CY 2027 Medicare Physician Fee Schedule: What It Means for Emergency Medicine

ACEP submitted comments September 14, 2026 on these aspects and other proposed changes in the proposed rule CMS typically finalizes rules like this in November, effective the following January.

PAY CUT

Overall Payment Rate Decrease

Medicare uses a "conversion factor" to determine how much services and procedures are worth. For CY2027, most physicians will receive a cut of **1.68%**. Almost all EM physicians will see this cut because EM doesn't typically qualify for the higher "APM" rate. **This cut is due to the expiration of a temporary 2025 pay bump, not from anything specific to EM billing**. In fact, there is a small statutory update of .25% and a positive "budget neutrality" adjustment of .53% that offset a portion of the expiring 2025 bump.

ACEP Response: ACEP emphasizes that these recurring cuts are unsustainable and compounded both by the expiration of one-time relief under H.R. 1 and second-year Practice Expense payment policies, threatening long-term patient access to Medicare-participating physicians. ACEP requests that CMS use its full authority to mitigate the immediate reductions and actively collaborate with Congress to establish a permanent legislative fix for the Medicare payment system.

Congress has acted in previous years to eliminate or at least mitigate conversion factor cuts. ACEP is working with federal legislators and advocating for Congress to fully eliminate the proposed cut for 2027.

COMING CHANGE

Quality Reporting Is Shifting to "MVPs"

CMS Proposal: CMS is phasing out the Merit-based Incentive Payment System (MIPS) reporting system in favor of specialty-specific "MVPs" (MIPS Value Pathways) which will be mandatory for non-APM EM physicians by CY2029. The agency also selected a set of core quality measures and removed Qualified Clinical Data Registry (QCDR) measures.

ACEP Response: ACEP is concerned the removal of multiple QCDR measures, combined with the addition of core measures that are not universally applicable, risks undermining the MVPs' ability to accurately reflect emergency medicine practice. ACEP has previously urged CMS to provide additional incentives for MVP participation, has opposed MVPs as a complete replacement for MIPS, and that MVP participation remains voluntary, not mandatory.

COMING CHANGE

QP Status Won't Carry Across Jobs Anymore

CMS Proposal: Currently, if you qualify for the bonus APM rate at one job, that status applies everywhere you work. CMS is proposing to end that, and the bonus would apply only at the specific practice actually in the APM. Physicians working multiple jobs would lose the bonus rate at their other locations.

ACEP Response: ACEP urged CMS not to implement this policy, noting that this change fails to account for the unique practice patterns of emergency physicians working across multiple clinical settings, while increasing administrative burden and weakening APM adoption in emergency medicine.

CONTINUED CHANGE

"Overhead Costs" Calculation Overhaul

CMS Proposal: CMS is changing how it estimates practice overhead costs (rent, staff, equipment), called indirect practice expense, to move away from old physician survey data. This proposal is complex and will have major payment implications across the larger house of medicine. CMS is also not fixing a known issue where hospital-based specialties like EM who work in facilities but aren't hospital employees get shortchanged.

ACEP Response: ACEP recommends CMS delay implementation of the PE calculation changes, release specialty-specific impact analyses, and evaluate the cumulative effects of these reforms alongside recent methodology changes. ACEP again argues the current facility-based PE policy is overly broad and unfairly penalizes independent emergency physicians with their own operating expenses. ACEP urged CMS to implement a refined policy such as a claim-level payment modifier for eligible facility-based services provided by non-hospital-employed physicians or groups.

Bottom line: An across-the-board pay cut (1.68%), a significant change to practice expense methodology, plus new mandatory quality reporting (MVPs). Congress has stepped in to soften conversion factor cuts before and it could happen again, but nothing is guaranteed yet. ACEP responded to CMS with a formal comment letter and is working with Congress to stop the cuts.

. This is a plain-language overview, not a substitute for the full rule or ACEP's official analysis.