

Optometry Coding & Billing Alert

Fee Schedule Update: Location Will Define Fee Schedule's Effect

Alaska wins big, but Calif. practices see declines.

If you take the 2009 Medicare Physician Fee Schedule at face value, it looks as though you're just about breaking even with this year's reimbursement rates. But you have to look beyond the basic numbers to find out specifically how these changes will affect your practice's bottom line.

Your location makes a huge difference when it comes to finding out the [fee schedule](#)'s impact on you. The GPCI (geographical practice cost index) "adjusts Medicare payment amounts based on operating costs in different markets," says **Anna Rodell** with Family Medicine Associates in Dallas.

Thanks to the GPCI, you could see vast differences in payment based on where your practice is situated.

For example: Practices in Santa Clara, Calif., will face an overall weighted change of -4.55 percent. In fact, "All of the top five reductions are in California -- Santa Clara, San Mateo, San Francisco, Marin/Napa/Salano, and Oakland/Berkeley," says **Frank Cohen, MPA**, senior analyst with MIT Solutions, Inc. in Clearwater, Fla.

Winner: Alaska is the big winner in 2009, with a whopping 24.22 percent overall increase. "The work RVU in Alaska increased by over 47 percent, their practice expense went down by 0.73 percent, and their malpractice rate went down by over 29 percent, but because over half of the total RVU distribution is in the work RVU area, their total compensation has been significantly influenced by the GPCI," Cohen says.