Purposes: This policy is to provide direction on The Plan’s reimbursement of anesthesia services.

Reimbursement guidelines:

The following types of anesthesia qualify for reimbursement as anesthesia services:

1. Inhalation
2. Regional
   - Spinal (low spinal, saddle block)
   - Epidural (caudal)
   - Nerve block (retrobulbar, brachial plexus block, etc.)
   - Field block
3. Intravenous
4. Rectal
5. Conscious sedation

Anesthesia for diagnostic or therapeutic nerve blocks and injections (codes 01991 and 01992) is eligible for reimbursement when the block or injection is performed by a different provider.

Local anesthesia (A9270), which is direct infiltration of the incision, wound, or lesion is not a covered service.

Reimbursement for anesthesia services is based on the use of relative value units, including base units, plus time units and eligible modifying units when appropriate, multiplied by a monetary conversion factor.
The basic value for anesthesia when multiple surgical procedures are performed is the basic value for the procedure with the highest unit value. Reimbursement is not allowed for the basic unit value of a second, third, etc., procedure.

Anesthesia time begins when the anesthesiologist or CRNA is first in attendance with the patient for the purpose of creating the anesthetic state. Anesthesia time ends when the anesthesiologist or CRNA is no longer in personal attendance; that is, when the patient may be safely placed under customary postoperative supervision. This time must be documented on the anesthesia record, but not on the claim.

Time must be indicated on all anesthesia claims. Report the actual time spent administering anesthesia as minutes on the claim in the “days or units” block. The Plan will convert total minutes to time units. A “time unit” is a measure of each fifteen (15) minute interval or the actual time reported. Time units are calculated by dividing the total minutes of anesthesia time reported by fifteen (15), rounding to one decimal place (e.g., total anesthesia time of 48 minutes divided by 15 equals 3.2 time units).

**Note:** Report units, not minutes for moderate (conscious) sedation.

Applicable codes: 01991 01992 A9270 J0670 J2001 J2795 S0020

**Modifying Units for Anesthesia Services**

Modifying units represent those circumstances that necessitate skills of a physician beyond those usually required.

Modifying circumstances representative of age, emergency, total body hypothermia, and controlled hypotension should be reported under codes 99100, 99116, 99135 and 99140. These procedures are not associated with numbers of units and they will be reimbursed at a flat fee.

**Code 99100 (Age)**

- Reimbursement may be allowed for patients under one (1) year of age, or 71 years of age or older.

**Code 99140 (Emergency)**

- Reimbursement may be made for any service reported as an "emergency," except for a normal vaginal delivery.

**Other Modifying Codes**

- Reimbursement may be allowed when the doctor requests either utilization of total body hypothermia (code 99116) or utilization of controlled hypotension (99135).

**Physical Status Units**

Patient physical status should be reported under the appropriate modifier (P1-P6).

**Physical Status I (Modifier P1): Units allowed = 0**

- This modifier represents a normally healthy patient. There is no organic, physiologic, biochemical, or psychiatric disturbance. The pathological process for which the operation is to be performed is localized and not conducive to systemic disturbance.
**Physical Status II (Modifier P2): Units allowed = 0**

- This modifier represents a patient with mild to moderate systemic disturbance caused either by the condition to be treated surgically or by other pathophysiologic processes.

**Physical Status III (Modifier P3): Units allowed = 1**

- This modifier represents a patient with severe systemic disease.

**Physical Status IV (Modifier P4): Units allowed = 2**

- This modifier represents a patient with severe systemic disorder already life threatening and not always correctable by operative procedures.

**Physical Status V (Modifier P5): Units allowed = 3**

- This modifier represents a moribund patient who has little chance of survival but is submitted to operation in desperation. This classification is rarely used.

**Physical Status VI (Modifier P6): Units allowed = 0**

- This modifier represents a declared brain-dead patient whose organs are being removed for donor purposes. If the doctor reports physical status III, IV, or V, payment may be allowed for the units listed above. If the doctor does not report physical status, no additional units will be allowed.

**Position Units**

No allowance will be made for position. If extenuating circumstances exist in connection with the position of a patient, the services may be appealed for consideration by medical review.

Up to and including four (4) additional modifying units may be allowed when the anesthesiologist requests additional units for general anesthesia for congenital cataract extraction.

It will be necessary for the provider to submit medical records and/or additional documentation to determine coverage in this situation.

