

Publications

April 27, 2026 • Publications

Radiation Oncology Community Seeking Relief from an Emerging Crisis under 2026 Changes to Medicare Coding and Reimbursement

Reimbursement Declines Emerge Under 2026 Medicare Changes

Stakeholders from the radiation oncology community are reporting substantial declines in aggregate reimbursement during the initial months of 2026 for radiation oncology services provided in hospital outpatient departments, freestanding cancer centers and physician practices throughout the United States. In addition to concerns about the fairness and adequacy of the 2026 payment levels, providers also report significant problems with some payors routinely denying and delaying payment for claims involving the recently redefined radiation oncology codes. Providers are describing challenges arising under Medicare, Medicaid and private insurers with the aggregate impacts of these challenges varying based on the location and payor mix of individual radiation oncology departments and practices.

What Changed Under the 2026 Medicare Rules

CMS finalized substantial changes to the coding and reimbursement of core radiation oncology services provided under traditional Medicare in the November 2025 notices of final rulemaking for hospital outpatient departments and the physician fee schedule that became effective on Jan. 1, 2026. In both Medicare notices, the most controversial changes in radiation oncology involved the consolidation, redefinition and revaluation of the codes used for megavoltage external beam radiation services. The codes at the center of these controversies are the newly revised and revalued versions of CPT codes 77402, 77407 and 77412 for levels 1, 2 and 3 radiation treatment delivery. The radiation oncology community has challenged the fairness and accuracy of the new payment levels established for these three codes.

Industry Data Signals Significant Revenue Declines

The American Society for Radiation Oncology (ASTRO), a professional society representing radiation oncology professionals, performed a survey of its members in March to assess the impacts of the changes in reimbursement policies (available here).

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The survey captured substantial declines in reimbursement since the beginning of 2026, including many providers who reported declines in revenue exceeding 10%. Multiple respondents stated that their recent reimbursement declines are much greater than 10% and threaten to close their radiation oncology practices.

Stakeholder Advocacy and Requests for CMS Action

ASTRO wrote a letter to CMS Administrator Mehmet Oz on April 9, 2026, urging the Agency to expedite reforms to reverse the emerging financial crisis in the radiation oncology community (available here). The letter includes a request for mid-year changes in Medicare reimbursement policy to provide immediate relief to radiation oncology providers under both the hospital outpatient and physician fee schedule payment systems without waiting for the annual rulemaking process that would not take effect until Jan. 1, 2027.

Congressional Attention and Potential Policy Response

In a recent hearing on April 2 before the House Committee on Energy and Commerce Subcommittee on Health in the U.S. House of Representatives, Congressman John Joyce, M.D. (R-PA) highlighted concerns regarding the abrupt reductions in reimbursement that threaten the viability of community-based and freestanding radiation facilities, and Rep. Joyce asked HHS Secretary Robert F. Kennedy, Jr. to commit to looking into the issue and working toward a potential solution. Secretary Kennedy responded “absolutely” and noted the critical roles that these facilities play, especially in rural and isolated areas of the country.

Looking Ahead

Polsinelli’s health policy team and health care attorneys are working closely with health systems and oncology providers to seek fair and timely payment of radiation oncology claims, to advocate for changes in reimbursement policy, and to provide written comments to CMS and other federal policymakers. Please reach out Steve Stranne or your preferred Polsinelli attorney.