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

American College of Emergency Physicians®
ADVANCING EMERGENCY CARE

CMS released the proposed rule on July 14, 2026. ACEP will be commenting on the items below and other parts of the proposed rule. Comments are due September 14, 2026. 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 2026 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.

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.

NO IMPACT – ED E/M Codes (99281–99285) Stable

Our specific emergency medicine codes were protected, thanks to ACEP's continued work on the AMA RUC. Valuation of Emergency Department Evaluation and Management (ED E/M) codes remains stable which is effectively no reductions or increases for our specific emergency medicine codes.

NO IMPACT – Modifier 25 Update – No Change to the ED

CMS wants to reduce payment when a same-day office visit overlaps a surgical "global period." This **only applies to Office or other outpatient visits**; ED E/M codes are a separate category and are **not** affected. Nothing changes for ED E/M billing here but certainly something ACEP will watch for the future. ACEP continues to work through the AMA RUC to make sure EM codes reflect the current value of EM physician work.

COMING CHANGE – Quality Reporting Is Shifting to "MVPs"

CMS is phasing out the MIPS reporting system in favor of specialty-specific "MVPs" (MIPS Value Pathways) which will be mandatory for non-APM EM physicians by **CY2029**. New core EM measures include antibiotic-avoidance for bronchitis and sinusitis, and CT scan use in pediatric head trauma. Two older EM measures are being dropped.

ACEP has previously urged CMS to provide additional incentives for MVP participation, 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

Today, 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 in the APM. Physicians working multiple jobs would lose the bonus rate at their other locations.

UNDER REVIEW – "Overhead Costs" Calculation Overhaul

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 specialists, who work in facilities but aren't hospital employees, get shortchanged. ACEP continues actively pushing back on this with CMS, as this policy can be refined while still meeting the Administration's larger goals.

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. ACEP is responding to CMS with a formal comment letter and is working with Congress to stop the cuts.

Summarized from the CMS CY2027 Physician Fee Schedule Proposed Rule executive summary. This is a plain-language overview, not a substitute for the full rule or ACEP's official analysis.