

MEMORANDUM

To: AAHKS

From: Epstein Becker & Green, P.C.

Date: December 31, 2025

Re: Summary of the 2026 Medicare Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Final Rules

On November 25, 2025, the Centers for Medicare & Medicaid Services (CMS) published the 2026 Medicare Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System (OPPS & ASC) final rule. The following is a summary of policies in the final rules that are, or may be, relevant to AAHKS members.

2026 Payment Rates (see Appendix 2 for a detailed chart of TJA rate trends)

- *OPPS*: CMS finalized an increase to overall OPPS payment rates of approximately 2.6%. This update is based on the projected hospital market basket percentage increase of 3.3%, reduced by 0.7% productivity adjustment.
- THA and TKA payment to hospitals for outpatient procedures will increase approximately 2% in 2026, less than the proposed 3% increase in the OPPS proposed rule. The increase is attributable to a decrease in the relative weight assigned to the procedures.

OPPS					
CPT	2024	2025	2026 (proposed)	2026 (final)	% change from 2025
27130	\$12,552	\$12,866	\$13,254	\$13,116	+2.0%
27447	\$12,552	\$12,866	\$13,254	\$13,116	+2.0%

- **ASC Rates:** CMS proposes to increase overall payment rates under the ASC payment system by an average of 2.6%. This update is based on a hospital market basket percentage increase of 3.3% reduced by a productivity adjustment of 0.7%.

ASC					
CPT	2024	2025	2026 (proposed)	2026 (final)	% change from 2025
27130	\$9,244	\$9,449	\$9,667	\$9,614	+1.8%
27447	\$9,054	\$9,255	\$9,422	\$9,393	+1.5%

Elimination of the Medicare Inpatient Only (IPO) Procedure List & Expansion of the ASC Covered Procedure List (CPL)

- CMS finalized its proposal to phase-out the Inpatient Only (IPO) list over 3 years. CMS first established the IPO list in 2000 to identify services reimbursable by Medicare only if furnished in the inpatient hospital setting due to the services' invasive nature or the need for additional recovery time for safe discharge. Stakeholders' challenges to particular included services or even the need to have an IPO list led CMS to first propose removal of musculoskeletal procedures from the IPO list in 2021.
- The phase-out begins now in 2026 by removing 285 musculoskeletal procedures from the IPO list, encompassing all procedures in the CPT code 27000 series. (*see Appendix 1 for a full list of CPT codes for procedures that may now be reimbursed by Medicare in the outpatient hospital setting*)
- According to CMS, with the elimination of the IPO, "physician judgment, state and local licensure requirements, accreditation requirements, hospital conditions of participation, medical malpractice laws, and CMS quality and monitoring initiatives and programs", will ensure procedures are in the most appropriate setting for beneficiary safety.
- CMS will continue the policy in which procedures removed from the IPO list are exempted from certain medical review activities related to the "two-midnight rule" policy. This policy was put in place by CMS following AAHKS' complaints over how providers were treated during the earlier removal of TKA and THA from the IPO list.
- CMS finalized a major expansion of the ASC CPL through significant revisions to existing regulations, which includes changing general standards for excluding procedures into non-binding "considerations." It will also be easier to add new procedures to the ASC CPL in the future. The change results in:
 - 276 surgery or surgery-like codes are added to the ASC CPL for 2026.
 - 271 surgery or surgery-like codes that removed from the IPO list for 2026 are also added to the ASC CPL.

Increase in Payment Level for Newly Covered Revision Procedures

- CMS assigned OPPS and ASC payment levels for all procedures newly coming off the IPO list in 2026. CMS initially proposed to assign CPT 27487 (Revision of total knee arthroplasty, with or without allograft; femoral or entire tibial component) a payment level of \$13,254.
- AAHKS commented to CMS in September with analysis that \$13,254 was well below the cost of short-stay procedures in terms of hospital resources and device cost.

- In response to AAHKS input, CMS increased the final 2026 OPPS payment level for CPT 27847 to \$17,913. ASC rates will be \$13,964.

“Controlling Unnecessary Increases” in the Volume of Outpatient Services Furnished in Excepted Off-Campus Provider-Based Departments (PBDs)

- To contain “unnecessary” growth of covered outpatient department (OPD) services, in 2019 CMS instituted a policy to pay physician-equivalent rate for clinic visits (G0463) performed in “non-excepted off-campus PBDs”, that is departments that began billing OPPS after October 2015. CMS now believes this policy was an insufficient step towards site neutral payments because “there is evidence of continued growth in the volume of OPD services driven by site of service payment differentials.”
- Therefore, in 2026, CMS finalized its proposal to pay the Physician Fee Schedule equivalent payment rate for any drug administration services furnished in excepted off-campus PBDs. Specifically, CMS finalized its proposal to codes assigned to the drug administration ambulatory payment classifications (APCs) when provided at an off-campus PBD excepted from section 603 of the Bipartisan Budget Act of 2015.
- CMS says this method prevents Medicare and beneficiaries from paying significantly more in the excepted off-campus PBD setting than in the physician office setting for some services.

