

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

Healthcare Law Update

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

**Joseph M. Gorrell**  
*Member, Healthcare*

**Edward J. Yun**  
*Member, Healthcare*

**Vanessa Coleman**  
*Associate, Healthcare*

BRACH | EICHLER<sub>LLC</sub>  
Counsellors at Law

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.

For more information, contact:

**Joseph Gorrell** | 973.403.3112 | [jgorrell@bracheichler.com](mailto:jgorrell@bracheichler.com)

**Edward J. Yun** | 973.364.5229 | [eyun@bracheichler.com](mailto:eyun@bracheichler.com)

**Vanessa Coleman** | 973.364.5208 | [vcoleman@bracheichler.com](mailto:vcoleman@bracheichler.com)

## Authors

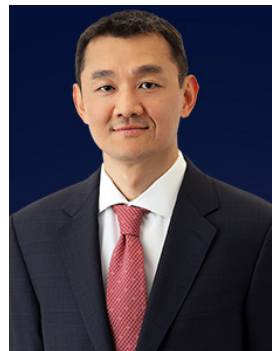
The following attorneys contributed to this insight.



**Joseph M. Gorrell**

**Member**  
Healthcare Law

973.403.3112 · 973.618.5512 Fax  
[jgorrell@bracheichler.com](mailto:jgorrell@bracheichler.com)



**Edward J. Yun**

**Member**  
Healthcare Law

973.364.5229 · 973.618.5589 Fax  
[eyun@bracheichler.com](mailto:eyun@bracheichler.com)



**Vanessa Coleman**

**Associate**  
Healthcare Law

973.364.5208 · 973.618.5566 Fax  
[vcoleman@bracheichler.com](mailto:vcoleman@bracheichler.com)