

# JGAC Briefing Memo

August 2025



## Federal Agencies

- **2026 Medicare Physician Fee Schedule Proposed Rule:** On July 14, 2025, the U.S. Centers for Medicare & Medicaid Services released the proposed 2026 Medicare Part B Physician Fee Schedule. Included in this year's fee schedule is a 3.3% bump to the conversion factor which includes a 2.5% statutory update, a 0.25% increase for non-qualifying Advanced Payment Model participants, and a 0.55% budget neutrality adjustment. Unfortunately, the bump is negated by proposed changes to all three areas of Physical Medicine and Rehabilitation Relative Value Units which are used to calculate payment for individual CPT codes. Other proposals in the rule include a revision to the process by which codes are added to the Medicare Telehealth Services List, requests for information on how to promote prevention, manage chronic disease, and deregulate health care, and a new model focused on treating low back pain. APTA has proactively reached out to CMS to get clarification on the PM&R RVU changes and will respond to the proposed rule by the September 12, 2025, deadline.
- **2026 Skilled Nursing Facility Final Rule:** On July 31, 2025, the U.S. Centers for Medicare & Medicaid Services released the 2026 skilled nursing facility final rule. Effective October 1, 2025, skilled nursing facilities (SNF) will have an overall aggregate payment increase of 3.3% totaling approximately \$1.16 billion in increased payments compared to FY 2025. This is an increase from 2.8% in the proposed rule. This proposed increase is based on a 3.0% market basket update, a 0.6% adjustment for market basket forecast error, and a negative 0.7% productivity adjustment. CMS finalized the removal of four social determinants of health data elements from the Minimum Data Set and the health equity adjustment. APTA will review the final rule and publish a summary of the major policies.
- **2025 Inpatient Rehabilitation Final Rule:** On Aug. 1, 2025, the U.S. Centers for Medicare & Medicaid Services released the 2026 inpatient rehabilitation facility final rule. The agency is finalized a 2.6% increase which will result in an overall increase of \$340 million in aggregate IRF payments for FY 2026. Similar to SNF, the agency is finalizing the removal of four Social Determinants of Health (SDOH) data elements and, specific to IRFs, the COVID-19 vaccination coverage among healthcare personnel measure and percent of patients/ residents who are up to date measure. APTA will review the final rule and publish a summary of the major policies.

## Commercial Payers

- **Out-of-Network Repricing Practice Advisory:** On August 1, 2025, in response to the issue of commercial insurers repricing out-of-network claims resurfacing and encompassing several large national insurers, APTA issued a [Practice Advisory](#). The advisory includes what providers need to know and actions they can take when facing out-of-network repricing from organizations the insurers have contracted including a MultiPlan subsidiary and other like entities.
- **Aetna:** This APTA podcast features discussions about how APTA advocacy led to Aetna's decision to provide unrestricted direct access to physical therapist services. A recap of the decade effort by APTA staff to move the needle and ultimately deliver this significant win for the profession. Listen [HERE](#).
- **CPT Coding:** Two APTA members are serving on an advisory committee that shapes codes, while a third member finishes his term. Physical therapists continue to be at the table for important discussions around the development of CPT codes: APTA members Kathleen Picard, PT, DPT, and Stephanie L. Woelfel, PT, DPT, board-certified wound management clinical specialist, are serving as advisor and alternate advisor with the American Medical Association's CPT Health Care Professionals Advisory Committee. APTA member Jonathan Morren, PT, recently finished his term as an alternate advisor with the same committee. Also known as CPT HCPAC, the committee plays a key role in the development and maintenance of current procedural terminology codes. Read more [HERE](#).

## U.S. Congress

- **Tricare:** On July 21, 2025, APTA along with other therapy and military family organizations joined together in letters to the U.S. Senate Committee on Armed Services and the U.S. House Armed Services Committee, urging action to fix the persisting issues stemming from the change in contractors, claims processors and realigning regions this year. APTA continues advocacy with congressional partners and encourages members still experiencing delays within the TRICARE system to contact [advocacy@apta.org](mailto:advocacy@apta.org)

## APTA Articles of Interest

- [Article | 500 Member Advocates Push for Change During APTA Capitol Hill Day | APTA](#)
- [News | APTA State Chapters Fuel Legislative Wins in 2025 | APTA](#)
- [News | APTA's Ongoing Advocacy on Payment Reform | APTA](#)

- [News | APTA Members Continue to Serve on Key AMA Coding Committee | APTA](#)
- [Advocacy Update | Requesting PTPAC Support for Political Fundraisers | APTA](#)
- [APTA Commercial Insurance Out-of-Network Repricing Alert Now Available | APTA](#)
- [News | Takeaways From the Proposed 2026 Medicare Physician Fee Schedule, Part 1 | APTA](#)
- [CMS Conference Highlights Avenues for Physical Therapy in Advancing Quality Care | APTA](#)
- [Senate Introduces Companion Legislation To Help Patients Avoid Interruptions | APTA](#)
- [APTA Advocates Against Anthem's Policy for Reporting Timed Units | APTA](#)
- [Proposed 2026 Home Health Rule: Implementation of PDGM Leads to 6.4% Cut | APTA](#)
- [APTA's Report on Direct Access Is a Tool for Action | APTA](#)