APPENDIX 1 – CPT Codes Removed from the IPO List in 2026

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
00192	Anesthesia for procedures on facial bones or skull; radical surgery (including prognathism)	N	N/A
00474	Anesthesia for partial rib resection; radical procedures (eg, pectus excavatum)	N	N/A
00604	Anesthesia for procedures on cervical spine and cord; procedures with patient in the sitting position	N	N/A
00904	Anesthesia for; radical perineal procedure	N	N/A
00957	Removal of total disc arthroplasty (artificial disc), anterior approach, each additional interspace; cervical (list separately in addition to code for primary procedure)	N	N/A
00987	Revision including replacement of total disc arthroplasty (artificial disc), anterior approach, each additional interspace, cervical (list separately in addition to code for primary procedure)	N	N/A
01140	Anesthesia for intervertebral abdominal (hindquarter) amputation	N	N/A
01150	Anesthesia for radical procedures for tumor of pelvis, except hindquarter amputation	N	N/A
01212	Anesthesia for open procedures involving hip joint; hip disarticulation	N	N/A
01232	Anesthesia for open procedures involving upper two-thirds of femur; amputation	N	N/A
01234	Anesthesia for open procedures involving upper two-thirds of femur; radical resection	N	N/A
01274	Anesthesia for procedures involving arteries of upper leg, including bypass graft; femoral artery embolectomy	N	N/A
01404	Anesthesia for open or surgical arthroscopic procedures on knee joint; disarticulation at knee	N	N/A
01634	Anesthesia for open or surgical arthroscopic procedures on humeral head and neck, sternoclavicular joint, acromioclavicular joint, and shoulder joint; shoulder disarticulation	N	N/A
01636	Anesthesia for open or surgical arthroscopic procedures on humeral head and neck, sternoclavicular joint, acromioclavicular joint, and shoulder joint; interthoracoscapular (forequarter) amputation	N	N/A
01647	Removal of total disc arthroplasty, (artificial disc), anterior approach, each additional interspace, lumbar (list separately in addition to code for primary procedure)	N	N/A
01657	Revision including replacement of total disc arthroplasty (artificial disc), anterior approach, each additional interspace, lumbar (list separately in addition to code for primary procedure)	N	N/A
01756	Anesthesia for open or surgical arthroscopic procedures of the elbow; radical procedures	N	N/A
02027	Posterior vertebral joint(s) arthroplasty (eg, facet joint[s] replacement), including facetectomy, laminectomy, foraminotomy, and vertebral column fixation, injection of bone cement, when performed, including fluoroscopy,	J1	5115

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
21147	Reconstruction midface, lefort i; 3 or more pieces, segment movement in any direction, requiring bone grafts (includes obtaining autografts) (eg, ungrafted bilateral alveolar cleft or multiple osteotomies)	J1	5165
21151	Reconstruction midface, lefort i; any direction, requiring bone grafts (includes obtaining autografts)	J1	5165
21154	Reconstruction midface, lefort iii (extracranial), any type, requiring bone grafts (includes obtaining autografts); without lefort i	J1	5165
21155	Reconstruction midface, lefort iii (extracranial), any type, requiring bone grafts (includes obtaining autografts); with lefort i	J1	5165
21159	Reconstruction midface, lefort iii (extra and intracranial) with forehead advancement (eg, mono bloc), requiring bone grafts (includes obtaining autografts); without lefort i	J1	5165
21160	Reconstruction midface, lefort iii (extra and intracranial) with forehead advancement (eg, mono bloc), requiring bone grafts (includes obtaining autografts); with lefort i	J1	5165
21179	Reconstruction, entire or majority of forehead and/or supraorbital rims; with grafts (allograft or prosthetic material)	J1	5165
21180	Reconstruction, entire or majority of forehead and/or supraorbital rims; with autograft (includes obtaining grafts)	J1	5165
21182	Reconstruction of orbital walls, rims, forehead, nasoethmoid complex following intra- and extracranial excision of benign tumor of cranial bone (eg, fibrous dysplasia), with multiple autografts (includes obtaining grafts); total area of bone grafting less than 40 sq cm	J1	5165
21183	Reconstruction of orbital walls, rims, forehead, nasoethmoid complex following intra- and extracranial excision of benign tumor of cranial bone (eg, fibrous dysplasia), with multiple autografts (includes obtaining grafts); total area of bone grafting greater than 40 sq cm but less than 80 sq cm	J1	5165
21184	Reconstruction of orbital walls, rims, forehead, nasoethmoid complex following intra- and extracranial excision of benign tumor of cranial bone (eg, fibrous dysplasia), with multiple autografts (includes obtaining grafts); total area of bone grafting greater than 80 sq cm	J1	5165
21188	Reconstruction midface, osteotomies (other than lefort type) and bone grafts (includes obtaining autografts)	J1	5165
21247	Reconstruction of mandibular condyle with bone and cartilage autografts (includes obtaining grafts) (eg, for hemifacial microsomia)	J1	5165
21268	Orbital repositioning, periorbital osteotomies, unilateral, with bone grafts; combined intra- and extracranial approach	J1	5165
21343	Open treatment of depressed frontal sinus fracture	J1	5165
21344	Open treatment of complicated (eg, comminuted or involving posterior wall) frontal sinus fracture, via coronal or multiple approaches	J1	5165
21348	Open treatment of nasomaxillary complex fracture (lefort ii type); with bone grafting (includes obtaining graft)	J1	5165
21423	Open treatment of palatal or maxillary fracture (lefort i type); complicated (communited or involving cranial nerve foramina), multiple approaches	J1	5165

