incentive for anesthesia providers to practice in small rural hospitals. Under the “pass-through” program, eligible hospitals may use reasonable-costs based Part A funds in lieu of the conventional Part B fee schedule to induce anesthesia providers such as anesthesiologist assistants (a type of physician assistant) and nurse anesthetists to provide anesthesia services in small rural hospitals and critical access facilities. Under the Centers for Medicare and Medicaid Services (CMS) current interpretation of the statute creating the “pass-through” program, eligible rural hospitals are not permitted to use the “pass-through” funds to employ or contract with physician anesthesiologists.

In the 113th session of Congress, Senate Finance Committee Chairman Ron Wyden (D-OR), and Senator Johnny Isakson (R-GA), introduced the bipartisan Medicare Access to Rural Anesthesiology Act of 2013 (S.1444) which would reform the program and allow rural hospitals to use already available “pass-through” funds to employ or contract with all types of anesthesia providers – physician anesthesiologists, as well as anesthesiologist assistants and nurse anesthetists. ASA strongly supports this legislation.

KEY POINTS:

- Low Medicare Part B anesthesia payments and low patient volume in rural areas make it difficult for rural hospitals to retain anesthesia providers.
- Current law allows some rural hospitals to use reasonable-cost Medicare Part A “pass-through” funds to employ or contract with anesthesiologist assistants and nurse anesthetists. According to CMS, the “pass-through” arrangement cannot be used for physician anesthesiologists.
- The American Society of Anesthesiologists (ASA), through formal comment, has requested that CMS permit rural hospitals to use the rural pass-through arrangement for physician anesthesiologists, as well as the other providers. CMS responded that it cannot permit hospitals to use the pass-through arrangement for physician services without a change in the current law.

CONGRESSIONAL REQUEST:

- Please cosponsor and pass House and Senate legislation that would extend rural hospitals’ use of Medicare’s pass-through arrangement to physician anesthesiologists.
- Extending the pass-through arrangement to physician anesthesiologists allows eligible rural hospitals to utilize the rural incentive payment for all types of anesthesia providers.
- In rural hospitals, there is an acknowledged shortfall of physician health care providers. By extending the pass-through, rural hospitals could more readily recruit and retain physicians to provide anesthesia services in rural areas.