

**Baseline and Updated Estimates for the NPRA**

The following table shows the baseline and updated figures from 2001 through 2011 using the estimated 1997 NPRA as a baseline:

Year	Consumer Price Index for Urban Area (CPI-U) <sup>1</sup>		NPRA
	Estimate	Increase <sup>2</sup>	
<b>1997 (Base Year)</b>	161.6		\$67,688
2001	176.2	9.03%	\$73,800
2002	178.8	10.64%	\$74,890
2003	184.2	13.99%	\$77,158
2004	187.4	15.97%	\$78,498
2005	193.3	19.62%	\$80,968
2006	199.8	23.64%	\$83,689
2007	205.352	27.07%	\$86,011
2008	213.528	32.13%	\$89,436
2009	212.709	31.63%	\$89,098
2010	217.631	34.66%	\$91,148
2011	223.467	38.28%	\$93,598

1. Consumer price index. Bureau of labor statistics series id: CUUR000SAO Website: [www.bls.gov](http://www.bls.gov);
2. Increases are computed relative to the CPI-U for the baseline year.

### Methodology: Computing the NPRA

The NPRA is updated for the calculation of DME payments. **The basic formula includes computing the percent increase in CPI-U and using that percent to adjust the 1997 baseline value estimated for 1997.**

**Specifically:**

$$\text{Percent Increase in CPI-U} = \frac{\text{Current Yr CPIU} - \text{1997 Base Yr CPIU}}{\text{1997 Base Yr CPIU}} \times 100$$

$$\text{NPRA Update: (NPRA 1997 Yr)} * \left(1 + \frac{\text{Current Yr CPIU} - \text{1997 Base Yr CPIU}}{\text{1997 Base Yr CPIU}}\right)$$

**1997 Base year NPRA = \$67, 688**

**For 2008, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase} = \frac{213.528 - 161.6}{161.6} = 32.13\%$$

$$\text{NPRA 2008} = (\$67,688 \times 1.3213) = \mathbf{\$89, 436}$$

**For 2009, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase in CPI-U} = \frac{212.709 - 161.6}{161.6} = 31.63\%$$

$$\text{NPRA 2009} = (\$67,688 \times 1.3163) = \mathbf{\$89,098}$$

**For 2010, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase in CPI-U} = \frac{217.613 - 161.6}{161.6} = 34.66\%$$

$$\text{NPRA 2010} = (\$67, 688 \times 1.3466) = \mathbf{\$91, 148}$$

**For 2011, the percent** increase in CPI-U is as follows:

Percent Increase in CPI-U =  $\frac{223.467 - 161.6}{161.6} = 38.28\%$

161.6

NPRA 2011 = (\$67, 688 x 1.3828) = **\$93, 598**