

Medical Direction/ Supervision: The Influence on CRNA Practice

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The Confusion of Terms

- Medical Direction
- Non-medically directed
- Medical Supervision
- Supervision

The Confusion of Terms

- Medicare Part B
 - Medical Direction
 - Non-medically directed
 - Medical Supervision
- Medicare Part A
 - Supervision

Medical Direction

- Reimbursement Issue: Medicare Part B
- Maximum of 4 Concurrent Cases
 - Involving Qualified Individuals
 - Residents
 - CRNAs
 - AAs
- MDA reimbursement
 - QY: 1:1 direction
 - QK: 2-4 cases

Medical Direction

TEFRA regulations

- Performs a pre-anesthesia exam/ evaluation
- Prescribes the anesthesia plan
- Personally participates in the most demanding aspects of the anesthesia plan, if applicable
 - Induction
 - Emergence
- Ensures that any procedures that is (s)he doesn't personally perform are performed by a qualified individual
- Monitors the course of anesthesia administration at frequent intervals
- Remains physically present and available for immediate diagnosis and treatment of emergencies
- Provides indicated post-anesthesia care

Medical Direction

Medicare Reimbursement Criteria

- Anesthesiologists *solely* for Medical Direction and Medical Supervision
 - Not allowed to any other physician providing supervision or direction
 - Must comply to 7 TEFRA conditions of participation
- Reimbursement schedule
 - 50% of all concurrent cases
 - Private MDAs
 - Teaching MDAs
 - Exception:
 - 2 concurrent cases involving 2 SRNAs
 - 1 SRNA/ 1 CRNA

Non-Medically Directed

- Does not adhere to 4: 1 criteria
- Provides maximum flexibility for a combined anesthesia services of CRNAs and Anesthesiologists
- Anesthesiologists available as consultant to CRNAs
- Frees up Anesthesiologist to provide other services simultaneously with ongoing surgeries

Non-Medically Directed

- Reimbursement:
 - CRNAs receive 100% of allowable reimbursement
 - CRNA employed by Anesthesiologists
 - Group then bills for services as non-medically directed
 - CRNA is salaried
- “Win/ Win” situation
 - Avoids potential fraudulent practice
 - Enhances production

Medical Supervision

- Anesthesiologist involved in > 4 concurrent cases
- Advantages:
 - Not financial unless large volume institution
 - Perceptual rather than financial

Medical Supervision

- Reimbursement < than for Medical Direction
 - 3 base units x anesthesia conversion factor
 - Additional time unit if present for induction
 - CRNA reimbursement remains at 50%

Reimbursement Comparisons

- Laparoscopic Cholecystectomy
 - CPT code: 7 Base Units
 - 1.5 hours: 6 Time Units
 - 13 total units
 - Average Conversion Factor: \$18.00/ unit
- Total Revenue= \$234.00/ OR

Reimbursement Comparisons

- Medical Direction
 - 4:1 Ratio
 - CRNA /MDA: 50/ 50 split per room
 - Total Revenue: \$936.00
- Non-Medically Directed
 - CRNA: 100%
 - 4 ORs: Same as Medical Direction
 - >4 ORs: Add \$234.00/ OR

Reimbursement Comparisons

■ Medical Supervision

- CRNA: 50%/ OR
 - \$117.00
- MDA: 3-4 units x CF
 - CF: \$18.00
 - 4units: \$69.00/ OR
 - 3 units: \$54.00/OR

■ 5:1 Ratio: CRNA/ MDA

- \$585.00/ \$345.00
- Total: \$930.00

■ 6:1 Ratio: CRNA/MDA

- \$702.00/ \$414.00
- Total: \$1116.00

■ 7:1 Ratio: CRNA/MDA

- \$819.00/ \$483.00
- Total: \$1302.00

■ 8:1 Ratio:CRNA/MDA

- \$938.00/ \$552.00
- Total: \$1490.00

Reimbursement Comparisons

<i>CRNA to MDA ratio</i>	<i>Non Medically</i>	<i>Medical Supervision</i>	<i>Difference</i>
4:1	\$936.00	\$744.00	\$192.00
5:1	\$1170.00	\$930.00	\$240.00
6:1	\$1404.00	\$1116.00	\$288.00
7:1	\$1638.00	\$1302.00	\$336.00
8:1	\$1872.00	\$1490.00	\$382.00

Mind Clearing Time....

**Moving to Part “A”
Reimbursement**

Supervision: Historical Data

- Reimbursement issue
- Medicare payment
- Reimbursement:
 - Part A: Hospitals & ASC' s
 - Supervision
 - Part B : Provider
 - Medical Direction

Supervision:

Implementation Criteria

- Supervision or Direction Requirements
 - Nurse Practice Acts
 - BON Rules/ Regulation
 - Medical Practice Acts
 - BOM Rules/ Regulation
 - Hospital Licensing Statues
 - Hospital Rules/ Regulations or Generic equivalents

Why is this an issue?

Generally:

- Obstacle to hospital reimbursement
- Disincentive to utilize CRNA services
- Perception of increased physician liability

Specifically:

- Rural hospitals and Critical Access Hospitals (CAHs) face loss of anesthesia and surgical services and risk closure

Supervision: Access to Care

- CRNAs administer 65% of all anesthetic in the US
- CRNAs provide > 70% of anesthesia care to Rural America
 - “Rural America depends on CRNAs”
- Access to care for patients
 - Rural
 - Underserved areas

Chronology of Supervision

- January 18, 2001: “Final rule” published
- January 20, 2001: Bush administration memo on freeze
- March 20, 2001: Rule frozen
- July 5, 2001: New proposed rule
- September 5, 2001: Comment period closes
- November 13, 2001: Final rule published

Final Rule Language

- Governors to request exemption from the supervision requirement if their states do not require supervision after consulting with the Board of Medicine and Board of Nursing
- An prospective study of CRNA practice to be conducted by Agency for Healthcare Research and Quality (AHRQ)

“Opt-Out” Requirements

- State’s Governor has considered issues related to access to and the quality of anesthesia services in the state via consultation with
 - BON
 - BOM
- Views that it is in the best interest of the state’s citizens to exercise the opt-out

“Opt-Out” Requirements

- Determined that the opt-out is consistent with state law
- Sends a letter of attestation to CMS (Center for Medicare/ Medicaid Services...formerly known as HCFA)
- Request for opt-out will be effective upon submission to CMS

Opt-Out Status: 14 States

- 2001-Iowa

- 2002

- Nebraska
- Idaho
- Minnesota
- New Hampshire
- New Mexico

- 2003

- Kansas
- North Dakota
- Washington
- Alaska
- Oregon

- 2004 - Montana

- 2005

- South Dakota
- Wisconsin

Supervision Opt-Out

- Concerns:
 - Change in state leadership could rescind the opt out status
- What can *You* do?
 - Educate
 - Physicians
 - Hospital Administrators
 - Legislators

*Thank you for your
attention....*

Questions?