

CY 2026 MEDICARE OPPTS TOP 10 LIST

On Nov. 25, the Centers for Medicare & Medicaid Services (CMS) published its calendar year (CY) 2026 Medicare Outpatient Prospective Payment System (OPPS) final rule. Taking into account all policy changes, we estimate CMS finalized a rate increase of 1.63% relative to CY 2025. CMS also finalized several policies that will impact hospital reimbursement and operations. This fact sheet outlines ten policies we want IHA members to be aware of.

1. **Site Neutral Drug Administration:** CMS will pay the site-specific Medicare Physician Fee Schedule (PFS) payment rate for nonexcepted items and services furnished by a nonexcepted off-campus Provider-Based Department (PBD) for Healthcare Common Procedure Coding System (HCPCS) codes assigned to the drug administration services Ambulatory Payment Classifications (APCs) when provided at an off-campus PBD excepted from section 1833(t)(21) of the Social Security Act. CMS will implement this policy in a non-budget neutral manner. Rural Sole Community Hospitals are exempt from this payment policy.
2. **Skin Substitutes:** For CY 2026, CMS will separately pay for certain groups of skin substitute products as “incident-to” supplies under the Medicare Physician Fee Schedule in the non-facility setting or under the OPPS. Payment for product administration will be separate from the skin substitute product itself, allowing physicians and patients to determine the most appropriate site of care. New APCs will be grouped by FDA regulatory categories with an initial payment rate of \$127.14 per product. This is effectively a site neutral payment policy for skin substitute products.
3. **Future Site Neutral Policy:** CMS sought feedback on other services that may have unnecessary increases in volume under the OPPS, signaling that additional site neutral policies under the OPPS may be forthcoming.
4. **340B Remedy Payment:** For the CY 2026 payment year, CMS is finalizing a 0.5% reduction based on public comments around preparedness and reliance interest. However, CMS anticipates implementing a larger 340B remedy adjustment, such as 2% or other adjustment greater than 0.5%, in next year’s rulemaking for the CY 2027 OPPS.
5. **Drug Acquisition Cost Survey:** CMS established the OPPS Drug Acquisition Cost Survey in response to an April 15 [Executive Order](#) requiring the Secretary of the Dept. of Health and Human Services to conduct a survey and determine hospital acquisition costs for covered outpatient drugs at hospital outpatient departments. CMS intends to launch the survey via the Fee-for-Service Data Collection System from Jan. 1, 2026 through March 31, 2026, collecting information from hospitals paid under the OPPS for the drug acquisition costs, including for Specified Covered Outpatient Drugs (SCODs), and drugs and biologicals CMS historically treats as SCODs. CMS intends for the survey to be completed in time for results to be used to inform policy making beginning with the CY 2027 OPPS/ASC proposed rule. CMS stated it is still determining how to interpret non-responses to the survey, positing several interpretive options including that if a

hospital does not submit data, it could suggest that the hospital has minimal acquisition costs, or that drugs should not be paid separately but rather should be packaged into the payment for the associated service.

6. **Inpatient Only List:** CMS will eliminate the IPO list over a 3-year transition period, beginning in CY 2026 with the list completely eliminated by CY 2029. For CY 2026, CMS identified 285 mostly musculoskeletal services, including 16 non-musculoskeletal services, to be removed from the IPO list. The 16 non-musculoskeletal services include cardiovascular, lymphatic, digestive, gynecological, and endovascular procedures. Procedures removed from the IPO list will be exempt from certain two midnight rule medical reviews, with this exemption continuing until CMS determines outpatient performance is clinically established.
7. **Virtual Direct Supervision:** CMS made permanent virtual direct supervision, aligning OPPS policy with PFS policy. This will allow for virtual direct supervision for Cardiac Rehabilitation, Intensive Cardiac Rehabilitation, Pulmonary Rehabilitation, and diagnostic services. Supervision may be furnished via real time audio/video communications (not audio only), and this does not apply to services with global surgery indicators 010 or 090.
8. **Outpatient Quality Reporting:** Several measures were removed from the outpatient quality reporting program, including: Median Time From Emergency Department Arrival to Emergency Department Departure for Discharge, Left Without Being Seen, Screening for Social Drivers of Health (SDOH), Screen Positive Rate for SDOH, COVID-19 vaccination coverage among health care personnel, and Hospital Commitment to Health Equity (HCHE).
9. **MS-DRG Relative Weights:** CMS finalized a new market-based methodology for estimating the MS-DRG relative weights beginning in FY 2029. CMS will collect median payer-specific charges from hospitals that were negotiated with Medicare Advantage organizations, using data disclosed under CMS' hospital price transparency rules. CMS will use these data to help determine relative Medicare payment rates for inpatient hospital services.
10. **Hospital Price Transparency:** In CY 2026, Hospitals must publish actual allowed amounts in machine readable files (MRF) including median, 10th percentile, 90th percentile, and the count of the allowed amounts used to derive them. To compute these allowed amount percentiles, hospitals are required to use data from electronic remittance advice transactions (standard EDI 835 format or an equivalent). The calculation must follow a defined look back period of 12 to 15 months prior to publishing the MRF. Additionally, each MRF must include a formal statement signed by a senior hospital official affirming that the data are complete, accurate and include all applicable payer specific negotiated charges to the best of their knowledge and belief.

IHA will release a more detailed OPPS fact sheet and CY 2026 OPPS facility-specific estimated financial impact reports in the coming days.