American Academy of Dermatology Association

Plans Regarding 2027 MPFS Proposed Rule

MPFS Strategy and Response Rapid Response Group

- Amy Derick, MD, FAAD – Chair
- Murad Alam, MSCI, MBA, MD, FAAD
- Brian Cahn, MD, MS, FAAD
- Mark D. Kaufmann, MD, FAAD
- Sabra Sullivan, MD, PhD, FAAD
- Andrew Hart Weinstein, MD, MPH, FAAD
- Carrie L. Davis, MD, FAAD
- Brian Petersen, MD, FAAD
- Melissa Piliang, MD, FAAD
- Howard Rogers, MD, PhD, FAAD
- Lawrence Green, MD, FAAD

MPFS Member Communications Rapid Response Group

- Joe Merola, MD, FAAD – Chair
- Murad Alam, MSCI, MBA, MD, FAAD
- Bridget Mcllewe, DO, FAAD
- Sara Moghaddam, MD, FAAD
- John Trinidad, MD, MPH, FAAD
- Sandra Johnson, MD, FAAD
- Lawrence Green, MD, FAAD

2027 Medicare PFS Conversion Factors; Decline as 2026 Pay Bump Expires

2026 Conversion Factors

Temporary Increase for CY 2026

APM QP: $33.57
Non-APM QP: $33.40

Includes one-year +2.5% pay bump.

2027 Change

2.5% Pay Bump Expires

+2.5% pay bump expires.

Statutory updates still apply:
+0.75% APM QP
+0.25% for Non-APM QP

2027 Proposed Conversion Factors

Proposed 2027 PFS

APM QP: $33.17
Non-APM QP: $32.84

-1.19% APM QP
-1.68% for Non-APM QP

Total Derm Impact = -9%

2027 Medicare PFS: Modifier 25

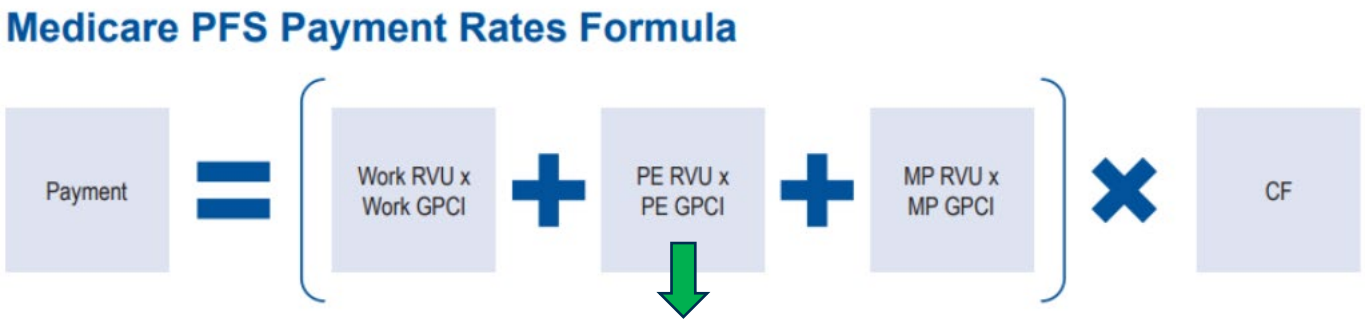
- **Modifier -25**
  - **CMS believes these services may include overlapping physician work and practice expense**
  - **The highest-valued service would be paid at 100%**
  - **Proposed each additional same-day service would be paid at 50%**

ILLUSTRATIVE PAYMENT COMPARISON OF PROPOSED MODIFIER -25 POLICY

Procedure Code	Percent Billed with E/M in Non-Facility	Estimated 2027 Payment for Procedure Under Current Policy	Estimated 2027 Payment for Procedure Under Proposed Policy	Total Direct Practice Expense Cost (Non-Facility)
11300 - Shaving Skin Lesion	85.7%	$90.64	$45.32	$60.08
11102 – Tangential Skin Biopsy	84.9%	$89.98	$44.99	$56.82

2027 Medicare PFS: Practice Expense Payment

1. What is Practice Expense (PE)?



PE = Costs required to provide the service; split into 2 categories

- **Direct:** clinical staff, medical supplies, and equipment.
- **Indirect:** rent, administrative staff, utilities, and other overhead.

2. Why is CMS Proposing the Change?

CMS wants practice expense payments to better reflect the resources required for each individual service.

CMS believes the current methodology:

- Relies too heavily on historical, specialty-level survey data.
- Is outdated.

