

State Modifier Trends in Medicare Billing- A Tale of Two States (TN & GA)

Medicare billing data demonstrates that Tennessee hospitals and surgery centers are moving toward anesthesia models that utilizes CRNA flexibility, eliminates unnecessary regulatory burden, and increases anesthesia efficiencies, which is seen in the growth of the CRNA QZ modifier.

A non-medically directed, autonomous CRNA can bill Medicare for 100% of the physician fee schedule for the CRNA's service. CRNAs in all states can bill as "non-medically directed" (QZ). Anesthesiologist Assistants cannot. The CRNA QZ billing modifier supports 100% fee schedule payment from CMS for CRNA anesthesia services and can be used in a physician anesthesiologist collaborative model or CRNA only practices. By comparison the QX CRNA/Anesthesiology Assistant modifier is used in combination with a physician anesthesiologist QK modifier and is limited to a **maximum ratio of 1:4** and the fee is split 50/50 between providers. The QX/QK modifiers with a 1:4 ratio maximum must be used when Anesthesiology Assistants are utilized. This requirement, limits flexibility in staffing, minimizes the efficiencies of CRNAs to the team, and assures subsidies will remain at the current or a higher level.

More TN facilities are recognizing the financial benefits of CRNA flexibility, as evidenced by the data, through the utilization of efficiency-driven anesthesia staffing models. In contrast, the billing trends show that the physician anesthesiologist-driven models of practice (AA, AD, QX/QK) have steadily declined over the past decade in TN and across the country. The medical direction model is dictated by an arbitrary ratio made up by regulators to minimize billing fraud of providers billing for services without being present (TEFRA, 1982). The medical direction model also creates a system in which 20-50% of the workforce does not provide direct patient care. Utilization of anesthesiology assistants "lock-in" this 1:4 ratio and prevents more efficient models from being considered.

In Tennessee, CRNA QZ billing has increased 20% since 2010, and in 2021, 68% of anesthesia services were provided by a CRNA practicing in a more efficient independent or collaborative model with a physician anesthesiologist. For comparison, Georgia ONLY utilizes QZ billing 28% of the time.

HCPCS Modifier	Descriptor
AA	Anesthesia Services performed personally by the anesthesiologist
AD	Medical Supervision by a physician: more than 4 concurrent anesthesia procedures. (Supervision 1:>4)
QK	Medical Direction of two, three or four concurrent anesthesia procedures involving qualified individuals (Direction 1:2-4)
QX	Qualified nonphysician anesthetist service: With medical direction by a physician
QY	Medical direction of one qualified nonphysician anesthetist by an anesthesiologist (Direction 1:1)
QZ	CRNA service: Without medical direction by a physician

Physician anesthesiologists report AA, AD, QK, or QY. A CRNA or Anesthesiologist Assistant reports QK; Modifier QZ is specific to CRNAs.

Source: Medicare Claims Processing Manual, Chapter 12, Sections 50I and 140.3.3 as of 6/11/2019

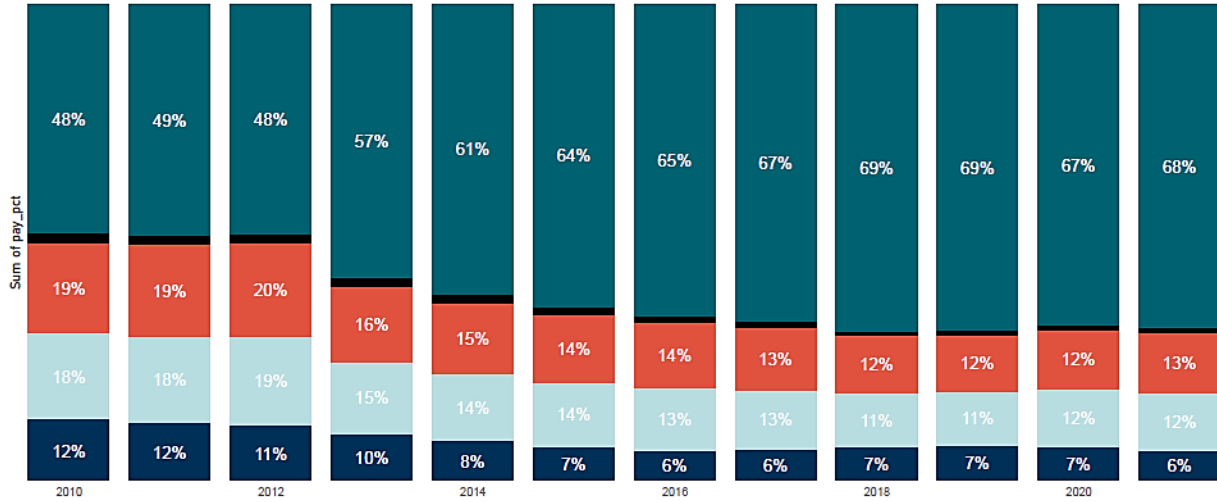
Tennessee

State Modifier Trends

Choose State

TN

● AA ● AD ● QK ● QX ● QY ● QZ



- 68% of all anesthesia in TN is performed by CRNAs without medical direction of a Physician Anesthesiologists.
- Only 25% of all anesthetics in TN are eligible for AA involvement.

Georgia

State Modifier Trends

Choose State

GA

● AA ● AD ● QK ● QX ● QY ● QZ

