



Practice Viability and Financial Pressures

**T Bones Annual Conference
October 02, 2026**

Mollie Mailman, VP, Medical Economics



TMA



CME Objectives

Upon completion of this program, participants should be able to:

- Identify key financial and operational pressures affecting practice viability, including Medicare payment changes, payer downcoding, prior authorization, administrative burden, and rising practice expenses.
- Apply practical strategies to monitor and improve practice financial performance

CME Credits

The TMA designates this educational activity for a maximum of 1 *AMA PRA Category 1 credit*[™].

Physicians should only claim credit commensurate with the extent of their participation in this activity.

This activity has been designated as 1 hour of ethics and/or professional responsibility education.

Self report your CME at www.texmed.org/CME

CME Disclosure

Policies and standards of the Texas Medical Association, the Accreditation Council for Continuing Medical Education, and the American Medical Association require that speakers and planners for continuing medical education activities disclose any relevant financial relationship they may have with commercial entities whose products, devices or services may be discussed in the content of the CME activity.

The content of this material does not relate to any product of a commercial interest; therefore, there are no relevant financial relationships to disclose.



Notice

The Texas Medical Association (TMA) provides this information with the express understanding that (1) no attorney-client relationship exists, (2) neither TMA nor its attorneys are engaged in providing legal advice, and (3) the information is of a general character. **This is not a substitute for the advice of an attorney.**

While every effort is made to ensure that content is complete, accurate and timely, TMA cannot guarantee the accuracy and totality of the information contained in this presentation and assumes no legal responsibility for loss or damages resulting from the use of this content. You should not rely on this information when dealing with personal legal matters; rather legal advice from retained legal counsel should be sought. Any legal forms are only provided for the use of physicians in consultation with their attorneys.

The information and opinions presented as part of this presentation should not be used or referred to as primary legal sources, nor construed as establishing medical standards of care for the purposes of litigation, including expert testimony. The standard of care is dependent upon the particular facts and circumstances of each individual case, and no generalization can be made that would apply to all cases.



Practice Viability and Financial Pressures

Downcoding

2026 Medicare Proposed Fee Schedule

Wiser Program

Physician Payment Resource Center



Downcoding



ADVOCATE FOR
YOUR PRACTICE



Physicians Caring for Texans

TEXAS MEDICAL ASSOCIATION

Downcoding

- **Downcoding occurs when an insurer reduces the level of service billed by a physician**, resulting in payment for a lower-level code than what was submitted.
- **Insurers may use automated algorithms or claims-review processes** to identify claims they believe are coded higher than expected based on diagnosis, documentation, specialty, or regional billing patterns.

Downcoding

- **Physicians may receive reduced reimbursement without the claim being fully denied**, making downcoding more difficult to identify and creating additional administrative work to review and appeal payments.
- **Downcoding can threaten practice financial viability and physician autonomy**, particularly when payment reductions do not accurately reflect the documented complexity, time, and resources required to care for the patient.

Downcoding and the Legislature

- **Illinois, Indiana, and Virginia** enacted significant downcoding protections in 2026, although the scope of the laws varies.
- **California, Connecticut, Maryland, Missouri, and Oregon** introduced legislation addressing automatic/algorithmic downcoding during 2026. A national tracker identified downcoding-focused bills across at least seven states earlier this year

Illinois Example



- **Illinois – ENACTED.** passed the **Transparency in Downcoding Act** (SB 3114). It prohibits payors from using an automated process that bypasses evaluation of information submitted by the physician, prohibits downcoding solely on diagnosis codes, requires human review, requires specific notice, and establishes dispute protections. The law applies **January 1, 2028**.
- Diagnosis-only downcoding is receiving particular scrutiny. Illinois expressly prohibits reducing a claim based solely on diagnosis codes

Which payors are Downcoding?

TEXAS MEDICAL ASSOCIATION



ADVOCATE FOR
YOUR PRACTICE

 TEXAS MEDICAL
ASSOCIATION
Physicians Caring for Texans



Cigna 10/1/25

- Cigna's E/M Coding Accuracy Policy (R49) took effect Oct. 1, 2025, targeting certain higher-level E/M services.
- Codes impacted: 99204–99205, 99214–99215, and 99244–99245; claims may be reduced by one E/M level.
- Cigna anticipates this new policy will impact less than 3% of eligible claims



Cigna

- Physicians may be targeted based on coding patterns compared with peers, particularly frequent use of Level 4 and Level 5 services.
- Cigna does not provide an adjustment code on EOB
- TMA strongly urges Cigna to rescind its policy and instead, educate coding outliers as they continue to acclimate to the new E/M coding and documentation guidelines.

