



## Ambulatory Surgical Center Payment System: July 2026 Update

Related Change Request (CR) Information	
<b>Number:</b> <a href="#">14522</a>	<b>Release Date:</b> June 24, 2026
<b>Effective Date:</b> July 1, 2026	<b>Implementation Date:</b> July 6, 2026
<b>Transmittal Number:</b> R13836CP	
<b>Title:</b> July 2026 Update of the Ambulatory Surgical Center (ASC) Payment System	

### Affected Providers

- Ambulatory surgical centers (ASCs)
- Physicians
- Suppliers

### Action Needed

Make sure your billing staff knows about these ASC payment system updates, effective July 1, 2026:

- New Hospital Outpatient Prospective Payment System (OPPS) device pass-through category payable in ASCs
- New HCPCS codes, revised code descriptors, and ASC payment indicator (PI) changes for:
  - ASC surgical procedures
  - Drugs, biologicals, and radiopharmaceuticals
  - Skin substitute products
  - Non-opioid treatments for pain relief

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## Key Updates

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### New Hospital OPPS Device Pass-Through Category

CMS approved 1 new device for pass-through status under the Hospital OPPS, and we're establishing the new device category in the ASC payment system. The new HCPCS code C1609 is effective July 1, 2026. Refer to [Table 1](#) for the code descriptor and ASC PI.

### Newly Payable ASC Surgical Procedure & a Revised Long Descriptor for an Existing Surgical Procedure

#### Cystourethroscopy Procedures

Effective July 1, 2026, we're establishing a new HCPCS code, C8014, to describe the "Cystourethroscopy procedure with ureteroscopy and/or pyeloscopy with lithotripsy using a suction enabled ureteral access sheath." We're also revising the long descriptor for HCPCS code C9761 to "Cystourethroscopy, with ureteroscopy and/or pyeloscopy, with lithotripsy, and ureteral catheterization for steerable vacuum aspiration of the kidney, collecting system, ureter, bladder, and urethra if necessary, with use of steerable ureteral catheter or suction-integrated ureteroscope."

You can tell HCPCS code C8014 apart from HCPCS code C9761 because the procedure described by C8014 uses a suction-enabled ureteral access sheath, while the procedure described by C9761 uses a steerable ureteral catheter or a suction integrated ureteroscope.

Refer to [Table 2](#) for the code descriptor and ASC PI for the new procedure. Refer to [Table 3](#) for the revised code descriptor of the existing procedure.

### Changes in Payment Status & Rates for Existing ASC Surgical Procedures

#### PI Revisions for CPT Codes 0996T & 0730T

Effective January 1, 2026, the American Medical Association's CPT Editorial Panel created CPT code 0996T to describe the insertion and scleral fixation of a capsular bag prosthesis that contains a lens prosthesis. The procedure also includes removal of eye fluid. We haven't gotten any claims for this code since its effective date.

Because the device associated with this code hasn't received full FDA approval, we're revising the PI for CPT code 0996T to E5 (Surgical procedure not valid for Medicare purposes because of coverage, regulation and/or statute; no payment made), retroactive to January 1, 2026. Refer to [Table 4](#) for the code descriptor and ASC PI.

Starting July 1, 2026, we're revising the ASC PI for CPT code 0730T for femtosecond laser trabeculotomy. Refer to [Table 5](#) for the code descriptor and ASC PI.

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## Drugs, Biologicals & Radiopharmaceuticals

### New HCPCS Codes for Drugs, Biologicals & Radiopharmaceuticals

We're establishing 10 new drug, biological, and radiopharmaceutical HCPCS codes that are separately payable under the ASC payment system, effective July 1, 2026. Refer to [Table 6](#) for the codes, code descriptors, and ASC PIs.

### Existing HCPCS Codes for Drug, Biological & Radiopharmaceuticals Starting Pass-Through Status as of July 1, 2026

To align with the Hospital OPPS policy, we made 2 existing HCPCS codes for certain drugs, biologicals, and radiopharmaceuticals separately payable. We'll change the ASC PIs for these HCPCS codes to PI = K2, effective July 1, 2026.

Refer to [Table 7](#) for the codes and ASC PIs.

### ASC PI Changes to Certain Drug, Biological & Radiopharmaceutical HCPCS Codes

We're changing the ASC PIs for these HCPCS codes:

- J1741 from PI = N1 to PI = K2, effective retroactively to March 11, 2026
- Q5156 from PI = K5 to PI = K2, effective retroactively to April 1, 2026
- J3403 from PI = B5 to PI = K2, effective retroactively to April 1, 2026
- J2993 from PI = K2 to PI = Y5, starting July 1, 2026

Refer to [Table 8](#) for the code descriptors and ASC PIs.