CMS's proposed direction:

- Transition away from AMA data, which includes physician input.
- Place greater weight on service-level inputs and allocation methods that can be refined as resource costs and clinical practice evolve.

3. What is CMS proposing?

- **Remove Indirect Practice Cost Index (IPCI)**
- **Modify Indirect PE Allocator**
- **± 5% "Stabilization" Cap**

What Are the Impacts on Us? (9% + 4% inflation = 13%)

- ✓ Decrease (-1.68%) in Medicare Conversion Factor
- ✓ Modifier 25: When an E/M and a procedure are performed the same day on the same patient, the lower valued service will only be paid at 50%
  - ✓ There is no duplication of payment since overlaps have already been removed by the RUC for procedure codes commonly billed with E/Ms
  - ✓ It has been shown by OIG that dermatologists use -25 correctly
- ✓ Changes in practice expense calculations (-6%)

Why Is This Happening?

- CMS wants to decrease expenditures.
- CMS wants to direct more money towards primary care.
- Given budget neutrality, this has to come from somewhere, meaning decreasing the conversion factor and targeting specialties.

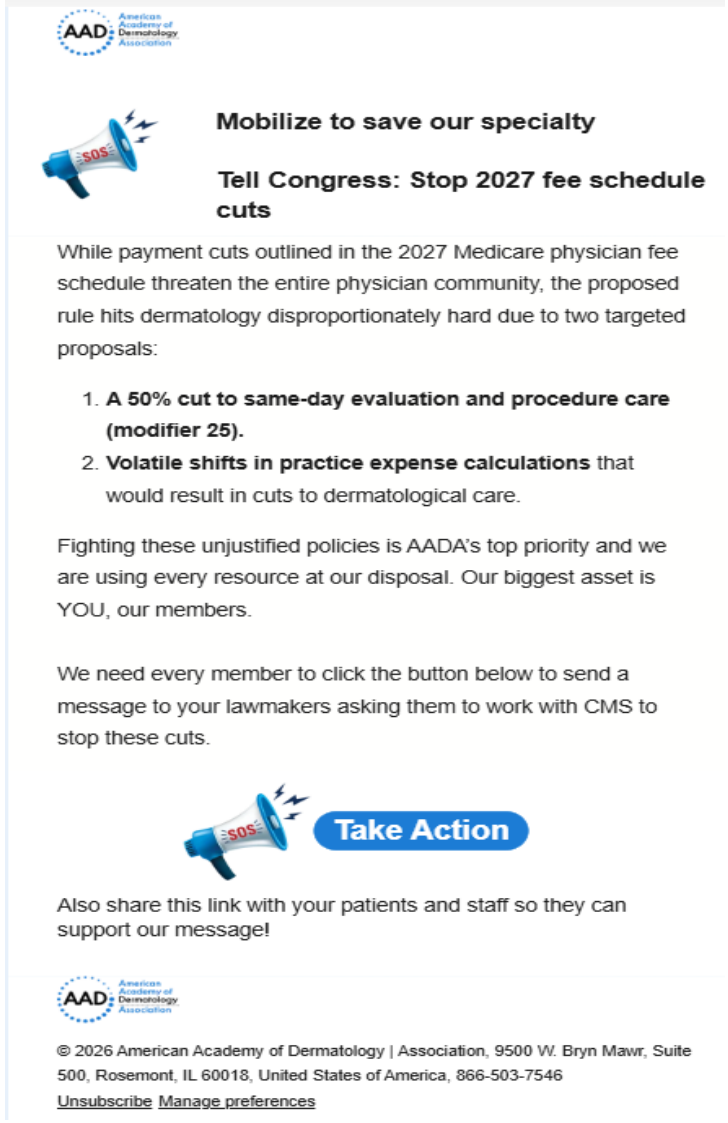
What is AAD's Plan?

1. **MEMBER LETTERS TO CONGRESS**: Get letters from AADA members/staff/patients with tailored messages to Congress, so that members of Congress can reach out to CMS to try to fix this.
2. **MEMBER MEETINGS WITH CONGRESS**: Have AADA members set up in district meetings with members of Congress, especially the 100 key legislators, so that they can reach out CMS to fix this.
3. **COMMENT LETTER TO CMS**: Prepare a comment letter from AADA to CMS. This will address technical reasons why the proposed changes are wrong.
4. **MEETING WITH CMS**: Requesting a meeting with CMS to discuss our concerns.
5. **SISTER/STATE SOCIETY LETTER TO CMS**: Have state/sister societies use AADA's letter to CMS as the basis for their own letters to CMS. They can also sign on to AADA's letter
6. **COLLABORATING WITH HOUSE OF MEDICINE**: Work with coalitions, AMA, and individual affected societies (e.g., ophthalmology, ENT, orthopedics, podiatry) to amplify our voices.
7. **DEPLOYING LOBBYISTS TO ENGAGE WITH THE ADMINISTRATION AND CMS**: Work with AADA internal and external lobbyists, including 2 newly hired firms, to alert the federal administration to these unreasonable proposed changes and their impact.

