Ohio State Medical Association

Bringing physicians together for a healthier Ohio

September 1, 2026

The Honorable Mehmet C. Oz, MD, MBA
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building, Room 445–G
200 Independence Avenue, SW
Washington, DC 20201

Re: File Code CMS-1848-P; CY 2027 Payment Policies under the Physician Fee Schedule and Other Changes to Part B Payment and Coverage Policies; Medicare Shared Savings Program Requirements; and Medicare Prescription Drug Inflation Rebate Program

Dear Administrator Oz:

On behalf of the thousands of physician and medical student members of the Ohio State Medical Association (OSMA), I appreciate the opportunity to comment on the proposed CY 2027 Medicare Physician Fee Schedule rule. OSMA is Ohio's largest professional organization representing physicians across all specialties and practice settings. Our mission is to promote the art and science of medicine, protect the physician-patient relationship, and preserve access to high-quality medical care for all Ohioans.

Among the policies included in the proposed rule, OSMA is particularly concerned with CMS's proposal to reduce payment by 50% when a separately identifiable office/outpatient evaluation and management (E/M) service reported with Modifier 25 is furnished on the same day as a procedure with a 0-, 10-, or 90-day global period. At a time when physician practices continue to face increasing costs for staff, supplies, technology, compliance, and other basic expenses of providing care (and CMS is again proposing reductions to the Fee Schedule conversion factors for CY 2027) an additional broad 50% same-day payment reduction would further strain physician practices and could ultimately affect Medicare beneficiary access to care.

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We respectfully request that CMS:

- Not finalize the proposed 50% payment reduction for separately identifiable office/outpatient E/M visits reported with Modifier 25;
- Not extend a similar policy to procedures furnished on the same date as inpatient or other E/M services; and
- Address demonstrated overlap through existing code-specific valuation processes rather than an across-the-board payment reduction.

Insufficient Evidence

CMS bases the proposal on an assumption that same-day E/M services and procedures likely contain overlapping resources. However, CMS has not detailed that overlap, identified the specific resources it believes are duplicated, or explained why any duplication warrants a 50% reduction to the entire lower-valued service.

Modifier 25 exists precisely because there are circumstances in which a physician provides a significant, separately identifiable E/M service in addition to a procedure. A physician may be evaluating another condition, assessing a new complaint, managing medication, determining whether a procedure is clinically appropriate, or developing a broader treatment plan. That work does not become duplicative simply because it occurs during the same encounter.

CMS also considered a similar Modifier 25 payment policy in CY 2019 and declined to finalize it after receiving stakeholder comments. CMS has not sufficiently provided evidence or circumstances that have changed since 2019 to support revisiting that change.

Use the Existing Valuation Processes

Moreover, the existing RUC and CMS valuation processes already account for overlap when procedures are provided with a same-day E/M service by removing duplicative physician work and practice expense. CMS has not explained what kind of duplicative expenses remain that would justify an additional 50% reduction. If CMS believes specific codes still contain overlap, it should address those codes individually through the established valuation process rather than applying a blanket reduction.

Independent Practice and Patient Access

Most importantly, the proposed policy would fall particularly hard on Ohio's independent, office-based physician practices, and by extension, Ohio patients in underserved areas. These practices directly bear the costs of clinical staff, supplies, equipment, technology, rent, compliance, and other overhead, and they cannot offset reductions with facility revenue. A broad 50% reduction for same-day services would further tighten already narrow operating margins and could make certain office-based procedures financially unsustainable for many practices.

As a practical example, a dermatology patient may schedule what is expected to be a general office visit, but during the examination the physician may identify a suspicious mole requiring biopsy and separate lesions requiring removal. The physician must then perform additional procedures requiring equipment, clinical judgment, technical skill, preparation, and follow-up planning. Those resources are not duplicative simply because the physician identifies and addresses the patient's needs during the same encounter.

These consequences extend beyond individual practices. Ohio already has rural and underserved communities with significantly fewer physicians and persistent barriers to care. Further financial pressure on independent practices risks reducing available services, accelerating consolidation, and making physician recruitment and retention even more difficult in the communities that can least afford it. Many patients in these areas are already more vulnerable and less likely to receive timely preventive and routine care, and policies that make physician access more difficult will only compound those disparities.

Medicare beneficiaries will ultimately bear that burden. Same-day evaluation and treatment can prevent unnecessary return visits and is especially important for older adults, rural patients, and those facing transportation, mobility, or other access barriers. CMS should not adopt a payment policy that threatens practice sustainability while making it harder for beneficiaries to obtain timely care.

OSMA's Recommendation

CMS has not demonstrated that separately identifiable same-day E/M services systemically contain duplicative resources warranting a 50% reimbursement reduction, nor has it adequately explained why such a broad reduction is preferable to existing code-specific valuation processes.

OSMA is submitting these comments because the proposed policy presents a direct concern for Ohio physicians and the patients they serve. We respectfully urge CMS not to finalize the Modifier 25 reduction and instead work with physicians, state medical associations, and specialty societies to address any demonstrated payment overlap through targeted, evidence-based means.

OSMA remains ready and willing to engage with CMS on this very important issue to support the health of Ohioans and the viability of Ohio physician practices. Thank you for your consideration.

Respectfully submitted,

Jason Koma
CEO
Ohio State Medical Association