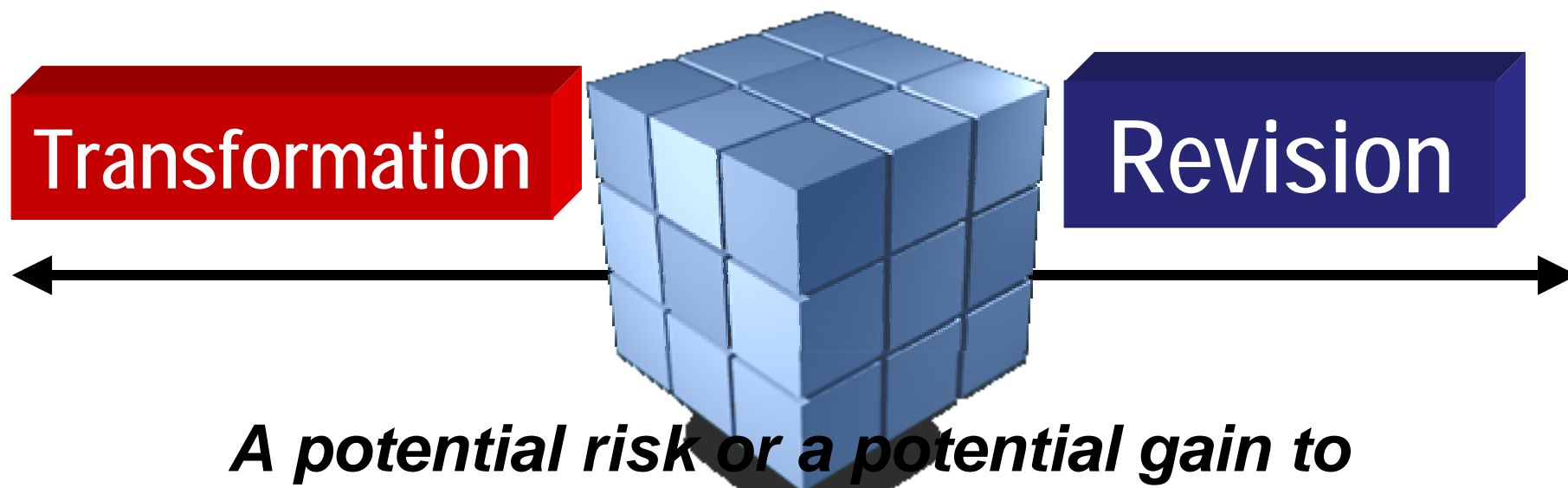


The Healthcare Reform Continuum



***A potential risk or a potential gain to
CRNA value and CRNA Scope of
Practice in the healthcare marketplace.
Recognized • Valued • Priced • Reimbursed • Delivered***

The Healthcare Reform Continuum

Transformation

Revision

Define '*Reform*' – **Transform** / Make Over - **Revise** / Repair

In terms of anesthesia delivery systems consider placing the following synonyms for the word 'reform' after the term, *Anesthesia Reimbursement* or the term, *Anesthesia Delivery System*. Such as *Anesthesia Reimbursement Transformation*.

Within the 'realm of anesthesia'

...Reshape, ...Rejuvenate, ...Revision, ...Repair,
...Amend, ...Refashion, ...Reorganize,
...Standardize, or ...Transformation.

The Healthcare Reform Continuum

Transformation

Revision

Define '*Reform*' – **Transform** / Make Over - **Revise** / Repair

Why Reform? Public debate centers around 45.7 million people in the United States without health insurance coverage at any given point.

Analyzing US Census data reveals who these people are, they are-

- *28 million who earn > \$50K annually and choose not to purchase coverage.*
- *Those earning > \$75K annually make up the fastest growing segment.*
 - *10 million who are not American citizens.*
 - *14 million who already qualify for Medicare/Medicaid/SCHIP.*

Reshape, Rejuvenate, Revision, Repair, Amend, Refashion, Reorganize, Standardize, or Transformation.

The Healthcare Reform Continuum

Transformation

Revision

- Abandon Present Systems.
- Adopt Failure of Present System.
- Rebuild from nothing.
- Rebase all provider and services.

- Critique Present Systems.
- ID Areas of Revision.
- Retain Proven Systems.
- Implement Revisions.

- Since 1950, the US Healthcare system has reduced heart disease death rates by 59% and 22% since 1993 - *David Gratzner - The Cure and CNN*
- Increased the US life expectancy by 9 years since 1950.
- *Remove Monster Trucking, Aggressive Behavior, and recognize the WTO - Viable Infant Definition and the US has the greatest life expectancy in all of the Western World.*
Sally C. Pipes - The Top Ten Myths of American Health Care - A Citizens Guide

What is at stake here depends
upon where you place your ideology
on the *Healthcare Reform Continuum*.

The Healthcare Reform Continuum

Transformation

Transformation / Make Over

- Requires us to abandon the present delivery systems.
- Requires us to re-evaluate all service lines and providers.
- Requires us to re-build from the ground up –
 - Lines of Authority and Regulatory Authority. - *15-52 new agencies.*
 - Provider Scope of Practice and Reimbursement Recognition –potential obscurity.
 - Destroys elements that are presently effective.
 - Reimbursement Methodologies *CRNAs value and worth in jeopardy.*
 - Re-basing of all providers and services.
 - Re-evaluate all that the present system provides.
 - Changes in relationships with third parties entities.
 - Changes in relationships with Surgeons / Hospitals / Each other.

