September 12, 2025

The Honorable Mehmet Oz, MD
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Attention: CMS-1832-P
7500 Security Boulevard
Baltimore, MD 21244

Re: Medicare and Medicaid Programs; CY 2026 Payment Policies under the Physician Fee Schedule and Other Changes to Part B Payment and Coverage Policies; Medicare Shared Savings Program Requirements; and Medicare Prescription Drug Inflation Rebate Program (CMS-1832-P)

Dear Administrator Oz:

The undersigned 18 organizations, representing nearly 200,000 osteopathic physicians (DOs) and medical students across the country, wish to express our concern regarding the Center for Medicare & Medicaid Services' (CMS) proposed physician efficiency adjustment within the CY 2026 Medicare Physician Fee Schedule proposed rule. While we recognize CMS' interest in ensuring that services across the fee schedule are appropriately valued, we are deeply concerned that this proposal will harm patient access to care and expedite the closure and sale of private practices by intensifying financial strain practices are facing. **We urge CMS to withdraw this proposal to protect Medicare beneficiaries' access to care**.

CMS is proposing an efficiency adjustment to the work RVUs and intraservice times for nearly all non-time-based services under the physician fee schedule. The agency argues that this policy is intended to reduce work RVUs and intraservice times in a manner that accounts for the efficiency physicians gain with delivering a service over time. CMS proposes to use the Medicare Economic Index (MEI) productivity adjustment, for the prior five years cumulatively applied, to determine the adjustment in 2026. This will result in a 2.5% reduction to the work RVUs for all codes, except time-based codes such as evaluation and management (E/M) services, care management services, behavioral health services, services on the Medicare telehealth service list, and maternity care services with an MMM global period. CMS also proposes to apply the efficiency adjustment to the intraservice portion of physician time and work RVUs every 3 years.

This proposal, which is built upon numerous flawed assumptions, inappropriately reduces work RVUs and intraservice times for nearly 7,000 services across the fee schedule through a one-size fits all approach, without evidence that efficiencies are gained over time. This approach wrongly assumes that:

- The MEI efficiency adjustment is an accurate measure of service efficiency gains for each unique physician service, even though there is tremendous variability (e.g. osteopathic manipulative treatment is a common procedure with a relatively low RVU that does not see significant changes in productivity year over year);

- Efficiency gains are continuous over time for all services, even though a recent analysis of intraservice times from 1.7 million surgeries across 249 CPT codes and 11 specialties showed that overall operative times increased by 3.1% from 2019 to 2023, with 90% of CPT codes having longer or similar operative times in 2023 compared to 2019;[1]

- There is no floor for efficiency gains, with this policy creating the possibility that work RVUs be reduced to nearly zero;

- The efficiency adjustment is a standalone measure of efficiency, when in actuality, it is a measure applied to the MEI to ensure this measure of inflation is adjusted for productivity gains, but physician payment is not updated annually based on MEI, resulting in an effective payment decline every year under current policy; and

- Efficiency gains over time are not captured through the RUC process, even though codes can be resurveyed at various points in time (due to changes in utilization, site of service shifts, CMS requests due to concerns of misevaluation, new technology and coding changes to a code family, etc.), and the RUC process is designed to address this issue.

The RUC process is integral to accurately valuing physician services, as the survey provides critical data on service times, service intensity and complexity, and relativity of work. A more appropriate solution to the issue CMS seeks to address is to work with the RUC and physician community on incorporating new data sources into the RUC process to strengthen recommendations with additional data. However, removing physicians from the process of valuing work will only intensify challenges faced in physician payment.

We are deeply concerned about the unintended consequences of CMS' proposal, which will likely result in:

- Unsustainable reductions in payment across most physician specialties;

- Continued closure of physician practices due to inadequate payment and consolidation of healthcare markets; and

- Higher costs and more limited physician choices for patients.

It is essential that CMS consider this proposal within the broader context of stagnant Medicare physician payment. Since 2000, the cost of practicing medicine, as measured by the Medicare Economic Index (MEI), has increased 52%, while fee schedule updates have only resulted in a 14% increase in payment.[2] This means that when accounting for inflation, physician practices are delivering care with reduced payment.

We are deeply concerned that this policy will prevent physicians from continuing to serve their communities. **We strongly recommend CMS to withdraw this proposal and work with the**

[1] Childers, Christopher P MD, PhD[a,b]; et. al.. Longitudinal Trends in Efficiency and Complexity of Surgical Procedures: Analysis of 1.7 Million Operations Between 2019 and 2023. Journal of the American College of Surgeons. August 13, 2025. Available here.
[2] Medicare Payment Advisory Commission (MedPAC). June 2025 Report to Congress. Available here.

physician community to improve the process for valuing physician services, including incorporating new data sources into the RUC process and identifying new ways to improve payment for potentially undervalued cognitive services. Our organizations stand ready to assist CMS in addressing this issue. Should you have any questions regarding our comments or recommendations, please contact John-Michael Villarama, Vice President for Public Policy at jvillarama@osteopathic.org.

Sincerely,

American Osteopathic Association
American Academy of Osteopathy
American College of Dermatology
American College of Osteopathic Emergency Physicians
American College of Osteopathic Family Physicians
American College of Osteopathic Internists
American College of Osteopathic Neurologists and Psychiatrists
American College of Osteopathic Obstetricians and Gynecologists
American College of Osteopathic Pediatricians
American College of Osteopathic Surgeons
American Osteopathic Academy of Addiction Medicine
American Osteopathic Academy of Orthopedics
American Osteopathic Academy of Sports Medicine
American Osteopathic College of Anesthesiologists
American Osteopathic College of Dermatology
American Osteopathic College of Physical Medicine & Rehabilitation
American Osteopathic College of Radiology
American Osteopathic Colleges of Ophthalmology & Otolaryngology-Head and Neck Surgery