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
0219T	Placement of a posterior intrrafacial implant(s), unilateral or bilateral, including imaging and placement of bone graft(s) or synthetic device(s), single level; cervical	J1	5115
0220T	Placement of a posterior intrrafacial implant(s), unilateral or bilateral, including imaging and placement of bone graft(s) or synthetic device(s), single level; thoracic	J1	5115
0656T	Anterior lumbar or thoracolumbar vertebral body tethering; up to 7 vertebral segments	J1	5116
0657T	Anterior lumbar or thoracolumbar vertebral body tethering; 8 or more vertebral segments	J1	5116
0790T	Revision (eg, augmentation, division of tether), replacement, or removal of thoracolumbar or lumbar vertebral body tethering, including thoracoscopy, when performed	J1	5116
20661	Application of halo, including removal; cranial	Q1	5112
20664	Application of halo, including removal, cranial, 6 or more pins placed, for thin skull osteology (eg, pediatric patients, hydrocephalus, osteogenesis imperfecta)	Q1	5112
20802	Removal of total disc arthroplasty (artificial disc), anterior approach, each additional interspace, cervical (list separately in addition to code for primary procedure)	J1	5116
20805	Revision including replacement of total disc arthroplasty (artificial disc), anterior approach, each additional interspace, cervical (list separately in addition to code for primary procedure)	J1	5116
20808	Replantation, hand (includes hand through metacarpophalangeal joints), complete amputation	J1	5116
20816	Replantation, digit, excluding thumb (includes metacarpophalangeal joint to insertion of flexor sublimis tendon), complete amputation	J1	5112
20824	Replantation, thumb (includes carpometacarpal joint to mp joint), complete amputation	J1	5112
20827	Replantation, thumb (includes distal tip to mp joint), complete amputation	J1	5112
20838	Replantation, foot, complete amputation	J1	5116
20955	Bone graft with microvascular anastomosis; fibula	J1	5114
20956	Bone graft with microvascular anastomosis; iliac crest	J1	5114
20957	Bone graft with microvascular anastomosis; metatarsal	J1	5114
20962	Bone graft with microvascular anastomosis; other than fibula, iliac crest, or metatarsal	J1	5114
20969	Free osteocutaneous flap with microvascular anastomosis; other than iliac crest, metatarsal, or great toe	J1	5114
20970	Free osteocutaneous flap with microvascular anastomosis; iliac crest	J1	5114
21045	Excision of malignant tumor of mandible; radical resection	J1	5165
21145	Reconstruction midface, lefort i; 2 pieces, segment movement in any direction, requiring bone grafts (includes obtaining autografts)	J1	5165
21146	Reconstruction midface, lefort i; 2 pieces, segment movement in any direction, requiring bone grafts (includes obtaining autografts) (eg, ungrafted unilateral alveolar cleft)	J1	5165

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
21431	Closed treatment of craniofacial separation (lefort iii type) using interdental wire fixation of denture or splint	J1	5165
21432	Open treatment of craniofacial separation (lefort iii type); with wiring and/or internal fixation	J1	5165
21433	Open treatment of craniofacial separation (lefort iii type); complicated (eg, comminuted or involving cranial nerve foramina), multiple surgical approaches	J1	5165
21435	Open treatment of craniofacial separation (lefort iii type); complicated, utilizing internal and/or external fixation techniques (eg, head cap, halo device, and/or intermaxillary fixation)	J1	5165
21436	Open treatment of craniofacial separation (lefort iii type); complicated, multiple surgical approaches, internal fixation, with bone grafting (includes obtaining graft)	J1	5165
21510	Incision, deep, with opening of bone cortex (eg, for osteomyelitis or bone abscess), thorax	J1	5113
21602	Excision of chest wall tumor involving rib(s), with plastic reconstruction; without mediastinal lymphadenectomy	J1	5114
21603	Excision of chest wall tumor involving rib(s), with plastic reconstruction; with mediastinal lymphadenectomy	J1	5114
21615	Excision first and/or cervical rib;	J1	5114
21616	Excision first and/or cervical rib; with sympathectomy	J1	5114
21620	Osteotomy of sternum, partial	J1	5113
21621	Sternal debridement	J1	5113
21630	Radical resection of sternum	J1	5114
21705	Division of scalenus anticus; with resection of cervical rib	J1	5114
21740	Reconstructive repair of pectus excavatum or carinatum; open	J1	5114
21750	Closure of median sternotomy separation with or without debridement (separate procedure)	J1	5114
21825	Open treatment of sternum fracture with or without skeletal fixation	J1	5114
22010	Incision and drainage, open, of deep abscess (subfascial), posterior spine; cervical, thoracic, or cervicothoracic	J1	5114
22015	Incision and drainage, open, of deep abscess (subfascial), posterior spine; lumbar, sacral, or lumbosacral	J1	5114
22110	Partial excision of vertebral body, for intrinsic bony lesion, without decompression of spinal cord or nerve root(s), single vertebral segment; cervical	J1	5114
22112	Partial excision of vertebral body, for intrinsic bony lesion, without decompression of spinal cord or nerve root(s), single vertebral segment; thoracic	J1	5114
22114	Partial excision of vertebral body, for intrinsic bony lesion, without decompression of spinal cord or nerve root(s), single vertebral segment; lumbar	J1	5114
22116	Partial excision of vertebral body, for intrinsic bony lesion, without decompression of spinal cord or nerve root(s), single vertebral segment; each additional vertebral segment (list separately in addition to code for primary procedure)	N	N/A

