

September 14, 2026

The Honorable Mehmet C. Oz, MD, MBA
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1848-P
Mail Stop C4-26-05
7500 Security Boulevard
Baltimore, MD 21244-1850

Re: File Code CMS-1848-P; Medicare Program; CY 2027 Payment Policies Under the Physician Fee Schedule and Other Changes to Part B Payment and Coverage Policies (July 16, 2026). Accounting for E/M Resource Overlap Between Stand-Alone Visits and Global Periods

Dear Administrator Oz:

On behalf of the undersigned organizations, we urge the Centers for Medicare & Medicaid Services (CMS) not to finalize the proposed policy in the CY 2027 Medicare Physician Fee Schedule proposed rule to reduce payment by 50 percent when a separately identifiable office/outpatient (O/O) 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.

The proposal is not supported by evidence or empirical data, could result in payments that do not cover the costs of delivering care, and would threaten practice sustainability and patient access. We therefore urge CMS not to finalize this proposal and instead maintain current payment for appropriately reported same-day services. If CMS continues to believe that resource overlap exists, the agency should first collect and analyze data demonstrating the existence and extent of duplication across specific codes and code families before advancing any future payment reductions.

The Proposal Is Not Supported by Evidence

Under the proposal, when a separately identifiable O/O E/M service is furnished by the same physician—or a physician in the same group practice—on the same day as a 0-, 10-, or 90-day global procedure, CMS would pay the highest-valued service at 100 percent and reduce payment for the other applicable service or services by 50 percent.

CMS has not provided sufficient evidence demonstrating that duplication exists when procedures are furnished on the same day as a separately identifiable E/M code or that a 50-percent reduction would appropriately reflect the extent of duplication. Modifier 25 is used specifically when an E/M service is significant and separately identifiable from the procedure performed.

Notably, the AMA RUC and CMS have previously addressed duplication when certain procedures are commonly furnished with an E/M service. Applying an additional across-the-board 50-percent reduction is particularly concerning when the valuation of a service has already been adjusted to account for efficiencies associated with same-day care.

A payment change of this magnitude should be based on clear data demonstrating where overlap exists and the extent of that overlap. CMS has not provided such evidence.

The Proposal Could Reduce Payment Below the Cost of Care

Our analysis demonstrates that the proposed 50-percent reduction could result in Medicare payments that do not even cover the direct practice expense costs associated with furnishing several procedures commonly performed by podiatrists—before accounting for physician work or indirect practice expenses.

For example, considering proposed 2027 payment rates:

- CPT 17110 for destruction of up to 14 lesions, when reported with a higher valued, significant and separately identifiable E/M for a different problem, would be reduced from approximately \$104.76 to \$52.38, compared with approximately \$70.24 in direct practice expense costs.
- CPT 11730 for avulsion of the nail plate, when reported with a higher valued, significant and separately identifiable E/M for a different problem, would be reduced from approximately \$113.63 to \$56.82, compared with approximately \$71.19 in direct practice expense costs.
- CPT 11755 for biopsy of the nail, when reported with a higher valued, significant and separately identifiable E/M for a different problem, would be reduced from approximately \$120.85 to \$60.43, compared with approximately \$68.47 in direct practice expense costs.

A policy that can result in physicians receiving less than the direct cost of furnishing a procedure is fundamentally flawed and unsustainable.

Podiatric Physicians and Their Patients Would Be Disproportionately Affected

CMS acknowledges that podiatry would experience one of the greatest negative impacts from this proposal. Podiatric physicians frequently furnish medically necessary E/M services in conjunction with procedures because patients commonly present with multiple, distinct conditions with one condition on one foot and a second condition on the other foot.

Consider the following example:

A Medicare beneficiary presents to a podiatrist with two separate complaints. The first is worsening pain in the left big toe joint that has been present for more than a year and has progressed to the point that it causes the patient to limp and interferes with work and exercise. The podiatrist performs an E/M service and diagnoses hallux limitus, a degenerative arthritic condition of the big toe joint. Management includes prescribing medication, recommending footwear modifications, and discussing potential surgical treatment.

The patient also has a dark discoloration beneath the right big toenail that raises concern for melanoma. The podiatrist therefore performs a nail unit biopsy, CPT 11755.

These are two distinct conditions, affecting different feet and requiring separate clinical decision-making and treatment. The E/M service is significant and separately identifiable from the biopsy and is appropriately reported with Modifier 25.

Importantly, CMS recently revalued CPT 11755 to account for duplication when the service is furnished on the same day as a separately identifiable E/M service. As a result, the current valuations for both codes reflect the full resources required to furnish each respective service on the same day. Imposing another 50-percent reduction to either code would therefore discount a service for efficiencies that have already been incorporated into its valuation and fail to reflect the resources required to furnish care.

Appropriate Coding Should Be Addressed Without Penalizing Appropriate Care

We support efforts to identify and address inappropriate utilization of Modifier 25. Our organizations devote significant resources to educating podiatric physicians about proper coding and documentation, including examples of both compliant and noncompliant reporting.

However, concerns regarding inappropriate coding should be addressed through existing documentation, auditing, and program-integrity mechanisms. The proposed policy instead broadly reduces payment even when both services are medically necessary, appropriately documented, and correctly reported.

The Proposal Threatens Practice Sustainability and Patient Access

Physician practices continue to face rising staffing, supply, technology, and other operating costs while Medicare physician payment has failed to keep pace with the cost of running a practice. Additional reductions for commonly furnished same-day services would further destabilize practices.

Solo, small, independent, and rural practices would likely face the greatest challenges. Over time, these pressures could contribute to practice closures and consolidation, reduce patients'

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choice of physicians, and make it more difficult for Medicare beneficiaries to obtain timely access to medically necessary foot and ankle care.

For these reasons, the **undersigned organizations strongly urge CMS not to finalize the proposed Modifier 25 payment reduction and to maintain current payment for appropriately reported same-day services.** If CMS believes resource duplication may exist, the agency should undertake a transparent, data-driven analysis of specific services before considering any future changes.

Thank you for your consideration.

Sincerely,

American Podiatric Medical Association

Alabama Podiatric Medical Association

Alaska Podiatric Medical Association

American Academy of Podiatric Practice Management

American Academy of Podiatric Sports Medicine

American Podiatric Medical Student Association

American Society of Podiatric Surgeons

Arizona Foot and Ankle Medical Association

Arkansas Podiatric Medical Association

California Podiatric Medical Association

Colorado Podiatric Medical Association

Connecticut Podiatric Medical Association

District of Columbia Podiatric Medical Association

Federal Services Podiatric Medical Association

Florida Podiatric Medical Association

Georgia Podiatric Medical Association

Idaho Podiatric Medical Association

Illinois Association of Podiatric Physicians and Surgeons

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Indiana Podiatric Medical Association

Iowa Podiatric Medical Society

Kansas Podiatric Medical Association

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Maryland Podiatric Medical Association

Massachusetts Foot and Ankle Society

Michigan Podiatric Medical Association

Minnesota Podiatric Medical Association

Mississippi Podiatric Medical Association

Missouri Podiatric Medical Association

Montana Podiatric Medical Association

New Hampshire Podiatric Medical Association

New Jersey Podiatric Medical Society

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Utah Podiatric Medical Association

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Virginia Podiatric Medical Association

Washington State Podiatric Medical Association

West Virginia Podiatric Medical Association

Wisconsin Podiatric Medical Association