Abbott

HEALTH ECONOMICS & REIMBURSEMENT

2026 MEDICARE

Inpatient Reimbursement Prospectus

Due to increasing financial risk to U.S. health care providers, physicians and hospitals have been centered on outcomes-based modifiers to Medicare payments for the last few years. We appreciate the role that Abbott procedures play in Medicare's reform programs and we believe that opportunities for success in a new era of reform continue to present themselves, such as treatment optimization, improving outcomes and avoiding downstream complications. Abbott believes that opportunities also exist from clinical to economic perspectives to impact patient care and hospital performance. We continue our mission to create relevant technology that improves meaningful patient outcomes, now made even more meaningful considering expanded financial risks posed to U.S. hospitals.

On August 2, 2025, the Centers for Medicare & Medicaid Services (CMS) released the FY2026 Final Inpatient Prospective Payment System (IPPS) Rule, effective for inpatient services on October 1, 2025. Abbott has analyzed and summarized the varying impact to individual FY2025 Medicare Severity-Diagnosis Related Group.

(MS-DRG) payments for procedures supported by our technologies or therapy solutions. Please refer to the full FY2026 Final IPPS Rule to fully understand the changes to individual MS-DRGs.

Medicare IPPS Comparison Chart: FY2025 vs. FY2026

BU	Technology	MS-DRG	Description	Severity	FY2025 Final Rule		FY2026 Final Rule			
					Payment	Discharges (National)	Payment	Discharges (National)	% Change ($) YOY	Change (Discharges)
STRUCTURAL HEART	Surgical Valves	216	Cardiac valve & other major cardiothoracic procedures with cardiac catheterization	MCC	$68,875	5,413	$71,187	5,502	3.4%	89
		217		CC	$46,087	1,783	$47,847	1,717	3.8%	(66)
		218		None	$42,457	307	$47,847	279	12.7%	(28)
		219	Cardiac valve & other major cardiothoracic procedures without cardiac catheterization	MCC	$55,219	13,362	$55,873	12,449	1.2%	(913)
		220		CC	$37,800	10,405	$38,806	9,272	2.7%	(1,133)
		221		None	$32,775	1,332	$36,676	1,157	11.9%	(175)
		212	Concomitant aortic and mitral valve procedures	NA	$77,745	927	$79,128	938	1.8%	11
	Congenital Defects-Ventricular Septal	228	Other cardiothoracic procedures	MCC	$35,563	4,501	$36,001	4,891	1.2%	390
		229		None	$22,168	5,502	$22,918	6,328	3.4%	826
	TEER and TAVR	266	Endovascular Cardiac Valve Replacement & Supplement Procedure	MCC	$42,754	21,681	$44,595	24,315	4.3%	2,634
		267		None	$33,575	39,799	$34,643	39,749	3.2%	(50)
	Atrial Septal, PFO Closure and LAAC	273	Percutaneous intracardiac procedures	MCC	$27,906	7,698	$30,020	9,386	7.6%	1,688
		274		None	$22,273	50,623	$23,953	58,137	7.5%	7,514

