



Hospital Outpatient Prospective Payment System: July 2026 Update

Related Change Request (CR) Information	
Number: 14477	Release Date: June 16, 2026
Effective Date: July 1, 2026	Implementation Date: July 6, 2026
Transmittal Number: R13832CP	
Title: July 2026 Update of the Hospital Outpatient Perspective Payment System (OPPS)	

Affected Providers

- Hospitals
- Physicians
- Other providers billing Medicare Administrative Contractors (MACs) for outpatient hospital services

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Action Needed

Make sure your billing staff knows about these Hospital Outpatient Prospective Patient System (OPPS) updates, effective July 1, 2026:

- New COVID-19 monoclonal antibody products and administration codes
- CPT proprietary laboratory analyses (PLA) coding changes
- New and reassigned Category III CPT codes
- Device pass-through and device offset information
- Ambulatory payment classification (APC) assignment and status indicator changes
- Drugs, biologicals, and radiopharmaceuticals
- Non-opioid treatments for pain relief
- Skin substitute products

Key Updates

New COVID-19 Monoclonal Antibody Products & Administration HCPCS Codes

CMS approved TOFIDENCE® (tocilizumab-bavi), a biosimilar to ACTEMRA® (tocilizumab), for intravenous administration in hospitalized adults with COVID-19 who get systemic corticosteroids and require supplemental oxygen, non-invasive or invasive mechanical ventilation, or extracorporeal membrane oxygenation.

FDA approved TOFIDENCE on July 22, 2024. Effective July 1, 2026, we established HCPCS code Q0234 to describe TOFIDENCE to treat COVID-19 and the associated HCPCS administrative codes M0231 and M0232.

- Q0234: Injection, tocilizumab-bavi, for hospitalized adult patients with COVID-19 who are receiving systemic corticosteroids and require supplemental oxygen, non-invasive or invasive mechanical ventilation, or extracorporeal membrane oxygenation (ECMO) only, 1 mg
- M0231: Intravenous infusion, tocilizumab-bavi, for hospitalized adult patients with COVID-19 who are receiving systemic corticosteroids and require supplemental oxygen, non-invasive or invasive mechanical ventilation, or extracorporeal membrane oxygenation (ECMO) only, includes infusion and post administration monitoring, first dose
- M0232: Intravenous infusion, tocilizumab-bavi, for hospitalized adult patients with COVID-19 who are receiving systemic corticosteroids and require supplemental oxygen, non-invasive or invasive mechanical ventilation, or extracorporeal membrane oxygenation (ECMO) only, includes infusion and post administration monitoring, second dose

Note: You could bill by reporting a not otherwise classified (NOC) COVID-19 monoclonal antibody product HCPCS code and associated administrative codes (Q0235, M0235, and M0236). Refer to [CR 14195](#) for more information on NOC COVID-19 monoclonal antibody product HCPCS codes.

Effective July 1, 2026, in the July 2026 Integrated Outpatient Code Editor (I/OCE) update, we're assigning:

- Q0234 to status indicator L
- M0231 and M0232 to status indicator S and APC 1506

CPT PLA Coding Changes

The American Medical Association (AMA) CPT Editorial Panel established 29 new PLA codes, CPT codes 0631U–0659U, effective July 1, 2026.

Refer to [Table 1](#) for the long descriptors and status indicators. Refer to the July 2026 Hospital OPPS [Addendum B](#) for short descriptors and status indicators. We also added these codes to the July 2026 I/OCE with an effective date of July 1, 2026.

New CPT Category III Codes

The AMA releases CPT Category III codes twice a year:

- In January for implementation starting the following July
- In July for implementation starting the following January

We're implementing 28 new CPT Category III codes that the AMA released in January 2026 for implementation on July 1, 2026. Refer to [Table 2](#) for the status indicators and APC assignments. We added CPT codes 1026T–1053T to the July 2026 I/OCE with an effective date of July 1, 2026. Refer to Addendum B for the short descriptors, status indicators, and payment rates.

Hospital OPPS Device Pass-Through

New Device Pass-Through Category

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

Through our quarterly review process, we preliminarily approved 1 new device HCPCS code (C1609) for pass-through status under the Hospital OPPS with an effective date of July 1, 2026. We'll include and discuss the device application associated with C1609 in the CY 2027 Hospital OPPS and Ambulatory Surgical Center (ASC) proposed and final rules.