What We Would Like You to Do

- Amplify the message
  - Send your own emails with the voter voice link to your members to send letters to Congress
- Help with in-district meetings in key districts
  - We will send you lists of key legislators in your state and their district.
  - Please call up several members from each district and have them coordinate in person meetings.
- Sign onto our letter to CMS when it is prepared or use it as the basis for your own.

Member Email for Messaging Congress



Mobilize to save our specialty

Tell Congress: Stop 2027 fee schedule cuts

While payment cuts outlined in the 2027 Medicare physician fee schedule threaten the entire physician community, the proposed rule hits dermatology disproportionately hard due to two targeted proposals:

1. **A 50% cut to same-day evaluation and procedure care (modifier 25).**
2. **Volatile shifts in practice expense calculations** that would result in cuts to dermatological care.

Fighting these unjustified policies is AADA's top priority and we are using every resource at our disposal. Our biggest asset is YOU, our members.

We need every member to click the button below to send a message to your lawmakers asking them to work with CMS to stop these cuts.

Take Action

Also share this link with your patients and staff so they can support our message!

Member Email for In-District Meetings

We need you to help Save our Specialty
Consider an in-person meeting with your legislator

First, we asked you to send an email to Congress. It's the simplest, easiest way you can help deliver our message that the 2027 Medicare cuts must be stopped. (If you have not done so already, you, your staff and your patients **can email your member of Congress**.)

Now we need you to take the next step and schedule an in-person meeting with your members of Congress, either in your district or in Washington, D.C.

Sharing the real-world impact of proposed Medicare cuts with your members of Congress in their home district is the single most effective way to drive change. The most important action you can take is to tell your personal story.

The AADA is here to support you along the way. We have detailed guidance on:

1. How to schedule a meeting.
2. How to prepare and use AADA support.
3. What to say and do when you meet with your legislators.

The AADA will be with you every step of the way providing advice and support and experienced members to mentor you if you need it!

Get Started

Academy Resources on In-District Meetings

Member / Advocacy / **Meeting with your member of Congress: A guide for dermatologists**

MEETING WITH YOUR MEMBER OF CONGRESS: A GUIDE FOR DERMATOLOGISTS

Meetings with your elected officials don't just happen in Washington, D.C. You can meet with your elected officials or their staff in their local district office or the office where you practice. This guide provides essential tips to ensure a smooth, productive visit that can build an impactful relationship.

Meeting resources

Print out these PDF resources to support you at your meeting:

1. Tips: Reference these tips when you're meeting.
2. Messaging guidance: Use this guidance to tell your story and effectively deliver your ask.
3. Leave behind: Share this document during your meeting so your legislator has a record of your ask.

Schedule your meeting

Head to congress.gov/members/find-your-member and enter your address. This will provide you with options to contact your House Representative and two Senators. You should use your home address that is reflected in your voter registration.

Submit a request for an in-district meeting. Be sure to state clearly that you are a constituent and local dermatologist requesting an in-district meeting to discuss Medicare.

Follow up after 3 – 5 business days if you haven't heard back. You can contact advocacypolicy@aad.org for help if you're having trouble getting a response.

Notify the Academy and prepare

After requesting or scheduling your meeting, please COMPLETE THIS FORM, so AADA staff can track the progress of meetings and help prepare you.

Once you click submit on the form, you will see a link to download briefing materials and talking points. If you still need materials or have any questions, please contact advocacypolicy@aad.org.

Contact advocacypolicy@aad.org to receive up-to-date briefing materials and talking points.

The AADA can also help put you in touch with fellow members who have experience with congressional meetings and who have volunteered to conduct quick 5 – 10 minute calls for preparation and advice.

Help us track progress

Once you request or schedule a meeting, complete this form so the AADA can track our efforts.

During the meeting

On the day of the meeting, arrive 10 – 15 minutes early in professional business attire.

During the meeting, stay on topic. Focus on key dermatological issues, particularly Medicare, and end with a clear request for action. Do not discuss campaign donations or PAC contributions — this is strictly forbidden under federal ethics rules.

