



2026 ASC/OPPS updates: Key payment, coding and regulatory changes impacting hospitals and ASCs

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Overview and objectives: What we'll cover

1

Payment rate adjustments: The webinar explains a 2.6% payment rate increase for OPPS and ASC facilities under the 2026 final rule.

2

Procedure eligibility changes: Significant updates include expanding the ASC covered procedures list and phasing out the inpatient-only list by 2026.

3

Quality reporting measure removals: Certain quality measures like COVID-19 HCP and health equity metrics were removed for upcoming payment years.

4

Operational and compliance impacts: Discussion includes policies on site-neutral drug administration, APC structures, diagnostic thresholds and price transparency enforcement.

Payment policy updates: 2026 payment rate update



Objective:

Provide clarity on the CY 2026 Medicare payment rate updates and equip leaders with the insights needed to forecast, budget and maintain compliance for OPPTS (Hospital Outpatient Prospective Payment System) and ASC (Ambulatory Surgical Center) operations in 2026.



Payment rate increase:

CMS finalized a **2.6% payment rate increase** for OPPTS and ASC settings in 2026, reflecting market basket growth and productivity adjustments.



Quality reporting impact:

Providers failing to meet quality reporting requirements face a 2-percentage-point payment reduction, emphasizing compliance importance.



Projected payment amounts:

CMS projects **\$101 billion in OPPTS payments and \$9.2 billion** for ASCs in 2026, including coinsurance, enrollment, utilization and case-mix changes.



Financial forecast adjustments:

Outpatient financial leaders **must revise forecasts, update rate models and maintain quality submissions to avoid payment reductions in 2026.**

Key payment mechanics



Site-neutral drug policy

The site-neutral policy equalizes payment by reimbursing off-campus hospital outpatient departments at PFS-equivalent rates, exempting rural hospitals.



340 billion remedy offset

A 0.5% reduction to the OPPS conversion factor continues through CY 2026, aligning repayment without major cuts.



Radiopharmaceutical payment

A 0.5% reduction to the OPPS conversion factor continues through CY 2026, aligning repayment without major cuts.



Operational adjustments required

Hospitals must update billing logic, workflows and forecasting models to comply with these finalized payment policies.

Procedural eligibility updates: ASC-CPL expansion and IPO phase-out



The CY 2026 Final Rule adds 289 procedures to the ASC CPL, broadening eligibility across orthopedics, vascular surgery, urology and other minimally invasive procedures.

CMS begins a 3-year phase-out of the IPO list — 271 procedures are removed in 2026, largely in musculoskeletal categories.

Reassess staffing and block time, update anesthesia and supply contracts, refresh CPL and payer grids, reinforce medical-necessity documentation for ASC appropriateness.

Clinical and supply payment changes

New payment structure: CMS now pays skin substitute products separately, in both OPPS and ASC settings, ending the previous packaged/bundled payment approach effective January 1, 2026.

Three APC categories: Skin substitutes are assigned to APC 6000 (PMA), APC 6001 (510(k)) or APC 6002 (361 HCT/P), all paid at a standardized national rate of \$127.14.

Status and payment indicators (SI/PI): Under OPPS, skin substitutes carry **status indicator S1** (skin substitute product paid separately).

In ASCs, skin substitutes use **payment indicator S2** (skin substitute supply group paid separately, based on OPPS rate).



Site-neutral drug administration impacts



Site-neutral payment policy (finalized for CY 2026)

Beginning in 2026, drug administration services furnished in off-campus hospital provider-based departments (PBDs) — including sites that were previously excepted/grandfathered — are paid at physician fee schedule (PFS)–equivalent (non-facility) rates. On-campus departments remain paid under OPPS.



Impact on ASCs

As off-campus hospital PBD infusion rates converge toward office/PFS levels, payment differentials narrow, potentially shifting referral patterns and pricing strategies in local markets. Monitor competitor PBD pricing and service mix..



Strategic recommendations

- Build a watchlist of high-volume drug-administration HCPCS in your market and compare pre-2026 OPPS vs. 2026 PFS-equivalent to size growth opportunities/risks.
- Stress-test capacity (chairs, pharmacy prep, nursing coverage, PA workflows) for compliant non-surgical services you can furnish. Align payer messaging around lower site-of-service cost.

Quality reporting updates



Removal of COVID-19 vaccination measure

CMS removed the ASC-20 COVID-19 Vaccination Coverage Among Healthcare Personnel measure beginning with the CY 2024 reporting period/CY 2026 payment, reducing ASCQR reporting burden.



