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The Patient Protection and Affordable Care Act—health system reform legislation signed into law by President Obama on March 23—contains a number of key provisions for you and your patients. Some provisions may have an immediate impact on your practice and patients, while others will not take effect for some time.

Given the new direction for the nation's health system, the AMA has developed *Health System Reform Insight* to help you understand the new law and how it will affect you, when certain provisions are scheduled to take effect, how you can be ready when the regulations go into effect and what your patients need to know.

Past editions have explained [how health system reform will affect physician practices and your patients](#) (PDF) and provided descriptions of [Medicare savings](#) (PDF) under health reform legislation for different provider category groups. Today we'll explain how health system reform will affect average Medicare payment rates.

Health 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. In the meantime, more information on the policy changes and the AMA's estimates of the impacts for each state [is available online](#) (PDF).