### Descriptor Changes to Drug, Biological & Radiopharmaceutical HCPCS Codes

We're making substantial descriptor changes to 3 drug, biological, or radiopharmaceutical HCPCS codes as of July 1, 2026. Refer to [Table 9](#) for the codes and code descriptors.

### Drugs & Biologicals with Payments Based on Average Sales Price

For CY 2026, we pay for most non-pass-through drugs, biologicals, and radiopharmaceuticals at a single rate of average sales price (ASP) +6% (or ASP +6 or 8% of the reference product for biosimilars). In CY 2026, we make a single payment of ASP +6% for pass-through drugs, biologicals, and radiopharmaceuticals to pay for both the acquisition cost and pharmacy overhead costs of these pass-through items (or ASP +6 or 8% of the reference product for biosimilars). We'll update payments for drugs and biologicals quarterly based on ASPs as later-quarter ASP submissions become available.

Effective January 1, 2026, we changed the payment rates for many drugs and biologicals from the values published in the CY 2026 OPPS and ASC [final rule](#) because of the new ASP calculations based on sales price submissions from the fourth quarter of CY 2025. Refer to the [July 2026 ASC Addendum B](#) for the updated payment rates effective July 1, 2026.

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## Drugs & Biologicals Paid Based on ASP Methodology with Restated Payment Rates

We retroactively correct payment rates for some drugs and biologicals on a quarterly basis. Find the latest list of [corrected payment rates](#) on the first date of the quarter.

You may resubmit claims affected by adjustments made to a prior quarter's payment files.

## Skin Substitutes

### ASC PI Correction for HCPCS Codes A2032 & A2034

In accordance with our policy, we're correcting the ASC PIs for 2 HCPCS codes describing sheet-form skin substitute products from PI = N1 to PI = S2, retroactive to January 1, 2026.

Refer to [Table 10](#) for the code descriptors and ASC PIs.

## HCPCS Codes, ASC PI & Payment Limitations for Qualifying Non-Opioid Treatments for Pain Relief

Section 4135 of the [Consolidated Appropriations Act, 2023](#) established the eligibility criteria for temporary additional payments for certain non-opioid treatments for pain relief. We evaluated relevant non-opioid treatments against this eligibility criteria and determined 1 product meets the criteria and should be payable according to the CY 2026 Hospital OPPS and ASC final rule.

We're temporarily giving HCPCS code J1741 additional payment, effective March 11, 2026. Refer to [Table 11](#) for the finalized payment limitation amount.

Effective January 1, 2025, we're revising the long descriptor for HCPCS code C9809, which qualifies as a Non-Opioid Treatment for Pain Relief, to more specifically describe the cryoneurolysis service. We didn't make any changes to the status indicator or ambulatory payment classification assignment. Refer to [Table 12](#) for the finalized code descriptor.

## Coverage Determinations

When we assign a HCPCS code and payment rate under the ASC payment system to a drug, device, procedure, or service, it doesn't imply Medicare coverage. It only indicates how we pay for the product, procedure, or service if covered. MACs determine whether a drug, device, procedure, or other service meets all program requirements for coverage. For example, MACs decide if it's reasonable and necessary to treat the patient's condition and whether it's excluded from payment.

Your MAC will reprocess claims within 30 days of this transmittal's implementation:

- For the HCPCS codes identified in Table 4 and Table 10 with dates of service from January 1, 2026 – June 30, 2026
- For the HCPCS codes identified in Table 8 for the effective date listed in the table through June 30, 2026

## Background

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CR 14522 provides changes to billing instructions for various payment policies implemented in the July 2026 ASC payment systems update. For information about the ASC payment system, refer to the [Medicare Claims Processing Manual, Chapter 14](#), section 40.

## Hospital OPPS Device Pass-Through Devices

Section 1833(t)(6)(B) of the [Social Security Act](#) requires that device categories be eligible for transitional pass-through payments for at least 2 but not more than 3 years under the Hospital OPPS. Also, section 1833(t)(6)(B)(ii)(IV) of the [Social Security Act](#) requires that we create additional categories for transitional pass-through payment of new medical devices not described by existing or previously existing device categories. We also implemented this policy in the ASC payment system.

## More Information

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We issued CR 14522 to your Medicare Administrative Contractor (MAC) as the official instruction for this change. For more information, find your [MAC's website](#).

## Document History

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Date of Change	Description
June 25, 2026	Initial article released.

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