CY 2027 *Proposed* Medicare Physician Fee Schedule

Proposed physician payment changes by specialty | CMS-1848-P |
October 26, 2026

NOTE: The final rule is expected to be released by CMS in November 2026.

The CY 2027 proposed rule projects meaningful differences in specialty-level payment impacts. Dermatology and otolaryngology have the largest estimated reductions in the combined RVU impact analysis (-9% each); clinical social workers (+12%) and clinical psychologists (+11%) have the largest increases. These impacts exclude separate conversion-factor changes.

1. Conversion factors

Practitioner category	CY 2026	Proposed CY 2027	Change
Nonqualifying APM participants	$33.4009	$32.8409	-1.68%
Qualifying APM participants	$33.5675	$33.1693	-1.19%

The expiration of the temporary 2026 physician payment increase is the principal reason for the lower proposed conversion factors. Changes to the RVUs and conversion factors have separate and potentially compounding effects.

2. All 56 specialties ranked: largest cuts to largest gains

CMS Table D-B5 estimates specialty-level changes in total allowed charges from combined work, practice expense, and malpractice RVUs. These are estimated average impacts, not a direct measure of each individual physician's reimbursement.

Specialty / practitioner category	Proposed RVU impact
Dermatology	-9%
Otolaryngology (ENT)	-9%
Orthopedic surgery	-7%
Hand surgery	-5%
Colon and rectal surgery	-4%
Podiatry	-4%
Audiology	-3%
Ophthalmology	-3%
Physician assistants	-3%
Plastic surgery	-3%
Interventional pain management	-2%
Multispecialty clinic/other physicians	-2%
Neurosurgery	-2%
Optometry	-2%
Other	-2%
Urology	-2%
Gastroenterology	-1%

Specialty / practitioner category	Proposed RVU impact
Obstetrics/gynecology	-1%
Oral/maxillofacial surgery	-1%
Portable X-ray suppliers	-1%
Rheumatology	-1%
Allergy/immunology	0%
Anesthesiology	0%
Critical care	0%
General surgery	0%
Hematology/oncology	0%
Independent laboratories	0%
Infectious disease	0%

2. Specialty ranking (continued)

Specialty / practitioner category	Proposed RVU impact
Nephrology	0%
Neurology	0%
Pathology	0%
Pediatrics	0%
Pulmonary disease	0%
Cardiac surgery	+1%
Cardiology	+1%
Emergency medicine	+1%
Family practice	+1%
Internal medicine	+1%
Nurse anesthetists/anesthesiologist assistants	+1%
Physical medicine and rehabilitation	+1%
Thoracic surgery	+1%
Chiropractic	+2%
Endocrinology	+2%
General practice	+2%
Nuclear medicine	+2%
Nurse practitioners	+2%
Radiology	+2%
Interventional radiology	+3%
Physical and occupational therapy	+3%
Psychiatry	+3%
Radiation oncology and radiation therapy centers	+3%
Vascular surgery	+3%
Diagnostic testing facilities	+4%
Geriatrics	+4%
Clinical psychology	+11%
Clinical social work	+12%

3. Facility and nonfacility comparisons

Selected specialty impacts vary by site of service. Facility/nonfacility figures concern professional services under the Physician Fee Schedule; they are not hospital facility payment rates.

Specialty	Overall	Office / nonfacility	Hospital / facility
Otolaryngology	-9%	-10%	-3%
Dermatology	-9%	-9%	-7%

Specialty	Overall	Office / nonfacility	Hospital / facility
Orthopedic surgery	-7%	-5%	-8%
Hand surgery	-5%	-7%	-3%
Colon and rectal surgery	-4%	-9%	-1%
Podiatry	-4%	-4%	0%
Ophthalmology	-3%	-3%	-2%
Physician assistants	-3%	-5%	+1%
Cardiology	+1%	+1%	0%
Physical medicine and rehabilitation	+1%	-2%	+4%
Radiation oncology	+3%	+5%	-1%
Interventional radiology	+3%	+5%	+1%
Clinical psychology	+11%	+11%	+8%
Clinical social work	+12%	+13%	+11%

4. Key policy drivers

Same-day E/M services and procedures. The proposal would reduce certain secondary same-day services by 50% while paying the highest-valued service in full; procedural specialties may be disproportionately affected.

Practice expense methodology. CMS proposes changes to the allocation of indirect practice expenses and a stabilization methodology.

Primary and longitudinal care. CMS proposes changes to add-on payments and incentives affecting eligible primary care and accountable care services.

Behavioral health valuations. Proposed changes contribute to large estimated gains for clinical psychologists and clinical social workers.

Procedure-specific RVUs. Certain surgical procedures face proposed work RVU changes, including joint replacement procedures.

5. Implications for hospital and health system physician enterprises

Surgical physician groups could experience material decreases. Combining the -9% RVU estimate with the -1.68% nonqualifying-APM conversion-factor change produces an illustrative approximate 10.5% reduction; individual practices will vary based on service mix and other adjustments.

A +1% RVU estimate does not necessarily mean a net Medicare revenue increase. Practices should model each CPT code, practice location, billing mix, Medicare volume, and APM status rather than relying solely on specialty averages.

Sources

Primary source: CMS-1848-P, CY 2027 Medicare Physician Fee Schedule proposed rule, Federal Register (July 16, 2026), Table D-B5 (specialty impacts). https://www.govinfo.gov/content/pkg/FR-2026-07-16/pdf/2026-14327.pdf

This report summarizes proposed, not final, CY 2027 policy. Percentage estimates are rounded CMS projections and exclude changes outside the modeled PFS RVU categories unless otherwise specified.