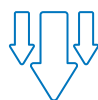


# 2026 CMS Physician Fee Schedule

## Navigating the New Normal

Despite the first increase to the Medicare Conversion Factor in 6 years, multi-faceted changes to the Physician Fee Schedule (PFS) impacting both work relative value units (wRVUs) and practice expense RVUs mark the beginning of an ongoing three-year adjustment cycle.

### wRVU Changes



Efficiency Adjustment: CMS reduced wRVU values for Current Procedural Terminology (CPT) codes to reflect **improved clinical efficiencies** over time.



Beginning in 2026, there is a **2.5% reduction in wRVU** values for specific non-time-based procedures.



Adjustments will be recalculated and applied **every three years** going forward.



**Reductions do not apply to time-based codes** like evaluation and management, care management, or behavioral health services.



Efficiency Adjustments will impact over **7,000 unique CPT codes**.

### Physician Compensation Plan Implications

wRVU decreases, which **could exceed 5% in certain specialties**, may result in reduced compensation if not offset by changes to compensation plans.

### wRVU Impact by Specialty (2025-2026)

Specialty Category	Specialty Name	wRVU Change	% wRVU Change
Hospital-Based	Radiology – Neurointerventional	(660)	-5.2%
	Radiology – Diagnostic	(326)	-3.1%
	Radiology – Interventional	(171)	-2.5%
	Pathology – Anatomic and Clinical	(171)	-2.5%
	Pathology – Dermatopathology	(165)	-2.5%
Surgical	Dermatology – Mohs Surgery	(263)	-2.1%
	Plastic and Reconstructive Surgery	(155)	-2.1%
	Orthopedic Surgery – General	(148)	-1.7%
	Otolaryngology – General	(98)	-1.3%
Medical	Cardiology – Electrophysiology	(239)	-2.1%
	Cardiology – Invasive – Interventional	(179)	-1.7%
	Cardiology – General	(76)	-0.9%
	Neurology	(27)	-0.6%
	Psychiatry – General	18	0.5%
Primary Care	Family Medicine	14	0.2%
	Internal Medicine	15	0.3%

This analysis represents the anticipated impact of all Physician Fee Schedule changes between 2025 and 2026.

### wRVU Market Insights

- Organizational awareness of the **CMS wRVU Efficiency Factor adjustment is growing**. However, many are still uncertain about the impact of it and if or how they will address it.
- Based on recent polling results, **about 1/3 of organizations were planning no changes, 1/3 were still evaluating the impact** to inform any potential adjustments, and **the rest were contemplating a budget neutral adjustment to rates**.
- Real-time wRVU changes **typically appear in market survey data after 1-2 years**, depending on the pace of market adoption.

## Practice Expense (PE) RVU Changes



Material **reductions to PE RVUs in the facility setting**, which signify a move towards site-neutral payments, may materially impact reimbursement.



Adjustments will be recalculated and applied **every three years** going forward.

## Estimated Range of Medicare Reimbursement Changes

(Ranges reflect spectrum of Place of Service scenarios)

Specialty	Specialty Grouping	Facility Reimb. % Change	Facility Reimb. Change per FTE	Non-Facility Reimb. % Change	Non-Facility Reimb. Change per FTE
Family Medicine	Primary Care	(9.2%)	(\$24,487)	8.2%	\$32,142
Cardiology – Invasive – Interventional	Medical	(3.8%)	(\$19,617)	12.0%	\$73,341
Cardiology – General	Medical	(3.8%)	(\$14,752)	5.1%	\$23,696
Endocrinology and Metabolism	Medical	(8.4%)	(\$22,862)	7.1%	\$24,702
Dermatology	Medical	(10.6%)	(\$49,917)	4.6%	\$32,617
Gastroenterology	Medical	(7.4%)	(\$33,453)	12.7%	\$105,975
Neurology	Medical	(6.6%)	(\$15,628)	6.7%	\$18,977
Oncology – Hematology and Oncology	Medical	(8.8%)	(\$24,339)	6.9%	\$24,710
Cardiothoracic Surgery	Surgical	(3.2%)	(\$16,478)	(0.9%)	(\$4,560)
General Surgery	Surgical	(4.9%)	(\$19,192)	3.6%	\$16,464
Ophthalmology – General	Surgical	(9.9%)	(\$47,997)	0.2%	\$1,331
Orthopedic Surgery – General	Surgical	(6.9%)	(\$39,653)	(0.3%)	(\$2,195)
Critical Care Medicine	Hospital-Based	(4.0%)	(\$7,742)	12.0%	\$29,902
Diagnostic Radiology	Hospital-Based	0.0%	\$139	1.4%	\$7,413
Emergency Medicine	Hospital-Based	0.8%	\$2,126	4.3%	\$12,843
Hospitalist (Internal Medicine)	Hospital-Based	(6.1%)	(\$12,796)	(5.1%)	(\$10,795)
Pathology (Anatomic and Clinical)	Hospital-Based	(0.2%)	(\$591)	0.1%	\$436

## PE RVU Market Insights

- ➔ Increasing activity regarding hospital-based services and PSA negotiations.
- ➔ Anticipate **additional requests** for support payment increases due to the **reduction in PFS Facility PE RVUs** and associated reimbursement.
- ➔ These anticipated requests may provide opportunities to **modernize PSAs** to address **staffing mix, strategic alignment and performance** to system goals.





How will **reductions in PE RVUs impact** hospital-based services and arrangements?



How do our **financial support arrangements account for material changes** in government payer reimbursement?



How will the changes in Medicare reimbursement **impact investment per physician FTE**?



How will these changes **impact our strategic workforce planning** in facility settings (e.g., neuro-hospitalists, GI hospitalists, etc.)?



How will **reimbursement changes impact your compensation plan** decisions related to wRVU changes?



## How We Can Help:

- Conduct impact analysis using **robust, proprietary datasets**
- Evaluate care models to **identify patient visit and productivity improvement** opportunities
- Assess workforce requirements across clinical and non-clinical roles to **enhance patient care delivery while unlocking operational and financial improvements**
- Facilitate change management activities to **evaluate options**, including **communication and implementation strategies**
- Support the **renegotiation of key Professional Service Arrangements**

Let's Continue the Conversation

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