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22206	Osteotomy of spine, posterior or posterolateral approach, 3 columns, 1 vertebral segment (eg, pedicle/vertebral body subtraction); thoracic	J1	5114
22207	Osteotomy of spine, posterior or posterolateral approach, 3 columns, 1 vertebral segment (eg, pedicle/vertebral body subtraction); lumbar	J1	5114
22208	Osteotomy of spine, posterior or posterolateral approach, 3 columns, 1 vertebral segment (eg, pedicle/vertebral body subtraction); each additional vertebral segment (list separately in addition to code for primary procedure)	N	N/A
22210	Osteotomy of spine, posterior or posterolateral approach, 1 vertebral segment; cervical	J1	5114
22212	Osteotomy of spine, posterior or posterolateral approach, 1 vertebral segment; thoracic	J1	5114
22214	Osteotomy of spine, posterior or posterolateral approach, 1 vertebral segment; lumbar	J1	5114
22216	Osteotomy of spine, posterior or posterolateral approach, 1 vertebral segment; each additional vertebral segment (list separately in addition to primary procedure)	N	N/A
22220	Osteotomy of spine, including discectomy, anterior approach, single vertebral segment; cervical	J1	5114
22222	Osteotomy of spine, including discectomy, anterior approach, single vertebral segment; thoracic	J1	5114
22224	Osteotomy of spine, including discectomy, anterior approach, single vertebral segment; lumbar	J1	5114
22226	Osteotomy of spine, including discectomy, anterior approach, single vertebral segment; each additional vertebral segment (list separately in addition to code for primary procedure)	N	N/A
22318	Open treatment and/or reduction of odontoid fracture(s) and/or dislocation(s) (including os odontoideum), anterior approach, including placement of internal fixation; without grafting	J1	5115
22319	Open treatment and/or reduction of odontoid fracture(s) and/or dislocation(s) (including os odontoideum), anterior approach, including placement of internal fixation; with grafting	J1	5115
22323	Open treatment and/or reduction of vertebral fracture(s) and/or dislocation(s), posterior approach, 1 fractured vertebra or dislocated segment; lumbar	J1	5115
22326	Open treatment and/or reduction of vertebral fracture(s) and/or dislocation(s), posterior approach, 1 fractured vertebra or dislocated segment; cervical	J1	5115
22327	Open treatment and/or reduction of vertebral fracture(s) and/or dislocation(s), posterior approach, 1 fractured vertebra or dislocated segment; thoracic	J1	5115
22328	Open treatment and/or reduction of vertebral fracture(s) and/or dislocation(s), posterior approach, 1 fractured vertebra or dislocated segment; each additional fractured vertebra or dislocated segment (list separately in addition to code for primary procedure)	N	N/A

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
22532	Arthrodesis, lateral extracavitary technique, including minimal discectomy to prepare interspace (other than for decompression); thoracic	J1	5115
22533	Arthrodesis, lateral extracavitary technique, including minimal discectomy to prepare interspace (other than for decompression); lumbar	J1	5116
22534	Arthrodesis, lateral extracavitary technique, including minimal discectomy to prepare interspace (other than for decompression); thoracic or lumbar, each additional vertebral segment (list separately in addition to code for primary procedure)	N	N/A
22548	Arthrodesis, anterior transoral or extraoral technique, clivus-c1-c2 (atlanto-axial), with or without excision of odontoid process	J1	5115
22556	Arthrodesis, anterior interbody technique, including minimal discectomy to prepare interspace (other than for decompression); thoracic	J1	5116
22558	Arthrodesis, anterior interbody technique, including minimal discectomy to prepare interspace (other than for decompression); lumbar	J1	5117
22586	Arthrodesis, pre-sacral interbody technique, including disc space preparation, discectomy, with posterior instrumentation, with image guidance, includes bone graft when performed, l5-s1 interspace	J1	5116
22590	Arthrodesis, posterior technique, craniocervical (occiput-c2)	J1	5115
22595	Arthrodesis, posterior technique, atlas-axis (c1-c2)	J1	5115
22600	Arthrodesis, posterior or posterolateral technique, single level; cervical (with lateral transverse technique, when performed)	J1	5116
22610	Arthrodesis, posterior or posterolateral technique, single level; thoracic (with lateral transverse technique, when performed)	J1	5116
22800	Arthrodesis, posterior, for spinal deformity, with or without cast; up to 6 vertebral segments	J1	5116
22802	Arthrodesis, posterior, for spinal deformity, with or without cast; 7 to 12 vertebral segments	J1	5116
22804	Arthrodesis, posterior, for spinal deformity, with or without cast; 13 or more vertebral segments	J1	5116
22808	Arthrodesis, anterior, for spinal deformity, with or without cast; 2 to 3 vertebral segments	J1	5116
22810	Arthrodesis, anterior, for spinal deformity, with or without cast; 4 to 7 vertebral segments	J1	5116
22812	Arthrodesis, anterior, for spinal deformity, with or without cast; 8 or more vertebral segments	J1	5116
22818	Kyphectomy, circumferential exposure of spine and resection of vertebral segments (including body and posterior elements); single or 2 segments	J1	5116
22819	Kyphectomy, circumferential exposure of spine and resection of vertebral segments (including body and posterior elements); 3 or more segments	J1	5116
22830	Exploration of spinal fusion	J1	5114
22836	Anterior thoracic vertebral body tethering, including thoracoscopy, when performed; up to 7 vertebral segments	J1	5116
22837	Anterior thoracic vertebral body tethering, including thoracoscopy, when performed; 8 or more vertebral segments	J1	5116
22838	Revision (eg, augmentation, division of tether), replacement, or removal of thoracic vertebral body tethering, including thoracoscopy, when performed	J1	5116

