PYA Healthcare Regulatory Roundup #106 – Part 2: MPFS Final Rule

Presented December 10, 2025 by PYA's Martie Ross and Valerie Rock | Part of the Healthcare Regulatory Roundup Webinar Series

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WEBINAR SUMMARY

This episode of PYA's Healthcare Regulatory Roundup, part two of a two-part series focusing on the 2026 Medicare Physician Fee Schedule Final Rule, discussed telehealth changes, global payment reforms, skin substitutes, care management, and prevention programs. Telehealth services will continue with face-to-face visit requirements, and new codes for telebehavioral health and global surgery indicators were discussed. Global payment reforms aim to adjust payments for post-operative care, with a focus on accurate valuation. Skin substitutes will now have a standardized payment methodology, reducing costs from $10 billion to $2 billion. Care management updates include new codes for behavioral health integration and remote monitoring, and the Medicare Diabetes Prevention Program extended its virtual option through 2029.

Key topics include:

- Telehealth coverage continues into 2026 for services that meet Medicare statutory requirements, with face-to-face visit rules still applying unless Congress extends current waivers.
- CMS simplified the criteria for adding services to the Medicare telehealth list and will accept code submissions for 2027 consideration through February 10, 2026.
- Virtual direct supervision using real-time audio-visual technology is permanently allowed for certain services, excluding procedures with 10- or 90-day global periods.
- CMS did not finalize changes to global surgery payments but reiterated concern that post-operative evaluation and management (E/M) services are overvalued based on utilization data.
- Skin substitute reimbursement changes are finalized, replacing ASP-based pricing with a flat per-square-centimeter payment and new coverage limitations.
- Care management expansions include new patient care monitoring (PCM) behavioral health add-on codes and refined remote patient monitoring (RPM) and remote therapeutic monitoring (RTM) billing thresholds.
- The Medicare Diabetes Prevention Program (MDPP or Medicare DPP) virtual option is extended through 2029, with a new asynchronous delivery pathway subject to CDC requirements.

WEBINAR HIGHLIGHTS AND FREQUENTLY ASKED QUESTIONS

What telehealth services are covered under the 2026 Medicare Physician Fee Schedule Final Rule?

- Medicare will continue covering telehealth services that are payable under the Physician Fee Schedule, meet statutory requirements, and can be fully furnished remotely. Most services still require periodic face-to-face visits.

How did CMS change the process for adding services to the Medicare telehealth list?

- CMS streamlined the process to focus on payment eligibility, statutory compliance, and whether the service can be delivered entirely via telehealth.

Can providers request new telehealth services for future Medicare coverage?

- Yes. Providers may submit requests for 2027 telehealth list consideration by February 10, 2026.

Is virtual direct supervision allowed under the 2026 MPFS Final Rule?

- Yes. CMS permanently allows real-time audio-visual virtual direct supervision for certain services, excluding surgical procedures with global periods.

Did CMS finalize changes to global surgery payment policy for 2026?

- No. CMS did not finalize changes but continues to evaluate global surgery valuation using claims-based utilization data.

How is Medicare paying for skin substitutes beginning in 2026?

- CMS finalized a flat per-square-centimeter payment for covered sheet skin substitutes, replacing average sales price (ASP)-based reimbursement.

What billing changes should providers expect for skin substitute services?

- Providers must bill application CPT codes with add-on supply codes and comply with new coverage limits outlined in the applicable Local Coverage Determination (LCD).

What care management changes take effect in 2026?

- CMS added behavioral health integration add-on codes for PCM and expanded RPM and RTM billing options for shorter data collection and treatment time.

What changes were made to the Medicare Diabetes Prevention Program?

- CMS extended virtual delivery through 2029 and added an asynchronous delivery option that requires CDC enrollment, engagement tracking, and documentation.

ACTION ITEMS

- Add/update Community Health Integration and Principal Illness Navigation (CHI/PIN) and related behavioral health provider enrollment and billing processes to enable clinical social workers, marriage and family therapists (MFTs), and mental health counselors to bill initiation and health behavior codes where applicable (adjust reimbursement expectations).
- Update billing, coding, and charge capture processes for skin substitutes (convert to add-on supply codes, code mapping, and billing workflow changes across facility and non-facility settings).
- Confirm state certification/training requirements and documentation for community health workers (CHWs) if using CHWs for CHI/PIN services; ensure CHWs meet applicable state requirements before billing.
- Review the April 25, 2024 LCD and the Final Rule + correction regarding skin substitutes; identify whether your products are covered and how the LCD limits applications or quantities.
- Implement separate consent processes/documentation for PCM enrollment and for any behavioral health integration (BHI) add-on services (CoCM/BHI).
- Update Federally-Qualified Health Center and Rural Health Clinic (FQHC/RHC) billing workflows to: (a) bill usual CPT codes for CoCM (instead of GEO512), and (b) transition from GEO71-wrapped communication codes to the individual communication/virtual visit codes (billers/charge capture).

