1. MEMBERSHIP

The membership of the Colorado Society of Anesthesiologists currently consists of:

Active	720
Affiliate	5
Educational	33
Retired	83
Resident	55
TOTAL	**896 (an increase of 12, or 1.4%)**

2. RESULTS OF COMPONENT SOCIETY ELECTIONS

The current officers of the Colorado Society of Anesthesiologists include:

President	Joy L. Hawkins, M.D.
President Elect	Anna Weyand, M.D.
Secretary	Melissa Brooks Peterson, M.D.
Treasurer	William E. Moss, D.O., M.A.
Immediate Past President	Daniel J. Janik, M.D.

3. GOVERNMENTAL AND LEGISLATIVE EVENTS

3.1 Out-of-Network Billing, Network Adequacy, and Covered Benefits Insurance Issues: As presented in previous years, Colorado leads the nation in its approach to the out-of-network billing issue but health plans and some members of the General Assembly remain on the attack against the current structure.

In the 1990s, the Colorado Division of Insurance (CDOI) adopted regulations, with CSA support, that hold patients harmless and health plans liable, for charges in excess of the contractual benefits of each person's health insurance. This was later enacted into Colorado statute. The last two legislative sessions have seen the status quo come under attack. The Governor's office, some legislators, and insurers have proposed that Medicare rates or in-network rates, whichever is lower, be used at the out-of-network rate for physician services. Through concerted effort with other affected specialty societies, CSA was able to convince the sponsor of the 2017 out-of-network bill to withdraw this year's efforts to eviscerate physician's standing to negotiate meaningful contracts for our services. Until the Division of Insurance addresses some unacceptable practices at some surgical centers, and Colorado health plans are required to include some of the needed but problematic medical services as covered benefits (surgical assistant fees and neuro-monitoring during some surgical procedures are two examples), conflict over out-of-network billing is likely to continue.

3.2 Medicaid Payment: In previous years, CSA advocated for the creation of a Medicaid Provider Rate Review Advisory Committee and the Society was successful in having an anesthesiologist and former CSA president, Murray S. Willis, M.D., appointed to the commission. The work of the commission has been deliberate and it did not consider anesthesia rates until this year.

Dr. Willis and CSA began our presentations of the need for anesthesia rate reform in December 2016. The Medicaid agency, the Department of Health Care Policy and Financing (HCPF), with the assistance of the actuarial firm Optumas, has prepared its analysis of the adequacy of anesthesia payment rates under the program. Unfortunately, Optumas and HCPF do not accept the validity or applicability of the 2007 Government Accountability Office report (http://www.gao.gov/products/GAO-07-463) that found Medicare rates to be an unacceptable benchmark for payment for anesthesia services. Moreover, Optumas and HCPF have performed an opaque analysis of "access" to anesthesia services in the state, concluding that no rate increase is necessary since access appears to be adequate. No attention was given to the fact that anesthesiologists do not select our patients or close the door to Medicaid patients, as many physicians do.

Work continues on getting Colorado Medicaid to acknowledge the problem with its rates and to address the financial strain placed on Colorado anesthesia practices. CSA reserves the right to return to the General Assembly to address the issue as we did successfully in 2006 and 2015.

The details of the HCPF report on anesthesia and some surgical services can be found at:
https://www.colorado.gov/pacific/sites/default/files/2017%20Medicaid%20Provider%20Rate%20Review%20Analysis%20Report%20-%20Physician%20Services%2C%20Surgery%2C%20and%20Anesthesia.pdf

3.3 Scope of Practice: Scope of Practice continues to occupy a significant portion of the attention of the Society.

In early 2017, CSA testified against a proposed rule change at the Medical Services Board for the state Medicaid program. The Board proposed changing the authority for its rule-making on questions of scope of practice from references to Colorado statute, to opinions from Boards within the Colorado Department of Regulatory Agencies. While straight forward on the surface, these Boards have occasionally failed in the past to adhere to Colorado statute. This is especially true at the Colorado Board of Nursing (BON). Both the BON and Colorado Medical Board have compounded the scope problem by failing to issue rules and regulations at all when an issue crosses Board boundaries. This weakening of this regulatory approach to scope of practice has been supported, in the current and previous two administrations, by the network of assistant attorney generals advising each of these Boards. The Attorney General's office is also the office that represented the state in the 2003 and 2010 legal actions brought by CSA seeking to block the proposed opt-outs from the Federal Conditions of Participation supervision rules for nurse anesthetists.