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
22841	Internal spinal fixation by wiring of spinous processes (list separately in addition to code for primary procedure)	N	N/A
22843	Posterior segmental instrumentation (eg, pedicle fixation, dual rods with multiple hooks and sublaminar wires); 7 to 12 vertebral segments (list separately in addition to code for primary procedure)	N	N/A
22844	Posterior segmental instrumentation (eg, pedicle fixation, dual rods with multiple hooks and sublaminar wires); 13 or more vertebral segments (list separately in addition to code for primary procedure)	N	N/A
22846	Anterior instrumentation; 4 to 7 vertebral segments (list separately in addition to code for primary procedure)	N	N/A
22847	Anterior instrumentation; 8 or more vertebral segments (list separately in addition to code for primary procedure)	N	N/A
22849	Reinsertion of spinal fixation device	J1	5115
22850	Removal of posterior nonsegmental instrumentation (eg, harrington rod)	J1	5114
22852	Removal of posterior segmental instrumentation	J1	5114
22855	Removal of anterior instrumentation	J1	5114
22857	Total disc arthroplasty (artificial disc), anterior approach, including discectomy to prepare interspace (other than for decompression); single interspace, lumbar	J1	5116
22860	Total disc arthroplasty (artificial disc), anterior approach, including discectomy to prepare interspace (other than for decompression); second interspace, lumbar (list separately in addition to code for primary procedure)	N	N/A
22861	Revision including replacement of total disc arthroplasty (artificial disc), anterior approach, single interspace; cervical	J1	5116
22862	Revision including replacement of total disc arthroplasty (artificial disc), anterior approach, single interspace; lumbar	J1	5116
22864	Removal of total disc arthroplasty (artificial disc), anterior approach, single interspace; cervical	J1	5114
22865	Removal of total disc arthroplasty (artificial disc), anterior approach, single interspace; lumbar	J1	5114
23200	Radical resection of tumor; clavicle	J1	5114
23210	Radical resection of tumor; scapula	J1	5114
23220	Radical resection of tumor, proximal humerus	J1	5114
23335	Removal of prosthesis, includes debridement and synovectomy when performed; humeral and glenoid components (eg, total shoulder)	J1	5114
23474	Revision of total shoulder arthroplasty, including allograft when performed; humeral and glenoid components	J1	5115
23900	Interthoracoscapular amputation (forequarter)	J1	5115
23920	Disarticulation of shoulder;	J1	5115
24900	Amputation, arm through humerus; with primary closure	J1	5115
24920	Amputation, arm through humerus; open, circular (guillotine)	J1	5115
24930	Amputation, arm through humerus; re-amputation	J1	5114
24931	Amputation, arm through humerus; with implant	J1	5115
24940	Cineplasty, upper extremity, complete procedure	J1	5115

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
25900	Amputation, forearm, through radius and ulna;	J1	5114
25905	Amputation, forearm, through radius and ulna; open, circular (guillotine)	J1	5114
25915	Krukenberg procedure	J1	5114
25920	Disarticulation through wrist;	J1	5113
25924	Disarticulation through wrist; re-amputation	J1	5113
25927	Transmetacarpal amputation;	J1	5113
26551	Transfer, toe-to-hand with microvascular anastomosis; great toe wrap-around with bone graft	J1	5114
26553	Transfer, toe-to-hand with microvascular anastomosis; other than great toe, single	J1	5114
26554	Transfer, toe-to-hand with microvascular anastomosis; other than great toe, double	J1	5114
26556	Transfer, free toe joint, with microvascular anastomosis	J1	5114
26992	Incision, bone cortex, pelvis and/or hip joint (eg, osteomyelitis or bone abscess)	J1	5113
27005	Tenotomy, hip (flexor), open (separate procedure)	J1	5113
27025	Fasciotomy, hip or thigh, any type	J1	5113
27030	Arthrotomy, hip, with drainage (eg, infection)	J1	5114
27036	Capsulectomy or capsulotomy, hip, with or without excision of heterotopic bone, with release of hip flexor muscles (ie, gluteus medius, gluteus minimus, tensor fascia latae, rectus femoris, sartorius, iliopsoas)	J1	5114
27054	Arthrotomy with synovectomy, hip joint	J1	5113
27070	Partial excision, wing of ilium, symphysis pubis, or greater trochanter of femur, (craterization, sauerization) (eg, osteomyelitis or bone abscess); superficial	J1	5113
27071	Partial excision, wing of ilium, symphysis pubis, or greater trochanter of femur, (craterization, sauerization) (eg, osteomyelitis or bone abscess); deep (subfascial or intramuscular)	J1	5113
27075	Radical resection of tumor; wing of ilium, 1 pubic or ischial ramus or symphysis pubis	J1	5114
27076	Radical resection of tumor; ilium, including acetabulum, both pubic rami, or ischium and acetabulum	J1	5114
27077	Radical resection of tumor; innominate bone, total	J1	5114
27078	Radical resection of tumor; ischial tuberosity and greater trochanter of femur	J1	5114
27090	Removal of hip prosthesis; (separate procedure)	J1	5114
27091	Removal of hip prosthesis; complicated, including total hip prosthesis, methylmethacrylate with or without insertion of spacer	J1	5115
27120	Acetabuloplasty; (eg, whitman, colony, haygroves, or cup type)	J1	5115
27122	Acetabuloplasty; resection, femoral head (eg, girdlestone procedure)	J1	5114
27125	Hemiarthroplasty, hip, partial (eg, femoral stem prosthesis, bipolar arthroplasty)	J1	5115
27132	Conversion of previous hip surgery to total hip arthroplasty, with or without autograft or allograft	J1	5115

