TIBER CREEK GROUP

5 Things to Know About CMS' Proposed CY2027 Physician Fee Schedule

CMS Press Release / *CMS Fact Sheet* / *CMS Fact Sheet - MSSP* / *Text of Proposed Rule*

1. **Physicians would see a payment cut** following the upcoming December 31, 2026 expiration of the 2.5% payment boost created under the One Big Beautiful Bill Act (OBBBA)**.** CMS proposes separate conversion factors based on participation in alternative payment models (APMs), as required by statute: doctors in qualifying APMs would see a cut of 1.19% and those not participating would see a cut of 1.68%. **CMS also proposes changes to practice expense valuation and how it reimburses evaluation and management visits.**

2. **The proposed rule includes significant changes for value-based care providers.** CMS proposes several reforms to the Medicare Shared Savings Program (MSSP) designed to support accountable care organizations (ACOs), including changes to financial methodology and payment structures to balance incentives among tracks in MSSP, reward ACOs for bringing in providers and patients without previous exposure to value-based care, and limit the impact of inaccurate growth projections. Other policies aim to enhance beneficiary engagement and reduce APM participant burden. CMS also proposes to transition providers towards Merit-based Incentive Payment System (MIPS) Value Pathways (MVPs) by sunsetting traditional MIPS reporting in 2029.

3. **The Administration continues its MAHA-aligned push towards "healthcare" instead of "sick care."** CMS is soliciting information on how to pay for primary care, the payment implications of including technology in primary care, and the potential to establish a prospective primary care payment in MSSP and in Medicare more broadly. CMS also proposes new codes and payment for shared medical appointments and to include smoking and tobacco use cessation services as a timed behavioral health service.

4. **CMS proposes further reform to curb skin substitutes spending.** In alignment with changes made for CY26, the agency plans to establish national payment rates for non-sheet skin substitutes based on the payment rates for sheet-form skin substitutes, and to clarify that certain skin substitute products are not excluded from the definition of a Part B rebatable drug.

5. **The proposed rule provides clarity on how CMS plans to implement new limits on Medicare eligibility** under Section 71201 of OBBBA. Pursuant to that section, CMS proposes amendments to Medicare regulations to reflect new eligibility criteria and to create a process for terminating coverage for those newly ineligible and an appeal process for those who are found ineligible by the Social Security Administration (SSA). OBBBA requires SSA to identify those who will lose coverage by July 4, 2026 and notify them "as soon as practicable."