

Former MedPAC Leaders Back CMS' Plan To Move Away From AMA's RUC

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Seven former chairs and vice chairs of the Medicare Payment Advisory Commission (MedPAC) issued a rare joint letter Monday (Sept. 8) endorsing the Trump administration's plan to overhaul how Medicare sets physician payment rates by adopting an "efficiency adjustment" and relying more on empirical data rather than specialty surveys conducted by the American Medical Association's (AMA) Relative Value Scale Update Committee (RUC).

If finalized, the policy could represent the most significant structural change to the relative value units system since its inception in 1992.

The signatories, who served on MedPAC between 2006 and 2025, praised the administration's 2026 Physician Fee Schedule (PFS) proposed rule for introducing an "efficiency adjustment" to non-time-based services such as certain surgeries, imaging, and other procedures. They also voiced support for the administration's proposal to expand the use of bundled payments for primary care.

The endorsement from former MedPAC chairs and vice chairs is both rare and striking, as the commission's leaders have historically avoided signing collective public letters. Their statement amounts to a strong show of support for CMS' proposal to move away from the AMA's RUC survey process and instead rely on more objective data sources, such as time-and-motion studies. It's also a direct rebuke of the AMA's specialty society surveys that CMS has depended on for decades.

"Former MedPAC leaders rarely, if ever, have come together to submit a common comment letter on a proposed Medicare rule," they wrote in the letter to CMS Administrator Mehmet Oz. "However, we consider the "efficiency adjustment" approach CMS adopted in the proposed Physician Fee Schedule rule to be of sufficient importance that we do so now to provide support."

“We also agree that new coding, including adoption of prospective, bundled payments for primary care services, has the potential of enhancing the value of care provided under the fee schedule,” they added. “As CMS emphasized in last year’s physician fee schedule rule, experience gained from CMMI-sponsored demonstrations can be channeled into improvements in both coding and payment within the fee schedule.”

Medicare pays physicians under the Physician Fee Schedule using relative value units (RVUs), which are meant to reflect the time, effort, and expertise required to provide different services. Historically, CMS has relied heavily on surveys conducted by the AMA’s RUC to determine those values.

But critics like MedPAC believe the RUC survey process is deeply flawed, arguing that the response rates are low and responses can be biased since specialists benefit if their work appears more complex or time-consuming. They also argue that many procedures have become faster and easier thanks to technological advances, but the RVUs haven’t been updated to reflect those gains. Since office visits and other primary care services have remained relatively unchanged, this makes procedural services look increasingly overvalued by comparison.

The result, they say, is a skewed payment system that disproportionately favors procedural specialists over primary care physicians.

That said, CMS is calling for a major shift in how it updates physician payment rates, particularly for procedural services, in the 2026 PFS proposed rule. Rather than continuing to rely solely on the traditional, service-by-service survey process that’s often criticized for being slow and outdated, the agency proposes applying a broad “efficiency adjustment” to non-time-based codes.

The policy would result in an across-the-board reduction in work RVUs for a range of procedural services such as certain surgeries, imaging, and other interventions where the assumed time and effort have not been recently reassessed. CMS contends the adjustment is justified due to technological advancements and efficiency improvements that have reduced the actual work required, even as RVU values have remained outdated.

The letter was signed by Robert Berenson, Francis Crosson, Jon Christianson, Paul Ginsburg, Glenn Hackbarth, Amol Navathe, and Robert Reischauer.