



Health reform law raises GPCIs

Table shows estimated payment increase in each state

April 9, 2010

The American Medical Association (AMA) estimates that the new health system reform law will increase average Medicare physician payment rates in 42 states and territories by raising practice expense geographic practice cost indexes (GPCI). Separate GPCIs determine Medicare payment adjustments in each locality for physician work, practice expense and professional liability insurance components of the Medicare physician payment schedule.

For 2010, the law reinstates a floor of 1.00 on the work GPCI that expired Dec. 31, 2009. In 2010 and 2011, Medicare will increase the practice expense GPCI in all payment localities that have a practice expense GPCI below 1.00.

Beginning in 2011, the practice expense GPCI will be increased to 1.00 in five states: North Dakota, Montana, South Dakota, Utah and Wyoming. These changes will be specified in Centers for Medicare & Medicaid regulations.

The table below shows AMA estimates of how much average payment rates will increase in each locality. Impacts will vary by service depending on the proportion of work and practice expense.

Locality	2010 payment increase for average service			2011 pay increase for average service (PE GPCI only)
	Pay increase due to work GPCI	Pay increase due to PE GPCI	Pay increase due to combined work and PE GPCI	
Alabama	1.0%	3.5%	4.6%	3.5%
Alaska	0.0%	0.0%	0.0%	0.0%
Arizona	0.7%	1.0%	1.6%	1.0%
Arkansas	2.3%	3.8%	6.1%	3.8%
Anaheim/Santa Ana, CA	0.0%	0.0%	0.0%	0.0%
Los Angeles, CA	0.0%	0.0%	0.0%	0.0%
Marin/Napa/Solano, CA	0.0%	0.0%	0.0%	0.0%
Oakland/Berkley, CA	0.0%	0.0%	0.0%	0.0%
San Francisco, CA	0.0%	0.0%	0.0%	0.0%
San Mateo, CA	0.0%	0.0%	0.0%	0.0%
Santa Clara, CA	0.0%	0.0%	0.0%	0.0%
Ventura, CA	0.0%	0.0%	0.0%	0.0%

Continued on page 2

Locality	2010 payment increase for average service			2011 pay increase for average service (PE GPCI only)
	Pay increase due to work GPCI	Pay increase due to PE GPCI	Pay increase due to combined work and PE GPCI	
Rest of California	0.0%	0.0%	0.0%	0.0%
Colorado	0.8%	0.2%	0.9%	0.2%
Connecticut	0.0%	0.0%	0.0%	0.0%
DC + MD/VA Suburbs	0.0%	0.0%	0.0%	0.0%
Delaware	0.0%	0.0%	0.0%	0.0%
Fort Lauderdale, FL	0.5%	0.0%	0.5%	0.0%
Miami, FL	0.0%	0.0%	0.0%	0.0%
Rest of Florida	1.4%	1.3%	2.8%	1.3%
Atlanta, GA	0.0%	0.0%	0.0%	0.0%
Rest of Georgia	1.2%	2.7%	3.9%	2.7%
Hawaii/Guam	0.1%	0.0%	0.1%	0.0%
Idaho	1.9%	2.8%	4.7%	2.8%
Chicago, IL	0.0%	0.0%	0.0%	0.0%
East St. Louis, IL	0.6%	1.8%	2.4%	1.8%
Suburban Chicago, IL	0.0%	0.0%	0.0%	0.0%
Rest of Illinois	1.4%	2.8%	4.2%	2.8%
Indiana	0.8%	1.9%	2.7%	1.9%
Iowa	2.0%	3.1%	5.2%	3.1%
Kansas	1.8%	2.8%	4.6%	2.8%
Kentucky	1.8%	3.4%	5.2%	3.4%
New Orleans, LA	0.7%	0.0%	0.7%	0.0%
Rest of Louisiana	1.7%	2.9%	4.6%	2.9%
Southern Maine	1.1%	0.0%	1.1%	0.0%
Rest of Maine	2.2%	2.6%	4.7%	2.6%
Baltimore/Surr. Cntys, MD	0.0%	0.0%	0.0%	0.0%
Rest of Maryland	0.3%	0.4%	0.7%	0.4%
Metropolitan Boston	0.0%	0.0%	0.0%	0.0%
Rest of Massachusetts	0.0%	0.0%	0.0%	0.0%
Detroit, MI	0.0%	0.0%	0.0%	0.0%
Rest of Michigan	0.1%	1.7%	1.8%	1.7%
Minnesota	0.4%	0.4%	0.8%	0.4%
Mississippi	2.4%	3.5%	5.9%	3.5%