Blue Cross Blue Shield 7/1/26

- Employers are pushing BCBS to look into and audit it more- why are level 99213s dipping and 214/215s increasing.
- Blue Cross states there was a large increase in fraud, waste, and abuse
- Majority are notified via the EOB. Physicians may receive letters from SIU notifying them they are coding outside their peers.
- BCBSTX did a historical claims analysis before implementation from 2024-2025

Blue Cross Blue Shield

- BCBS is looking at both CPT and diagnosis codes to ensure there is complete coding.
- All specialties, places of service, E/M codes are under review.
- For physician outliers, the program will be looking closely for the first 90-120 days starting on July 1, 2026.
- BCBSTX states that it follows AMA guidelines for level of service and medical decision-making. Claims are reviewed by a team of coders once they are identified for review. Claims that are identified for physicians that code 99214-99215 outside their peers are sent to be physically reviewed.

Blue Cross Blue Shield

- **What do I look for the on EOB?**

The adjustment code is **CO-189**

- **What is the process for getting removed from the downcoding review/list?**

- The physician consistently bills and codes correctly and completely
- The physician has a practice that provides services more complex in nature and warrants the higher codes.
- BCBS will continue to look at data every 2 weeks
- BCBS has internal metrics they could not share to be removed, but noted it must be a high enough overturn rate to be considered

