2027 Medicare Physician Fee Schedule (PFS) Final Rule

CMS DEFERS TO RUC-RECOMMENDED wRVUs IN RESPONSE TO PATIENT ACCESS CONCERNS

AAHKS
AMERICAN ASSOCIATION OF HIP AND KNEE SURGEONS

Medicare payment for a CPT Code = Conversion Factor x ((work RVUs based on time and intensity of service) + (practice expense RVUs based on surveyed direct and indirect office costs) + (malpractice insurance RVUs)).

CHANGE IN PAYMENT FORMULA FACTORS				
Conversion Factor*				
	2026	**2027 Proposed**	**2027 Final**	**Change from 2026**
Qualifying APM CF	$33.56	$33.16	$32.95	**-1.9%**
Non-Qual. CF	$33.40	$32.84	$32.62	**-2.4%**
27130 RVUs				
	2026	**2027 Proposed**	**2027 Final**	**Change from 2026**
Work RVUs	19.11	15.37	16.70	**-12.6%**
PE RVUs	11.63	8.87	9.08	**-22%**
MP RVUs	4.05	3.14	3.49	**-14%**
Total 27130 RVUs	34.79	27.38	**29.27**	**-15.9%**
27447 RVUs				
	2026	**2027 Proposed**	**2027 Final**	**Change from 2026**
Work RVUs	19.11	15.94	16.70	**-12.6%**
PE RVUs	11.58	8.92	9.05	**-21.9%**
MP RVUs	4.02	3.22	3.46	**-14%**
Total 27130 RVUs	34.71	28.08	**29.21**	**-15.9%**

* Medicare Conversion Factor applies to all physician services under the PFS

CMS LISTENED TO PATIENT ACCESS ARGUMENTS BUT REMAINS CONCERNED OVER ACCURACY

- "We were persuaded by commenters that finalizing the proposed work RVUs . . . could significantly affect providers and create barriers to accessing care for Medicare patients and do not fully capture the resource cost of these procedures. For these specific codes, we were persuaded that the RUC-recommended work RVU of 16.70 reflected the associated time and intensity described by the commenters."
- "We continue to remain concerned regarding the overall accuracy of these values and welcome additional information that we could consider for future rulemaking."
- "We clarify for commenters that we do not believe the movement of these procedures from typically inpatient to typically outpatient site of service has necessarily resulted in less work, or that the same postoperative care is no longer being provided by practitioners and clinical staff. Our proposed valuations recognize that longer and more complex outpatient E/M visits are now taking place for these procedures."
- "We agree with the commenters that merely changing the typical site of service has not necessarily reduced the work of these procedures; however, we disagree that changing the site of service has made the procedures more intense as the RUC recommended and some commenters suggested."

FINAL PAYMENT RATE				
Qualifying APM Participant				
	2026	**2027 Proposed**	**2027 FINAL***	**Change from 2026**
27130	$1,167	$934	**$964**	**-17.4%**
27447	$1,165	$931	**$962**	**-17.5%**
Non-Qualifying APM Participant				
	2026	**2027 Proposed**	**2027 FINAL***	**Change**
27130	$1,161	$925	**$955**	**-17.8%**
27447	$1,159	$922	**$953**	**-17.8%**

* National Average Payment Amount – Local variations in the Medicare Geographic Practice Cost Index applied to procedure RVUs lead to higher or lower amounts depending on region.

- "We remain unconvinced that there has been a significant increase in intensity for this code. Intensity of work under the PFS reflects skill, expertise, effort, stress, and other factors that influence the assessed relative value of time spent. We disagree with the commenters that performing the same work in less time inherently means that the intensity of a procedure has increased; changes in practice patterns, improvements in technology, or greater efficiencies in the delivery of care can all account for shorter procedure times without a corresponding increase in intensity."

© 2026 Epstein Becker & Green, P.C. | All Rights Reserved. | ebglaw.com