CMS Proposes 2026 Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Rule



10/1/2025

On July 15, 2025, the Centers for Medicare & Medicaid Services (CMS) issued the Calendar Year 2026 Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System proposed rule, outlining reforms to modernize payments, expand patient choice, and strengthen hospital accountability. The proposed rule seeks to reduce out-of-pocket costs for Medicare beneficiaries, expand care options, improve transparency, and safeguard the Medicare Trust Fund from waste and abuse.

Key provisions of the proposed rule include:

• Equalize payments for certain services across hospitals and off-campus facilities to prevent higher copays based solely on site of care.

• Phase out the inpatient-only list to give physicians greater flexibility to determine the most clinically appropriate setting for care and allow more patients to choose outpatient surgical options.

• Require hospitals to post standardized, consumer-friendly pricing data, with civil monetary penalties for noncompliance.

• Update the Hospital Star Rating system so that hospitals performing in the lowest quartile for safety cannot earn a 5-star rating, with automatic 1-star downgrades in future years.

• Streamline reporting by removing certain health equity and COVID-19 vaccine reporting requirements.

• Add new measures to evaluate prolonged emergency room wait times.

• Solicit input on nutrition, wellness, and prevention.

CMS estimates the reforms will expand access, reduce unnecessary costs, and generate nearly $11 billion in savings for Medicare and its beneficiaries over the next decade, while advancing Medicare's long-term goal of delivering high-quality, patient-centered care.

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