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
27134	Revision of total hip arthroplasty; both components, with or without autograft or allograft	J1	5115
27137	Revision of total hip arthroplasty; acetabular component only, with or without autograft or allograft	J1	5115
27138	Revision of total hip arthroplasty; femoral component only, with or without allograft	J1	5115
27140	Osteotomy and transfer of greater trochanter of femur (separate procedure)	J1	5114
27146	Osteotomy, iliac, acetabular or innominate bone;	J1	5114
27147	Osteotomy, iliac, acetabular or innominate bone; with open reduction of hip	J1	5114
27151	Osteotomy, iliac, acetabular or innominate bone; with femoral osteotomy	J1	5114
27156	Osteotomy, iliac, acetabular or innominate bone; with femoral osteotomy and with open reduction of hip	J1	5114
27158	Osteotomy, pelvis, bilateral (eg, congenital malformation)	J1	5114
27161	Osteotomy, femoral neck (separate procedure)	J1	5114
27165	Osteotomy, intertrochanteric or subtrochanteric including internal or external fixation and/or cast	J1	5114
27170	Bone graft, femoral head, neck, intertrochanteric or subtrochanteric area (includes obtaining bone graft)	J1	5114
27175	Treatment of slipped femoral epiphysis; by traction, without reduction	J1	5113
27176	Treatment of slipped femoral epiphysis; by single or multiple pinning, in situ	J1	5113
27177	Open treatment of slipped femoral epiphysis; single or multiple pinning or bone graft (includes obtaining graft)	J1	5113
27178	Open treatment of slipped femoral epiphysis; closed manipulation with single or multiple pinning	J1	5113
27181	Open treatment of slipped femoral epiphysis; osteotomy and internal fixation	J1	5114
27185	Epiphyseal arrest by epiphystodesis or stapling, greater trochanter of femur	J1	5113
27187	Prophylactic treatment (nailing, pinning, plating or wiring) with or without methylmethacrylate, femoral neck and proximal femur	J1	5114
27222	Closed treatment of acetabulum (hip socket) fracture(s); with manipulation, with or without skeletal traction	T	5111
27226	Open treatment of posterior or anterior acetabular wall fracture, with internal fixation	J1	5114
27227	Open treatment of acetabular fracture(s) involving anterior or posterior (one) column, or a fracture running transversely across the acetabulum, with internal fixation	J1	5114
27228	Open treatment of acetabular fracture(s) involving anterior and posterior (two) columns, includes fracture and both column fracture with complete articular detachment, or single column or transverse fracture with associated acetabular wall fracture, with internal fixation	J1	5114
27232	Closed treatment of femoral fracture, proximal end, neck; with manipulation, with or without skeletal traction	J1	5112
27236	Open treatment of femoral fracture, proximal end, neck, internal fixation or prosthetic replacement	J1	5114