In 2016 and again in 2017, representatives of the Colorado Academy of Physician Assistants have proposed aggressive regulatory changes seeking to lessen or eliminate meaningful supervision by physicians. Details of the proposals from the national organization representing physician assistants, or just PAs, as some are now asking to be called, can be found at:

https://www.aapa.org/wp-content/uploads/2017/02/Model_State_Legislation_May_2016-1.pdf and

https://www.aapa.org/wp-content/uploads/2017/01/Issue-brief_Six-key-elements_0117-1.pdf

3.4 As a follow-up to the 2016 report, Colorado voters defeated Amendment 69 by an 80 to 20 margin. Amendment 69 was the ballot proposal to create a single-payer system in Colorado funded by an enormous increase in payroll taxes. Proponents indicate that they will be back with a more incremental approach.

In a move that surprised this observer, the 2017 General Assembly declared the state Hospital Provider Fee, a provider tax that draws nearly $1.2 billion per year from Federal taxpayers, a state "enterprise" thereby exempting the tax from revenue limits set by the Colorado Constitution's Taxpayer Bill of Rights (TABOR). Governor Hickenlooper cleverly submitted a FY2017 budget that kept the state under the TABOR limits by dramatically cutting the Fee for the next fiscal year, causing the normally monolithic Colorado Republicans to split under threats to the financial integrity of some rural hospitals heavily dependent on the significantly enhanced Medicaid hospital payment rates provided by the tax.

4. SOCIO-ECONOMIC TRENDS

From the Governor's June 2017 forecast: "Colorado's economic growth has accelerated in the first half of 2017, and the expansion is expected to continue at a moderate pace through the forecast (1 year) period. Colorado's technology-related sectors remain robust, and continue to fuel much of the state's growth. Further, the oil and gas industry is now modestly adding to the expansion rather than weighing on economic activity. There is also renewed vigor in new business formation, which will contribute to continued economic growth. Although Colorado has the lowest unemployment rate in the nation, tight labor and housing market conditions are constraining the state's economic expansion. Less populated areas continue to experience lower job and income growth than along the Front Range."

It is not uncommon for residents of Colorado to be asked about the effects of the legalization of marijuana in the state. Other than increased pediatric admissions to the hospital after consumption of THC-infused edibles, and dramatically increased electricity consumption in Denver from the 300+ grow operations, the effects have been somewhat difficult to measure. But an August 27, 2017 front page story in the *Denver Post*, part of a series looking at the impact of legalization, raises alarming questions about pot consumption, driving, and fatalities. The introduction and follow-up links can be found at:
http://www.denverpost.com/2017/08/25/denver-post-marijuana-legalization-legacy/

5. MEDICO-LEGAL TRENDS

Malpractice premiums have been stable in Colorado. There have been no recent assaults on Colorado's relatively stable system of tort reform.

A page two story in the August 15, 2017 *Denver Post* highlighted a malpractice case involving a nurse anesthetist working in a plastic surgery office.

(http://www.denverpost.com/2017/08/15/colorado-lawsuit-botched-liposuction-oversight-plastic-surgery-centers/) Details of the degree and manner of supervision and how well the office follows Colorado's voluntary Office Based Surgery Guidelines are not available. The story does appear to highlight the need for the same rigorous and systematic approach to anesthesia care in surgical offices as is used in hospitals and surgery centers.

6. ACTIONS OF STATE/LOCAL MEDICAL SOCIETIES RELATING TO ANESTHESIOLOGY

The Colorado Society of Anesthesiologists partners with the Colorado Medical Society (CMS) and other specialty societies when interests are aligned. Projects within the past year include Out-of-Network billing and the Medicaid Provider Rate Review Advisory Committee. The latter issue is complicated by CMS's prior advocacy on behalf of primary care physicians when it asked the Medicaid program to use Medicare rates as the benchmark for setting rates for these physicians. This advocacy took place despite a vigorous effort to demonstrate that this line of reasoning would compromise other specialties, such as anesthesiology.

7. POLITICAL ADVOCACY AND ASAPAC PARTICIPATION

The 2016 PAC year was a good year for Colorado. The member contribution rate increased to 28.2%, primarily through the efforts of now Past-President and new Alternate Director Daniel J. Janik, M.D., and the residents of the University of Colorado Department of Anesthesiology program who led the way for all of us with another year of 100% participation. 2017 year to date numbers have shown a significant decline and Society leaders are on guard for any diminishing of effort as a result of the conclusion of the VA Nursing Handbook issue. PAC efforts will redouble between the time of this writing and the end of the PAC year.

8. ACTIVITIES ALIGNED TO ASA STRATEGIC PLAN

Through the promotion of patient safety and excellence in clinical care, in advocacy, and in education, the Colorado Society of Anesthesiologists continues its longstanding alignment with the ASA Strategic Plan.

RANDALL M. CLARK, M.D., FASA, Director