2026 Medicare Proposed Fee Schedule

TEXAS MEDICAL ASSOCIATION



ADVOCATE FOR
YOUR PRACTICE

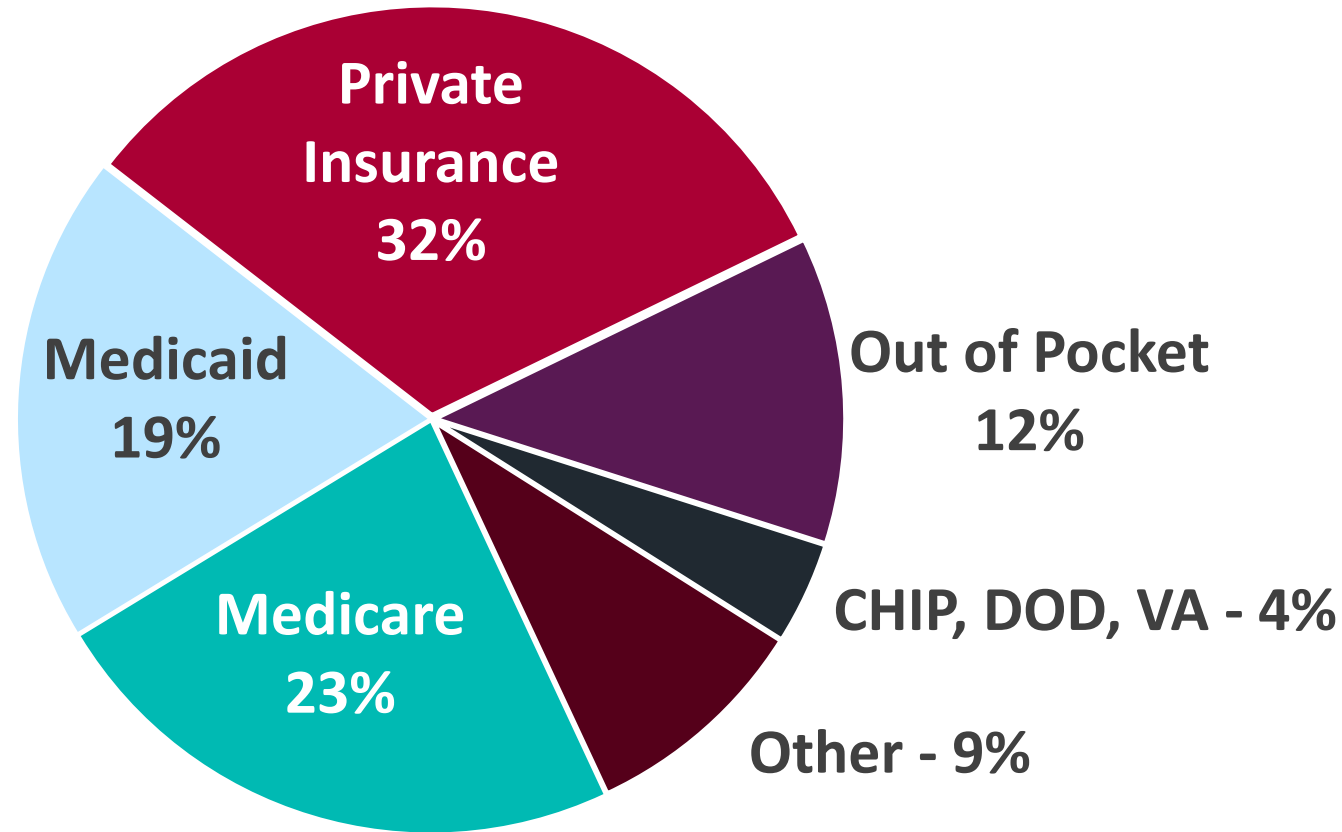


Physicians Caring for Texans

Health Care Purchasers: 2023

**Total =
\$4.1 trillion**

**Federal government
is responsible for
50% of the spend**



Health Care Spending and the Medicare Program, MedPAC, July 2025



Budget Neutrality

- Under Section 1848 of the Social Security Act, CMS must keep total Medicare spending on physician services budget neutral when changes in relative value units (RVUs) would increase spending by more than **\$20 million** in a year.
- If CMS increases payment for one set of services, it must decrease payments elsewhere so that the overall pool of money stays the same.
- Congress sometimes intervenes with short-term fixes (e.g., adding temporary 2–3% bumps) to soften cuts, but those are not permanent solutions.



From TMA's Comment Letter

- TMA is disappointed CMS again would recommend cutting physicians' Medicare payments and not acknowledge the faulty payment formula used to make this calculation. Physicians' payments have not increased for nearly 25 years, meanwhile the expenses to run our practices continue to climb.
- TMA hopes that CMS will take these recommendations into consideration and strike many of the ill-conceived provisions it's recommending. Physicians simply cannot take on any more payment cuts or additional administrative burdens.



TMA's message to CMS

1. Ensure Medicare payment reflects the actual work and resources required to provide patient care
2. Proceed cautiously before fundamentally changing the CPT® coding and RUC valuation systems.
3. Do not reduce payment for appropriately reported modifier 25 services



TMA's Message to CMS

4. Strengthen primary care without reducing payment to other physicians.
5. Reconsider the proposal prohibiting third-party vendors from administering remote physiologic and remote therapeutic monitoring services.
6. Delay implementation of the mandatory Ambulatory Specialty Model (ASM).



TMA's Message to CMS

7. Continue strengthening the Medicare Shared Savings Program (MSSP) and reduce barriers to physician-led ACO participation.
8. Reduce, not merely automate prior authorization burden.
9. Make the transition to MIPS Value Pathways workable for physicians.

Proposed Rule vs. Final Rule

<u>YEAR</u>	<u>PROPOSED</u>	<u>FINAL</u>
<u>2027</u>	<u>7/14/2026</u>	
<u>2026</u>	<u>7/15/2025</u>	<u>10/31/2026, F</u>
2025	7/10/24, W	11/1/24, F
2024	7/13/23, Th	11/2/23, Th
2023	7/7/22, Th	11/1/22, T
2022	7/13/21, T	11/2/21, T
2021	8/3/20, M	* 12/1/20, T
2020	7/29/19, M	11/1/19 F
2019	7/12/18, Th	11/1/18, Th
2018	7/13/17, Th	11/2/17, Th
2017	7/7/16, Th	11/2/16, W
2016	7/8/15, W	10/30/15, F
2015	7/3/14, Th	10/31/14, F
2014	7/8/13, M	* 11/27/13, W
2013	7/6/12, F	11/1/12, Th
2012	7/1/11, F	11/1/11, T
2011	6/25/10, F	11/3/10, W
2010	7/1/09, W	10/30/09, F
2009	6/30/08, M	10/30/08, Th
2008	7/2/07, M	11/1/07, Th
2007	8/8/06, T	11/1/06, W

Wiser Prior Auth for Medicare

TEXAS MEDICAL ASSOCIATION



ADVOCATE FOR
YOUR PRACTICE



Physicians Caring for Texans

Wasteful and Inappropriate Service Reduction Models (WISeR)

- Begins Jan. 1, 2026, and runs thru Dec. 31, 2031
- Goal is to harness enhanced technologies to streamline the review process for items and services that are vulnerable to fraud, waste, and abuse.
- Participants are companies with expertise managing prior authorization processes for payers using enhanced technology.
 - Cohere Health is the technology vendor for Texas (www.CohereHealth.com).
- Clinicians may select pre-authorization or their claims will be subject to post-service/pre-payment medical review.

