

# Publications

July 16, 2025 • Updates

## CMS Proposes New Mandatory, Two-Sided Risk Model for Heart Failure and Low Back Pain

### Key Takeaways

- CMS has proposed a mandatory two-sided risk model for specialists treating heart failure and low back pain in outpatient settings.
- The Ambulatory Specialty Model (ASM) would begin January 1, 2027, and apply to providers in select geographic areas.
- Participants face payment adjustments of -9% to +9%, based on quality, cost, care improvement, and interoperability performance.

Providers who treat patients with low back pain or heart failure may be required to participate in a new two-sided risk arrangement under a new innovation model proposed by the Centers for Medicare and Medicaid Services (CMS). Taking a proactive approach—both by commenting on the proposal as well as preparing for the model—will position providers to benefit (or at least mitigate potential losses) from the new model.

On July 14, 2025, CMS proposed a new Ambulatory Specialty Model (ASM), which would be mandatory for specialist physicians who treat heart failure and low back pain in outpatient settings. Specialists who would be required to participate include physicians in the specialties of cardiology, anesthesiology, pain management, interventional pain management, neurosurgery, orthopedic surgery, physical medicine and rehabilitation.<sup>1</sup> The model is the second mandatory model proposed by the Trump Administration in recent months. As with other mandatory models, it would only apply to physicians residing in certain geographic areas identified by CMS.

The ASM was proposed in the 2026 Physician Fee Schedule Notice of Proposed Rulemaking on July 14, 2025.<sup>2</sup> Comments on the Notice of Proposed Rulemaking are due to CMS by 5:00 p.m. on September 12, 2025. The ASM would begin on January 1, 2027, and run through December 31, 2031.

The ASM would use a two-sided risk arrangement building on the existing MIPS Value Pathway (MVP) framework, under which participants would be measured against their peers, and based on their performance, would receive a positive, neutral, or negative payment adjustment for future Medicare Part B payments for covered services. For the

### Related People

- Kathleen Snow Sutton
- Neal D. Shah

### Related Capabilities

- Health Care

first year, the payment adjustments will range from -9% to +9%.<sup>3</sup> Participants will be evaluated on an individual (TIN/NPI combination) basis, and some existing MIPS flexibilities may not apply for purposes of the ASM program.

Participants will be measured across four categories:

- **Quality.** Examples of quality metrics include controlling blood pressure for heart failure patients or improving functional status of patients with low back pain.
- **Cost.** Reductions in unnecessary care.
- **Care Improvement Activities.** Improvement in clinical care processes; increased patient engagement about lifestyle-based interventions; and increased care coordination.
- **Increased interoperability.** Implementing technology that allows specialists to communicate and share data electronically between specialists and their primary care provider.<sup>4</sup>

The ASM's stated goals are to reward providers who prevent the worsening of chronic conditions by promoting lifestyle change; improve chronic disease management by coordinating between primary care and specialists; detect risks and conditions early; enhance patient experience by prioritizing patient-reported outcomes on function; and reduce avoidable hospitalizations and care that lacks clear evidence of benefit.

Please contact us if you want help evaluating what it means for your practice or in commenting on the proposed rule.

[1] Model Overview Factsheet: Ambulatory Specialty Model, CMS,  
<https://www.cms.gov/priorities/innovation/files/asm-model-infographic.pdf>

[2] Medicare and Medicaid Programs; CY 2026 Payment Policies under the Physician Fee Schedule and Other Changes to Part B Payment and Coverage Policies; Medicare Shared Savings Program Requirements; and Medicare Prescription Drug Inflation Rebate Program (to be codified at 42 CFR Parts 405, 410, 414, 424, 425, 427, 428, 495, and 512) (July 14, 2025), *available at* <https://www.federalregister.gov/public-inspection/2025-13271/medicare-and-medicare-programs-calendar-year-2026-payment-policies-under-the-physician-fee-schedule>.

[3] Model Overview Factsheet: Ambulatory Specialty Model, CMS,  
<https://www.cms.gov/priorities/innovation/files/asm-model-infographic.pdf>

[4] ASM (Ambulatory Specialty Model), CMS,  
<https://www.cms.gov/priorities/innovation/innovation-models/asm>