

## **Health Care Reform Law Raises Geographic Payments from Medicare**

Among the Medicare program changes made by the new health system reform law were revisions to the geographic adjustments made in calculating payments for physician services. The AMA has developed preliminary estimates of the impact these provisions will have on average payment rates in each of the states, and concluded that physicians in 42 states and territories will benefit from these changes in 2010 and 2011.

The impact of the revised geographic adjustments on individual physicians will vary by state and by service. But, starting at the beginning of the alphabet to illustrate, the AMA estimates the following increases for two services provided by physicians in Alabama (assuming no change in the fee schedule conversion factor):

- Payment for a mid-level established patient office visit (CPT 99213) will increase by 4.6 percent, from \$59.89 to \$62.66.
- Payment for a laparoscopic inguinal hernia repair (CPT 49650) will increase by 3.9 percent, from \$355.03 to \$368.93.

A regulation will need to be issued by the Centers for Medicare & Medicaid Services before the final numbers and details on the application of the 2010 adjustments will be known. You can find a memo on the impact of these changes by state on the web at: <http://www.ama-assn.org/ama1/pub/upload/mm/399/gpci-impact-table.pdf>.