

CHRIS HOLBERT
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COMMITTEES

Member of:
Legislative Council
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**SENATE
STATE OF COLORADO
DENVER**

March 2nd, 2018

Joint Budget Committee
Colorado General Assembly
200 E 14th Ave #300, Denver, CO 80203

Dear JBC Members,

I respectfully request rejection of the Governor's proposed FY 2018-19 cut to Medicaid anesthesia services payment rates, in the amount of \$9,728,911 Total Funds and \$2,950,535 General Fund. (HCFP R-09 Provider Rate Adjustments FY 2018-19 Change Request, page 3)

The Colorado General Assembly, in 2006 and again in 2015, recognized that Colorado Medicaid payment rates for anesthesia services have been historically inadequate and unfair, especially as compared to other providers in the Medicaid system, and voted to specifically raise the anesthesia rates in those and subsequent years. The General Assembly agreed with the Colorado Society of Anesthesiologists that low Medicaid rates are especially burdensome for anesthesia providers due to the relatively large volume of anesthesia care provided for children and pregnant women in the Medicaid program, care that anesthesiologists provide without attention to a patients' Medicaid enrollment or ability to pay.

The Governor's and Health Care Policy and Finance's recommendation for a rate cut is based on the flawed creation of a new arbitrary benchmark for Colorado Medicaid anesthesia payment rates, namely Medicare rates. **No other entity** in Colorado uses Medicare as a benchmark for anesthesia payment; not Colorado Worker's Compensation, not Colorado commercial insurance, not Colorado Medicaid in its rates for dental anesthesia, and not Colorado Medicaid for its program for Medicaid supplemental payments for government-employed physicians. Similarly, the United States Government Accountability Office (GAO) has concluded that anesthesiology is underpaid by Medicare compared to other specialties and that Medicare is an inadequate benchmark for anesthesia services. (<https://www.gao.gov/products/GAO-07-463>)

Colorado's anesthesiologists provide necessary and valuable services for Medicaid patients and do so without regard to a patient's insurance or Medicaid status. Indeed, anesthesiologists have no ability to exclude any class of payer or type of patient from their care. Because of this, fairness would dictate that anesthesiology see the same burden, and the same differential from the cost of providing service, as other participants in the Medicaid system. A cut to current Medicaid rates for anesthesia services puts us further from this goal.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Chris Holbert".

Chris Holbert
Senate Majority Leader