CAPITOL STREET

July 2, 2026

MedTech Pay & Policy in Proposed '27 Hospital Outpatient Rule

Positive for ABT, EBR, GKOS, INSP, NYXH; Potential Negative for GEHC, SHL, PHIA; Status Quo for CVRX, LNTH

Relevant Companies

Our Take & Next Up

CMS released a largely device-friendly 2027 Outpatient Hospital (OPPS)/Ambulatory Surgical Center (ASC) proposed rule (here). The agency proposes to remove 637 services from the Inpatient Only (IPO) List and add 618 codes to the ASC Covered Procedure List (CPL), further advancing Medicare's effort to move appropriate surgical procedures into lower-cost outpatient settings.

Sweeping imaging site neutral proposals – that we expected but not to this extent – will likely receive industry pushback (saves $7B/ten), as it will be criticized as a regulatory overreach. In a potential negative for manufacturers of imaging equipment (GEHC, PHIA, SHL), CMS is proposing to apply the PFS-equivalent rate to imaging without contrast services furnished at excepted off- campus PBDs. See co-specific commentary below: ABT, CVRX, EBR, GKOS, INSP, LNTH, and NYXH. The final rule is expected in late October/early November and new policies are effective Jan. 1, 2027.

Key Points

DEVICE-SPECIFIC PROPOSALS: INSP, CVRX, GKOS, NYXH

New "C codes" for INSP's Inspire V (C8007) and NYXH's Genio (C8011) are up 12% in the OPPS setting and 17% in the ASC setting compared to the CY 2026 payment for CPT code 64582. The proposed CY 2027 reimbursement for C8007 and C8011 is up to $35,414 in the OPPS setting (compared to the prior rate of $31,526) and $31,722 in the ASC setting (compared to the prior rate of $27,161). Recall, CMS in February announced the creation of C codes (effective Jan. 1, 2026) to be used with Hypoglossal Nerve Neurostimulator (HGNS) procedures with the facility payment equal to the Inspire IV CPT code 64582 (our take here).

The reimbursement code previously associated with INSP's Inspire V and NYXH's Genio (64568) remains mapped to New Technology APC 1580. According to INSP, however, Medicare contractors direct physicians to bill using CPT 64582 for Inspire V, while commercial insurers use CPT 64568. While the proposed

CY 2027 Physician Fee Schedule (PFS) has yet to be released, the difference in payment between 64582 and 64568 in CY 2026 is about $70.

INSP may still be seeking a permanent fix, which would be a dedicated CPT code for INSP's single-lead system. However, the process for getting a new CPT code is lengthy and INSP's request for a new code was recently rejected by the AMA CPT Panel in May 2026 (here). There is one more opportunity for a new code for Jan. 1, 2028 at the CPT Editorial Panel meeting on Sept. 17-19, 2026 (Minneapolis, MN).

CVRX's Barostim reimbursement code (64654) remains in the same APC, providing stability. Similar to last year's rule, Barostim remains in New Technology APC 1580, with a payment of $45,000. We previously said that a new Level 6 Neurostimulator and Related Services Ambulatory Payment Classification (APC) was unlikely (our take here), despite the recommendation from the Hospital Outpatient (HOP) Panel (here) and public comment from CVRx (here).

GKOS would receive reimbursement increases for both iDose and iStent. Similar to last year's rule, iDose (0660T, 0661T) remains in APC 5492, with a proposed CY 2027 payment rate of $4,827 up from $4,223 in last year's rule. The reimbursement rate for iStent (66991) remains in APC 5493 and is up from $5,437 in CY 2026 to $6,143 in CY 2027 (proposed).

INPATIENT ONLY (IPO) LIST

CMS is proposing to remove 637 additional services from the Inpatient Only (IPO) list for CY 2027. We had anticipated the move (here) as this is the second of a three-year phase-out that began in CY 2026. The second tranche of codes covers clinical families such as auditory, digestive, endocrine, female genital, integumentary, and respiratory procedures. The change further advances Medicare's effort to move appropriate surgical procedures into lower-cost outpatient settings, including hospital outpatient departments and ASCs.

More clinically complex families (neurological, cardiovascular, and transplant-related services) are deferred to 2028, the final phase, based on stakeholder feedback about APC-placement complexity. Recall, the initial phase of the policy removed roughly 285 procedures, including 269 orthopedic and musculoskeletal services and 16 procedures across cardiovascular, lymphatic, digestive, gynecologic, and endovascular specialties (our take here).

SITE-NEUTRAL REFORM: GEHC, PHIA, SHL

In a potential negative for manufacturers of imaging equipment (GEHC, PHIA, SHL), CMS is proposing to apply the PFS-equivalent rate to imaging without contrast services furnished at excepted off- campus PBDs. While we previewed the four core imaging without contrast ambulatory payment classifications (APCs) (5521-5524), CMS also pulled in three composite APCs (pg. 55). These include:

- ultrasound (8004)
- computed tomography (CT) / computed tomographic angiography (CTA) (8005)
- magnetic resonance imaging and angiography (MRI/MRA) (8007)

Medicare would pay hospital-owned outpatient clinics the office rate instead of the hospital rate to reduce incentives to furnish the same imaging services in higher-paid hospital outpatient settings (NOTE: $7 B in Part B savings over ten). This policy is expected to save an estimated $260 M in CY27

savings and $7.2 B in net Part B savings from 2027-2036, calling into question whether it will be finalized as proposed (our take here).

Given the magnitude and scope of site neutral proposals, with ~$7 B/ten in savings, we could see CMS challenged during the comment period, for a softening of policies in the final rule. The significant savings from this policy proposal likely calls into question whether CMS can provide sweeping changes via rulemaking. Stakeholders will likely note the overreach, as legislation would likely be needed to make these changes.

ASC COVERED PROCEDURES LIST (CPL)

CMS is proposing to continue to expand the ambulatory surgical center (ASC) covered procedures list (CPL). CMS is proposing to add 618 codes to the ASC CPL that were recommended by stakeholders or are proposed for removal from the IPO list for CY 2027.

TRANSITIONAL PASS-THROUGH APPLICATIONS: ABT, EBR, OTHERS

ABT's Esprit and EBR Systems' WISE devices obtain TPT approvals. CMS is proposing to approve transitional pass-through (TPT) payments for seven of 13 devices. We note that a TPT application for LNTH's TruVu is not discussed, though it may still be eligible via Medicare's quarterly process.

- Abbott Laboratories' Esprit BTK Everolimus Eluting Resorbable Scaffold System
- MY01's MY01 Continuous Compartmental Pressure Monitor
- Bioretec's RemeOs Screw LAG Solid
- SetPoint Medical's SetPoint System
- Premia Spine's TOPS System
- Medartis' TOUCH CMC 1 Prosthesis
- EBR Systems' WiSE CRT System

CMS proposes to deny six other TPT applications.

- Neuros Medical's Altius Direct Electrical Nerve Stimulation System
- IceCure Medical's ProSense Cryoablation System
- restor3d's TIDAL Fusion Cage System (Ossera AFX)
- Phraxis' EndoForce Connector for Endovascular Venous Anastomosis
- Metric Medical Devices' LINK External Fixator
- AngioSafe's Santreva-ATK Endovascular Revascularization Catheter

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