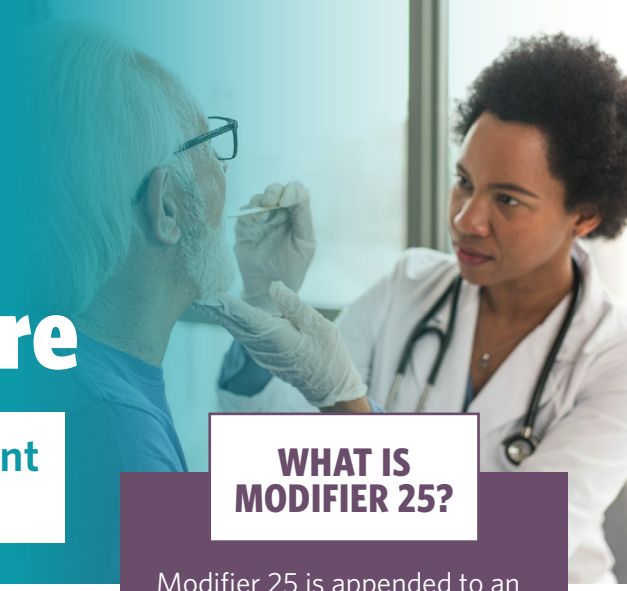
AMERICAN ACADEMY OF OTOLARYNGOLOGY–HEAD AND NECK SURGERY®

Protect Your Patients' Access to Specialty Care



Oppose CMS's proposal to cut Medicare payment for same-day E/M visits and procedures

Medicare patients' access to ENT care is at risk. For 2027, the Centers for Medicare & Medicaid Services (CMS) is proposing a 50% cut to payment for medically necessary care delivered when an evaluation and management (E/M) visit and procedure are provided on the same day. Specifically, the proposal would:

- **Penalize efficient, one-visit care.** The proposal will lead to patient care being split across multiple appointments, delaying treatment and increasing burdens for Medicare beneficiaries and their caregivers.
- **Significantly reduce reimbursement.** CMS's own estimates suggest that otolaryngologists in the non-facility setting will face a –10% impact to Medicare reimbursement, with direct impact varying across practice settings, largely because of this policy change.
- **Threaten access to specialty care.** Many physician practices will be unable to absorb this steep cut and will have to cut back on staff and services. This will leave patients with longer waits, fewer choices, and reduced access to care.

WHAT IS MODIFIER 25?

Modifier 25 is appended to an evaluation and management (E/M) code when a physician performs a **significant, separately identifiable** E/M service on the same day as a procedure. This may include assessing the patient's symptoms, reviewing medical history, evaluating clinical risks, or determining whether the procedure is appropriate. Modifier 25 identifies the physician's work and helps ensure appropriate reimbursement. This service is integral to the visit, not duplicative or less valuable.

What CMS is Proposing

Beginning in 2027, when a physician—or multiple physicians in the same group practice—provides a separately identifiable office/outpatient E/M service on the same day as a 0-, 10-, or 90-day global procedure, only the most expensive service would be reimbursed at 100% of the fee schedule.

Payment for every other service or procedure provided that day would be reduced by 50%.

The cut would be automatic and across-the-board. It would apply even when the E/M visit and the procedure are fully documented, clinically distinct, and medically necessary.

ENTs CARE *for* MEDICARE PROTECT PATIENT ACCESS

How Your Practice's Reimbursement Would Be Impacted: Example Scenarios

	CPT Code	Procedure or Service	2026 Value	2027 Value	Payment Change	2027 Payment
PATIENT ENCOUNTER #1	31575	Dx Laryngoscopy	$127.26	$122.53	0%	$122.53
	99203-25	New Patient E/M - Level 3	$117.57	$114.94	-50%	$ 57.47
		TOTAL ENCOUNTER	**$244.83**	**$237.47**	**-24.2%**	**$180.00**
PATIENT ENCOUNTER #2	31231	Dx Nasal Endoscopy	$193.39	$186.20	0%	$186.20
	99203-25	New Patient E/M - Level 3	$117.57	$114.94	-50%	$57.47
		TOTAL ENCOUNTER	**$310.96**	**$301.14**	**-19.08%**	**$243.67**
PATIENT ENCOUNTER #3	69209	Cerumen Removal	$17.03	$16.09	-50%	$8.05
	69200	Foreign Body Removal	$81.83	$81.12	-50%	$40.56
	99214-25	Established Patient E/M - Level 4	$135.61	$132.67	0%	$132.67
		TOTAL ENCOUNTER	**$234.47**	**$229.88**	**-21.14%**	**$181.28**

WHY IS THIS POLICY FLAWED?

Current policy appropriately reimburses physician work. The code valuation process already accounts for physician work, practice expense, and other costs while preventing payment overlap between a procedure and a separate E/M service. Modifier 25 does not give physicians an extra payment.

The 50% reduction lacks evidence. CMS says it continues "to believe" efficiencies exist and that Medicare is "likely duplicating" payments, but it provides no empirical analysis demonstrating that physician work or practice expense is duplicated by 50%.

Other payment reductions would deepen the impact. This proposed cut compounds years of declining Medicare physician payments, deepening the strain on independent practices and physicians treating Medicare patients.

HOW TO TAKE ACTION

ADVOCATE. Contact your representatives on Capitol Hill. Ask them to urge CMS not to finalize this proposal.

WRITE. Submit comments and testimony to CMS by September 14. *The AAO-HNS has a template for you to use. Add in your personal story and relevant clinical scenarios.*

EDUCATE. Start the conversation with your patients and urge them to get involved in protecting their access to quality otolaryngologic care.

SHARE. Share this issue with your hospital leadership, practice administrators, coding staff, and billing team so they understand the potential impacts.

UNDERSTAND. Evaluate your payer mix and practice patterns to determine this proposal's specific impact on you.

- *How many Medicare beneficiaries do you treat?*
- *How often are you billing using Modifier 25?*
- *Which same-day E/M and procedure combinations are the most common in your practice?*

IMPORTANT LINKS

CPT for ENT – Modifier 25

AAO-HNS Summary of Proposed Rule

CMS Fact Sheet on Proposed Rule