ALLIANCE FOR PHYSICAL THERAPY QUALITY AND INNOVATION

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Via Electronic Submission

September 11th, 2026

The Honorable Mehmet Oz, MD
Administrator
Centers for Medicare & Medicaid Services
Department of Health & Human Services
Attention: CMS-1848-P
7500 Security Boulevard
Baltimore, MD 21244

Re: CMS-1848-P, Medicare and Medicaid Programs: CY 2027 Payment Policies under the Physician Fee Schedule and Other Changes to Part B Payment Policies; Medicare Shared Savings Program Requirements; and Medicare Prescription Drug Inflation Rebate Program: Proposed Rule, Fed. Reg. Vol. 91, No. 135, (July 16, 2026).

Dear Administrator Oz:

This letter represents the collective comments of the Alliance for Physical Therapy Quality and Innovation (the "APTQI") to the Centers for Medicare and Medicaid Services (CMS) regarding the above referenced "Proposed Rule to Payment Policies Under the Physician Fee Schedule et al." for calendar year 2027, published in the Federal Register on July 16th, 2026, ("Proposed Rule").

By way of introduction, we are among the nation's leading providers of outpatient rehabilitation care and collectively employ or represent over 30,000 physical and occupational therapists and furnish physical and occupational therapy services on an annual basis to tens of thousands of Medicare beneficiaries throughout the United States. APTQI membership consists of affiliate and board member entities of varying size and geographic scope, which in aggregate provide patient care services in almost 9,000 outpatient rehabilitation practice locations.

I. Preliminary Statement

We appreciate the opportunity to comment on the Proposed Rule. Many of the areas where CMS seeks feedback regarding Medicare Outpatient Part B therapy services are important to the APTQI's core mission: "*Ensuring patient access to value driven physical therapy care.*" We support CMS' commitment to enhance its partnerships with a delivery system in which providers are supported in achieving better patient outcomes at a lower cost for Medicare beneficiaries. APTQI shares the core belief that any proposals related to physical therapy services should (a)

drive payment in line with the value physical therapy services deliver to the patient and other providers in the continuum of care; (b) reduce unnecessary regulatory and administrative burdens unrelated to improving the quality of patient care; and (c) be transparent to patients and all stakeholders. Physical and occupational therapists are the clinical experts in body movement and APTQI applauds CMS' commitment to the promotion of physical activity as an integral part of the Make America Healthy Again agenda.

II. Proposed to Remove the IPCI from Calculations

APTQI has raised concerns related to the Indirect Practice Cost Index (IPCI) in multiple meetings with CMS staff as well as in our comment letter on the CY 2026 Proposed Rule. We appreciate that CMS has acknowledged those concerns and is fixing the IPCI across the board.

The IPCI re-scales code-level indirect PE allocations to match aggregate specialty-level indirect cost patterns derived primarily from the 2007 Physician Practice Information Survey (PPIS). As CMS candidly recognizes in the proposed rule, this survey data "has become increasingly dated," reflects "small, selective samples based on pre-determined assumptions," and "has not been adequately updated" in nearly two decades. The result, in CMS's own words, is a methodology that "privileges the historic survey data over incorporation of more recent data about specific services and produces unpredictable and counterintuitive results that are not transparent to the public."

Access to high-quality physical and occupational therapy is important to Medicare beneficiaries. Therapists help seniors recover from surgery, injury, and movement disorders so that they can function with as much independence as possible in their home and community. The shortcoming in the current calculations utilizing the IPCI has resulted in a more than 20 percent discount to indirect practice expense for physical therapy. Furthermore, the crosswalk of utilization associated with all therapy services to the IPCI of physical therapy suppressed the PE RVU pay rates of therapy CPT codes by 2.4% - 27.8% for almost two decades. Eliminating the IPCI from rate calculations allows the improvements CMS has already made to direct PE inputs, allocation methodology, and pricing data to flow through to final PE RVUs, rather than being dampened or reversed by an index rooted in potentially inaccurate survey responses.

APTQI also agrees with CMS that eliminating the IPCI will improve transparency. As we noted in our CY 2026 comment letter, the IPCI for physical therapists decreased by 12.5% from CY 2025 to CY 2026. This massive change was more than three times the rate of change over recent history. Despite our best efforts, APTQI was unable to audit or verify the 2026 IPCI, making it much more difficult to assess whether the change reflected real changes in practice resources. A methodology built more directly on current code-level direct cost inputs, clinical labor time, and work RVUs will be easier for outpatient therapy practices and other interested parties to understand, verify, and engage with in future rulemaking.

APTQI urges CMS to finalize the proposal to remove steps 12 through 17 that rely on the IPCI from the calculation of the PE RVUs.