**Anesthesia Services Prior to Postponement of Surgery**

The Plan uses the following guidelines to adjudicate claims for the administration of anesthesia prior to the postponement of surgery:

1. If surgery is cancelled because of the anesthesiologist's preoperative appraisal, reimbursement can be made on the basis of a consultation. (Coverage for consultations is determined according to individual or group customer benefits.)
2. When surgery is aborted after general or regional anesthesia induction has taken place, reimbursement is made on the basis of 3 basic units plus time units multiplied by the conversion factor.
3. If anesthesia is reported under an NOC/NOS code, the Plan will adjudicate claims for the administration of anesthesia prior to the postponement of surgery, according to policy guidelines.
Continuous Local Delivery of Analgesia to Operative Sites Using an Elastomeric Infusion Pump

Continuous infusion of an analgesic to operative wound sites is a technique for postoperative pain control for surgeries typically requiring oral or parenteral narcotics for pain control.

Local delivery of analgesia to operative sites is designed to reduce postoperative pain, while limiting systemic side effects of analgesia. Additional benefits include reduced need for oral narcotics, decreased incidence of breakthrough pain, and faster return to normal activities. Drug delivery can be regulated through the use of simple disposable elastomeric pumps filled with analgesics attached to a variety of catheters that provide continuous delivery of the drug to the surgical site. Catheters may contain multiple openings so that the drug seeps into the operative wound all along its length. Elastomeric infusion pumps to deliver local analgesia have been used postoperatively for the following:

- Orthopedic procedures, such as repair of the anterior cruciate ligament
- Urology procedures, such as prostatectomy
- Plastic surgery procedures
- Obstetrical/gynecologic procedures, such as cesarean section
- Gastrointestinal surgery procedures, such as hemorrhoidectomy or gastric bypass
- Thoracic surgery procedures, such as thoracotomy
- Cardiovascular surgery procedures, such as sternotomy

Only elastomeric pumps and associated catheters that have received approval from the US Food and Drug Administration (FDA) are to be used.

Reimbursement for catheter insertion and removal to provide continuous delivery of a drug to a surgical site is included in the allowance for the surgery and therefore, is not eligible for separate reimbursement.

The elastomeric infusion pump (codes A4305 and A4306) is a supply most commonly reported as a facility expense. However, when reported by the doctor, coverage for the elastomeric infusion pump is determined according to individual or group customer benefits.

Monitoring Services Performed in Conjunction with the Administration of Anesthesia

The reporting of anesthesia services is appropriate by or under the responsible supervision of a physician. These services may include but are not limited to general, regional, supplementation of local anesthesia, or other supportive services in order to afford the patient the anesthesia care deemed optimal by the anesthesiologist during any procedure.

If monitoring services are reported on the same day as anesthesia, and the charges are itemized, the Plan will combine the charges and reimburse only the anesthesia. Reimbursement for the anesthesia performed on the same date of service includes the allowance for these services and are not eligible as a separate and distinct service. A participating or network provider cannot bill the member separately for these services. If these services are performed independently, report the service with modifier 59.

The Plan considers pre-operative and post-operative visits part of the global anesthesia allowance.

Examples of monitoring procedures performed during the course of administering anesthesia or for purposes of intraoperative anesthesia management are:

- ECG/EKG monitoring
- Administration of fluids and/or blood
- Respiratory functions (i.e. oxygen saturation [oximetry], end-tidal CO2 monitoring [capnography], etc.)
- Temperature
- Blood Pressure
- Mass spectrometry (Commercial products only)

**Note:** Modifier 59 may be reported with a non-E/M service, to identify it as distinct or independent from other non-E/M services performed on the same day. When modifier 59 is reported, the patient medical record must support its use in accordance with CPT guidelines.

**Applicable Codes:**

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**Medicare Advantage Applicable Codes:**

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**Direction of Anesthesia Services**

The amount for physician anesthesia services is based on allowable base and time units multiplied by an anesthesia conversion factor.

Concurrent directed anesthesia procedures are defined with regard to the maximum number of procedures that the physician is directing within the context of a single procedure.

Physicians must report the appropriate anesthesia modifier to denote whether the service was personally performed, directed, or supervised.

Specific anesthesia modifiers include:

**AA** - Anesthesia Services performed personally by the anesthesiologist

**AD** - Medical Supervision by a physician; more than 4 concurrent anesthesia procedures

**G8** - Monitored anesthesia care (MAC) for deep complex complicated or markedly invasive surgical procedures

**G9** - Monitored anesthesia care for patient who has a history of severe cardio-pulmonary condition

**QK** - Medical direction of two, three or four concurrent anesthesia procedures involving qualified individuals

**QS** - Monitored anesthesia care service

**QX** - CRNA service; with medical direction by a physician

**QY** - Medical direction of one certified registered nurse anesthetist by an anesthesiologist

**QZ** - CRNA service: without medical direction by a physician

**Note:** The QS modifier is for informational purposes. Providers must report actual anesthesia time on the claim.
Payment for Personally Performed Anesthesia

Anesthesia payment is determined by the base unit for the anesthesia code and one time unit per 15 minutes of anesthesia time if:

1. The physician personally performed the entire anesthesia service alone; or,
2. The physician is a teaching physician involved with one or two concurrent resident cases or in one resident case that is concurrent to another case paid under medical direction payment rules; i.e., a nurse anesthetist or anesthesiologists assistant case; or,
3. The physician is continuously involved in a single case involving a student nurse anesthetist; or,
4. If the physician is involved with a single case with a CRNA or an anesthesia assistant (AA), payment can be for the physician service and the CRNA (or AA) service in accordance with the medical direction payment policy; or
5. The physician and the CRNA (or AA) is involved in one anesthesia case and the services of each are found to be necessary. Documentation must be submitted by both the CRNA and the physician to support payment of the full fee for each of the two providers. The physician reports the “AA” modifier and the CRNA reports the “QZ” modifier for a non-necessary case.

Payment for Directed Anesthesia

Payment for the physician’s directed service is determined on the basis of fifty (50) percent of the allowance for the service performed by the physician alone. Direction occurs if the physician directs qualified individuals in two, three, or four concurrent cases and the physician performs the following activities:

1. Performs a pre-anesthetic examination and evaluation;
2. Prescribes the anesthetic plan;
3. Personally participates in the most demanding procedures in the anesthetic plan, including induction and emergence;
4. Ensures that any procedures in the anesthetic plan that he or she does not perform are performed by a qualified anesthetist;
5. Monitors the course of anesthesia administration at frequent intervals;
6. Remains physically present and available for immediate diagnosis and treatment of emergencies; and
7. Provides indicated-post-anesthesia care.

The physician must participate only in the most demanding procedures of the anesthesia plan, including if applicable, induction and emergence. Also, for directed services, the physician must document in the medical record that he or she performed the pre-anesthetic examination and evaluation. Physicians must also document they provided indicated post-anesthesia care, were present during some portion of the anesthesia monitoring, and were present during the most demanding procedures, including induction and emergence, where indicated.

The physician can direct two, three, or four concurrent procedures involving qualified individuals, all of whom could be CRNAs, AAs, interns, residents or combinations of these individuals. The direction rules apply to cases involving student nurse anesthetists if the physician directs two concurrent cases, each of which involves a student nurse anesthetist, or the physician directs one case involving a student nurse anesthetist and another involving a CRNA, AA, intern, or resident.

A physician who is concurrently directing the administration of anesthesia to not more than four surgical patients cannot ordinarily be involved in performing additional services to other patients. However, addressing an emergency of short duration in the immediate area, administering an epidural or caudal
anesthetic to ease labor pain, or periodic, rather than continuous, monitoring of an obstetrical patient does not substantially diminish the scope of control exercised by the physician in directing the administration of anesthesia to surgical patients. It does not constitute a separate service for the purpose of determining whether the direction criteria are met. Further, while directing concurrent anesthesia procedures, a physician may receive patients entering the operating suite for the next surgery, check or discharge patients in the recovery room, or handle scheduling matters without affecting fee schedule payment.

However, if the physician leaves the immediate area of the operating suite for other than short durations or devotes extensive time to an emergency case or is otherwise not available to respond to the immediate needs of the surgical patients, the physician’s services to the surgical patients are supervisory in nature and reimbursement cannot be made.

Only three base units per procedure may be allowed when the anesthesiologist is involved in performing more than four procedures concurrently or is performing other services while directing the concurrent procedures. An additional time unit may be recognized if the physician can document that they were personally present at induction.

If anesthesiologists are in a group practice, one physician member may provide the pre-anesthesia examination and evaluation while another fulfills the other criteria. Similarly, one physician member of the group may provide post-anesthesia care while another member of the group performs the other component parts of the anesthesia service. However, the patient medical record must indicate that the services were performed by physicians and identify the physicians who performed them.

**Anesthesia Services Provided by a Qualified Anesthetist**

Reimbursement will be made for directed services when only one service is supervised. The payment amount for the physician service and the CRNA service is fifty (50) percent (for each service) of the allowance otherwise recognized had the service been furnished solely by the anesthesiologist. Modifier QX should be appended to the procedure code(s) in these cases. For more information, please refer to medical policy N-118: Anesthesia Services Provided by a Qualified Anesthetist.

**RELATED HIGHMARK POLICIES:**

Refer to the following Medical Policies for additional information:

- Medical Policy N-118: Anesthesia Services Provided by a Qualified Anesthetist

Refer to the following Reimbursement Policies for additional information:

- Reimbursement Policy RP-025: Implantation of Subcutaneous Intravascular Catheter
- Reimbursement Policy RP-009: Modifiers 25, 59, XE, XP, XS and XU

**REFERENCES:**

CMS Online Manual Publication: 100-04, Chapter 12, Section 50