

CHAPTER 13
SECTION 3.1

ANESTHESIA

Issue Date: August 26, 1985

Authority: [32 CFR 199.4\(c\)\(2\)\(vii\)](#); [\(c\)\(3\)\(viii\)](#); and [32 CFR 199.6\(c\)](#)

I. APPLICABILITY

The policy is mandatory for reimbursement of services provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by TMA and specifically included in the network provider agreement.

II. ISSUE

How is reimbursement for anesthesia services to be determined?

III. POLICY

A. Procedure codes. Claims are to be billed using the CPT-4 anesthesia codes (range 00100 - 01999).

B. Payment. Payment is calculated by multiplying the applicable conversion factor by the appropriate number of base units plus time units for each code.

1. There are two conversion factors--one for physicians and one for non-physicians, and the conversion factors are adjusted by wage indexes for each locality. The locality-specific conversion factors are adjusted in the same manner applied to CMACs. That is, the current contractor-maintained conversion factors are compared to the Medicare locality-specific conversion factors, and the conversion factors are reduced a maximum of fifteen percent a year or to the Medicare level.

2. Base units for each procedure are derived from the Medicare Anesthesia Relative Value Guide. Time units are 15 minutes, and any fraction of a unit is considered a whole unit. Time units will be as submitted on the claim.

C. Files provided to Contractors. Each year the contractors will receive a file which contains the conversion factors (two per locality) along with the number of base units per CPT-4 code.

D. Identification of provider. Since payment rates distinguish between physicians and non-physicians, each anesthesia claim must identify who provided the anesthesia. In those

cases where part of the anesthesia service is provided by an anesthesiologist and the remainder by a nurse anesthetist, the claims(s) must identify exactly the services provided by each type of provider, so that the appropriate payment level can be used.

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