Refer to [Table 3A](#) for the long descriptor, status indicator, APC, and offset amount. We added HCPCS code C1609 to [Table 4](#), which is the complete list of current and historical device category HCPCS codes and definitions used for present and previous transitional pass-through payment. You can also find this list in the [Medicare Claims Processing Manual, Chapter 4](#), section 60.4.2.

Device Offset from Payment

Section 1833(t)(6)(D)(ii) of the [Social Security Act](#) requires that we deduct an amount that reflects the device portion of the APC amount from pass-through payments for devices. This deduction is the device offset or the portion of the APC amount that's associated with the cost of the pass-through device. The device offset from payment represents a deduction from pass-through payments for the applicable pass-through device.

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Status Indicator Revisions & APC Assignments for CPT Code 0858T

The AMA's CPT Editorial Panel established CPT code 0858T in the January 2024 update to describe the service associated Delphi-MD™ that uses direct electrophysiological imaging to map brain activity. FDA approved Delphi-MD on August 20, 2025.

Since January 1, 2024, we assigned CPT code 0858T to status indicator E1 to indicate the code isn't payable under the Hospital OPPS because the device associated with this code didn't have FDA approval. Based on the recent FDA approval, we assigned this code as separately payable under the Hospital OPPS, effective July 1, 2026.

Refer to [Table 5](#) for the long descriptor, status indicator, and APC assignment. Refer to Addendum B for the short descriptor, status indicator, and payment rate.

Retroactive Status Indicator Revision for CPT Code 0996T

The AMA's CPT Editorial Panel established CPT code 0996T in the January 2026 update to describe the insertion and scleral fixation of a capsular bag prosthesis that contains a lens prosthesis. The procedure also includes removing eye fluid. Our review indicates FDA hasn't approved the device associated with this code. In addition, we haven't gotten any claims for this code since its effective date of January 1, 2026.

We're revising the status indicator to E1, retroactive to January 1, 2026, because the device associated with CPT code 0996T doesn't have FDA approval.

Refer to [Table 6](#) for the long descriptor and status indicator. Refer to Addendum B for the short descriptor and status indicator.

New & Revised HCPCS Codes for Cystourethroscopy Procedures

Effective July 1, 2026, we're establishing a new HCPCS code, C8014, to describe the "Cystourethroscopy procedure with ureteroscopy and/or pyeloscopy with lithotripsy using a suction enabled ureteral access sheath." We're also revising the long descriptor for HCPCS code C9761 to "Cystourethroscopy, with ureteroscopy and/or pyeloscopy, with lithotripsy, and ureteral catheterization for steerable vacuum aspiration of the kidney, collecting system, ureter, bladder, and urethra if necessary, with use of steerable ureteral catheter or suction-integrated ureteroscope."

You can tell HCPCS code C8014 apart from HCPCS code C9761 because the procedure described by C8014 uses a suction-enabled ureteral access sheath, while the procedure described by C9761 uses a steerable ureteral catheter or a suction integrated ureteroscope.

Refer to [Table 7](#) for the long descriptors, status indicators, and APC assignments. Refer to Addendum B for their short descriptors, status indicators, and payment rates.

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Hospital OPPS Reassignment for Femtosecond Laser Trabeculotomy

Starting July 1, 2026, we're reassigning CPT code 0730T (femtosecond laser trabeculotomy) to APC 5493, status indicator J1.

Refer to [Table 8](#) for the long descriptor, status indicator, and APC assignment. Refer to Addendum B for the short descriptor, status indicator, and payment rate.

APC Revision for Placement of Permanent Common Carotid Artery Filter

On July 30, 2024, we approved Javelin Medical's clinical study associated with carotid implants for permanent placement of common carotid artery filters as a Category B investigational device exemption study. We established HCPCS code C8010, effective April 1, 2026, to enable us to track and pay appropriately for this study in the hospital outpatient setting. We're revising the APC assignment from APC 1575 to APC 1576, effective July 1, 2026.

Refer to [Table 9](#) for information associated with the [clinical study](#). Refer to [Table 10](#) for the long descriptor, APC assignment, and status indicator. Refer to Addendum B for the short descriptor, status indicator, and payment rate.

APC Revision for Implantation & Replacement of Peritoneal Ascites Pump System

We're revising the APC assignment for CPT codes 0870T and 0871T, which describe the implantation and replacement procedure of a peritoneal ascites pump system. Refer to [Table 11](#) for the short descriptors, long descriptors, status indicators, and APC assignments. Refer to Addendum B for the short descriptors, status indicators, and payment rates.

