

Unpacking the 2026 Physician Fee Schedule

Changes to the Centers for Medicare & Medicaid Services (CMS) 2026 Physician Fee Schedule (PFS) are now live with several implications for your organization. Notably, important adjustments have been made to both work relative value units (wRVUs) and Practice Expense RVUs that will impact both reimbursement and “potentially” your provider compensation plans. Providers who see patients in **office settings** (POS 11) could see an **increase** in their professional revenue. Conversely, services performed in **outpatient facilities** (POS 22) and **ambulatory surgical centers** may see a **decline** in reimbursement. And changes in wRVUs may impact your compensation plan for the next year.



What Happened?

Efficiency Adjustment

For CY 2026, CMS will apply a **2.5% adjustment to the wRVU** and the corresponding intra-service portion of physician time of **non-time-based services**.

Note:

- These changes impact procedures, not E&M codes
- Changes impact the wRVU only

Site of Service Differential

For CY 2026, CMS **decreased the practice expense (PE)** portion of reimbursement for **facility setting** and **increased the PE for non-facility setting**.

Note:

- Impact dependent on site of service
- Note: professional fee decreases for provider-based billing

wRVU Impact



Small wRVU Increases:
Family Medicine, Psychiatry



Slight RVU Reductions:
Radiology, Some Surgical Specialties

Example: Orthopedic Department			
CPT Category	wRVU		% Diff. YoY
	2025 PFS	2026 PFS	wRVU
Office E&M	75,509	76,509	—
Surgery – Musculoskeletal	103,721	76,509	-2.5%
Surgery – Endocrine, Nervous	14,506	14,145	-2.5%
Hospital E&M	3,235	3,235	—
Other Procedure	371	368	-0.8%
Radiology	3,602	3,562	-1.1%
Surgery – Integumentary	2,623	2,558	-2.5%
Overall Total	204,566	201,524	-1.5%

Overall weighted impact of wRVUs is closer to a 1.5% decrease in wRVUs for orthopedic providers.

Reimbursement Impact

Professional Fee Impact



Non-facility (Increase) **+4%**

- Interventional Radiology **+2%**
- Endocrinology **+3%**
- Family Practice **+3%**
- Rheumatology **+4%**
- Vascular Surgery **+5%**
- Allergy/Immunology **+7%**



Facility (Decrease) **-7%**

- Radiology **-2%**
- Orthopedic Surgery **-3%**
- Thoracic Surgery **-3%**
- Plastic Surgery **-4%**
- Gastroenterology **-4%**
- Neurosurgery **-5%**
- Infectious Disease **-6%**

Example: 99214 Impact (no geographic adjustment)			
	2025 CMS	2026 CMS	% Change
Pro Fee (Non-Facility)	\$125.19	\$135.60	+8.3%
Provider Fee (Facility)	\$93.82	\$84.50	-9.9%
Hospital OP Fee	\$125.95	\$128.87	+2.3%
Combined (Provider + Hosp)	\$219.77	\$213.37	-2.9%

Questions You Need to Consider

As your team assesses the impact of these modifications, consider these questions:

- How will these changes affect your investment per provider?
- What operational strategies can you implement to absorb the reductions in an outpatient setting?
- Should you revisit and adjust your compensation plan to account for wRVU adjustments?
- Most importantly, is your compensation structure adaptable enough to evolve with ongoing shifts in wRVUs and policy updates from CMS?



Industry Expertise

AMGA Consulting stands ready to partner with you to explore these essential questions. Our team offers the practical expertise and strategic insight needed to help you navigate these challenges, ensuring your organization is positioned to adapt, respond, and thrive in a changing regulatory landscape.

Questions? Contact Us: info@amgaconsulting.com