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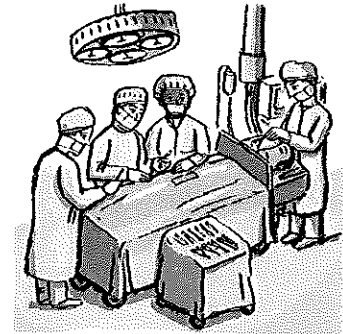
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Benefit Basics

## Understanding Anesthesia Reimbursement

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Most people think of the anesthesiologist as the person who puts them to sleep before surgery and wakes them up when it's over. While that's true, the anesthesia professional plays an important role in the operating room throughout the surgery, regulating vital functions during surgery and afterwards. Anesthesia is typically used to block pain, relax a patient or control a patient's level of consciousness in conjunction with surgery or other complex procedures. The anesthesia professional ensures that patients are comfortable during surgery and monitors and controls functions such as breathing, heart rate and blood pressure that may contribute to positive outcomes.



### When Are Anesthesia Services Typically Provided?

Anesthesia refers to care that typically involves evaluating a patient's health status before surgical or other procedures, developing an anesthesia plan for the patient, ensuring a patient does not feel pain during surgical or other procedures, and caring for the patient after a procedure (this includes pain relief). 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 inhaled through a breathing mask or tube and others are medications introduced through a vein.
- With **regional anesthesia**, your anesthesiologist makes an injection near a cluster of nerves to numb the area of your body that requires surgery. You may remain conscious, or you may be given a sedative; either way you do not see or feel the actual surgery taking place. There are several kinds of regional anesthesia; the two most common are spinal anesthesia and epidural anesthesia.

Instances, other than surgery, where anesthesia may be provided include pain management for acute and chronic diseases (such as cancer), during childbirth, and for other procedures performed in ambulatory surgery centers and doctors' offices (such as endoscopies). Anesthesia services may be provided at hospitals, ambulatory surgical centers, in an office or clinic, and other settings.

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### Who Provides Anesthesia Services?

Anesthesia professionals are responsible for ensuring the delivery of anesthesia safely to patients in most healthcare settings. This includes evaluating the patient before surgery, consulting with the surgical team, creating a tailored anesthesia plan for each patient and during surgery, managing the patient's breathing and other life support functions and controlling pain. Typically, anesthesiologists are also the first to diagnose and treat medical problems during the recovery period after surgery.

Anesthesia is often administered by an **anesthesiologist**, but may also be given by a **certified registered nurse anesthetist (CRNA)** or **anesthesiologist assistant (AA)**. While CRNAs may be supervised by a physician who is not an anesthesiologist, AAs must be supervised by an anesthesiologist. The differences between anesthesia providers are as follows:

- Anesthesiologists are physicians (MD or DO) who have completed four years of college, four years of medical school, an accredited four-year residency program in anesthesiology, and are legally licensed to practice by the state in which they perform services. 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 in which they perform services. A CRNA is either currently certified by the Council on Certification of Nurse Anesthetists or the Council on Recertification of Nurse Anesthetists, or has graduated within the past 18 months from a nurse anesthesia program that meets the standards of the Council of Accreditation of Nurse Anesthesia Educational Programs and is awaiting initial certification. Some states permit CRNAs to practice independently, while in others they must be supervised by a physician.
- Anesthesiologist Assistants (AAs) are permitted by state law to administer anesthesia and have successfully completed a six year program for Anesthesiologist Assistants, which consists of four years of college and two years of specialized academic and clinical training in anesthesia. Depending on state laws, an AA may either be licensed as an AA or practice under the license of an anesthesiologist under the principle of delegation.

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### How Are Anesthesia Services Measured and Billed?

The cost for anesthesia services is calculated based on several criteria: the difficulty of the anesthetic procedure, the time it took to administer the anesthesia, and other modifying factors (such as the health of the patient). The method for calculating anesthesia charges also includes a dollar value that is specific to a particular location.

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 relates to the cost of anesthesia:](#)

Your Action Plan: Know  
Before You Go

## **Anesthesia Base Units**

Each anesthesia procedure code has a base unit value, which reflects the difficulty and the skill required to perform the procedure. The more difficult an anesthesia procedure is to perform, the higher the number of base units the procedure is assigned. The number of base units for each anesthetic procedure are constant and do not change.

## **Time Units**

In addition to the number of base units for an anesthetic procedure, the anesthesia charge also reflects the amount of time that it took to provide the anesthesia service. This is denoted by time units, which are typically 15 minutes in length, but may also be 10 or 12 minutes depending upon the location where the service is provided. For example, using a 15-minute time unit, 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 Unit**

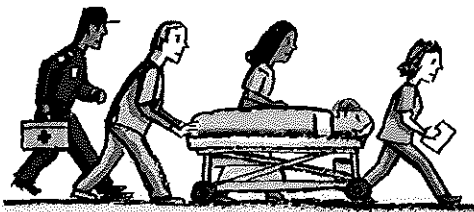
A third factor in the calculation of an anesthesia charge is the modifying unit. This takes into account special conditions that may affect the setting in which anesthesia is given. Modifying factors may include the patient's physical status (a patient may be healthy, or may have other systemic diseases), or emergency situations.

## **Conversion Factor**

Conversion factors are dollar amounts that have been assigned to each unit. These conversion factors are specific to the location of the healthcare provider. A conversion factor in Buffalo, New York may differ from the conversion factor for Raleigh, North Carolina.

## **Total Anesthesia Charge**

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



## **Let's see an example of how this might work:**

A relatively healthy patient (no modifying units apply) received an anesthetic service for gallbladder surgery which is valued at 7 base units, for 75 minutes, and received care in a location that has been assigned a conversion factor of \$70. The anesthesia charge will be calculated as follows:

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

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

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## **How Are Anesthesia Services Reimbursed?**

Because anesthesia services are billed separately from other procedures and are administered by distinct healthcare professionals, your insurer may reimburse for anesthesia services separately. For example, even if you undergo surgery at an in-network hospital, the anesthesiologist may not be part of your plan's network. It is important to know beforehand whether the anesthesiologist who will provide your care is in your plan's network, and how much s/he will charge, so that you can know what to expect on your bill.

## **Your Action Plan: Know Before You Go**

There are times when receiving anesthesia services outside your network is simply unavoidable. But, when you have the opportunity to plan in advance, your choice should be an informed one. Follow these tips to help manage your out-of-pocket costs if you will be undergoing a procedure that requires the care of an anesthesiologist:

- Ask your provider to refer you in-network first unless there is a specific reason why you want to go out-of-network.
- If you're having surgery, ask if the professional who will administer the anesthesia participates in your plan's network.
- If you choose to go out-of-network for a procedure that requires anesthesia, ask your provider how much you will be charged. Then, ask your insurer how much of the service your plan will cover.

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.

For more information, see [Out-of-Network Docs at In-Network Hospitals](#).

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