APC Correction for CPT Codes 0796T & 0823T

In the April 2026 update, we mistakenly reassigned CPT codes 0796T and 0823T from APC 5224 to APC 5231. Because we assigned these codes to APC 5224 via CY 2026 notice-and-comment rulemaking, we can only change these assignments through annual notice-and-comment rulemaking.

This update accurately assigns CPT codes 0796T and 0823T to APC 5224, retroactive to April 1, 2026, to resolve the administrative error included in the April update. Refer to [Table 12](#) for the long descriptors, status indicators, and APC assignments. Refer to Addendum B for the payment rates.

You'll find proposed CY 2027 APC assignments for these codes in the forthcoming CY 2027 Hospital OPPS and ASC proposed rule.

Drugs, Biologicals & Radiopharmaceuticals

New HCPCS Codes for Certain Drugs, Biologicals & Radiopharmaceuticals Getting Pass-Through Status

We created 6 new HCPCS codes for reporting drugs and biologicals in the hospital outpatient setting where specific codes weren't previously available, starting July 1, 2026. These drugs and biologicals will get pass-through status on July 1, 2026. Refer to [Table 13](#) for these codes.

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Existing HCPCS Codes for Certain Drugs, Biologicals & Radiopharmaceuticals Starting Pass-Through Status

Pass-through status starts on July 1, 2026, for 3 existing HCPCS codes that are drugs, biologicals, and radiopharmaceuticals in the hospital outpatient setting. Starting July 1, 2026, we're changing the status indicator for these codes to G. Refer to [Table 14](#) for these codes.

Existing HCPCS Codes for Certain Drugs, Biologicals & Radiopharmaceuticals with Pass-Through Status Ending

The pass-through status ends for 8 drug, biological, and radiopharmaceutical HCPCS codes on June 30, 2026. Starting July 1, 2026, we're changing the status indicator for these codes from G to K. Refer to [Table 15](#) for these codes. Refer to Addendum B for the codes, short descriptors, and status indicators.

Newly Established HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals

We're establishing 24 new drug, biological, and radiopharmaceutical HCPCS codes on July 1, 2026. Refer to [Table 16](#) for these codes.

Payment Status Indicator Changes to HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals

We're changing the status indicators retroactively for 3 drug, biological, and radiopharmaceutical HCPCS codes. We're also changing the status indicator for 1 HCPCS drug code, starting July 1, 2026. Refer to [Table 17](#) for these codes.

Status indicator changes in the July 2026 I/OCE update include:

- HCPCS code J1741 from status indicator N to K1, effective March 11, 2026
- HCPCS code Q5156 from status indicator E2 to K, effective April 1, 2026
- HCPCS code J7674 from status indicator E1 to N, effective April 1, 2026
- HCPCS code J2993 from status indicator K to E1, starting July 1, 2026

Descriptor Changes for HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals

We're making substantial descriptor changes to 3 drug, biological, and radiopharmaceutical HCPCS codes as of July 1, 2026. Refer to [Table 18](#) for the codes.

Drugs & Biologicals with Payments Based on Average Sales Price

For CY 2026, we pay for most non-pass-through drugs, biologicals, and therapeutic radiopharmaceuticals at a single rate of average sales price (ASP) +6% (or ASP +6% or 8% of the reference product for biosimilars). In CY 2026, we make a single payment of ASP +6% for pass-through drugs, biologicals, and radiopharmaceuticals 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 update payment for drugs and biologicals based on ASPs quarterly as later-quarter ASP submissions become available.

Starting July 1, 2026, we're changing the payment rates for many drugs and biologicals from the values published in the CY 2026 Hospital OPPS and ASC final rule with comment period because of new ASP calculations based on sales price submissions. When we need to adjust payment rates, we'll incorporate them into the July 2026 Fiscal Intermediary Standard System release. We aren't publishing the updated payment rates in this CR; however, you'll find the updated payment rates, effective July 1, 2026, in the July 2026 update of the Hospital OPPS Addendums A and B.

Drugs & Biologicals Based on ASP Methodology with Restated Payment Rates

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

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

Diagnostic Radiopharmaceuticals Offset Adjustments

Starting July 1, 2026, we're revising the diagnostic radiopharmaceuticals offset amounts to address incorrect offsets previously applied for CY 2026. We'll revise these retroactively to all applicable claims with dates of service on or after January 1, 2026. MACs will reprocess claims as necessary to implement the revised offset amounts. You don't need to resubmit claims for adjustment. MACs will perform the adjustments where feasible.