The Healthcare Reform Continuum



- Forces us to acknowledge that aspects of the present day system do function, have value, and should be retained.
- Forces us to take on a detailed critique of the present system with specific requirements to identify those failing aspects and identify measurable pathways of action.
 - Allow competition to determine optimum economic provider.
 - Remove barriers to access that are driven from within the system's structure – coverage restrictions, discriminatory practices.
 - Identify the value of all providers –mid-level to physician. Remove Scope of Practice barriers. Fully utilize professionals such as CRNAs.

The Healthcare Reform Continuum

Transformation

Impact upon Today's CRNA

- Risk opening discussions on achievements already established such as:
 - Pass Thru Rules and Regulations.
 - 50/50 Split in Medicare Part B Professional Fees.
 - Potential Coverage Evaluation on –QS Services.
 - Changes in current regulations concerning CRNA Scope of Practice – such as – Language covering reimbursement for special services – Invasive monitoring, critical care services, and other non-OR related anesthesia services.
- Risk CRNA identity loss – Sliding into obscurity.
- Reimbursement transformed '**Bundling of Payments**' – resulting in loss of revenue identifiers.
- **Uncontrolled \$500B cut**, reimbursement will be **reduced** and bundling of payments will potentially pay upper level providers. Requiring CRNAs to re-define their worth and thrusting them into obscurity.

The Healthcare Reform Continuum

Revision

Impact Upon Today's CRNA

- Establishing coverage for all patients will have varying degrees of positive impact amongst CRNA practices depending upon their current payermix.
- Potential to open discussions on -QK/-QX Services – Medical Direction costs of such, potential savings to system in MD resource distribution in those practice environments. *CRNAs hold the economic key to savings here, but do they realize it? Damages of 855I and -B Changes in Effective Date -April 2009*
- Risk opening reimbursement levels for potential reductions, significant changes in methodology-modification of relative value system or creation of conversion factors based upon provider type, MDA, CRNA, or AA.
- Assuming RVG methodologies stagnant still run risk of conversion factor reductions to reduce expenditures. Analysis of national conversion factor averages
- Private sector revisions vs. government - result in CRNAs in greater cost control.

The Healthcare Reform Continuum

Transformation

Revision

Impact Upon Today's CRNA

Let's Review the Single Aspect of Conversion Factor Impacts
and Bundling of Anesthesia Reimbursement

500 anesthetics administered per year / 10.5 RVUs Per Case

QX = 50% QZ = 100%

- 5,250 RVUs @ \$ 40/Unit = \$ 210,000
- 5,250 RVUs @ \$ 24/Unit = \$126,000
- 5,250 RVUs @ \$18/Unit = \$ 94,500

Now I am going to pay it to someone other than the Provider

The Healthcare Reform Continuum

Transformation

Revision

Impact of HR 3200 and Current Senate Versions

- Highly restrictive with deep non-clinical - bureaucratic controls subject to political pressures.
- \$500B Cut in Medicare funding will directly impact reimbursement *and will only be the beginning.*
- Average American to pay 1/3 greater cost for coverage, for coverage many say they don't need or want.
- Subsidized by significant tax revenues on Americans, healthcare industries, insurance carriers.
- Significant Volume Decreases – Surgical volumes will drop, less demand for CRNA services.
- Re-write of what we know – risks associated with opening the door on many resolved issues.
- CRNAs will earn less-the average national conversion factor (\$42 - \$65/unit) will have to come **down** to reach the demanded savings. *Private practice or employed doesn't matter, everyone loses.*
- CRNAs will be thrust into obscurity and run the risk of losing scope of practice as **roles are redefined.**
- With the RVS destroyed, CRNAs will have difficulty identifying, quantifying, and supporting their worth.
- Investor Business Daily - Sept '09 45% of MDs will consider closing practices—further reducing workforce.
- Utilization Exam – reimbursement reductions—penalties –reduced volumes – **Medicaid Integrity Project.**

The Healthcare Reform Continuum

Transformation

Revision

As a CRNA where do you place yourself on the healthcare reform continuum?

- Do we need reform... *Yes...but do we need transformation....no.*
- Do we have a responsibility to care for those in need.... *Of course,* but those responsibilities can, and are met differently- *Remember those millions of Americans that qualify but simply don't enroll.*
- Does the proposed transformations and revisions in DC place CRNAs at risk? *Yes... at risk clinically, at risk for loss of demand, and at risk financially.*

The Healthcare Reform Continuum

Transformation

Revision

CRNAs remember despite what you hear in the media

- The US has reduced death from heart diseased by 22% since 1993 and 59% since 1950.
- The US leads the world in Cancer survival rates 35% > than the UK.
- The US leads the world in medical research and development producing more than $\frac{1}{2}$ of all medical products and technology purchased globally.
- The US government out spends all other nations in medical research and development.
- 2004 \$18.4B in the US vs. \$3.7B in all of Europe. *Europe has a far greater population.*
- October 2009 Three Americans won the Nobel prize for research in medicine.

CRNAs have a key role *today ... hold on to it.*

The Healthcare Reform Continuum

Transformation

Revision

Interested in learning more?
The Business of Today's Anesthesia Practice
15 CEUs in San Francisco
November 6-9, 2009

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**For the latest in healthcare reform and
its impact upon CRNAs visit:**

www.BCSConsult.com

2009 The Top Ten Myths of American Health Care *by Sally C. Pipes*

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Where do CRNAs find themselves?

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