



COLLEGE of AMERICAN PATHOLOGISTS

November 3, 2025

The Honorable John Thune
Majority Leader
U.S. Senate
Room S-230, The Capitol
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Room S-221, The Capitol
Washington, DC 20510

The Honorable Mike Johnson
Speaker
Room H-232, The Capitol
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
Room H-204, The Capitol
Washington, DC 20515

Dear Leader Thune, Leader Schumer, Speaker Johnson, and Leader Jeffries,

The College of American Pathologists (CAP) urge Congress to halt implementation of the “efficiency adjustment” provision recently finalized by the Centers for Medicare and Medicaid Services (CMS) in the final 2026 Medicare Physician Fee (PFS) schedule rule published on October 31, 2025.

The CAP is the world's largest organization of board-certified pathologists and leading provider of laboratory accreditation and proficiency testing programs, and CAP serves patients, pathologists, and the public by fostering and advocating excellence in the practice of pathology and laboratory medicine worldwide.

The CMS finalized its proposal for a -2.5 percent efficiency adjustment to the work relative value units (RVUs), along with updates to the intraservice portion of physician time inputs for non-time-based services. This policy change is unnecessary and will cause relativity issues across the PFS. Nearly all pathology services on Medicare's physician fee schedule are negatively impacted by this broadly applied cut to physician work RVUs. Pathology physician work RVUs represent the mental effort, time, and intensity necessary by a pathologist in their diagnostic work to diagnose cancer and other diseases for Medicare beneficiaries. This flawed policy represents a cut of tens of millions of dollars to pathology professional diagnostic services. This amount underestimates the full impact on pathology diagnostic services, as it does not include the additional loss in practice expense reimbursement resulting from the reduction in the work RVUs.

The proposed efficiency adjustment, applied broadly, overlooks the realities of modern medical practice. It does not reflect factors that actually increase physician workload, such as rising patient complexity and the evolution of medical technologies. For instance, emerging tools such as artificial intelligence (AI) can generate significant amounts of additional information, requiring added interpretive work. Increased patient complexity also requires additional physician review, confirmation of findings, or correlation with other studies for a pathologist to provide a cancer diagnosis. All these changes demand added time and cognitive effort that often goes uncompensated. Rather than creating net efficiencies, changes in medical practice may intensify the interpretive and documentation burden placed on physicians.

Under 1848(c)(1) of the Social Security Act the “work component” refers to “the portion of the resources used in furnishing the service that reflects physician time and intensity in furnishing the service.” Applying an across-the-board adjustment to all non-time-based physician work RVUs based on a global assumption of efficiency disregards this principle, which requires valuation to reflect the actual physician time and intensity of a service. Indeed, the CMS even acknowledges



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that, “accruing efficiencies does not apply equally to all services” (90 FR 32403), yet this flawed policy is set for implementation in 2026.

This flawed policy to cut all non-time-based services across the board is not appropriate and must be stopped. **We urge Congress to stop the implementation of this policy prior to January 1, 2026.** For more information, please contact Darren Fenwick at dfenwic@cap.org or 202-354-7135.

Sincerely,

Qihui “Jim” Zhai, MD, FCAP
President, College of American Pathologists