TIBER CREEK GROUP

# 5 Things to Know About CMS' Final CY2027 Physician Fee Schedule

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

1. **CMS finalized deeper cuts to physician pay than proposed** in the final rule. Doctors in qualifying advanced alternative payment models (APMs) will see a cut of 1.83% and those not participating in APMs will see a cut of 2.31%, compared to proposed cuts of 1.19% and 1.68%, respectively. **CMS also finalized its proposed changes to practice expense calculations,** including a two-year phase out of the indirect practice cost index in what the agency calls a transition away from reliance on American Medical Association (AMA) survey data.

2. **The final rule includes significant changes for value-based care providers.** CMS finalized 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, to reward ACOs for bringing in providers and patients without previous exposure to value-based care, and to limit the impact of inaccurate growth projections. CMS also finalized policies to enhance beneficiary engagement and reduce APM participant burden, and a plan to transition providers to the Merit-based Incentive Payment System (MIPS) Value Pathways (MVPs) by **sunsetting traditional MIPS reporting in 2031,** giving providers an additional two years to transition to MVPs compared to the proposal.

3. **CMS finalized a proposal on "duplicate billing" with modifications** to soften the policy. As proposed, the "modifier 25" proposal would have cut payment for some services performed during outpatient visits by half when multiple services are performed. In the final rule, CMS limited the scope to procedures with zero-day global periods (instead of zero-, 10-, and 90-day) and eased the payment reduction to 20%, instead of 50%. The highest cost service will still be paid in full. The agency also **finalized several policies regarding remote patient monitoring (RPM),** but delayed the most controversial proposal, to only pay for RPM services when they are performed by clinical staff employed by the practice, until 2029.

4. **The final rule reflects several MAHA-aligned priorities**, including coding and payment changes intended to support preventive care and mental and behavioral health care. The rule also finalized new add-on codes and payments for clinical time dedicated to diagnosing and treating patients with vaccine injuries. CMS also solicited input in the proposed rule on strategies to redesign primary care in America, which the agency says it will take forward in the development of future proposals.

5. **CMS finalized rules limiting Medicare eligibility** under Section 71201 of the One Big Beautiful Bill Act. Pursuant to that section, the agency finalized amendments to Medicare regulations reflecting new eligibility criteria, a process for terminating coverage for those newly ineligible and an appeal process for those who are found ineligible by the Social Security Administration, and enrollment options for those who later gain, or regain, eligibility.