Retirement of equity and social drivers of health measures

The Health Equity (ASC-24) and Social Drivers of Health (ASC-22, ASC-23) measures will retire starting with the CY 2025 reporting period, impacting CY 2027 payment determinations.

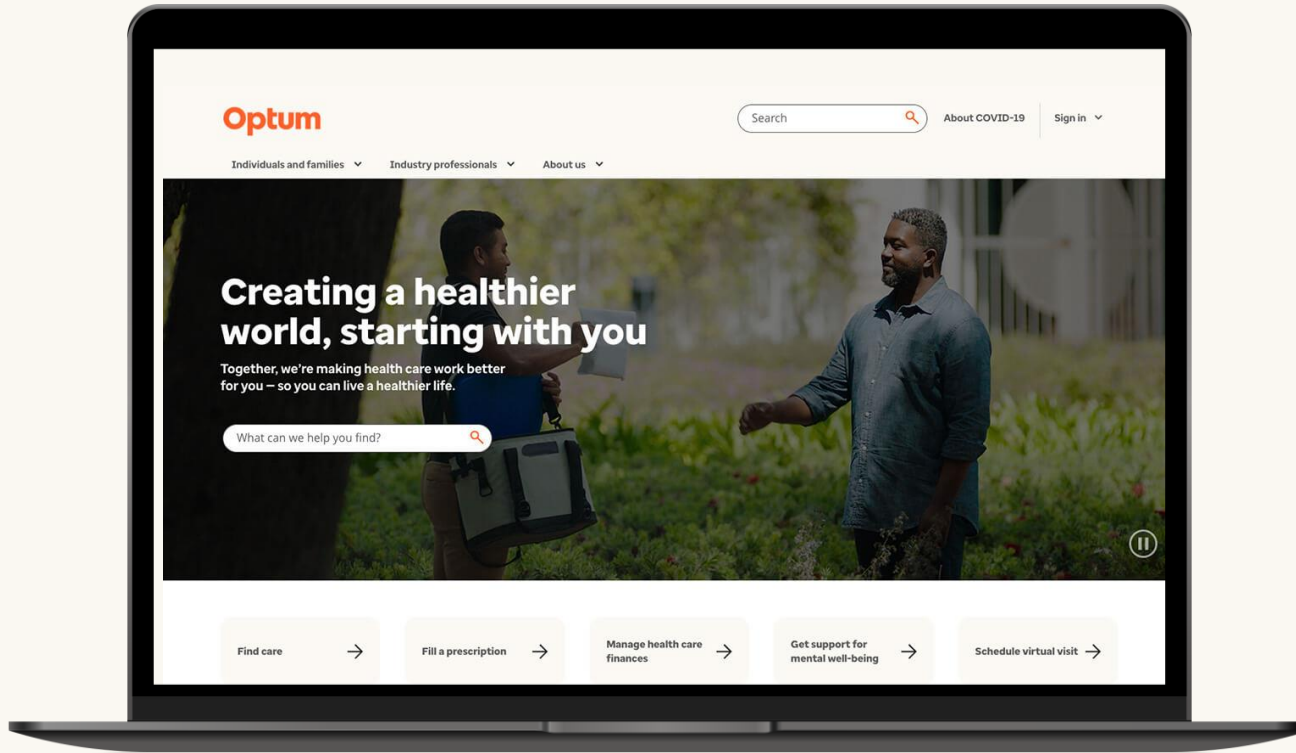


Information transfer PRO-PM not finalized

CMS did not finalize the proposed Information Transfer PRO-PM for the ASCQR Program, so ASCs should discontinue planning for its adoption.

Objective: Reinforce that facilities remain compliant by adjusting reporting practices to reflect CMS-finalized removals and non-adopted measures.

How ASCExpert.com and RevenueCyclePro.com support compliance



Offers updated CPT® and HCPCS codes, ASC-CPL flags, Rev Codes and APC crosswalks for accurate billing.

Quality modules incorporate measure removals and timelines, while alerts notify users about payer policy changes.

These tools streamline workflows, helping coding and billing teams comply with the latest CMS rules efficiently.

References

- CMS. [CY 2026 Hospital OPPS/ASC Payment System Final Rule and ASCQR Program Requirement Highlights](#).
- ASCQR Program – CMS Slide Deck (Quality Reporting Center): [Slides - CY 2026 Hospital OPPS/ASC Payment System Final Rule and ASCQR Program Requirement Highlights](#)
- CY 2026 Physician Fee Schedule Final Rule (PRO-PM & skin substitute alignment context): [Federal Register :: 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](#)

Q&A