If the meeting is taking place in your practice, be mindful of patient privacy during photos by ensuring no patient information is visible.

Once the meeting is over, provide your business card (or other form of contact details) and any relevant materials.

After the meeting

Report to the AADA. Immediate feedback is critical, so please fill out our contact form to report meeting outcomes, staff reactions, and follow-ups.

Send a quick email thanking the legislator for their time, reiterating the call to action, expressing an eagerness to work together, and offering to serve as a resource.

Maintain communication with the legislator and their staff on relevant issues, and consider attending town halls to keep them informed on issues affecting dermatology.

Keep the AADA informed

Let us know how your meeting went.

Related Academy resources

- Access our main page on fee schedule advocacy
- Contact Congress using our online platform

Member Email for CCTF Chairs

Dear Fellow CCTF Chair:

Led by a rapid response team of AADA leaders with deep expertise in advocacy and Medicare policy, the AADA is pursuing an aggressive strategy to stop the potential 9% cut to dermatology proposed by CMS for next year. Notably, since such a cut would be on top of inflation, we are looking at an effective cut of 13%.

As you are a leader in our specialty, please support this effort by immediately taking the following three actions today.

1. If you have not already, please send your letter to Congress NOW. It is simple and fast to do using our preformatted letter that automatically conveys your concerns to your legislators.
2. Schedule a meeting in person with your one of your federal legislators, either a member of the US House of Representatives or the US Senate. Nothing matches the impact of your taking the time to speak with your legislator and share your personal story. We have resources to support you in scheduling, planning and meeting with your legislators in district of in DC.
3. Reach out today to your committee and ask them to do the same. Just grab the message below, ask your liaison for the email list, and send. *Please copy president@aad.org when you send*.

We are facing an extremely difficult time and must be unified in resisting unreasonable changes. To succeed, all of us will need to make our voices heard! Please help us broadcast our message and ensure that the other members of your CCTF do as well.

Sincerely,

Murad Alam

President, AADA

SAMPLE MESSAGE:

Dear Members of XYZ Committee:

As you know, dermatology is facing a 9% cut to Medicare payments in 2027. This would critically affect all of us, whether we own a practice, work in academics, or are employed in a community dermatology office.

For this reason, this is the AADA's top priority and leadership is laser focused on addressing the cuts. However, to be successful all of us need to contribute our voices. So far only 9% of members have answered the call to send a message to Congress. We can do better.

If you haven't already, **SEND YOUR LETTER TO CONGRESS NOW**. It is simple and fast to do using our preformatted letter that automatically sends to your legislators.

Also, please set up a meeting in person with one of your federal legislators, either a member of the US House of Representatives or the US Senate. Nothing matches the impact of your taking the time to speak with your legislator and share your personal story. We have resources to support you in scheduling, planning and meeting with your legislators in district or in DC.

If you have questions, please let me know or email president@aad.org.

Sincerely,

Grassroots Engagement

- 9,452 Letters Sent to Congress
  - 5,692 letters sent by 1,908 dermatologists
  - 1,902 letters sent by 640 practice staff
  - 1,588 letters sent by 534 patients
- Congressional Meetings
  - 3 meetings already held
  - 2 additional scheduled so far since launching the push yesterday

Key Targets – Senate Finance Committee

Mike Crapo	ID
Ron Wyden	OR
Chuck Grassley	IA
John Cornyn	TX
John Thune	SD
Tim Scott	SC
Bill Cassidy	LA
James Lankford	OK
Steve Daines	MT
Todd Young	IN
John Barrasso	WY
Ron Johnson	WI
Thom Tillis	NC
Marsha Blackburn	TN
Roger Marshall	KS
Maria Cantwell	WA
Michael Bennet	CO
Mark Warner	VA
Sheldon Whitehouse	RI
Maggie Hassan	NH
Catherine Cortez Masto	NV
Elizabeth Warren	MA
Bernie Sanders	VT
Tina Smith	MN
Ben Ray Luján	NM
Raphael Warnock	GA
Peter Welch	VT

Key Targets – House Ways and Means Committee

Vern Buchanan	FL-16	Mike Thompson	CA-04
Lloyd Doggett	TX-37	Judy Chu	CA-28
Adrian Smith	NE-03	Dwight Evans	PA-03
Mike Kelly	PA-16	Danny K. Davis	IL-07
Gregory Murphy	NC-03	Steven Horsford	NV-04
Kevin Hern	OK-01	Brendan F. Boyle	PA-02
Carol D. Miller	WV-01	Linda T. Sánchez	CA-38
Brian Fitzpatrick	PA-01	Jason Smith	MO-08
Claudia Tenney	NY-24	Richard Neal	MA-01
Blake D. Moore	UT-01		
David Kustoff	TN-08		
Gregory Steube	FL-17		

