



Ambulatory Surgical Center Payment System: October 2025 Update

Related CR Release Date: September 22, 2025	MLN Matters Number: MM14246
Effective Date: October 1, 2025	Related Change Request (CR) Number: CR 14246
Implementation Date: October 6, 2025	Related CR Transmittal Number: R13429CP
Related CR Title: October 2025 Update of the Ambulatory Surgical Center (ASC) Payment System	

Affected Providers

- Ambulatory surgical centers (ASCs)
- Physicians
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for services

Action Needed

Make sure your billing staff knows about these payment system updates effective October 1, 2025:

- New Hospital Outpatient Prospective Payment System (OPPS) device pass-through category payable in ASCs
- New HCPCS code describing the insertion of a pleural-peritoneal shunt with intercostal pump chamber
- Drug, biological, and radiopharmaceutical coding updates
- Skin substitute products

Background

CR 14246 provides changes to and billing instructions for various payment policies implemented in the October 2025 ASC payment system update. For information about the ASC payment system, see the [Medicare Claims Processing Manual, Chapter 14](#), section 40.

Key Updates

New Hospital OPPS Device Pass-Through Category Payable in ASCs

Section 1833(t)(6)(B) of the [Social Security Act](#) requires that device categories be eligible for transitional pass-through payments for at least 2 but not more than 3 years under the Hospital OPPS. In addition, section 1833(t)(6)(B)(ii)(IV) of the Social Security Act requires that CMS create additional categories for transitional pass-through payment of new medical devices not described by existing or previously existing device categories. We also implemented this policy in the ASC payment system.

We're required by section 1833(t)(6)(D)(ii) of the [Social Security Act](#) to deduct from pass-through payments for devices in the Hospital OPPS an amount that shows the device portion of the ambulatory payment classification (APC) payment amount. This deduction is the device offset or the portion of the APC amount that's associated with the pass-through device cost. We also implement this device offset policy in ASCs. The device offset from payment represents a deduction from pass-through payments from the ASC procedure payment for the applicable pass-through device.

We preliminarily approved 2 new devices for pass-through status under the Hospital OPPS with an effective date of October 1, 2025, that may be applicable in the ASC setting:

- HCPCS code C1741
- HCPCS code C1742

We'll discuss the device applications associated with C1741 and C1742 in the CY 2027 Hospital OPPS and ASC proposed and final rules.

See [Table 1](#) for the descriptors and the ASC payment indicator (PI) of the new Hospital OPPS device pass-through categories. See the October 2025 ASC code pair file for the list of CPT codes an ASC must perform with C1741 and C1742.

New HCPCS Code Describing the Insertion of a Pleural-Peritoneal Shunt with Intercostal Pump Chamber

We're establishing new HCPCS code C8006 to describe the procedure to insert a pleural-peritoneal shunt with an intercostal pump chamber. See [Table 2](#) for the long descriptor, status indicator, and APC assignment. See the [October 2025 ASC Addenda AA and FF](#) for the short descriptor, ASC PI, and payment rate.

Drugs, Biologicals & Radiopharmaceuticals

New CY 2025 HCPCS Codes & Dosage Descriptors for Certain Drugs, Biologicals & Radiopharmaceuticals Receiving Pass-Through Status

We're creating 21 new HCPCS codes for reporting drugs and biologicals in the hospital outpatient setting effective October 1, 2025, where there weren't specific codes previously. See [Table 3](#) for the codes, short descriptors, ASC PIs, and payment rates. See also the [October 2025 ASC Addendum BB](#).

Existing HCPCS Codes for Drug, Biological & Radiopharmaceutical Changing PIs

We're changing the payment status indicators for 13 drug, biological, and radiopharmaceutical HCPCS codes on October 1, 2025. See [Table 4](#) for the codes, their short descriptors, ASC PIs, and payment rates. See also the October 2025 ASC Addendum BB.

HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals Deleted

We're deleting 6 drug, biological, and radiopharmaceutical HCPCS codes on September 30, 2025. See [Table 5](#) for these codes.

HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals Changing Payment Status Retroactive to July 1, 2025

We're changing the payment status indicators for 2 drug, biological, and radiopharmaceutical HCPCS codes. See [Table 6](#) for these codes and their revised status indicators. See also the October 2025 ASC Addendum BB for the short descriptors, ASC PIs, and payment rates.

HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals with Descriptor Changes

We're making substantial descriptor changes to 2 drug, biological, and radiopharmaceutical HCPCS codes as of October 1, 2025. See [Table 7](#) for these codes.

Drugs & Biologicals with Payments Based on Average Sales Price

For CY 2025, we pay for most non-pass-through drugs, biologicals, and radiopharmaceuticals at a single rate of average sales price (ASP) +6% (or ASP +6 or 8% of the reference product for biosimilars). In CY 2025, we make a single payment of ASP +6% for pass-through drugs, biologicals, and radiopharmaceuticals to provide payment for both the acquisition cost and pharmacy overhead costs of these pass-through items (or ASP +6 or 8% of the reference product for biosimilars).

We'll update payments for drugs and biologicals based on ASPs on a quarterly basis as later-quarter ASP submissions become available. See the October 2025 ASC Addendum BB for updated payment rates effective October 1, 2025.

Drugs, Biologicals & Radiopharmaceuticals with Restated Payment Rates

We retroactively correct payment rates for some drugs, biologicals, and radiopharmaceuticals on a quarterly basis. Find the latest list of [corrected payment rates](#) on the first day of the quarter.

You may resubmit claims affected by adjustments to a prior quarter's payment files.

Skin Substitutes

We package payment for skin substitute products that don't qualify for pass-through status into the payment for the associated skin substitute application procedure. For payment packaging purposes, we divide skin substitute products into 2 groups:

- High-cost skin substitute products
- Low-cost skin substitute products

We assign new skin substitute HCPCS codes into the low-cost skin substitute group unless we have pricing data that demonstrates the product cost is above either the mean unit cost of \$50 or the per-day cost of \$833 for CY 2025.

New Packaged Skin Substitute Products

Nineteen new skin substitute HCPCS codes will be active October 1, 2025. See [Table 8](#) or the October 2025 ASC Addendum BB for these codes.

Skin Substitute Products Reassigned to the High-Cost Skin Substitute Group

We’re reassigning 1 skin substitute HCPCS code from the low-cost skin substitute group to the high-cost skin substitute group as of October 1, 2025. See [Table 9](#) for this code.

Coverage Determinations

When we assign a HCPCS code and payment rate under the ASC payment system to a drug, device, procedure, or service, it doesn’t imply Medicare coverage. It only indicates how we pay for the product, procedure, or service if covered. MACs decide whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs decide if it’s reasonable and necessary to treat the patient’s condition and whether it’s excluded from payment.

More Information

We issued CR 14246 to your MAC as the official instruction for this change. For more information, find your [MAC’s website](#).

Document History

Date of Change	Description
September 23, 2025	Initial article released.

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