

# User Group Call Date 02/19/2026

## Introductory note

- 1) For questions regarding bid instructions or completing the BPTs: [actuarial-bids@cms.hhs.gov](mailto:actuarial-bids@cms.hhs.gov)  
 For COVID-19 policy and benefit related questions: <https://ma-covid19-policybenefits.lmi.org/covid19mailbox>  
 For Part C policy-related payment questions: [PartCpaymentpolicy@cms.hhs.gov](mailto:PartCpaymentpolicy@cms.hhs.gov)  
 For Part C policy-related questions (including OOPC/TBC policy): <https://mabenefitsmailbox.lmi.org/>  
 For Part D policy-related questions: [partdpolicy@cms.hhs.gov](mailto:partdpolicy@cms.hhs.gov)  
 For Part D benefit-related questions (including OOPC/TBC policy): [partdbenefits@cms.hhs.gov](mailto:partdbenefits@cms.hhs.gov)  
 For questions related to risk score models and released data: [riskadjustmentpolicy@cms.hhs.gov](mailto:riskadjustmentpolicy@cms.hhs.gov)  
 For questions related to the Encounter Data Processing System: [riskadjustmentoperations@cms.hhs.gov](mailto:riskadjustmentoperations@cms.hhs.gov)  
 For technical questions regarding the OOPC model: [OOPC@cms.hhs.gov](mailto:OOPC@cms.hhs.gov)  
 For questions related to the Health Plan Management System (HPMS): [HPMS@cms.hhs.gov](mailto:HPMS@cms.hhs.gov)  
 For questions related to the Medicare Advantage Prescription Drug system (MARx): [MARXSSNRI@cms.hhs.gov](mailto:MARXSSNRI@cms.hhs.gov)  
 For questions related to the Medicare Part D Coordination of Benefits: [PartD\\_COB@cms.hhs.gov](mailto:PartD_COB@cms.hhs.gov)

#	Topic	Date E-Mail Sent	E-mail Subject	E-Mail Body Text	CMS Response
1	Growth Rates	01/28/2026 13:26	2027 340b Reduction Assumption in CY2027 Advance Notice	<p>The 2026 OPSS Final Rule implemented the original 0.5%, recoupment of 340b lump sum payments but stated intentions to have a larger reduction in 2027.</p> <p>The trends supporting 2027 AN growth rates file shows on page 4 in the Outpatient Hospital Trend section a 2026 unit cost trend of 2.6% and a 2027 trend of 2.3%. Does the 2026 trend of 2.6% includes the 0.5% reduction for 340b recoupment? Does the 2027 trend of 2.3% include any additional reduction?</p> <p>If 2027 doesn't have additional 340b reductions built in, what are the other factors that are bringing the trend below any value since 2022?</p>	<p>The published outpatient unit cost trends for 2026 and 2027 exclude the effects of the 340b recoupment.</p> <p>Additionally, the update for 2027 is lower than for 2023–2026 because the projected market basket update for 2027 is relatively low, while the projected productivity offset is relatively high.</p>
2	Growth Rates	01/28/2026 13:45	2026 Physician Fee Schedule Trend in CY2027 AN	<p>The 2026 PFS Final Rule announced modest fee updates, APM updates separate for qualifying and non-qualifying providers, and the 2.5% “doc fix” from the One Big Beautiful Bill, among other factors. It also mentioned an RVU efficiency adjustment of -2.5%.</p> <p>I was surprised to see in the trends supporting 2027 AN growth rates on page 4 under Physician Fee Schedule Trend that the unit cost trend for 2026 is 2.96%. I would have guessed something closer to 1.0%. Please explain.</p> <p>Additionally, is the 2026 RVU impact reflected in the published unit cost trend? Further, does the RVU impact to net out to something close to zero or something else?</p>	<p>The One Big Beautiful Bill Act (OBABA) implemented a 2.5% update to the conversion factor for 2026. This is on top of the 0.75% update for physicians in alternative payment models (APMs) and 0.25% for physicians not in APMs (full updates are roughly 3.27% and 2.76%). The unit cost trend of 2.96% is the weighted average of the updates and we assume that 40.1% of physician fee schedule (PFS) spending is in APMs.</p> <p>Additionally, the impact of the RVU impact is not reflected in the published unit cost trend, but is accounted for in the conversion factor.</p> <p>The Fact Sheet to the CY 2026 Medicare Physician Fee Schedule Final Rule addresses the impact of the RVU on physician payments. That is, under the CY 2026 PFS Rate Setting and Conversion Factor section of the fact sheet, “The changes to the PFS conversion factors for CY 2026 include these updates as required by statute, a one-year increase of +2.50 percent for CY 2026 stipulated by statute, and an estimated +0.49 percent adjustment necessary to account for finalized changes in work RVUs for some services.”</p>

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#	Topic	Date E-Mail Sent	E-mail Subject	E-Mail Body Text	CMS Response
3	Growth Rates	Various	N/A	Can you provide more information on the 2027 Advance Notice impact of the skin substitute provisions of the 2026 physician fee schedule regulation? In particular, please provide projected skin substitute spending reflected in both the 2026 Rate Announcement and the 2027 Advance USPPCs. Additionally, what trend is assumed for physician administered drugs excluding skin substitutes?	<p>As referenced, spending for skin substitutes are included in physician administered drug category in our published non-ESRD FFS USPPC trend exhibits. As shown in the 2027 Advance Notice trend exhibit, physician administered drug USPPCs changed by -21.7% for 2026 and -21.9% for 2027 relative to the 2026 Rate Announcement. The impact of this update on the 2027 Advance Notice non-ESRD FFS USPPCs is -1.88% in 2026 and -1.94% in 2027.</p> <p>Also, total (non-ESRD and ESRD) skin substitute spending by calendar year and baseline is as follows (in billions):</p> <ul style="list-style-type: none"> <li>• 2023: \$3.3 2026 RA and 2027 AN</li> <li>• 2024: \$7.9 2026 RA, and \$7.6 2027 AN</li> <li>• 2025: \$9.7 / \$13.4</li> <li>• 2026: \$9.6 / \$0.5</li> <li>• 2027: \$10.4 / \$0.5</li> </ul> <p>Additionally, the projected per capita trend in PA drugs excluding skin substitutes is 8.0% for both 2026 and 2027.</p>