# PCN PERSPECTIVES

Physicians Care Network, LLC

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**INAUGURAL MEMBER NEWSLETTER**

**November 2026**

**Welcome to the first edition of PCN Perspectives.** As we prepare for 2027, our focus remains on helping independent physician practices thrive through innovation, value-based care, and stronger payer-provider collaboration. This newsletter highlights emerging industry trends and practical insights that may impact PCN members in the coming year.



## MEMBER UPDATE: CEDAR VALLEY MEDICAL SPECIALISTS TRANSITION

**CEDAR VALLEY MEDICAL SPECIALISTS CEASES OPERATIONS**

Cedar Valley Medical Specialists (CVMS) announced that it would cease operations effective October 30, 2026, resulting in the furlough of employees across the organization. According to statements reported by local media, the closure follows ongoing financial challenges and legal proceedings related to the group's lending arrangements. [newsbreak.com], [kwwl.com], [kwayradio.com]

Physician leaders indicated that the organizational closure does not necessarily mean all individual physician practices will permanently discontinue services. Many providers have been working to establish independent arrangements or new affiliations to support continuity of care for patients throughout the transition. [beckersasc.com], [kwwl.com]

**Key Takeaway for PCN Members:**

The development represents a significant change in the CVMS market and may create both challenges and opportunities as physicians, staff, and patients transition to new care delivery arrangements. Health Plans that have agreements with PCN that CVMS participated in have been notified of the closure. [newsbreak.com], [beckersasc.com]

Reference:
https://www.kimt.com/news/cvms-announces-immediate-end-to-all-operations-employees-placed-on-furlough/article_83bbe184-858d-51b8-bce4-3283218e120b.html

**Former CVMS Clinics Announce Independent Operating Plans**

In the days following the CVMS closure announcement, several clinics previously affiliated with Cedar Valley Medical Specialists publicly announced plans to continue operating independently. These clinics stated their intention to maintain access to care for existing patients while establishing new organizational and operational structures. [kwwl.com], [beckersasc.com]

The announcements reflect ongoing efforts by physicians and practice leaders to minimize disruption for patients and preserve access to specialty services within the region. Additional details regarding long-term affiliations, ownership structures, and operational models are expected to emerge as transitions progress. [kwwl.com], [beckersasc.com]

**Key Takeaway for PCN Members:**

The situation continues to evolve and highlights the importance of organizational planning, financial sustainability, and operational continuity during periods of market change. [kwwl.com], [beckersasc.com]reference:

https://www.kwwl.com/news/3-clinics-separating-from-cedar-valley-medical-specialists-announce-plans/article_080da831-b706-4698-9d85-9971e72778a1.html

**PCN Market Observation**

The closure of CVMS and the subsequent transition of affiliated clinics represent a noteworthy development in Iowa's physician practice landscape. As practices establish new operating models, stakeholders across the region will be monitoring the impact on patient access, provider recruitment and retention, and the broader healthcare delivery system.

## FEATURED INSIGHT #1: CY 2027 MEDICARE PHYSICIAN FEE SCHEDULE (PFS) FINAL RULE

**Executive Summary**

The CY 2027 Medicare Physician Fee Schedule Final Rule advances CMS's continued transition from volume-based reimbursement to **value-based, primary care-driven, and population health-focused care delivery**. While most physician practices will experience a modest reduction in baseline Medicare reimbursement due to the expiration of a temporary payment increase, CMS has expanded opportunities for organizations participating in Accountable Care Organizations (ACOs), care coordination programs, behavioral health integration, and chronic disease management initiatives.

For PCN member practices, the rule creates both financial challenges and strategic opportunities. Organizations with strong Medicare Shared Savings Program (MSSP), care management, and primary care capabilities are best positioned to offset fee-for-service reimbursement reductions through enhanced value-based reimbursement and care coordination payments.

**Key Takeaways**

- Medicare physician reimbursement is projected to decline 1.8% for qualifying alternative payment model (APM) participants (QP) and 2.3% for non-QPs in 2027.
- When office/outpatient (O/O) evaluation and management (E/M) visits are billed separately with procedures on the same day, the most expensive service (either surgical or E/M visit) will be paid at 100% and the other surgical procedure(s) or O/O E/M visit(s) furnished on the same day will be paid at 80%
- Beginning in CY 2027, CMS is updating the E/M complexity add-on code for clinicians participating in a Shared Savings Program ACO by allowing use of the new B2 modifier, which increases payment for eligible E/M visits by 32% to recognize the additional work associated with longitudinal care, care coordination, quality reporting, and total cost of care accountability.
    - G2211 is being replaced with modifiers that increase payment on eligible E/M visits:
      • B1 adds 16% to the underlying E/M payment used by any eligible clinician.
      • B2 adds 32% for eligible practitioners participating in an MSSP ACO or LEAD ACO.
    - B2 extends to qualifying Original Medicare visits beyond patients assigned to the ACO. That makes this an important opportunity to evaluate across the practice.
    - B2 payments also count toward ACO expenditures, so the professional revenue benefit should be evaluated alongside the effect on shared savings.
- Part B cost sharing waiver. Starting **April 1, 2027**, approved ACOs with an approved implementation plan will be allowed to pay some or all out-of-pocket costs for certain Medicare Part B services such as:
    - Primary care visits
    - Specialist visits
    - Preventive services
    - Lab work
    - Imaging
    - Outpatient services

