

August 4, 2025

Advisory Panel on Hospital Outpatient Payment  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
Attention: CMS-1842-N

**RE: CMS-1842-N: Medicare Program; Announcement of the Advisory Panel on Hospital Outpatient Payment Meeting-August 25, 2025**

Dear Advisory Panel on Hospital Outpatient Payment:

Johnson & Johnson (“J&J”) is pleased to submit the following comments and recommendations in response to the notice above published in the Federal Register by the Centers for Medicare & Medicaid Services (CMS, or the Agency) on July 17, 2025. At Johnson & Johnson, we are driven by a passion to achieve the best version of health for everyone, everywhere, for as long as possible. Focusing exclusively on transformational healthcare innovation allows us to move with purpose and speed to tackle the world’s toughest health challenges.

**J&J Recommendations for the HOP Panel:**

In the CY 2026 OPPTS/ASC proposed rule, CMS solicits comment on potential changes to the complexity adjustment methodology to determine APC assignment for qualifying procedure combinations. Johnson & Johnson supports complexity adjustments as an important mechanism to help ensure adequate payment under the comprehensive APC methodology. We supported the changes made to the complexity adjustment criteria in the CY 2019 final rule but believe that the current methodology is not well documented by CMS, nor is it consistently applied for specific procedure combinations.

Johnson & Johnson has previously noted, as part of the evaluation of the complexity adjustment methodology, that CMS does not appear to evaluate the number of claims and total cost of single frequency J1 procedures, J1+J1 procedure code combinations, and J1+N procedure code combinations in the same manner.

Specifically, we ask the Panel to recommend to CMS that the Agency update the complexity adjustment methodology to include the cost of all secondary J1 procedures when evaluating J1+N procedure code combinations. This would be consistent with how CMS evaluates the cost of single frequency J1 procedures and J1+J1 procedure code combinations. However, for reasons not well explained in CMS’ Claims Accounting document, CMS does not include the claims or cost of secondary J1 procedures when they appear on these claims, resulting in an inconsistent evaluation of not only the cost of these procedure

combinations but also significantly reducing the number of claims that are included for evaluation for a complexity adjustment.

While CMS has requested comments on the complexity adjustment methodology on the proposed OPSS rule, we remain concerned that CMS does not provide enough information in either its OPSS rules or Claims Accounting document for interested stakeholders to replicate Addendum J. This has been noted as well by various Medicare claims consultants. Additional clarity is needed to understand the results of Addendum J in order to facilitate the ability to provide meaningful feedback to CMS. Therefore, we request that the HOP Panel recommend that CMS provide sufficient detail in the Final CY 2026 OPSS Final Rule and the Claims Accounting document such that Addendum J can be replicated in its entirety.

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Johnson & Johnson appreciates the opportunity to address the Advisory Panel on Hospital Outpatient Payment and commends the Panel on its efforts to evaluate and improve the APC groups under the hospital outpatient prospective payment system. Please feel free to contact the J&J Payment and Delivery Team if there is any further information we can provide or if the Agency has additional questions about the topics discussed in our comments.

Sincerely,

*Chandra N. Branham*

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