



PYA Healthcare Regulatory Roundup #99 – Washington Updates: 2026 Medicare Physician Fee Schedule Proposed Rule, Part 2

Presented August 13, 2025 by PYA's Martie Ross and Valerie Rock | Part of the Healthcare Regulatory Roundup Webinar Series

<https://www.pyapc.com/insights/hcrr-98-99-two-part-2026-medicare-physician-fee-schedule-proposed-rule/>

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WEBINAR SUMMARY

In this episode of PYA's Healthcare Regulatory Roundup, experts Martie Ross and Valerie Rock discussed the 2026 Medicare Physician Fee Schedule proposed rule, focusing on telehealth changes, global payment reforms, and new provisions for care management and prevention. Key points included the "telehealth cliff" on September 30 due to Congress's inaction on extending waivers, the permanent coverage of telebehavioral health services in homes, and the need for face-to-face visits before telebehavioral health services. CMS proposed changes to telehealth criteria, global surgery component valuation, and skin substitute payment methodologies. The webinar also highlighted the expansion of care management services, including behavioral health integration, and the introduction of new codes for remote monitoring and digital mental health treatment.

Key topics include:

- **Medicare Physician Fee Schedule (MPFS) proposed rule**
- **Telehealth changes and the "Telehealth cliff"**
- **Global payment reforms**
- **Care management**
- **Behavioral health integration**
- **Remote monitoring**
- **Skin substitutes**
- **Social Determinants of Health (SDOH)**
- **Medicare Diabetes Prevention Program (MDPP)**
- **Digital mental health treatment**
- **CMS proposals**
- **Reimbursement policy**
- **Virtual services and patient engagement**

WEBINAR HIGHLIGHTS AND FREQUENTLY ASKED QUESTIONS

What was the main focus of this PYA webinar?

This session—the second in a two-part series—examined key elements of the 2026 Medicare Physician Fee Schedule (MPFS) proposed rule, including:

- Upcoming telehealth changes and the looming "telehealth cliff" on September 30
- Global payment reforms, including valuation of global surgery components



- Skin substitute payment methodology revisions
- Expansion of care management and behavioral health integration services
- New codes and policies for remote monitoring
- Changes to social determinants of health (SDOH) services (now referred to as “upstream drivers of health”)
- Updates to the Medicare Diabetes Prevention Program (MDPP) and digital mental health treatment reimbursement

What is the “telehealth cliff” and when will it occur?

- The “telehealth cliff” refers to significant reductions in telehealth flexibilities if Congress does not extend pandemic-era waivers. On October 1, 2025:
- Telebehavioral health services will require a face-to-face visit within six months prior to initiation and at least annually thereafter.
- Medical telehealth services will revert to pre-pandemic rules—beneficiaries must be physically present at an eligible facility in a rural area.
- Physical, occupational, and speech therapy telehealth billing rights will expire.

What telehealth changes has CMS proposed for 2026?

CMS plans to:

- Combine “provisional” and “permanent” telehealth service categories into one permanent list.
- Reduce telehealth service approval criteria from five to three main tests.
- Add codes such as multiple-family group psychotherapy (90849) and group behavioral counseling (G0473).
- Remove codes that cannot be fully delivered via telehealth (e.g., certain dialysis, INR monitoring, and AMA telemedicine E/M codes).
- Remove frequency limits for subsequent inpatient, nursing facility, and critical care telehealth visits.
- Expand virtual direct supervision definitions to include real-time audio-visual communication (excluding global surgical packages).

What are the proposed global payment reforms?

- CMS is reevaluating the distribution of relative value units (RVUs) between surgical and post-operative care in global surgery packages.
- They are seeking feedback on three approaches:
 1. Physician time-file approach based on work RVUs.
 2. Claims-based approach using reported 99024 post-op visit data (CMS’s preferred option).
 3. Time-based ratio approach comparing post-op to total service time.
- These changes could increase the surgical portion’s valuation while decreasing post-op values.

How will payment for skin substitutes change?

- CMS proposes a national standard payment methodology for certain skin substitutes, moving away from the current ASP + 6% model.



- This shift is driven by a 40-fold spending increase over five years without a proportional rise in patients served.
- New uniform rate: \$125.38 per cm² for most products.
- Section 351 biologicals would still follow ASP methodology.
- Practices should assess product categories, review supplier contracts, and prepare for possible revenue impacts.

What changes are proposed for care management and behavioral health integration?

CMS aims to:

- Expand Advanced Primary Care Management (APCM) codes with new add-on codes for behavioral health integration—no time requirement.
- Allow billing APCM plus psychiatric collaborative care model (CoCM) or general behavioral health integration (BHI) services.
- Require separate patient consent for behavioral health integration.

What is new for remote monitoring services?

Proposals include:

- New codes for 2–15 days of remote physiologic or therapeutic monitoring (previously required ≥16 days).
- Treatment management codes payable for as little as 10 minutes (with interactive patient communication).
- Valuation of device/practice-expense codes using hospital outpatient cost data instead of survey data.

How is CMS addressing SDOH?

- “Social determinants of health” will be replaced with “upstream drivers of health,” a broader term including behavioral factors like smoking or inactivity.
- Reimbursement for the SDOH risk assessment (G0316) will be eliminated starting in 2026, as CMS considers it part of other covered services.