**Executive Risk & Action Summary**

| Risk / Change | Business Impact | Recommended Action |
|---|---|---|
| Medicare Fee Schedule Reduction | Lower Medicare revenue across most practices. | Quantify financial impact and identify value-based revenue offsets. |
| Expanded ACO/MSSP Incentives | Increased reimbursement tied to longitudinal care and accountability. | Maximize MSSP participation and educate providers on B1/B2 modifier utilization. Evaluate patient panel for potential B2 impact. |
| Same-Day E/M and Procedure Payment Changes | Reduced reimbursement for certain office visit and procedure combinations. | Analyze specialty-specific impact and adjust coding/workflows accordingly. |
| Shared Medical Appointment Reimbursement | New reimbursable care delivery model for chronic disease management. | Pilot group visits for diabetes, obesity, cardiovascular disease, and lifestyle management. |
| Part B Cost Sharing | Potential to improve performance by increasing access to care rather than relying solely on care management interventions. | Create a plan describing how the ACO will provide the assistance, and apply to CMS in early 2027 |

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**Executive Bottom Line**

The CY 2027 PFS Final Rule reinforces Medicare's long-term direction: **less reliance on traditional fee-for-service payment and greater investment in coordinated, preventive, value-based care.**

For PCN member practices, the most important strategic priorities are:

1. Strengthen MSSP ACO participation.
2. Maximize new primary care and longitudinal care reimbursement opportunities.
3. Expand chronic disease management and behavioral health programs.
4. Continue investing in care coordination and population health infrastructure.

**Why it matters for PCN members:**
Organizations that effectively align with these priorities will be best positioned to offset reimbursement reductions and capture future growth opportunities under Medicare's evolving value-based payment framework.

References:

Calendar Year (CY) 2027 Medicare Physician Fee Schedule Final Rule | CMS

https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2027-medicare-physician-fee-schedule-final-rule-cms-1848-f-medicare-shared-savings

*"The calendar year (CY) 2027 PFS final rule is one of several that reflect a broader Administration-wide strategy to create a healthcare system that results in better quality, efficiency, empowerment, and innovation for all Medicare beneficiaries."*

## FEATURED INSIGHT #2: *Moving Providers Along the Value Based Continuum*

A recent TechTarget analysis explored how payers can help providers successfully transition from fee-for-service reimbursement toward more advanced value-based care arrangements.

Key strategies include:

- Providing actionable population health data
- Offering infrastructure and analytics support
- Aligning incentives around quality and outcomes
- Reducing administrative complexity
- Creating gradual pathways into risk-based contracts

The article reinforces that value-based care adoption is most successful when payers and providers share accountability, data, and resources rather than shifting risk to practices without adequate support. Value-based models continue to gain momentum as healthcare organizations look to improve quality while managing costs. [techtarget.com], [aha.org]

**Why it matters for PCN members:**
As payers expand alternative payment models and accountable care initiatives, practices that develop population health capabilities and performance measurement infrastructure will be better positioned for long-term success.

**Reference:**
https://www.techtarget.com/healthcarepayers/answer/How-Payers-Can-Move-Providers-Along-Value-Based-Care-Continuum

## FEATURED INSIGHT #3: *AI, Connectivity and the Future of Practice Transformation*

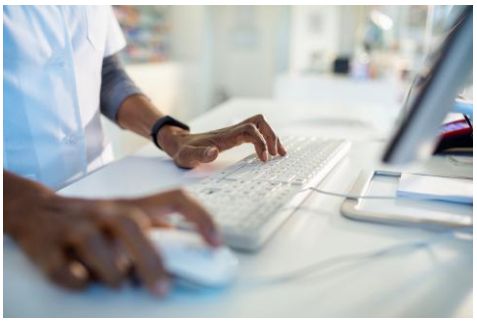
Recent athenahealth research highlights how healthcare organizations are increasingly leveraging artificial intelligence and connected clinical data to reduce administrative burden, improve interoperability, and support value-based care initiatives. Key areas of focus include:

- AI-assisted clinical documentation and ambient note generation
- Automated revenue cycle and patient payment workflows
- Intelligent processing of clinical data exchanged between providers
- Enhanced care coordination through connected networks and actionable insights

The overarching message is that AI is moving beyond experimentation and becoming embedded within everyday physician workflows, with the goal of allowing care teams to spend less time on administrative tasks and more time caring for patients. athenahealth also emphasizes that successful transformation depends on combining technology with strong operational processes and clinician adoption. [athenahealth.com], [athenahealth.com]

**Why it matters for PCN members:**
As value-based contracts continue to expand, tools that improve care coordination, documentation accuracy, and operational efficiency will become increasingly important for independent practices.

**Reference:**
https://www.beckershospitalreview.com/wp-content/uploads/sites/9/2026/08/athenahealth-wp-august-2026.pdf



## PCN TAKEAWAYS FOR 2027

Across all three articles, several themes consistently emerged:

1. **Technology is becoming a strategic necessity**, particularly AI-enabled workflow tools.

2. **Value-based care continues to mature**, requiring stronger data, care coordination, and performance management capabilities.

3. **Collaboration is the differentiator**, whether between practices, health plans, or community partners.

PCN is committed to helping members navigate these changes through shared learning, strategic partnerships, and practical resources that strengthen independent physician practices.

## STAY CONNECTED

Have an idea for a future newsletter topic or a success story you'd like to share? We'd love to hear from you. Reach us by email: lbrenner@iowaclinic.com

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*Advancing Independent Practice Through Collaboration, Innovation, and Value-Based Care.*

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