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Same Day Care Coalition Welcomes CMS Scale-Back of Same-Day Care Cuts, But Warns Finalized 20 Percent Reduction Still Threatens Patient Access

WASHINGTON, D.C. — The Same Day Care Coalition, an alliance of 30+ national physician, healthcare, and patient organizations representing specialties from primary care to medical and surgical specialists as well as the patients they serve, today welcomed the Centers for Medicare & Medicaid Services' (CMS) decision to significantly scale back a proposed policy, while expressing continued concern that CMS finalized a policy in the Calendar Year 2027 (CY 2027) Medicare Physician Fee Schedule (MPFS) rule that still reduces Medicare payment when physicians provide certain office visits and procedures to a patient on the same day.

CMS elected to finalize this policy despite failing to demonstrate any empirical basis for such a significant reduction in physician payment or evidence that separately identifiable cognitive and procedural services provided on the same day require less physician work and overhead. CMS previously pursued a substantially similar policy in 2018 but did not finalize it then because of concerns about patient access, raising further concerns about the timeliness and appropriateness of this policy. In response to extensive comments, CMS did scale back the policy considerably: rather than the originally proposed 50 percent reduction, the finalized policy reduces payment by 20 percent for the lower-paid same-day service(s), and it applies only to 0-day global procedures rather than the 10- and 90-day globals, which CMS had initially proposed to include.

While we appreciate Congress's role in pushing CMS to make this change, it remains a significant cut when considered in proper context - moving from a baseline of zero reduction to a 20 percent reduction. As CMS acknowledges in the rule, narrowing the policy to 0-day global procedures only reduces the estimated specialty-level impact by approximately 1 percent from what was originally proposed. Notably, CMS did not conduct its own analysis to support the 20 percent figure; rather, it relied on analysis from other payors. Even with that third-party analysis, CMS still has not provided sufficient evidence showing the actual degree of overlap or duplication between same-day services to justify a 20 percent reduction instead of 50 percent or any other figure. We continue to encourage robust congressional engagement on this issue, and we appreciate all that Congress has done to date to raise these concerns with CMS.

Our organizations repeatedly warned CMS that this policy does not reflect the realities of clinical practice and risks undermining Medicare beneficiaries' access to timely, efficient care. Same-day care allows physicians to evaluate a patient, identify an issue, and provide medically necessary services when clinically appropriate—avoiding delays in diagnosis and treatment and reducing unnecessary burdens for seniors, individuals with disabilities, caregivers, and patients in rural and underserved communities.

CMS has information about the consequences of this policy. Medical organizations submitted detailed comments, physicians provided clinical examples and real-world data, and stakeholders met directly with CMS, the White House, and the Office of Management and Budget (OMB). Thousands of physicians and patients also contacted Congress to raise concerns about the impact on their patients and practices.

Those concerns were echoed across the aisle in Congress. Seventy-nine Members of Congress—including physician Members and clinical leaders from both parties—also urged CMS not to finalize these cuts in a formal letter that included clinical examples from multiple specialties showing how separately identifiable office visits are appropriately provided alongside procedures. Despite this extraordinary level of clinical and congressional concern, CMS declined to withdraw its proposal.

The Coalition is particularly troubled that CMS is adopting a substantial across-the-board payment reduction that will lower payments well below the cost of care, without serious consideration of the underlying data or the impact on access to care. This large, arbitrary percentage cut will be applied across specialties, procedures, and clinical circumstances in a sweeping manner, based on an incorrect presumption and without substantiating evidence that this work is duplicative. Medical practices already face rising costs and lagging payments; these cuts undermine the availability of efficient, office-based same-day care and will take the Administration further from its goal of high-quality, affordable care for Medicare beneficiaries and all Americans.

Private health insurance companies, which have a direct financial interest in reducing payments for physician services, notably supported the proposal. The Coalition is deeply concerned that Medicare's adoption of this policy could encourage commercial insurers to expand similar reductions beyond Medicare and into the commercial market, further compounding the impact on physician practices and patient access.

Independent physicians operating on razor-thin margins, without the administrative infrastructure or bargaining leverage of large health systems, will be hit hardest by these cuts. The predictable result will be more practice closures, more physicians forced into employment with hospital systems, and less competition in healthcare markets. At a time when policymakers in both parties agree that consolidation is driving up costs and limiting patient choice, CMS is finalizing a rule that will accelerate exactly that outcome.

The Same Day Care Coalition strongly urges Congress and the Administration to continue engaging in this issue and to pursue available legislative and administrative avenues to further mitigate its impact. Our organizations will continue pursuing every available administrative and legislative avenue to protect Medicare beneficiaries and preserve physicians' ability to provide timely, clinically appropriate care. Medicare payment policy should be grounded in evidence, informed by clinical practice, and designed around patients' needs. CMS has not demonstrated that this policy meets that standard.

SIGNATORIES

American Academy of Dermatology Association

American Academy of Family Physicians

American Academy of Neurology

American Academy of Ophthalmology

American Academy of Otolaryngology–Head and Neck Surgery

American Academy of Physical Medicine and Rehabilitation

American Association for Pediatric Ophthalmology and Strabismus

American Association of Orthopaedic Surgeons

American Cochlear Implant Alliance

American College of Mohs Surgery

American College of Rheumatology

American College of Surgeons

American Medical Group Association

American Osteopathic Association

American Parkinson Disease Association

American Podiatric Medical Association

American Society of Anesthesiologists

American Society of Breast Surgeons

American Society of Cataract & Refractive Surgery

American Society for Dermatologic Surgery Association

American Society of Plastic Surgeons

American Society of Retina Specialists

Coalition of State Rheumatology Organizations

Cornea Society

Emergency Department Practice Management Association

Medical Group Management Association