

The Commercial Survey Results Strike Back

Jason Byrd, J.D.

As with all fun summer blockbusters (and those that make you want to demand a refund of your \$10.50 ticket!), there comes the need for a sequel, prequel or remake. Due to space constraints and timing, we were not able to provide all of the information we hoped in the August 2009 *NEWSLETTER* article analyzing the ASA survey results for commercial contracted rates (<http://viewer.zmags.com/publication/d48ed039#/d48ed039/48>). So back by popular demand (or run for your lives), we provide you with our sequel to the commercial contracted rates survey results, a.k.a., *The Commercial Survey Results Strike Back*. Now, on with the analysis.

The intent of this analysis is to supplement the original article with additional regional and demographic data, along with analyses relevant to anesthesia practices and their various relationships with different anesthesia providers. As a reminder of the basic premises and findings provided in the August 2009 article, the overall number of survey responses used for our analysis included 279 practices employing or contracting with 6,725 anesthesiologists, 4,786 Certified Registered Nurse Anesthetists (CRNAs), and 228 anesthesiologist assistants (AAs). The practices also work with an additional 1,152 CRNAs for whom the practices do not directly pay compensation.

We normalized all contracts to the typical 15-minute time unit and weight-adjusted all reported conversion factors. (Please see the August 2009 article for the methodology details.)

As reported in Table 2 of the August 2009 article, the Southern region had the highest relative survey response rate. Thus, it is natural to assume that Southern practices accounted for the largest overall reported annual case volume, which they did (n=2,772,683). The total reported case volume for the other three regions were: Eastern (1,962,315), Western (1,396,433) and Midwestern (904,041). Interestingly, however, is that the Eastern practices who participated in the survey had the highest average annual case volume (27,254), followed by Southern (25,673), Western (23,668) and Midwestern (22,050).

For the first time, ASA collected and analyzed the survey data based on relationships anesthesia practices have with other anesthesia providers (i.e., CRNAs and AAs). We asked each respondent to identify the number of physicians employed or contracted by the practice, CRNAs directly employed or contracted by the practice (“Direct Employ CRNA”), CRNAs who work with the practice but are not directly compensated by the practice (i.e., employed by the hospital) (“Indirect CRNA”), and AAs employed by the practice. Starting from our

Table 1. Anesthesia Practice Relationships With Anesthesia Providers, by Region

Region	Physicians	Avg.	Direct Employ CRNA	Avg.	Indirect CRNA	Avg.	AAs	AAs(n)	Avg.
Eastern	0-186	26.27	0-210	20.01	0-85	7.03	0-15	n=5	0.35
Southern	0-337	22.32	0-255	24.08	0-94	4.37	0-46	n=16	1.58
Western	0-190	22.49	0-35	2.37	0-20	0.92	0-9	n=3	0.19
Midwestern	0-134	26.72	0-105	14.76	0-35	2.93	0-10	n=5	0.51



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prior regional analysis, we further stratified the data using these identified relationships into three categories: “Direct Employ CRNA,” “Indirect CRNA” and “No CRNA Relation,” which signified those practices that do not work with CRNAs (either directly or indirectly). Due to the low number of practices that reported relationships with AAs, we were unable to provide any sort of analysis with respect to AA relationships.

Table 1 provides the range of responses received for each provider type along with the respective averages. As previously indicated, the number of practices reporting a relationship with AAs was small, and thus, we provided the number of responses per region to give the reader a better sense of the small numbers.

Table 2. Commercial Conversion Factors by Anesthesia Provider Relationship, by Region

Region	Anesthesia Provider Relationship	Conversion Factor	(n)	Overall Regional Mean
Eastern	Direct Employ CRNA	\$63.87	173	(\$62.41-\$68.31)
	Indirect CRNA	\$57.93	68	
	No CRNA Relation	\$75.15	39	
Southern	Direct Employ CRNA	\$64.72	321	(\$57.78-\$74.12)
	Indirect CRNA	\$54.15	52	
	No CRNA Relation	\$83.53	65	
Western	Direct Employ CRNA	\$55.33	59	(\$59.02-\$71.05)
	Indirect CRNA	\$59.09	27	
	No CRNA Relation	\$60.00	163	
Midwestern	Direct Employ CRNA	\$63.41	112	(\$59.85-\$63.22)
	Indirect CRNA	\$61.22	25	
	No CRNA Relation	\$56.37	51	

The most interesting finding is that the average numbers of physicians per practice are relatively tightly clustered between 22 and 26. In fact, the Eastern and Midwestern regions are very tight while the Southern and Western regions are tight respectively. In contrast, however, are the wide variations in regional averages for “Direct Employ CRNA” and “Indirect CRNA.”

