

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 |
| 0095T | 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 |
| 0098T | 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 interpleviabdominal (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; interthoroscacupular (forequarter) amputation | N | N/A |
| 0164T | 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 |
| 0165T | 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 |
| 0202T | 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, left 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, left ii; any direction, requiring bone grafts (includes obtaining autografts) | J1 | 5165 |
| 21154 | Reconstruction midface, left iii (extracranial), any type, requiring bone grafts (includes obtaining autografts); without left i | J1 | 5165 |
| 21155 | Reconstruction midface, left iii (extracranial), any type, requiring bone grafts (includes obtaining autografts); with left i | J1 | 5165 |
| 21159 | Reconstruction midface, left iii (extra and intracranial) with forehead advancement (eg, mono bloc), requiring bone grafts (includes obtaining autografts); without left i | J1 | 5165 |
| 21160 | Reconstruction midface, left iii (extra and intracranial) with forehead advancement (eg, mono bloc), requiring bone grafts (includes obtaining autografts); with left 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, nasothmoid 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, nasothmoid 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, nasothmoid 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 left 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, periosteal 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 (left ii type); with bone grafting (includes obtaining graft) | J1 | 5165 |
| 21423 | Open treatment of palatal or maxillary fracture (left i type); complicated (comminuted 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 intrafacet 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 intrafacet 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, left i; single piece, segment movement in any direction, requiring bone grafts (includes obtaining autografts) | J1 | 5165 |
| 21146 | Reconstruction midface, left 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 (left iii type) using interdental wire fixation of denture or splint | J1 | 5165 |
| 21432 | Open treatment of craniofacial separation (left iii type); with wiring and/or internal fixation | J1 | 5165 |
| 21433 | Open treatment of craniofacial separation (left iii type); complicated (eg, comminuted or involving cranial nerve foramina), multiple surgical approaches | J1 | 5165 |
| 21435 | Open treatment of craniofacial separation (left 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 (left 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 |
| 21627 | 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 |

December 31, 2025

Page 5

| HCPCS Code | Long Descriptor | Final CY 2026 SI | Final CY 2026 APC |
|------------|--|------------------|-------------------|
| 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 odontoidem), 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 odontoidem), anterior approach, including placement of internal fixation; with grafting | J1 | 5115 |
| 22325 | 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 |
|------------|--|------------------|-------------------|
| 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 component | J1 | 5115 |
| 23900 | Interthoracoscaphic 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 |
|------------|--|------------------|-------------------|
| 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 (atlas-axis), 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 below c2 segment | 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 segment(s) (including body and posterior elements); single or 2 segments | J1 | 5116 |
| 22819 | Kyphectomy, circumferential exposure of spine and resection of vertebral segment(s) (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 |
|------------|---|------------------|-------------------|
| 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(s), 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, saucerization) (eg, osteomyelitis or bone abscess); superficial | J1 | 5113 |
| 27071 | Partial excision, wing of ilium, symphysis pubis, or greater trochanter of femur, (craterization, saucerization) (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, columna, 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 |

December 31, 2025

Page 6

| 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 epiphyseodesis 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 t-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 |
|------------|---|------------------|-------------------|
| 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; | 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 |
|------------|---|------------------|-------------------|
| 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, sofild 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 |
|------------|--|------------------|-------------------|
| 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, sofild 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 |
| 27880 | 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 malleoli of tibia and fibula (eg, syme, pirogoff type procedures), with plastic closure and resection of nerves | J1 | 5113 |
| 28800 | Amputation, foot; midtarsal (eg, chopart type procedure) | J1 | 5113 |
| 35372 | Thromboendarterectomy, including patch graft, if performed; deep (profunda) femoral | J1 | 5184 |
| 35800 | Exploration for postoperative hemorrhage, thrombosis or infection; neck | J1 | 5184 |
| 37182 | Insertion of transvenous intrahepatic portosystemic shunt(s) (tips) (includes venous access, hepatic and portal vein catheterization, portography with hemodynamic evaluation, intrahepatic 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 vesicuourethropey, or urethropey (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 | Weight/RVUs | Rate | Weight/RVUs | Rate | Weight/RVUs | Rate | 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% |
| PFS ³ | | | | | | | | | | | | | | | |
| 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 Conversation 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.