ENDOCRINE SOCIETY
Hormone Science to Health

Medicare Physician Fee Schedule CY 2026 Final Rule Highlights

On Friday, October 31, the Centers for Medicare & Medicaid Services (CMS) released the CY 2026 Medicare Physician Fee Schedule (MPFS) final rule and fact sheet The following is a high-level summary of the policies that will affect endocrinologists. Endocrine Society staff will conduct a thorough review of the rule and prepare a comprehensive summary of the final provisions.

Conversion Factor

2026 marks the first year that there are two separate conversion factors: one for practitioners working in a qualifying advanced APM and the other for those not in a qualifying APM. The conversion factor for the former will increase to $33.57, an increase of 3.77%, and the latter to $33.40, an increase of 3.62%. These increases reflect the 2.5% increase to the conversion factor included in the reconciliation package adopted by Congress in July, and a 0.49% positive update to account for the redistributive effects of the finalized changes to work relative value units (RVUs).

Impact to the Specialty of Endocrinology

CMS estimates the final rule policies will result in a 3% increase in total Medicare charges for endocrinology. However, CMS finalized changes to the methodology for the allocation of indirect practice expenses (PE) within the physician payment formula, which will decrease overall charges for endocrinology in the facility setting by -10% but increase payments by +6% in the non-facility (office) setting. According to the agency, this policy reflects the current state of clinical practice with fewer physicians working in private practice settings, and therefore, "*the allocation of indirect costs for PE RVUs in the facility setting at the same rate as the non-facility setting may no longer reflect contemporary clinical practice*." Additionally, changing the allocation of indirect costs represents a move towards site neutrality payment policy, long favored by CMS. The agency rejected calls to phase in this change over time as it has done with other PE changes.
Please note that the impact of the final MPFS policies on group practices and individual physicians will differ depending on factors such as practice structure, payer mix, patient demographics, and the range of services offered.

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Efficiency Adjustment Finalized to Address Perceived Overvalued Services

CMS was not persuaded by comments that called for the agency to abandon the proposed efficiency adjustment policy. As such, work RVUs and corresponding intraservice times will be reduced by -2.5% for nearly every service on the fee schedule except time-based codes, including evaluation and management services, care management services, behavioral health services, services on the Medicare telehealth list, and maternity codes with a global period of MMM. Due to comments from stakeholders, new CPT codes that are effective January 1 will not be subject to the efficiency adjustment in 2026.

A service commonly billed by endocrinologists, CPT code 95251: *Ambulatory continuous glucose monitoring of interstitial tissue fluid via a subcutaneous sensor for a minimum of 72 hours; analysis, interpretation and report* is subject to the efficiency adjustment. The work RVUs for CPT code 95251 will drop from 0.70 to 0.68 due to this final policy.

Per CMS, the efficiency adjustment is meant to account for efficiency gains over time as practitioners become more skilled at performing procedures, and hence are performing those procedures faster than the intraservice times listed in the AMA Relative Value Scale Update Committee (RUC) time files. The agency continues to believe that the RUC survey process is flawed due to low response rates and perceived conflicts of interest of those who take RUC surveys and reiterated this stance in the final rule. Additionally, throughout the discussion in response to comments, CMS repeats that the agency welcomes empiric data to support the value of physician services, which is yet another indication that CMS does not want to rely solely on RUC survey data to set payment rates. CMS states "*we believe that robust empiric data is important to avoid some of the shortcomings of survey data in accounting for efficiencies over time*."

Potentially Misvalued Codes: Fine Needle Aspiration Services

The fine needle aspiration (FNA) services represented by CPT codes 10021, 10004, 10005, and 10006 were nominated as misvalued in the proposed rule, with the nominating party requesting that the work RVUs be restored to the 2019 levels. CMS finalized its assertion that FNA services are not misvalued but did support the RUC placing FNA services on its list of services that must be reviewed by specialty societies.

Telehealth Updates

The agency finalized a simplified review process for adding services to the Medicare Telehealth Services List, and to eliminate the distinction between provisional and permanent services. CMS also permanently adopted a definition of direct supervision for certain services that allows the physician or supervising practitioner to provide supervision through real-time audio and visual interactive telecommunications. Finally, in a reversal of proposed policy due to submitted comments, CMS will continue to allow teaching physicians to have a virtual presence for services provided by residents in teaching settings.