2025 Medicare Physician Fee Schedule and Quality Payment Program Proposed Rule

Background:

The Centers for Medicare & Medicaid Services (CMS) released the Calendar Year (CY) 2025 Medicare Physician Fee Schedule (MPFS) and Quality Payment Program (QPP) proposed rule on July 10, 2024.

What this rule would do:

The rule would update the payment rates for physicians being paid under the Medicare system, revise existing policies related to telehealth and physical therapist supervision, update specific CPT codes, and make changes to the Quality Payment Program. Key proposals include the following:

- A 2.8% negative update to the conversion factor, along with a 1% negative update to orthopedic surgery.
- Allow physical therapy assistants to practice under general supervision of physical therapists in private practice, as opposed to the current requirement of direct supervision. This change would allow for greater flexibility to see patients.
- Updating the telehealth policy so that it may include two-way, real-time audio-only communication for telehealth services if the patient cannot use video technology for the call.
- Expanding the applicability of the transfer of care modifiers for all 90-day global surgical packages in cases where a practitioner or another practitioner from the same group practice expects to furnish on the pre-op (modifier -56), procedure (modifier -54), and post-op portions of a global package. CMS' goal in this proposal is to have practitioners report the transfer of care modifiers in all transfer of care scenarios to better track the resources involved in furnishing services within the global surgical package with the aim of making more accurate Medicare payments.
- A request for information on future rulemaking for a mandatory ambulatory care specialty model that would aim to strengthen the integration between primary and specialty care. CMS explains that they would use MIPS Value Pathways (MVPs) as the basis for the model, requiring that they cover a sufficient volume of clinicians, address chronic conditions with high Medicare expenditures, and align with existing CMS Innovation Center (CMMI) models. Though this is not the proposal on the model itself, CMS is soliciting feedback on certain factors of a future proposed model including: mandatory participation of relevant specialty care providers, participant definition, payment methodology, care delivery and incentives for partnerships with Accountable Care Organizations, health IT, health equity, and multi-payer alignment.

What Happens Next:

AAOS committees are reviewing this rule, and we are collaborating with orthopaedic stakeholders to develop our comment letter. AAOS will also educate Congress about the continuing deleterious effects of current statutes related to physician payment that drive annual payment cuts.

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