III. Update to CPT 97113 and Application of the PE Stabilization Adjustment

APTQI appreciates CMS reviewing invoices we submitted regarding the aquatic therapy pool used in furnishing CPT 97113 (Aquatic Therapy). APTQI applauds CMS for updating the PUF equipment file through its misvalued code process to change the cost of an aquatic therapy pool from an outdated $36,000 to a much more accurate value of $192,171.88. However, despite this increase, the non-facility RVU only slightly increased from 0.62 to 0.66 from 2026 to 2027 while the fully implemented PE RVU was listed to be 1.30. APTQI urges CMS to reexamine the PE RVU change for CPT 97113 to ensure that any future increase in the RVU is not capped by a stabilization adjustment. APTQI believes that stabilization adjustments should not apply to revalued codes under the misvalued code process. CPT 97113 has not been updated for twenty years and APTQI estimates that once the IPCI is completely phased out, it could still take more than ten years under the PE stabilization adjustment for CPT 97113 to finally have the appropriate PE RVU value.

APTQI urges CMS to clarify that misvalued codes are not subject to the PE stabilization adjustment and, in the final rule, to apply the corrected and fully implemented PERVU value for 97113 effective for 2027.

IV. Application of Multiple Procedure Payment Reduction (MPPR)

CMS introduced MPPR for "always therapy" codes in 2011 and further deepened the reductions in 2013. Congress enacted MPPR to limit duplicate payments for practice expense when a patient received multiple procedures on the same date of service. Typically, a single therapy encounter includes 2-4 separate and distinct CPT codes per date of service. The most common are 97110 therapeutic exercise, 97112 neuromuscular re-education, 97140 manual therapy, and 97530 therapeutic activities. Each of these has different practice expense RVU and inputs. Under MPPR, the procedure with highest practice expense RVU is paid at 100% of its practice expense rate while all subsequent procedures, even if they are different procedures, have their practice expense RVUs reduced by 50%. In a hypothetical example of a visit where 2 units of 97110 and 2 units of 97140 were provided, MPPR would be applied as follows:

Procedure	MPPR Applied
2 units 97110	1st unit 97110 at 100% PE RVU 2nd unit 97110 at 50% PE RVU
2 units 97140	1st unit 97140 at 50% PE RVU 2nd unit 97140 at 50% PE RVU

APTQI believes the practice expense for procedures is only duplicative if the same provider is furnishing the same procedure to the same patient on the same date of service. CPT 97140 and

97110 do not share the same practice expense or inputs. In order to apply MPPR in the way it was originally intended, the same visit should instead be as follows:

Procedure	MPPR Applied
2 units 97110	1st unit 97110 at 100% PE RVU 2nd unit 97110 at 50% PE RVU
2 units 97140	1st unit 97140 at 100% PE RVU 2nd unit 97140 at 50% PE RVU

APTQI urges CMS to apply MPPR to the subsequent therapy codes of the same CPT that were furnished by the same provider on the same date of service rather than applying it to any subsequent code.

V. Payment for Remote Therapeutic Monitoring (RTM) Services when Furnished by Third-Party Companies

Since their inclusion in the 2022 Physician Fee Scheule, RTM services have been used by physical and occupational therapists to collect a patient's musculoskeletal status, compliance and response to their prescribed home programs. RTM is only furnished when it is a part of the therapy plan of care and is discontinued when that plan of care ends. The typical duration for RTM among APTQI members is approximately 2 months. In order to furnish RTM, all data must be captured using a device approved by the FDA. RTM is utilized by APTQI members because evidence shows that the combination of in-clinic are and RTM results in a greater percentage of patients achieving their functional benchmarks.[1] More importantly, these outcomes were achieved while using third-party clinicians furnishing RTM.

APTQI supports all efforts to eliminate fraud, waste and abuse and believes there is a clear difference in providing Remote Physiological Monitoring (RPM) and what occurs in RTM. For starters, RPM automatically collects physiological data such as blood pressure and blood glucose levels for patients managing chronic diseases. In contrast, RTM involves collecting behavioral and non-physiological data while the patient is using the app or device for a limited episode of care. APTQI members do not "cold call" beneficiaries to solicit them for RTM. RTM is only initiated by a therapist after the patient becomes an established patient. Further, if a third-party therapist assistant is used, they coordinate any care with the evaluating therapist. APTQI believes any efforts to improve the integrity of RPM provision should be limited to RPM so as to avoid any unintended consequences for provision of RTM services.

[1] Marshall T, et al. Retrospective Case-Control Study on the Effect of In-Person Physical Therapy With Remote Therapeutic Monitoring on Functional Outcomes and Plan of Care Adherence Amongst Individuals With Musculoskeletal Conditions. Arch Rehabil Res Clin Transl. 2025 May 24;7(3):100466. doi: 10.1016/j.arrct.2025.100466. PMID: 40980535; PMCID: PMC12447196.

