



CHANGES STEMMING FROM THE ONE BIG BEAUTIFUL BILL ACT

The One Big Beautiful Bill Act, signed into law in July 2025, will affect physician practices serving Medicaid, Medicare, and ACA (Marketplace) patients beginning in 2026.

- **Medicaid and ACA impacts:** As Medicaid eligibility requirements tighten, funding decreases, and ACA premiums rise, practices should prepare for a potential increase in uninsured patients. Assess your current payer mix and consider how these changes may affect cash flow and overall financial stability.
- **Medicare reimbursement:** Medicare payments in 2026 will receive a 2.5% increase to the physician fee schedule conversion factor; however, this adjustment will only apply for one year.
- **HSA expansion for Direct Primary Care:** Starting January 1, 2026, Health Savings Accounts (HSAs) may be used to pay Direct Primary Care (DPC) membership fees—up to \$150 per month for one individual. This change applies only to primary care services, and DPC practices should inform patients of this new opportunity.

MEDICARE FEE-FOR-SERVICE AND PFS 2026 UPDATES

CMS's final 2026 Physician Fee Schedule (PFS) includes several updates that will impact reimbursement, performance programs, and practice operations.

- **Conversion Factor Increase:** The final PFS raises the conversion factor by more than 3%, to **\$33.57** for qualifying Alternative Payment Model (APM) participants (QPs) and **\$33.40** for nonqualifying APM participants. This year's increase is a combination of the 2.5% from the OBBBA, .25% nonQP / .75% QP for statutory update under MACRA and a budget-neutrality and RVU adjustment of -.49%.
- **Efficiency Adjustment:** A new **-2.5% efficiency adjustment** applies to work RVUs and the intraservice portion of physician time for non-time-based services, reflecting CMS's expectation of efficiencies gained through technology and experience.
- **Telehealth Extensions:** Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) may continue providing telehealth services through **December 31, 2026**. CMS also finalizes steps to simplify the process of adding services to the Medicare Telehealth Services List.
- **MIPS Updates:** The **performance threshold** remains at 75 points through the 2028 performance period (2030 payment year). CMS adds six new MVPs for 2026 reporting: diagnostic radiology, interventional radiology, neuropsychology, pathology, podiatry, and vascular surgery.

PRACTICE DEVELOPMENT & STRATEGIC PLANNING

From operational improvements to long-term growth, our team helps physicians and healthcare organizations turn everyday challenges into opportunities for sustainable success.

- Strengthen operations, improve profitability, and increase patient volume through data-driven analysis and tailored growth strategies.
- Services include operational assessments, market and referral network evaluations, patient access strategies, and service line expansion planning.
- We also assist with practice transitions, mergers and acquisitions, succession planning, and comprehensive valuations.
- Our healthcare-focused advisors deliver measurable results that enhance efficiency, expand patient access, and position your practice for long-term success.

YEAR-END FINANCIAL HEALTH CHECK-UP

Give your practice a financial check-up to prepare for year-end and 2026.

- Consider using **Section 179** or **bonus depreciation** for upcoming asset purchases. This allows you to deduct the full cost of qualifying assets in the year placed in service—an opportunity to upgrade equipment while reducing taxable income.
- Review **retirement plan contributions** to confirm you're maximizing deductions while funding your plan. For 2025, contribution limits are:
 - 401(k), 403(b), governmental 457, and Thrift Savings Plans: up to \$23,500
 - Additional \$7,500 catch-up contribution for those 50+
 - Extra \$3,750 "catch-up" for ages 60–63 (for a total of \$34,250)
 - IRAs: up to \$7,000, or \$8,000 for those 50+

***Note:** Deductions are subject to income phase-outs—consult your tax professional for details.*

- Analyze **accounts receivable, cash flow, and expenses** to identify problem areas or cost-saving opportunities.
- Review **payer contracts to confirm accurate reimbursement** and assess your readiness for **value-based care** and its impact on workflows.

†This is not a CPA firm.

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