

# Is Anesthesia Running Out of Gas?

 **PREMIER**  
ANESTHESIA



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# UNDERSTANDING THE PAIN INFLICTED BY THE “FINANCIALIZATION” OF ANESTHESIA

[Currently](#), anesthesia is administered over one hundred million times annually in the U.S. That number has been climbing year-over-year and is expected to continue into the foreseeable future. Our population is aging. Every day, approximately 10,000 baby boomers retire, and that population will [balloon](#) from 35.1 million in 2000 to over 69 million in 2030. Put simply, the demand for anesthesia services, especially for an aging population with medical needs, has never been higher. In the wake of the COVID-19 pandemic, hospital expenses are rising as healthcare staff leave medicine and their positions are filled, often using costly temporary workers or paying other staff members for overtime or extra [shifts](#).

If the practice of anesthesia was developed to treat patients in need and alleviate their pain, why are hospitals increasingly seeing anesthesia as a cause of the pains they face to serve patients in need? Put differently, isn't the increased demand a good thing for the future of the practice? The answer requires a multifaceted understanding of the confluence of several factors which, historically, have never intersected before.

While demand skyrockets, healthcare landscape challenges are amplified by a severe shortage of anesthesia professionals to provide patient care needs. If an anesthesia program is struggling to recruit and fully staff the program, often the anesthesia clinicians on the team end up overworked, frustrated, and often burned out with a work-life balance that leaves them little left in their tank. This has led to early retirements or anesthesia providers deciding to leave the profession — further exacerbating the dire shortage of available clinical labor — and, ultimately, the availability of healthcare. And, while a shortage exists across the [entire](#) spectrum of medical specialties, anesthesia has been [hit](#) especially hard. Anesthesia is one of the ten specialties that faced the greatest [declines](#) in the workforce from 2021 to 2022. More than 2,870 anesthesiologists left the workforce from 2021-2022. Worse still, of all active anesthesiologists in [2021](#), 56.9% were 55 or older, and a third were older than 60, [according](#) to the Association of American Medical Colleges.

The AAMC predicts a shortage of 12,500 anesthesiologists by [2033](#). One recent anesthesiologist summarized it [bluntly](#), “In a word, it’s excessive: too much work, too many patients, and too many comorbidities to provide safe, effective anesthesia care.”

With a current shortage of clinical providers, many have asked if help is on the way from our nation’s anesthesia residency programs, which are training the reinforcements. The answer to that is — not really. Or, at least, not in the foreseeable future. There has been a significant reduction in matching residency students with anesthesia residency training programs. The 2022 residency matching [program](#) saw an unprecedented 1,182 medical students (44% of applicants seeking an anesthesia residency) who did not match, [suggesting](#) that there are not enough positions available to train interested students.

As this deficiency sweeps across the nation, major healthcare systems grapple with the need to close rooms and [cancel](#) procedures, resulting in lost revenue and decreased availability and quality of care. One result of the supply/demand gap is a surging inflationary impact of increased costs as hospitals and health systems compete and bid for clinical coverage. As demand increases, the average salary for these anesthesia care specialists



also increases, placing health systems in a difficult economic position as costs outstrip reimbursement for anesthesia services from CMS’ Medicare, state Medicaid, and commercial insurance plans. The result is that a profession dedicated to the relief of pain is being weaponized by the payors to inflict pain on and maximize leverage against those facilities and professionals who provide [anesthesia services](#).



# THE IMPACT OF PRIVATE EQUITY INVESTMENT IN LARGE ANESTHESIA PRACTICES

Further exacerbating this issue is the influx of [private equity](#) firms which have invested in, or taken over, anesthesia practices nationwide. Private equity acquisitions of medical groups across all specialties [accelerated](#) in the last five years. However, [anesthesia groups were the most targeted and most acquired of the groups \(19.4%\)](#). A recent [article](#) in the *New England Journal of Medicine* highlighted the expanded role of private equity (PE) firms in acquiring medical practices.

In October 2022, *NBC News* did a feature [piece](#) about the impact of PE backing of anesthesia groups entitled, “This won’t hurt a bit: The anesthesiologist who is putting you under may work for a private equity firm.” In it, the article describes the influx of PE ownership as having deleterious effects on the provision of anesthesia care, including increased costs, lower coverage, and decreased quality of care.

The American Society of Anesthesiologists published an independent [article](#) in the *ASA Monitor* cautioning hospitals that there are long-term implications resulting from the influence of PE-backed anesthesia groups. “The most important risk of PE investment is [loss of control](#) over important decisions.” The financial incentives of PE firms to earn 18-20% returns over a five-to-seven-year period may conflict with the hospital’s need for long-term investments in practice stability, provider recruitment, staffing/coverage needs, quality of patient care, and patient safety.



