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CMS Signals Potential Review of CPT 88305 Code Family
Public Comments and What Comes Next

The CY 2027 Medicare Physician Fee Schedule (MPFS) proposed rule identifies the CPT® 88305 surgical pathology code family for public comment under CMS' Potentially Misvalued Code initiative. This does not mean CMS has determined that 88305 is overvalued. Rather, CMS is seeking input that could inform whether the code family warrants additional review or future revaluation. Pathologists should engage now to help ensure CMS accurately values the CPT 88305 code family and the essential work behind surgical pathology services.

Why the CPT 88305 Code Family Is Under Review

CPT 88305 is one of the most frequently utilized surgical pathology services and represents a significant source of Medicare volume and professional revenue for many pathology practices. As practices evaluate the proposed 2027 Medicare Physician Fee Schedule (MPFS), it is important to distinguish two separate issues affecting CPT 88305, one with an immediate reimbursement impact and another with potentially longer-term implications.

First, the proposed 2027 MPFS payment policies are estimated to reduce the CPT 88305 global payment by approximately 4%, reflecting an estimated 5% reduction to the technical component and 2% reduction to the professional component.

Second, and potentially more consequential over the longer term, the Maryland Health Care Commission (MHCC) nominated the CPT 88305 code family for review through CMS' Potentially Misvalued Code Initiative. MHCC questioned whether the physician work-time assumptions currently used to value these services accurately reflect real-world clinical practice. CMS subsequently included the issue in the CY 2027 proposed rule and is seeking public comment on whether further review and potential revaluation are warranted.

The MHCC analysis is particularly noteworthy because it used empirical utilization data to compare billed service volumes with the physician-time assumptions underlying the MPFS. When the assumed physician time, approximately 25 minutes for CPT 88305, was applied to actual claims volume, the analysis identified provider-days in which the resulting implied physician work time appeared to exceed the number of hours realistically available in a day.

The analysis raises an important question for CMS: Do the current physician-time assumptions accurately reflect how surgical pathology services are performed today, and should the associated work RVUs be reconsidered? While CMS has not proposed an additional payment reduction as a result of the MHCC nomination, a future revaluation could have significant reimbursement implications given the high utilization of CPT 88305 across pathology practices.

What Can Pathologists Do Now?

This is where input from the pathology community becomes particularly important. The public comment period gives pathologists an opportunity to provide CMS with clinical and practice-level evidence before future policy decisions are made.

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HOW TO SUBMIT PUBLIC COMMENTS
CMS is accepting public comments on the CY 2027 MPFS proposed rule through **September 14, 2026.** Pathologists, practice leaders, professional societies, and other interested stakeholders may submit comments electronically through https://www.regulations.gov/document/CMS-2026-2377-0002, comments should reference file code CMS-1848-P. CMS' official rule page also provides the proposed rule and supporting materials such as tips on writing an effective comment.

What 'Potentially Misvalued' Means
A potentially misvalued designation is a request for further evaluation, not a payment determination. At this stage, CMS is soliciting stakeholder feedback. If CMS later determines that additional review is warranted, the code family could undergo a more detailed valuation process in a future rulemaking cycle. Any future change could affect physician work RVUs, practice expense RVUs, or other components used to calculate Medicare payment.

Why This Matters to Pathology Practices
- High utilization magnifies the impact: even a modest RVU change to 88305 could materially affect Medicare revenue for practices with significant surgical pathology volume
- The review comes amid broader Medicare reimbursement pressure, including physician work efficiency adjustments and the expiration of temporary payment relief
- Practice-specific exposure will vary based on CPT mix, Medicare volume, site of service, payer mix, and contractual arrangements
- Accurate coding, documentation, reimbursement analytics, and financial modeling can help practices understand their potential exposure before any future valuation change

What Pathologists May Want CMS to Understand
Comments can provide CMS with specialty-specific evidence regarding the physician work and resources required for surgical pathology. Relevant considerations may include case complexity, physician time, diagnostic interpretation, quality assurance, ancillary testing, consultation and correlation with clinical information, staffing and laboratory resource requirements, and the potential effect of payment changes on access to pathology services. Comments are generally most useful when they are specific, evidence-based, and supported by practice or clinical data.

Key Takeaway
The inclusion of the 88305 code family in CMS' potentially misvalued services review warrants close attention from pathology practices. The request for public comment could lead to further evaluation and potential revaluation in future rulemaking. Given the significant role 88305 plays in surgical pathology volume and revenue, practices should closely monitor developments, assess their financial exposure, and consider submitting evidence-based comments before the September 14, 2026 deadline.

The College of American Pathologists (CAP) and the American Society for Clinical Pathology (ASCP) also expressed concern regarding the nomination and have stated they are working to prepare to defend the current valuation of the 88305 code family. The organizations have indicated they will work closely with CMS, the AMA Relative Value Scale Update Committee (RUC), and pathology stakeholders to ensure that

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any future valuation appropriately reflects the complexity, physician expertise, and diagnostic value associated with surgical pathology services.

The 88305 code family's inclusion under CMS' Potentially Misvalued Code Initiative should be viewed as an early warning. Given the importance of CPT 88305 to most pathology practices, now is the time to evaluate reimbursement trends, strengthen coding and documentation practices, and model the potential financial impact of future RVU revisions. Proactive revenue cycle management and reimbursement analytics will be essential if this code family undergoes formal revaluation in future Medicare rulemaking.

APS Medical Billing continues to advocate for fair valuation of pathology services and will keep our clients informed as CMS finalizes the 2027 rule. If you have questions about these proposed changes, please reach out to your APS Practice Manager. We are here to help you protect your revenue and navigate these changes with confidence.

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