Continued on page 3

Locality	2010 payment increase for average service			2011 pay increase for average service (PE GPCI only)
	Pay increase due to work GPCI	Pay increase due to PE GPCI	Pay increase due to combined work and PE GPCI	
Metropolitan Kansas City, MO	0.5%	1.2%	1.8%	1.2%
Metropolitan St Louis, MO	0.4%	1.6%	1.9%	1.6%
Rest of Missouri	3.0%	4.4%	7.4%	4.4%
Montana	2.9%	3.7%	6.7%	7.5%
Nebraska	2.4%	2.7%	5.1%	2.7%
Nevada	0.0%	0.0%	0.0%	0.0%
New Hampshire	1.0%	0.0%	1.0%	0.0%
Northern NJ	0.0%	0.0%	0.0%	0.0%
Rest of New Jersey	0.0%	0.0%	0.0%	0.0%
New Mexico	1.5%	2.6%	4.1%	2.6%
Manhattan, NY	0.0%	0.0%	0.0%	0.0%
NYC Suburbs/Long I., NY	0.0%	0.0%	0.0%	0.0%
Poughkpsie/N NYC Suburb, NY	0.0%	0.0%	0.0%	0.0%
Queens, NY	0.0%	0.0%	0.0%	0.0%
Rest of New York	0.2%	1.8%	2.0%	1.8%
North Carolina	1.6%	1.7%	3.3%	1.7%
North Dakota	3.2%	3.9%	7.0%	7.7%
Ohio	0.4%	1.6%	2.0%	1.6%
Oklahoma	2.1%	3.6%	5.7%	3.6%
Portland, OR	0.0%	0.0%	0.0%	0.0%
Rest of Oregon	1.8%	1.7%	3.5%	1.7%
Metropolitan Philadelphia, PA	0.0%	0.0%	0.0%	0.0%
Rest of Pennsylvania	0.4%	1.7%	2.1%	1.7%
Puerto Rico	6.4%	8.5%	14.9%	8.5%
Rhode Island	0.0%	0.0%	0.0%	0.0%
South Carolina	1.4%	2.2%	3.6%	2.2%
South Dakota	3.4%	3.3%	6.8%	6.7%
Tennessee	1.2%	2.6%	3.9%	2.6%
Austin, TX	0.4%	0.4%	0.8%	0.4%
Beaumont, TX	0.9%	2.9%	3.8%	2.9%
Brazoria, TX	0.0%	1.7%	1.7%	1.7%
Dallas, TX	0.0%	0.0%	0.0%	0.0%

Continued on page 4

Locality	2010 payment increase for average service			2011 pay increase for average service (PE GPCI only)
	Pay increase due to work GPCI	Pay increase due to PE GPCI	Pay increase due to combined work and PE GPCI	
Fort Worth, TX	0.1%	1.0%	1.2%	1.0%
Galveston, TX	0.5%	0.9%	1.4%	0.9%
Houston, TX	0.0%	0.3%	0.3%	0.3%
Rest of Texas	1.8%	2.8%	4.6%	2.8%
Utah	1.3%	2.1%	3.4%	4.3%
Vermont	1.8%	0.4%	2.1%	0.4%
Virginia	1.0%	1.3%	2.3%	1.3%
Virgin Islands	0.2%	0.5%	0.6%	0.5%
Seattle (King Cnty), WA	0.0%	0.0%	0.0%	0.0%
Rest of Washington	0.7%	0.6%	1.3%	0.6%
West Virginia	1.5%	4.1%	5.6%	4.1%
Wisconsin	0.7%	1.8%	2.5%	1.8%
Wyoming	2.6%	3.8%	6.4%	7.6%