Medicare Releases 2027 Physician Fee Schedule with 'Devastating' Cuts to Radiologist Payments

CMS released the proposed 2027 physician fee schedule, suggesting a conversion factor of **~$32.84** — a **-1.68% ($0.56) reduction** from 2026. Physicians in alternative payment models will see their factor fall to $33.17, down -1.19%. CMS attributes these cuts to the expiration of a one-time 2.5% pay bump under the Working Families Tax Cut Act.

SIR's Warning

The Society of Interventional Radiology, representing 8,000+ rads, urged Congress to "act immediately to halt this devastating proposal," warning seniors risk losing access to trusted physicians.

Legislative Fix

SIR is urging passage of the **Strengthening Medicare for Patients and Providers Act** (H.R. 6160), which would tie annual physician pay increases to the Medicare Economic Index — a measure of inflation.

Projected Payment Impact

CMS estimates a **+2%** impact for diagnostic radiologists and nuclear medicine, and **+3%** for IR specialists and radiation oncologists if provisions are finalized.

Key Rule Details: MIPS, Practice Expenses & Duplicate Imaging

MIPS Overhaul

CMS proposes sunsetting traditional MIPS reporting in **2029**, transitioning physicians to "more clinically meaningful" MIPS Value Pathways. MIPS launched in 2017 to move Medicare away from fee-for-service toward quality and value.

Practice Expense Changes

A new RAND Corp. report commissioned by CMS proposes alternatives to how Medicare calculates practice-expense reimbursement. Imaging lobbyist Kit Crancer called proposed changes "positive" for diagnostic radiology — particularly for nonfacility and technical services — potentially offsetting some conversion factor losses. Notably, the physician-work efficiency adjustment will **not** apply to the technical component, avoiding controversial AI-linked pay cuts.

Duplicate Imaging RFI

CMS is issuing a new request for information targeting duplicate imaging exams and lab testing, citing interoperability challenges that leave providers unaware of existing results — leading to duplicative testing, increased costs, and unnecessary radiation exposure.

Next Steps

The 1,592-page proposed rule is open for public comment. CMS typically issues the final fee schedule in **late October or early November**, taking effect **January 1, 2027**.

⚠ Doctors remain the only Medicare provider type without an annual cost-of-living increase — a core argument behind the push for H.R. 6160.

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