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
27240	Closed treatment of intertrochanteric, peritrochanteric, or subtrochanteric femoral fracture; with manipulation, with or without skin or skeletal traction	J1	5112
27244	Treatment of intertrochanteric, peritrochanteric, or subtrochanteric femoral fracture; with plate/screw type implant, with or without cerclage	J1	5114
27245	Treatment of intertrochanteric, peritrochanteric, or subtrochanteric femoral fracture; with intramedullary implant, with or without interlocking screws and/or cerclage	J1	5114
27248	Open treatment of greater trochanteric fracture, includes internal fixation, when performed	J1	5114
27253	Open treatment of hip dislocation, traumatic, without internal fixation	J1	5113
27254	Open treatment of hip dislocation, traumatic, with acetabular wall and femoral head fracture, with or without internal or external fixation	J1	5114
27258	Open treatment of spontaneous hip dislocation (developmental, including congenital or pathological), replacement of femoral head in acetabulum (including tenotomy, etc);	J1	5113
27259	Open treatment of spontaneous hip dislocation (developmental, including congenital or pathological), replacement of femoral head in acetabulum (including tenotomy, etc); with femoral shaft shortening	J1	5113
27268	Closed treatment of femoral fracture, proximal end, head; with manipulation	J1	5112
27269	Open treatment of femoral fracture, proximal end, head, includes internal fixation, when performed	J1	5114
27280	Arthrodesis, sacroiliac joint, open, includes obtaining bone graft, including instrumentation, when performed	J1	5116
27282	Arthrodesis, symphysis pubis (including obtaining graft)	J1	5113
27284	Arthrodesis, hip joint (including obtaining graft);	J1	5115
27286	Arthrodesis, hip joint (including obtaining graft); with subtrochanteric osteotomy	J1	5115
27290	Interpelviabdominal amputation (hindquarter amputation)	J1	5116
27295	Disarticulation of hip	J1	5116
27303	Incision, deep, with opening of bone cortex, femur or knee (eg, osteomyelitis or bone abscess)	J1	5113
27365	Radical resection of tumor, femur or knee	J1	5113
27448	Osteotomy, femur, shaft or supracondylar; without fixation	J1	5114
27450	Osteotomy, femur, shaft or supracondylar; with fixation	J1	5114
27454	Osteotomy, multiple, with realignment on intramedullary rod, femoral shaft (eg, soifield type procedure)	J1	5114
27455	Osteotomy, proximal tibia, including fibular excision or osteotomy (includes correction of genu varus [bowleg] or genu valgus [knock-knee]); before epiphyseal closure	J1	5114
27457	Osteotomy, proximal tibia, including fibular excision or osteotomy (includes correction of genu varus [bowleg] or genu valgus [knock-knee]); after epiphyseal closure	J1	5114
27465	Osteoplasty, femur; shortening (excluding 64876)	J1	5114
27466	Osteoplasty, femur; lengthening	J1	5114

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
27470	Repair, nonunion or malunion, femur, distal to head and neck; without graft (eg, compression technique)	J1	5114
27472	Repair, nonunion or malunion, femur, distal to head and neck; with iliac or other autogenous bone graft (includes obtaining graft)	J1	5114
27486	Revision of total knee arthroplasty, with or without allograft; 1 component	J1	5115
27487	Revision of total knee arthroplasty, with or without allograft; femoral and entire tibial component	J1	5116
27488	Removal of prosthesis, including total knee prosthesis, methylmethacrylate with or without insertion of spacer, knee	J1	5115
27495	Prophylactic treatment (nailing, pinning, plating, or wiring) with or without methylmethacrylate, femur	J1	5114
27506	Open treatment of femoral shaft fracture, with or without external fixation, with insertion of intramedullary implant, with or without cerclage and/or locking screws	J1	5114
27507	Open treatment of femoral shaft fracture with plate/screws, with or without cerclage	J1	5114
27511	Open treatment of femoral supracondylar or transcondylar fracture without intercondylar extension, includes internal fixation, when performed	J1	5115
27513	Open treatment of femoral supracondylar or transcondylar fracture with intercondylar extension, includes internal fixation, when performed	J1	5115
27514	Open treatment of femoral fracture, distal end, medial or lateral condyle, includes internal fixation, when performed	J1	5115
27519	Open treatment of distal femoral epiphyseal separation, includes internal fixation, when performed	J1	5114
27535	Open treatment of tibial fracture, proximal (plateau); unicondylar, includes internal fixation, when performed	J1	5114
27536	Open treatment of tibial fracture, proximal (plateau); bicondylar, with or without internal fixation	J1	5114
27540	Open treatment of intercondylar spine(s) and/or tuberosity fracture(s) of the knee, includes internal fixation, when performed	J1	5114
27556	Open treatment of knee dislocation, includes internal fixation, when performed; without primary ligamentous repair or augmentation/reconstruction	J1	5114
27557	Open treatment of knee dislocation, includes internal fixation, when performed; with primary ligamentous repair	J1	5114
27558	Open treatment of knee dislocation, includes internal fixation, when performed; with primary ligamentous repair, with augmentation/reconstruction	J1	5114
27580	Arthrodesis, knee, any technique	J1	5115
27590	Amputation, thigh, through femur, any level; open, circular (guillotine)	J1	5113
27591	Amputation, thigh, through femur, any level; immediate fitting technique including first cast	J1	5113
27592	Amputation, thigh, through femur, any level; open, circular (guillotine)	J1	5113
27596	Amputation, thigh, through femur, any level; re-amputation	J1	5113
27598	Disarticulation at knee	J1	5113
27645	Radical resection of tumor; tibia	J1	5113