WISeR List of Services

1. Percutaneous Image-Guided Lumbar Decompression for Spinal Stenosis (NCD 150.13)
2. Arthroscopic Lavage and Arthroscopic Debridement for the Osteoarthritic Knee (NCD 150.9)
3. Induced Lesions of Nerve Tracts (NCD 160.1)
4. Vagus Nerve Stimulation (NCD 160.18)
5. Phrenic Nerve Stimulators (NCD 160.19)
6. Electrical Nerve Stimulators (NCD 160.7)
7. Incontinence Control Devices (NCD 230.10)
8. Sacral Nerve Stimulators for Urinary Incontinence (NCD 230.18)
9. Diagnosis and Treatment of Impotence (NCD 230.4)
10. Percutaneous Vertebral Augmentation for Vertebral Compression Fracture (L34106, L38201, L35130)
11. Epidural Steroid Injections for Pain Management (L39015, L39240, L36920)
12. Cervical Fusion (L39741, L39758, L39793)
13. Hypoglossal Nerve Stimulation for Obstructive Sleep Apnea (L38307, L38310, L38385)
14. Application of Bioengineered Skin Substitutes to Lower Extremity Chronic Non-Healing Wounds (L35041) and Wound Application of Cellular and/or Tissue Based Products (CTPs), Lower Extremities (L36690)
15. Deep Brain Stimulation (NCD 160.24) – implementation delayed and will not occur on January 1, 2026; to be re-evaluated for implementation in a future performance year

<https://www.cms.gov/files/document/wiser-provider-supplier-guide.pdf> (details and code list)

Wiser Gold Carding- July 2026

Cohere informed TMA that to meet the gold card criteria, physicians must:

- Have submitted at least 10 WISeR prior authorization submissions (not counting pre-payment reviews);
- Have an approval rate of at least 90%;and
- Not appear on the CMS Exclusion List
- or the Office of Inspector General List of Excluded Individuals/Entities.

Wiser Gold Carding

- Cohere also told TMA that physicians will be evaluated for gold-card eligibility on a quarterly basis, with the vendor coordinating with the Center for Medicare and Medicaid Innovation on a specific evaluation dates.
- Physicians with gold-card status will not need to submit prior authorization requests for any WISeR Select Items and Services for the duration of their status, and Cohere's system will automatically identify and approve requests or claims coming from a gold-carded physician and push them through.

Physician Payment Resource Center

TEXAS MEDICAL ASSOCIATION



ADVOCATE FOR
YOUR PRACTICE



Physicians Caring for Texans

GET SUPER SAVVY WITH TMA'S PHYSICIAN PAYMENT RESOURCE CENTER



Physicians Caring for Texans

PHYSICIAN PAYMENT RESOURCE CENTER

TMA's team of experts will use their industry knowledge to resolve your health insurance payment issues.

Let TMA be your one-stop-shop solution.

OVERPAYMENT/REFUNDS
DOCUMENTATION



REFERRALS



PRIOR AUTHORIZATION



COMMUNICATION



CLAIMS



CREDENTIALING/
CONTRACTING



HOW TO CONTACT PPRC STAFF:

- **Billing and Coding Hotline:**
(512) 370-1414
For answers to simple billing and coding questions
- **Email:** paymentresourcecenter@texmed.org
For questions of any complexity

- **Use the [online inquiry form](#)**
PPRC staff will respond promptly to your inquiry.
- **Contact us directly**
If you have contacted us before, you have direct access to our staff. You are welcome to continue reaching out directly – we are here to help you!

- **Secure Communication**
Do not submit any protected health information to any of the above methods. Instead, use the methods below for HIPAA security:
Fax: (512) 370-1632
Secure File Drop:
<https://files.texmed.org/filedrop/pprc>

WHAT WE DO

TMA's Physician Payment Resource Center (PPRC) works with you and your staff to combat frustrating issues that prevent you from getting paid. Our staff are certified coders, auditors, and documentation experts who will provide the needed education, coaching, and resources to navigate today's health insurance maze.

- Resolve your payer network status, prompt-pay, and other claim payment issues.
- Navigate billing and coding requirements.
- Meet directly with Medicare, Medicaid, health care payment plans, and large insurers to discuss your specific issue.
- Solve credentialing and contracting issues that prevent prompt payment.
- Solve prior authorization dilemmas
- Detect what happened with unpaid claims.
- Find issues that delayed payment.
- Solve overpayment and refund documentation.



(512) 370-1414
texmed.org/PPRC

In 2025, TMA Recovered More Than **\$3.6 Million** for Texas Practices

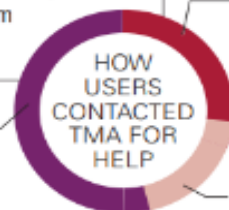
TMA's free Physician Payment Resource Center helped TMA member practices like yours recover claim-specific payments owed by health plans, and saved them time and money, too.