The proposed ban on third-party companies would likely end the use of RTM in most practices. Due to an ongoing therapist shortage[2], practices do not have the bandwidth to dedicate a portion of their personnel to strictly furnishing RTM. This is especially true in rural and underserved areas. Without adequate coverage for RTM, these providers would be forced to simply stop providing a popular and effective treatment for patients. The most effective way RTM is provided today is by utilizing third-party clinicians, usually therapist assistants, who are trained specifically in the use of monitoring, coaching, and motivational interviewing. Further, it must be understood that every day across the county, therapy practices utilize 1099 contractors to provide locum tenens coverage for in-clinic care. If the proposal is finalized, even these clinicians would not be able to provide RTM services to patients.

In order to preserve the RTM benefit, APTQI Urges CMS not to proceed with their proposal to require RTM services be furnished by clinical staff employed by the practice.

VI. Crosswalk for RTM CPT 98977 and 98985

CMS proposes establishing a crosswalk for the direct PE inputs for CPT 98977 and 98985 to that of CPT 93270. CPT codes 98977 and 98985 are defined as the RTM device supply for 16+ days and 2-15 days of data transmission of musculoskeletal data. CPT 93270 is defined as external electrocardiographic rhythm recording. APTQI believes this comparison is not appropriate as the resources needed to provide these services are quite different.

APTQI appreciates that it is difficult for CMS to accurately assign PE values for a code when they lack data surrounding what typical RTM devices cost. To that end, APTQI urges CMS to pause this proposal until accurate data can be obtained.

VII. Crosswalk for RTM CPT 98975

CMS proposes establishing a crosswalk for the direct PE inputs of CPT 98975 to that of CPT 99473. CPT code 98975 is defined as the initial set-up and patient education for RTM. CPT 99473 is for self-measured blood pressure using a device validated for clinical accuracy. Again, APTQI believes the direct PE inputs for these codes are not comparable. The onboarding process for RTM is more comprehensive than that for self-measurement of blood pressure.

We urge CMS to work with APTQI to compile accurate pricing data to find a more appropriate crosswalk that reflects current device costs to providers.

VIII. Elimination of PE Inputs for 98979, 98980, and 98981

CMS proposes eliminating the PE inputs for all three RTM management treatment codes as it believes the resource costs for these services are captured in the work RVUs. The clinical workflow

[2] Zarek P, Ruttinger C, Armstrong D, Chakrabarti R, Hess DR, Manal TJ, Dall TM. Current and Projected Future Supply and Demand for Physical Therapists From 2022 to 2037: A New Approach Using Microsimulation. Phys Ther. 2025 Mar 3;105(3):pzaf014. doi: 10.1093/ptj/pzaf014. PMID: 40037340; PMCID: PMC11879330.

for these services requires salary for clinical labor from support staff and hence there is practice expense associated with these services.

We urge CMS to refrain from eliminating the PE inputs for RTM codes.

IX. Establishment of a Plan of Care for RTM Patients

APTQI supports the proposal to require that RTM services be furnished only to established patients as that is precisely how it is utilized. RTM is not initiated until a therapist has evaluated the patient and included it in the plan of care. APTQI requests that CMS clarify if the initial evaluation would serve as the separately billable initiating visit in association with the onset of RTM as it would be impractical to schedule another visit after the plan of care is established to simply include RTM.

APTQI requests that CMS clarify that the initial evaluation completed by the physical or occupational therapist can serve as the separately billable initiating visit.

X. Bundling of RTM codes into Two G-Codes

CMS is proposing to create 2 new G-codes to bundle RTM services. APTQI appreciates that the intent is to reduce administrative burden and ensure patients are receiving all three components of remote monitoring. However, APTQI believes that the proposal is not needed.

First, the RTM codes were just revised last year which resulted in codes that are better aligned with clinical practice. This made reporting the services much easier for APTQI members. Clinicians have already been educated on the new codes and changing the codes again so soon after the revision would create more confusion and burden on providers.

Second, the full OIG report from 2024 that cited only 43% of enrollees receiving all 3 components specifically mentioned "remote physiological monitoring" and not "remote therapeutic monitoring." APTQI does not believe RTM codes should be bundled in response to issues in RPM. ATPQI suggests that similar studies be done on RTM services before any changes are made to codes.

APTQI urges CMS to delay any creation of RTM G-codes until better data is collected.

XI. Conclusion

APTQI appreciates the opportunity to provide comments to CMS on the Proposed Rule for CY 2027. We encourage CMS to continue to work with professional societies such as the APTQI through the rulemaking process. APTQI looks forward to continued dialogue with CMS officials about these and other issues affecting therapy services. If you have any questions, or would be interested in further collaboration, please feel free to contact Nikesh "Nick" Patel, PT, DPT Executive Director, at 713-824-6177 or npatel@aptqi.com.

Very truly yours,

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By: _____
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