Skin Substitutes

Retroactive Status Indicator & APC Correction for HCPCS Codes A2032 & A2034

We're updating the status indicators for HCPCS codes A2032 and A2034, which describe sheet-form skin substitute products, from N to SI. Addendum B of the CY 2026 Hospital OPPS and ASC final rule included incorrect status indicator assignments for these codes. We're correcting the status indicators and APC assignments, retroactive to January 1, 2026.

Refer to [Table 19](#) for the long descriptors and status indicators. Refer to Addendum B for the payment rates.

Effective Dates for Codes for Application of Non-Sheet Skin Substitute Products

We implemented the following codes on April 1, 2026, to describe the application of non-sheet form skin substitute products:

- HCPCS code G0681: Application of a premarket approval (PMA), 510(k), 361 human cells, tissues or cellular and tissue-based products (HCT/P) non-sheet form skin substitute for a wound surface area up to 100 sq cm; first 25 sq cm or less of wound surface area
- HCPCS code G0682: Application of a premarket approval (PMA), 510(k), 361 human cells, tissues or cellular and tissue-based products (HCT/P) non-sheet form skin substitute for a wound surface area up to 100 sq cm; each additional 25 sq cm wound surface area, or part thereof (list separately in addition to code for primary procedure)
- HCPCS code G0683: Application of a premarket approval (PMA), 510(k), 361 human cells, tissues or cellular and tissue-based products (HCT/P) non-sheet form skin substitute graft for a wound surface greater than or equal to 100 sq cm; first 100 sq cm wound surface area, or 1% of body area of infants and children
- HCPCS code G0684: Application of a premarket approval (PMA), 510(k), 361 human cells, tissues or cellular and tissue-based products (HCT/P) non-sheet form skin substitute graft for a wound surface greater than or equal to 100 sq cm; each additional 100 sq cm wound surface area or part thereof, or each additional 1% of body area of infants and children, or part thereof (list separately in addition to code for primary procedure)

When you apply non-sheet form skin substitute products, you must bill HCPCS codes G0681–G0684 to describe the product application. Don't use CPT codes 15271–15278 on these claims since they describe the application of sheet-form skin substitute products.

HCPCS codes G0681–G0684 are effective January 1, 2026, even though we implemented them on April 1, 2026. Refer to Addendum B for the short descriptors and status indicator assignments.

HCPCS Codes, Status Indicators, APC Assignments & Payment Limitations for Qualifying Non-Opioid Treatments for Pain Relief

Section 4135 of the [Consolidated Appropriation Act, 2023](#) established eligibility criteria for temporary additional payments for certain non-opioid treatments for pain relief. We evaluated applicable non-opioid treatments against this eligibility criteria and determined that the product listed in [Table 20](#) newly meets the statutory definition of a non-opioid treatment for pain relief and that we should pay for it according to finalized policy in the CY 2026 Hospital OPSS and ASC final rule.

Specifically, you may use HCPCS code J1741 to describe the drug Caldolor (Injection, ibuprofen, 100 mg), which met the section 4135 criteria, effective March 11, 2026.

Section 1833(t)(16)(G)(iii) of the Social Security Act states that the separate payment amount specified in clause (ii) can't exceed the estimated average of 18% of the hospital outpatient department fee schedule amount for the hospital outpatient department service (or group of services) with which the provider uses non-opioid treatment for pain relief, as determined by the HHS Secretary. Refer to Table 20 for the finalized payment limitation amount.

In addition, we're changing the long descriptor for HCPCS code C9809, which qualifies as a non-opioid treatment for pain relief, effective January 1, 2025. We're revising the long descriptor to more specifically describe the cryoneurolysis service. We aren't changing the status indicator or APC assignment for C9809. Refer to [Table 21](#) for the finalized descriptor.

Coverage Determinations

When we assign a HCPCS code and payment rate to a drug, device, procedure, or service under the Hospital OPSS, 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.

Note: MACs will adjust claims you bring to their attention with any retroactive changes from before implementing the July 2026 I/OCE and July 2026 Hospital OPSS Pricer.

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Background

CR 14477 provides instructions on coding changes and policy updates, effective July 1, 2026, for the Hospital OPPS. This update relates to the [Medicare Claims Processing Manual, Chapter 4](#), section 50.8.

Note: Refer to the Hospital OPPS [Addendum D1](#) of the CY 2026 Hospital OPPS and ASC final rule to learn more about Hospital OPPS status indicators.

More Information

We issued CR 14477 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

Document History

Date of Change	Description
June 18, 2026	Initial article released.

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