CLAIM-SPECIFIC
PAYMENTS RECOVERED:
**NEARLY
\$3.3 MILLION**
+
VALUE OF EMPLOYEE
TIME SAVED:
**MORE THAN
\$317,000**

370 practices contacted TMA
966 times for help with problem
claims, saving them
1060 work hours.

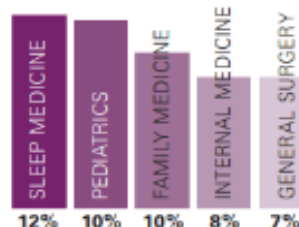
54%
used the online
form or faxed the
paper form



26%
emailed
Payment
Services

20%
called TMA

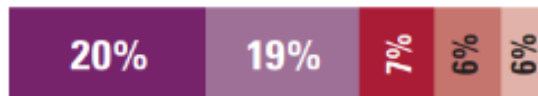
TOP 5 SPECIALTIES



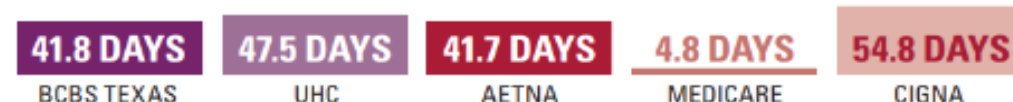
TMA'S PAYMENT SPECIALISTS
LISTEN, EDUCATE, REVIEW, AND GUIDE.
In many cases, practices then resubmit corrected claims
and receive payment. (See Top 10 Practice Billing Errors.)

5 PAYERS accounted for **half of the
\$3.3 million in payments recovered**
for practices.

Blue Cross and Blue Shield of Texas UnitedHealthcare Aetna Medicare Cigna



ON AVERAGE, IT TAKES **32.6 DAYS** TO RESOLVE AN ISSUE



DO YOU EVER NEED HELP WITH **DENIED CLAIMS**?

In the past 3 years, TMA has helped practices **recover \$10.2 million**
and **save nearly \$887,000** in employee expense.

	Payments Recovered	Employee Time Saved	Employee Expense Saved
2025	\$3.3 million	1060 hrs.	\$317,000
2024	\$3.1 million	972 hrs.	\$284,000
2023	\$3.8 million	993 hrs.	\$286,000

When you contact TMA, payment specialists can help
you **avoid errors that result in payment denial.**

☒ **Don't Worry!**
WORKING WITH TMA
IS **HIPAA-SAFE.**



TOP 10 PRACTICE BILLING ERRORS

- 1 Billed procedure not covered by the patient's insurance
- 2 Incorrect use of CPT codes
- 3 Incorrect or terminated clinician credentialing
- 4 Inadequate documentation
- 5 Inappropriate unbundling of codes
- 6 Required preauthorization not obtained
- 7 Practice fee schedule update needed
- 8 Services not supported in the medical record
- 9 Nonphysician practitioner services billed incorrectly
- 10 Incorrect use of modifiers

**"I truly appreciated PPRC
staff taking the time to walk
me through the additional
tools and resources – it
made a big difference in
understanding and applying
them effectively.."**

Dusty Specks, Office Manager
Riverwood Medical Clinic, Dr. Rajeev Gupta



Physicians Caring for Texans

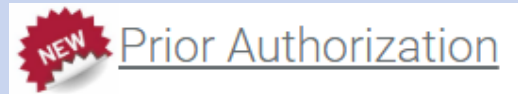
Contact TMA when you need help.
Hotline: (800) 880-1414
paymentresourcecenter@texmed.org
texmed.org/PaymentResourceCenter

Payment Services-User Guide

- The Texas Medical Association accepts Payment Review Forms from current members only. Sign your physicians up to take advantage of this free member benefit.
- Payment Review Forms may be faxed to (512) 370-1632 or submitted via secure file-drop;
<https://files.texmed.org/filedrop/pprc>.
- Informational only items can be sent anytime. The more we know, the more we can help with on a larger scale.
- Be mindful of PHI when submitting information to TMA. PPRC staff will inform you of what the minimum necessary is to review the issue.



- **Billing and Coding Hotline (512-370-1414)**
- **Educational Quick Tips**
 - Modifiers
 - Appeals
 - Prompt Pay
 - Noncovered Services
 - Social Drivers of Health
- **Payer Meetings**



Physician Payment Resource Center (PPRC)

www.texmed.org/PaymentResourceCenter/

TWVA



Thank you!

Mollie Mailman
Vice President, Medical Economics
(512) 370-1409
mollie.mailman@texmed.org