This recent surge in PE-backed anesthesia groups also has been [linked](#) to higher anesthesia costs, often as much as a 25% premium on the costs. This data, which shows acquired practices to have several sites and many physicians, matches private equity firms' typical investment strategy of acquiring "platform" practices with large community footprints and then growing value by recruiting additional physicians, acquiring smaller groups, and expanding market reach.

The *ASA Monitor* article which cited the problems that PE-backed anesthesia groups create, also recognized that there is an exception to the trend, which fundamentally operates differently in the market. The article states, "Although rare, there are also some... with no current private equity link, such as... **Premier Anesthesia**".

There is certainly a market perception that some of the larger PE-backed anesthesia groups are pursuing a business model which inflates profits at the expense of the hospitals' anesthesia staffing and coverage needs. In fact, speaking to the [trend](#) of "financialization," the *New England Journal of Medicine*, recently put it pointedly, "Ultimately, the financial sector's increasing grip on the healthcare system invites a pressing question: Is the country getting a good deal?"





# THE PREMIER ANESTHESIA SOLUTION: A DIFFERENT MODEL

At present, Premier Anesthesia remains one of the only anesthesia practice management groups left in the market without any private equity or other outside investment. As such, its status as a true private group remains a real differentiator and part of the company's value proposition. Without private equity investors or shareholder interests driving decisions, Premier offers to keep control within hospital operations leadership by fully aligning with the hospital or ASC to create a program best suited to the facility's unique needs and strategic direction. And, without the profitability pressure of outside investors, the clinical providers enjoy a rewarding experience of being in a true private group focused on clinical quality, customer service, and practice management expertise.

By contrast, the increasing adoption of a private equity investment model introduces a significant shift in the operational landscape, often leading to an unsettling increase in provider turnover.

This transformation disrupts well-established team dynamics and injects uncertainty into aspects such as employment conditions, remuneration frameworks, and the degree of clinical autonomy practitioners once enjoyed. The resultant shift in financial and operational expectations places additional pressure on the already challenging task of recruiting and retaining skilled anesthesia providers.

By refusing outside investment or public shareholder interests, Premier Anesthesia is able to understand and address the complexities of the current anesthesiology provider shortage and the pressures it places on healthcare institutions. Our comprehensive approach to anesthesia recruiting and retention is designed to address these challenges head-on, ensuring that healthcare facilities can maintain high-quality patient care without interruption or provider burnout.

# EXPERIENCED PROVIDERS READY TO PROVIDE CARE

Premier Anesthesia leverages a sophisticated, multifaceted approach to [recruiting](#) that encompasses a thorough licensing and credentialing process, negotiation of pay and benefits, arrangement of travel, and serves as a single point of contact for quality candidates. Our ability to quickly locate the best providers through our [extensive network](#) and ongoing outreach efforts is unmatched, significantly reducing the time and resources spent on recruiting, relocating, and training new staff.

# ADAPTABLE AND SCALABLE SOLUTIONS

Recognizing that healthcare needs fluctuate, Premier Anesthesia offers flexible, adaptable, scalable engagement models. Our team is prepared to adjust to shifts in staffing and recruitment, ensuring that healthcare facilities remain profitable while delivering top-quality care. Whether filling temporary gaps or adding permanent team members, our focus on building solid relationships with our partners allows us to efficiently understand and meet their staffing needs.



# PROMOTING A VIBRANT WORKPLACE CULTURE

While competitive compensation is crucial, Premier Anesthesia understands that anesthesiologists, CRNAs, and C-AAs seek more than just a paycheck. We help healthcare institutions promote a vibrant [workplace culture](#) emphasizing work-life balance, professional development, and a supportive environment. We attract providers who align with the organization's values and vision by highlighting the facility's mission, growth initiatives, and available amenities. Most importantly, we recognize that anesthesia care professionals are not motivated by the financialization process — rather, their mission is to render high-quality care to patients in need.

# STABILITY AND EXCELLENCE IN CARE

With over 20 years of experience, Premier Anesthesia has developed a reputation for excellence in anesthesia management. Our commitment to transparent communication, collaboration, and fostering a positive work environment is at the core of our strategy to mitigate turnover, stabilize anesthesia services, and ensure continuity of care for patients.



# CONCLUSION

The challenge of anesthesiologist shortages and healthcare financialization requires a thoughtful and comprehensive response. Premier Anesthesia stands ready to support healthcare facilities and provider teams with effective recruitment strategies, flexible staffing solutions, and a commitment to creating a positive work environment. By partnering with Premier Anesthesia, healthcare organizations can navigate the complexities of the current landscape and ensure the continuation of high-quality patient care and the stability of anesthesia services — even during an era with surging demand for care and a trend of diminished numbers of available clinicians in the market.

## OVER 20 YEARS

STABILITY | TRANSPARENCY | COLLABORATION

**If you would like to learn more about how we can help support your team and enhance your anesthesia program, contact us today.**

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