What’s changing in the Medicare Diabetes Prevention Program (MDPP)?

- Proposals extend flexibility and access through 2029:
- Keep virtual (distance learning) delivery.
- Allow fully virtual asynchronous (“online session”) programs, with live coach interaction required.
- Discontinue the in-person capability requirement for virtual suppliers.
- Add a new \$18 per-session G-code for asynchronous MDPP.

Are there proposals affecting digital mental health treatment?

Yes. CMS proposes:

- Adding a new category for ADHD treatment under digital mental health services.
- Soliciting feedback on reimbursement for digital health tools beyond mental health, including chronic disease prevention and healthy lifestyle promotion.



What should providers do next?

- Submit comments to CMS on the proposed rule by September 12, 2025.
- Review operational, financial, and compliance impacts of proposed changes.
- Prepare for shifts in telehealth coverage, payment methodologies, and reporting requirements.
- Engage in strategic planning for behavioral health integration, remote monitoring, and preventive care programs.

ACTION ITEMS

- Submit comments on the proposed rule by September 12.
- Provide input to CMS on the proposed approaches to valuing the post-operative portion of global surgery packages.
- Review the impact of the proposed changes to skin substitute payments and adjust clinical protocols and billing practices as needed.
- Submit comments to CMS on the broader solicitations for feedback on digital health reimbursement and chronic disease prevention and management.
- Review the proposed changes to the Medicare Diabetes Prevention Program and provide feedback on the new asynchronous delivery model.

WEBINAR OUTLINE

Introduction and Overview of the Webinar

- PYA Moderator introduces the webinar and presenters, Martie Ross and Valerie Rock.
- Martie Ross explains the process of submitting comments on the Federal Register website and highlights the current number of comments.
- She notes the focus of the second part of the webinar series is on telehealth changes, global payment reforms, and new provisions related to care management and prevention.

Telehealth Changes and Legislative Context

- Martie Ross discusses the "telehealth cliff" on September 30 due to the lack of congressional action on extending waivers.
- The Consolidated Appropriations Act 2021 made telebehavioral health services permanent but with new requirements for face-to-face visits.
- Starting October 1, telebehavioral health services will require a face-to-face visit within the prior six months and once every 12 months.
- Medical telehealth services will revert to requiring the beneficiary to be physically present in a rural area, and certain providers will no longer be able to bill for telehealth services.

CMS Proposals for Telehealth Services

- Valerie Rock explains CMS's authority to make changes to telehealth services and the criteria for inclusion in the telehealth list.
- CMS is proposing to remove the requirement for services to be provisional or permanent, simplifying the process.



- The criteria for inclusion in the telehealth list have been reduced from five to three, focusing on separate payability, compliance with telehealth provisions, and the ability to perform services via interactive telecommunication.
- Services like multiple family group psychotherapy and group behavioral counseling are likely to be added to the telehealth list, while certain codes like dialysis and INR monitoring are not meeting the criteria.

Global Payment Reforms and Skin Substitutes

- Valerie Rock discusses CMS's proposals for global payment reforms, focusing on the value of global surgery components and the use of modifier 54 for post-op care.
- CMS is considering three approaches to valuing global surgery components, including a claims-based approach using data from 99024.
- The proposed changes aim to ensure accurate valuation of surgical components and post-op visits, with potential increases in surgical component shares.
- Valerie Rock also covers changes to skin substitute payments, including a national standard payment methodology and the potential impact on reimbursement for certain FDA categories.

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Care Management Services and Behavioral Health Integration

- Martie Ross explains the expansion of care management services, including the introduction of advanced primary care management (APCM) services.
- APCM services are based on the composition of the Medicare panel and the maintenance of care management infrastructure, with no time requirement for billing.
- CMS is proposing add-on codes for behavioral health integration services, allowing practices to bill for both APCM and behavioral health integration services.
- The new codes include initial psychiatric collaborative care model codes and general behavioral health integration codes, with no specific time requirements.

Changes to Remote Monitoring and Social Determinants of Health (SDOH)

- Martie Ross discusses changes to remote monitoring codes, including the addition of codes for monitoring periods of less than 16 days.
- The new codes allow for reimbursement of services even if only 10 minutes are spent on interactive communication.
- CMS is proposing to value data collection codes using hospital data, which may result in changes to reimbursement for remote physiologic monitoring and remote therapeutic monitoring.
- The term "social determinants of health" is being replaced with "upstream drivers of health," and reimbursement for SDOH risk assessments is being discontinued.

Medicare Diabetes Prevention Program (MDPP) and Digital Mental Health Treatment

- Martie Ross provides an overview of the MDPP, including eligibility criteria, delivery by lifestyle coaches, and the need for CDC recognition.
- CMS is proposing to continue the virtual option for MDPP through 2029 and to allow asynchronous delivery, including online sessions.
- The new G code for online sessions will reimburse at \$18 per session, and providers must demonstrate the capability to deliver live sessions.
- CMS is also proposing to expand reimbursement for digital mental health treatment to include services for ADHD and is seeking comments on broader uses of digital tools for health services.

Final Remarks and Call to Action

- Martie Ross and Valerie Rock emphasize the importance of providing comments to CMS on the proposed changes.