- Monitor federal legislation and CMS waivers affecting telehealth (especially FQHC/RHC waivers and the 1834 statutory requirements) and plan for potential reversion of pre-waiver rules.
- Submit telehealth code requests to CMS for consideration for the 2027 telehealth list (deadline Feb 10, 2026).
- For practices offering a diabetes prevention program (DPP): (a) ensure CDC preliminary/full recognition and Medicare NDPP enrollment if not already enrolled; (b) if planning asynchronous delivery, obtain required CDC organization code and meet CDC engagement/documentation criteria; (c) update documentation procedures to capture weight measurements and engagement for incentive payments.
- Update PECOS/enrollment information: suppress home address if permissible or add home-practice location information where clinicians predominantly provide services from home; ensure enrollment records are current.
- Communicate and train clinical, coding, and billing staff about the updated RPM/RTM code rules, RVU/practice-expense methodology shifts (CMS using OPPS-based data for some practice-expense valuation), and documentation requirements.
- Inventory skin-substitute products, determine each product's FDA pathway category (PMA, 510(k)/de novo, or 361 HCT/P), and track which products will be paid under the new flat per-cm2 methodology.
- Review and renegotiate supplier contracts and pricing terms for skin substitutes to assess financial impact from the new flat-rate payment; update accounting/ROI models accordingly.

WEBINAR OUTLINE

Introduction and Overview of Government Shutdown and Its Impact on Healthcare

- PYA Moderator introduces the webinar and the topic: 2026 Medicare Physician Fee Schedule Final Rule, Part 2, noting it is part of a two-part webinar series regarding the MPFS Final Rule.
- Martie Ross thanks the audience and recaps the topics covered in the previous webinar, including the conversion factor, new efficiency adjustment, practice expense methodology, MIPS, ASM, and MSSP.
- Martie Ross introduces Valerie Rock, who will cover telehealth changes, global payment reforms, and skin substitutes, while Martie will discuss care management and wellness.

Telehealth Services and Legislative Updates

- Valerie Rock discusses the current state of telehealth services, emphasizing the need for Congressional action on the 1830 4m bill.
- She explains the requirements for telebehavioral health services, including the need for face-to-face visits within six months and every 12 months.
- Valerie notes CMS has streamlined the telehealth code process by removing the fourth and fifth steps, focusing on the applicability of services to telehealth and compliance with 1834 and 10 telehealth provisions.
- She further emphasizes that CMS has made all telehealth codes permanent, allowing for easier submission of new codes for consideration by February 10, 2026.

Global Payment Reforms and Skin Substitutes

- Valerie Rock discusses the global payment reforms, noting that CMS has been working on this issue for over a decade.
- She explains CMS is considering various approaches to adjust payments for post-operative care, including using data from nine states to determine the value of services.

- Valerie discusses how the skin substitute market has grown significantly, leading CMS to finalize a standardized payment methodology to address cost misalignment.
- She highlights that CMS will implement a single rate for all skin substitutes, with specific criteria for pre-market approved, 510(k) cleared, and 361 HCPT products.

Care Management and Behavioral Health Integration

- Martie Ross illustrates the evolution of care management services, including the introduction of PCM advanced primary care management services.
- She explains CMS has added new codes for behavioral health integration services, including psychiatric collaborative care models (CoCM) and general behavioral health integration (BHI).
- Martie notes these new codes allow for reimbursement for behavioral health services provided by clinical staff under the supervision of the billing practitioner.
- Martie emphasizes the need for separate consent for behavioral health integration services, as well as the importance of virtual direct supervision.

Remote Monitoring and FQHC/RHC Billing Changes

- Martie Ross explains the changes to remote monitoring codes, including the addition of a new code for less than 16 days of data collection.
- She highlights that CMS has updated the RVU values for remote monitoring codes, reflecting the increased practice expense.
- Martie discusses how FQHCs and RHCs can now use individual CPT codes for care management services, rather than the G codes, and will be reimbursed at the national payment rate.
- She further notes that FQHCs and RHCs will also use individual codes for communication technology-based services, including G20250 and 98016.

SDOH Reimbursement and Community Health Integration

- Martie Ross discusses the reimbursement for SDOH screenings, noting that CMS has decided to continue paying for these services.
- She notes CMS has updated the evidence-based tools for SDOH screenings, focusing on nutrition and physical activity.
- Martie explains services can now be billed by clinical social workers, marriage and family therapists, and mental health counselors.
- Martie notes CHI/PIN services can be performed by clinical staff under general supervision, and community health workers must meet state certification requirements.

Medicare Diabetes Prevention Program (MDPP) Updates

- Martie Ross explains the eligibility criteria and requirements for MDPP providers, including CDC recognition and delivery of group sessions.
- She notes CMS has extended the virtual option for MDPP through 2029 and added an asynchronous delivery modality.
- She notes that providers must enroll with CDC and meet specific criteria for asynchronous delivery, including live interaction and documentation of beneficiary engagement.

- She describes how reimbursement for MDPP sessions has been updated, with asynchronous sessions receiving a lower rate than in-person or online sessions.

Digital Mental Health Services and Closing Remarks

- Martie Ross discusses the new reimbursement for digital mental health services, including devices licensed by the FDA for ADHD.
- She explains these services must be furnished incident to a plan of care for behavioral health treatment and the billing practitioner must incur the cost of the device.

Conclusion and Final Thoughts

- Martie Ross summarizes the key points and noting then next webinar will cover additional Washington updates.
- The presenters and PYA Moderator conclude the webinar by thanking the presenters and audience, and with information on how to access the slides, recording, and additional resources.