Key Targets – House Energy and Commerce Committee

Morgan Griffith	VA-09	Tom Kean Jr.	NJ-07
Diana Harshbarger	TN-01	Michael Rulli	OH-06
Diana DeGette	CO-01	Brett Guthrie	KY-02
Gus Bilirakis	FL-12	Raul Ruiz	CA-25
Buddy Carter	GA-01	Debbie Dingell	MI-06
Neal Dunn, M.D.	FL-02	Robin Kelly	IL-02
Dan Crenshaw	TX-02	Nanette Diaz Barragán	CA-44
John Joyce	PA-13	Kim Schrier	WA-08
Troy Balderson	OH-12	Lori Trahan	MA-03
Mariannette Miller-Meeks	IA-01	Marc Veasey	TX-33
Kat Cammack	FL-03	Lizzie Fletcher	TX-07
Jay Obernolte	CA-23	Alexandria Ocasio-Cortez	NY-14
John James	MI-10	Jake Auchincloss	MA-04
Cliff Bentz	OR-02	Troy Carter	LA-02
Erin Houchin	IN-09	Greg Landsman	OH-01
Nick Langworthy	NY-23	Frank Pallone Jr.	NJ-06

Key Targets – Doctors Caucuses

Ami Bera, MD	CA-06
Maxine Dexter, MD	OR-03
Kim Schrier, MD	WA-08
Herb Conaway, MD	NJ-03
Raul Ruiz, MD	CA-25
Kelly Morrison, MD	MN-03
Greg Murphy, MD	NC-03
John Joyce, MD	PA-13
Brian Babin, DDS	TX-36
Sheri Biggs	SC-03
Buddy Carter	GA-01
Neal Dunn, MD	FL-02
Andy Harris, MD	MD-01
Diana Harshbarger	TN-01
Ronny Jackson, MD	TX-13
Mike Kennedy, MD	UT-03
Richard McCormick, MD	GA-07
Bob Onder, MD	MO-03
Jefferson Van Drew, DDS	NJ-02
Mariannette Miller-Meeks, MD	IA-01

Important Considerations

- Stay on message
  - Don’t let CMS divide and conquer
  - Don’t say things like we will bring the patients back, which CMS has already warned against.
- Help with making and tracking Congressional contacts
  - If you or your members have in district meetings, please make sure AAD knows, email AAD staff and copy president@aad.org.
  - If you have other high level meetings or high level contacts, please let us know.

Communicating with You

- We will keep you updated weekly at a society leadership level.
- Reach out any time to AADA with questions, concerns, or ideas.

What Happens After the Comment Period Ends in September?

- Our lobbyists work behind the scenes.
- We get the Final Rule in November.
- If we are not fully successful, we will evaluate other strategies, BUT FIXING IT BEFORE THE FINAL RULE COMES OUT IS OUR BEST CHANCE OF SUCCESS
- We continue fighting for Medicare payment reform and an inflation adjustment.
    - Patient First Act
    - SkinPAC

H.R. 9693, the Patient First Act

- Comprehensive Medicare physician payment reform legislation introduced by Reps. Joyce, Schrier, Murphy, and 25 other cosponsors
- 28 cosponsors
- Provide a permanent inflationary update MEI minus 1%
- Reform budget neutrality rules
- Replaces MIPS with a new system that would reduce physician burdens and provide greater input on quality metrics

SkinPAC: The vehicle to achieve Medicare reimbursement reform

- SkinPAC is the second-largest physician PAC!
- Our giving pales in comparison to others in medicine: pharma, hospitals, nursing homes, and others.
- Please ask members who haven't given to give $500 this year

SUMMARY

- We need to make modifier -25 adjustments and practice expense reductions go away since they threaten dermatology practice and patient access to care.
- We want members (and patients) to urge Congress to reach out to CMS.
- We need the help of sister and state societies to reach Congress through letters and meetings, including meetings with key legislators.
- AADA will also write to and meet with CMS and provide information for sister/state societies to develop comment letters to CMS.
- AADA will work with medical coalitions and external lobbyists to show the federal administration that these proposed policies are bad for patients.
- Ideally, implementation of these policies will be deferred and they will be not implemented in 2027.