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March 24, 2025

TO: The Honorable Pamela Beidle, Chair

Senate Finance Committee

FROM: Irnise F. Williams, Deputy Director, Health Education and Advocacy Unit

RE: House Bill 1086-Maryland Medical Assistance Program and Health Insurance -

Coverage for Anesthesia - Prohibiting Time Limitations- SUPPORT IN

CONCEPT

The Health Education and Advocacy Unit (HEAU) supports, in concept, House Bill 1086. This bill requires the Medicaid program and carriers to provide coverage for the delivery of anesthesia for the entire duration of the procedure; and prohibits placement of time limitations on the delivery of anesthesia. In November 2024, Anthem Blue Cross Blue Shield of Connecticut, New York and Missouri announced that it would no longer pay for anesthesia beyond a specified time limit, regardless of how long a surgery or procedure takes. This announcement caused an immediate uproar and national coverage on the news. The <u>American Society of Anesthesiologists</u> called on Anthem to reverse their policy along with state leaders in the states listed above.

Reportedly, Anthem planned to discourage overbilling by adopting a set of maximum time limits for procedures, inspired by data from the Centers for Medicare and Medicaid Services. If an operation went beyond the average time for medically necessary reasons, anesthesiologists could appeal for higher payment, making the process of reimbursement more arduous.

We support the protection this bill affords consumers. Consumers should not go into a surgical procedure that is covered by insurance and then come out with unexpected bills for care that was needed but not covered. Anesthesia lasts as long as a surgical procedure lasts and is necessary for the patient to be kept alive and stable throughout that procedure. Arbitrarily limiting coverage of anesthesia time, usurping the role of the providers caring for their patients, could lead to a decrease

in the quality of care or other harms, including surprise bills for consumers whose plans may not offer protection for noncoverage.

On the other hand, we do worry that mandated coverage of anesthesia services without any guidelines to manage the cost of anesthesia services creates opportunities for fraud, waste, and abuse. Though the vast majority of practitioners would act appropriately, some providers do engage in improper billing practices.

A proposed federal law, the "Anesthesia for All Act, offers an alternative approach, prohibiting carriers from denying payment for anesthesia services solely because the duration of care exceeded a pre-set time limit, and providing that medical necessity determinations are based on the assessment of the attending anesthesiologist or licensed anesthesia provider. We suggest consideration of this approach.