Trump's HHS Plan to Cut Medicare Pay Alarms Doctors, Congress

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Ganny Belloni – Bloomberg Government
Reporter

Summary by Bloomberg AI

- The Trump administration plans to slash Medicare payments to physicians who perform evaluations and procedures on the same day, a move doctors say could limit access to care for seniors.
- The CMS received over 43,000 comments on the proposed fee schedule, many of which cited concerns that reducing pay for these bundled services could lead to patient care delays and disproportionately harm private practices.
- The policy could have the unintended consequence of increasing overall healthcare costs to patients, and lawmakers have urged the CMS to drop the policy, with 74 members of Congress sending a letter to CMS Administrator Mehmet Oz to oppose the rule.

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Among the most controversial provisions of the 2027 Centers for Medicare & Medicaid Services physician fee schedule, expected to be final by Nov. 1, is revision of a billing code for separate reimbursement for each service known as CPT modifier 25.

The CMS received over **43,000 comments** on the proposed fee schedule, many of which cited concerns that reducing pay for these bundled services could lead to patient care delays and disproportionately harm private practices. Health research firm Jiro Health estimates the CMS' modifier 25 proposal would strip Medicare reimbursement to physicians next year by nearly **$900 million**.

"Doctors will be less willing to go that extra mile to do that add-on procedure, and for somebody who drives a hundred miles for that consultation, it's a huge, huge hassle," said San Diego-based internal medicine physician Charles Hamori.

The policy could also have the unintended consequence of increasing overall healthcare costs to patients, warned San Antonio spine surgeon Adam Bruggeman.

“Frankly, the people who are going to be hit the hardest are going to be independent physicians who already are working on thinner margins than those who are employed by hospital systems,” Bruggeman said, arguing it will boost consolidation and costs.
Insurers like Blue Cross Blue Shield welcomed the change in a comment **letter**, calling the efforts essential to accurately aligning reimbursement and reducing duplicative payments.

A 2021 HHS Office of Inspector General **report** found a minority of specialists engaging in these practices, costing the Medicare program tens of millions in improper payments.

Lawmakers Weigh In

Holland & Knight attorney Miranda Franco said the plan reprises a 2018 **proposed rule** advancing similar doctor payment reductions. The agency later withdrew the plan citing concerns it could lead to delayed access to care.

“From then to now, I would argue that CMS has not advanced any new data or arguments of merit that would suggest those patient access concerns have dissipated in any way,” said Franco.

Doctors who spoke to Bloomberg Law noted the administration’s plan to cut payments aligns with the goals of private insurers, which often follow Medicare payment policies.
“So, if Medicare starts reimbursing modifier 25 at 50%, you can bet UnitedHealth is going to start reimbursing at 50% as well,” Hamori said.

The American Medical Association says that it has mobilized its legislative advocacy to oppose the rule since federal law makes efforts to combat cuts through litigation impractical.

So far, 74 members of Congress, including members of the GOP and Democratic doctors caucus, sent a **letter** in September urging CMS Administrator Mehmet Oz to drop the policy. The lawmakers implored the CMS to look to other avenues to crack down on improper payments such as new documentation requirements, Medicaid reviews, and educational outreach rather than a blanket cut to reimbursement.

“Obviously we’re hopeful for a full withdrawal,” Franco said, “but if that doesn’t come to fruition, then I think the Congress is certainly where we go next.”

To contact the reporter on this story: **Ganny Belloni** at **gbelloni@bloombergindustry.com**