It is interesting to note the differences in conversion factors based on anesthesia provider relationship (Table 2). In three (Eastern, Southern, Western) out of four regions, the highest overall conversion factor relative to the overall conversion factors for the other two anesthesia provider relationships was demonstrated by those practices that do not work with (directly or indirectly) CRNAs. In three out of four regions, the overall conversion factor for those practices that directly employ CRNAs was either the highest (Midwestern) relative to the overall conversion factors for the other two anesthesia provider relationships, or the second highest (Eastern and Southern). Keep in mind that the “(n)” column in Table 2 signifies that number of reported commercial contracts that fall within the respective anesthesia provider relationship. The “Overall Regional Mean” is the range of means for each of the five or fewer commercial contract rates for the region as reported in the August 2009 *NEWSLETTER* article.

Finally, we calculated the overall average conversion factor for the 1,155 reported commercial contracts broken down by anesthesia provider relationship, as shown in Table 3.

Table 3. Overall Commercial Conversion Factor by Employment Arrangement

Employment Arrangement	Conversion Factor	Number of Contracts
Direct Employ CRNA	\$63.50	665
Indirect CRNA	\$56.86	172
No CRNA Relation	\$64.85	318

Discussion

There are a number of explanations for the differences in the overall commercial conversion factors broken down by anesthesia provider relationships. First, there is the issue of response rate. Of the 1,155 reported commercial contracts, only 172 (14.89 percent) fall within the “Indirect CRNA” category, where practices work with but do not directly compensate CRNAs. Thus, some might argue that the response rate is insufficient to draw conclusions. While we acknowledge that we would prefer the number of commercial contracts for each anesthesia provider relationship category to be more equal, we still feel that the responses are adequate to draw some inferences that can be further tested in future surveys.

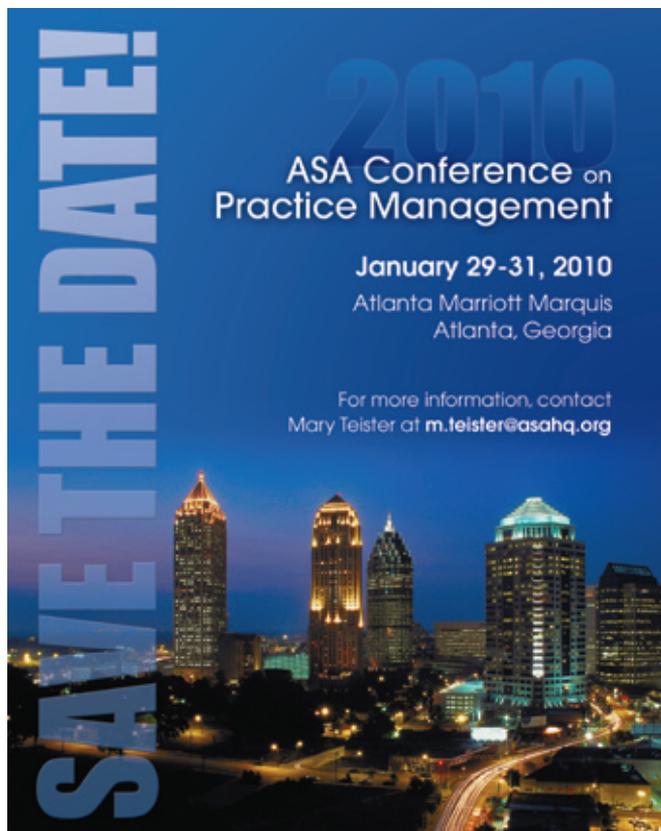
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In addition, there were a number of practices (n=33) that reported both direct and indirect employment relationships with CRNAs. In order to keep the overall number of reported commercial contracts consistent with the August 2009 NEWSLETTER (n=1,155), for those practices with both direct and indirect CRNA relationships, we elected to place the particular practice into a category based on relationship with the greater number of CRNAs reported. For example, if Practice A reported that it directly employs 25 CRNAs and has an indirect relationship with 37 CRNAs, Practice A was counted in the region's "Indirect CRNA" category. Overall, however, this approach only resulted in a net advantage for the "Direct Employ CRNA" category of seven contracts.

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