HCPCS Code	Long Descriptor	Final CY 2026 SI	Final CY 2026 APC
27646	Radical resection of tumor; fibula	J1	5113
27703	Arthroplasty, ankle; revision, total ankle	J1	5116
27712	Osteotomy; multiple, with realignment on intramedullary rod (eg, soifield type procedure)	J1	5115
27715	Osteoplasty, tibia and fibula, lengthening or shortening	J1	5115
27724	Repair of nonunion or malunion, tibia; with iliac or other autograft (includes obtaining graft)	J1	5114
27725	Repair of nonunion or malunion, tibia; by synostosis, with fibula, any method	J1	5114
27727	Repair of congenital pseudarthrosis, tibia	J1	5113
27780	Amputation, leg, through tibia and fibula;	J1	5114
27881	Amputation, leg, through tibia and fibula; with immediate fitting technique including application of first cast	J1	5113
27882	Amputation, leg, through tibia and fibula; open, circular (guillotine)	J1	5113
27886	Amputation, leg, through tibia and fibula; re-amputation	J1	5113
27888	Amputation, ankle, through malleolus of tibia and fibula (eg, syme, pirogoff type procedures), with plastic closure and resection of nerves	J1	5113
28800	Amputation, foot; malleolar (eg, chopart type procedure)	J1	5113
35372	Thrombendarterectomy, including patch graft, if performed; deep (profunda) femoral	J1	5184
35800	Exploration for postoperative hemorrhage, thrombosis or infection; neck	J1	5184
37182	In insertion of transverse infrabicipital portosystemic shunt(s) (trips) (includes venous stasis, hepatic and portal vein thrombosis, portography with hemodynamic evaluation, infrabicipital tract formation/dilatation, stent placement and all associated imaging guidance and documentation)	J1	5194
37617	Ligation, major artery (eg, post-traumatic, rupture); abdomen	J1	5184
38562	Limited lymphadenectomy for staging (separate procedure); pelvic and para-aortic	J1	5092
43840	Gastrorrhaphy, suture of perforated duodenal or gastric ulcer, wound, or injury	J1	5303
44300	Placement, enterostomy or cecostomy, tube open (eg, for feeding or decompression) (separate procedure)	J1	5302
44314	Revision of ileostomy; complicated (reconstruction in-depth) (separate procedure)	T	5055
44345	Revision of colostomy; complicated (reconstruction in-depth) (separate procedure)	T	5055
44346	Revision of colostomy; with repair of paracolostomy hernia (separate procedure)	T	5055
44602	Suture of small intestine (enterorrhaphy) for perforated ulcer, diverticulum, wound, injury or rupture; single perforation	J1	5303
49010	Exploration, retroperitoneal area with or without biopsy(s) (separate procedure)	J1	5342
49255	Omentectomy, epiploectomy, resection of omentum (separate procedure)	J1	5342
51840	Anterior vesicourethropexy, or urethropexy (eg, marshall-marchetti-krantz, burch); simple	J1	5415

APPENDIX 3
National Average Medicare Payment Trends for Hip and Knee Surgeries in the United States
(actual procedures rates vary by region or facility)

Code (DRG/CPT)	2020		2021		2022		2023		2024		2025		2026		% Change from 2025
	Weight/RVUs	Rate	Weight/RVUs	Rate											
IPPS^{1,2}															
469	3.1399	\$18,200	3.0989	\$18,530	3.0866	\$18,952	3.2314	\$20,602	3.3298	\$21,636	3.2685	\$21,591	3.0332	\$20,483	-5.1%
470	1.9684	\$11,410	1.9104	\$11,423	1.9015	\$11,675	1.9119	\$12,189	1.8817	\$12,226	1.8855	\$12,455	1.9289	\$13,025	+4.6%
521	--	--	3.0652	\$18,329	3.0663	\$18,827	3.0192	\$19,249	2.9942	\$19,455	2.9146	\$19,253	2.8702	\$19,382	+0.6%
522	--	--	2.1943	\$13,121	2.1903	\$13,449	2.1729	\$13,853	2.1122	\$13,724	2.1082	\$13,926	2.1177	\$14,300	+2.7%
OPPS															
27130	147.2988	\$11,899	148.7344	\$12,314	149.6049	\$12,593	152.4576	\$13,048	143.6551	\$12,552	144.2970	\$12,866	143.4859	\$13,116	+2.0%
27447	147.2988	\$11,899	148.7344	\$12,314	149.6049	\$12,593	152.4576	\$13,048	143.6551	\$12,552	144.2970	\$12,866	143.4859	\$13,116	+2.0%
ASC															
27130	--	--	180.4429	\$8,833	180.8564	\$9,027	183.3725	\$9,508	172.7471	\$9,244	172.1293	\$9,449	170.6990	\$9,614	+1.8%
27447	180.3081	\$8,609	179.2409	\$8,774	179.6492	\$8,967	179.7859	\$9,322	169.2021	\$9,054	168.6055	\$9,255	166.7760	\$9,393	+1.5%
PFS³															
27130	36.0896	\$1,415	34.8931	\$1,322	33.5983	\$1,277	38.39	\$1,300	38.63	\$1,264	38.93	\$1,259	34.78 ⁴	\$1,167	-7.3%
27447	36.0896	\$1,413	34.8931	\$1,320	33.5983	\$1,276	38.35	\$1,299	38.57	\$1,262	38.88	\$1,257	34.72	\$1,165	-7.3%

¹ **National Payment Amount** – Projected by CMS of the baseline amount that will be paid nationally for the MS-DRG. This amount **DOES NOT INCLUDE** facility-specific calculation of teaching, disproportionate share, capital, and outlier payments for all cases. See footnote 2.

² Assumes hospital with wage index greater than 1.0 that reported quality data and is a meaningful EHR user.

³ **National Average Payment Amount** – Local variations in the Medicare Geographic Practice Cost Index applied to procedure RVUs lead to higher or lower amounts depending on region.

⁴ **Conversion Factor** – The 2026 Conversion Factor includes a one-time 2.5% increase as enacted by the One Big Beautiful Bill Act of 2025 resulting in a level of \$33.59. This is the conversion factor for “Qualified Participants” treating patients through Medicare Advantage or CMS-sponsored Advanced Alternative Payment Models. The 2026 Conversion Factor for non-Qualified Participants is \$33.42.