



ILLINOIS SOCIETY OF  
ANESTHESIOLOGISTS

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July 6, 2010

Dear Colleague:

***Re: Out-of-Network Reimbursement Reduction for IL Anesthesiologist***

On behalf of the ISA Board of Directors, this letter is to inform you of the current state of affairs regarding the above subject. House Bill 5085 was introduced in January of 2010 as "Cancer drug clinical trial" passed the House of Representatives and moved to the Senate, where it was amended three days before the legislative session adjourned. The amendment was a response to the Department of Insurance's recently adopted rules that affect hospital based physician groups specifically: anesthesiology, pathology, radiology, emergency room physician and neonatology, to address reimbursement of out-of-network (OON) physician services delivered at in-network hospitals.

The Department of Insurance states that when a patient makes a good faith effort to use in-network services then the insured should not have to pay the difference between a participating and non-participating physician's charges. This rule will change the billing, collection and reimbursement dynamics for physicians, patients and insurers. Insurers now argue that the rule requires them to pay 100% of the non-participating physician fee, minus co-payments and deductibles, and that these fees far exceed their in-network reimbursement rates and are often over 1,000% of Medicare fees. Patients also complain to their legislators that they continue to be billed for services beyond their hold harmless level of responsibility. However, despite ISA's strong opposition, key legislators are now insisting that physicians negotiate a compromise.

Some of the language proposed by the Department of Insurance would preclude payment beyond the fee as determined by the insurance company. In addition individual cases would be arbitrated when the fee is 125% of Medicare charges while still holding the patient harmless for billing disputes for OON services provided by an anesthesiologist. The ISA Board is opposed to arbitration of individual cases and any fee schedule linked to Medicare reimbursement.

Currently, ISA leadership in collaboration with the Illinois State Medical Society (ISMS) and the other affected physician specialties are working together to determine how to best address the current affairs. The legislators want to act this year to reach an equitable solution that can be passed at the November veto session of the IL House. We want to hear from ISA members on suggestions and concerns as this legislation **will affect your reimbursement for OON services that you provide**. Please e-mail your suggestions and comments to [president@isahq.org](mailto:president@isahq.org) before July 13.

An initial coalition meeting was held on June 16, involving the other specialties and the principal individuals with this matter from ISMS, with much of the discussion centered on the need for fairness in contracting incentives. Potential compromise language that is being considered is 1) If these negotiations fail after 6 months, then mediation paid for 2) If contract negotiations fail, reimbursement of covered services will be at 150% of in-network rates or the average of what insurers pay for out of network, whichever is greater.

ISA is strongly opposed to language that will be link OON reimbursement to Medicare rates. The OON issue is just one of many examples of the ISA fighting hard to represent the interest of our specialty. The strong voice of ISA needs to be heard by the legislators. Any and all encouragement that you can provide to other anesthesiologists who are not currently ISA members to respond and become a member will make ISA's representation stronger. We will continue to work diligently with all stakeholders to ensure that your interests are represented.

Sincerely,

Asokumar Buvanendran, MD  
ISA, President

Joseph Szokol, MD  
Chair, Governmental Affairs for ISA

*PS: To access the full text of House Bill 5085 go to the Illinois General Assembly's website: <http://ilga.gov> and enter HB 5085 in the search function. Please visit [www.ISAHQ.org](http://www.ISAHQ.org) for further updates.*