Medicare IPPS Comparison Chart: FY2025 vs. FY2026

BU	Technology	MS-DRG	Description	Severity	FY2025 Final Rule		FY2026 Final Rule			
					Payment	Discharges (National)	Payment	Discharges (National)	% Change ($) YOY	Change (Discharges)
STRUCTURAL HEART	LAAC + Ablation	317	Concomitant Left Atrial Appendage Closure & Cardiac Ablation	None	$44,149	1,851	$48,656	7,015	10.2%	5,164
	PDA	270	Other major cardiovascular services	MCC	$36,632	16,606	$38,394	16,465	4.8%	(141)
		271		CC	$24,581	12,294	$25,878	12,428	5.3%	134
		272		None	$17,857	3,918	$18,578	3,839	4.0%	(79)
VASCULAR	Carotid	034	Carotid artery stent procedure	MCC	$27,752	1,872	$28,166	2,115	1.5%	243
		035		CC	$16,234	5,407	$17,395	6,071	7.2%	664
		036		None	$13,082	7,752	$14,137	8,275	8.1%	523
	CABG	231	Coronary bypass with PTCA	MCC	$60,474	709	$61,342	755	1.4%	46
		232		None	$43,595	380	$44,116	402	1.2%	22
		233	Coronary bypass with cardiac catheterization	MCC	$55,782	9,844	$55,632	8,410	-0.3%	(1,434)
		234		None	$37,968	9,203	$39,751	7,435	4.7%	(1,768)
		235	Coronary bypass without cardiac catheterization	MCC	$41,993	11,192	$42,704	11,187	1.7%	(5)
		236		None	$29,346	15,480	$30,481	14,521	3.9%	(959)
	Coronary PCI without intraluminal device (stent)	250	Percutaneous cardiovascular procedures without intraluminal device with mcc	MCC	$16,504	3,312	$15,882	2,654	-3.8%	(658)
		251	Percutaneous cardiovascular procedures without intraluminal device without mcc	None	$11,152	2,956	$10,875	2,291	-2.5%	(665)
		318	Percutaneous Coronary Atherectomy without intraluminal device	None	None	None	$17,626	None	11.0%*	None
		325	Coronary intravascular lithotripsy without intraluminal device	None	$20,425	513	$23,361	693	14.4%	180
	Coronary PCI with intraluminal device (stent)	321	Percutaneous cardiovascular procedures with intraluminal device with mcc or 4+ arteries/ intraluminal devices	MCC	$20,316	37,938	$19,799	30,435	-2.5%	(7,503)
		322	Percutaneous cardiovascular procedures with intraluminal device without mcc	None	$12,911	54,124	$12,829	46,041	-0.6%	(8,083)
		323	Coronary intravascular lithotripsy with intraluminal device with mcc	MCC	$30,397	3,380	$31,489	4,794	3.6%	1,414
		324	Coronary intravascular lithotripsy with intraluminal device without mcc	None	$22,802	3,646	$22,929	5,269	0.6%	1,623
		359	Percutaneous Coronary Atherectomy with intraluminal device with MCC	MCC	None	None	$25,022	None	26.0%**	None
		360	Percutaneous Coronary Atherectomy with intraluminal device without MCC	None	None	None	$17,568	None	37.0%**	None

*The new MS-DRG rate change is calculated by comparing the new payment to MS-DRG 250, where atherectomy without stent was previously assigned.
**The new MS-DRG rates changes are calculated by comparing the new payments to MS-DRGs 321 and 322, where atherectomy was previously assigned.

Medicare IPPS Comparison Chart: FY2025 vs. FY2026

BU	Technology	MS-DRG	Description	Severity	FY2025 Final Rule		FY2026 Final Rule			
					Payment	Discharges (National)	Payment	Discharges (National)	% Change ($) YOY	Change (Discharges)
VASCULAR	Peripheral Vascular Revascularization	252	Other vascular procedures	MCC	$24,481	20,045	$25,384	18,677	3.7%	(1,368)
		253		CC	$18,220	16,437	$18,888	14,223	3.7%	(2,214)
		254		None	$12,485	6,338	$12,965	5,039	3.8%	(1,299)
	Peripheral Atherectomy and Vascular Plugs	270	Other major cardiovascular services	MCC	$36,632	16,606	$38,394	16,465	4.8%	(141)
		271		CC	$24,581	12,294	$25,878	12,428	5.3%	134
		272		None	$17,857	3,918	$18,578	3,839	4.0%	(79)
	Peripheral Intravascular Lithotripsy	278	Ultrasound accelerated & other thrombolysis of peripheral vascular structures w/ MCC	MCC	$35,706	667	$40,504	1,124	13.4%	457
		279	Ultrasound accelerated & other thrombolysis of peripheral vascular structures w/o MCC	None	$22,868	1,296	$26,243	1,705	14.8%	409
CARDIAC RHYTHM MANAGEMENT	ICD Systems and CRT-D	275	Cardiac defibrillator implant with cardiac catherization and MCC	MCC	$50,434	3,595	$51,886	3,483	2.9%	(112)
		276	Cardiac defibrillator implant with MCC	MCC	$44,207	3,503	$43,709	3,436	-1.1%	(67)
		277	Cardiac defibrillator implant without MCC	None	$33,198	4,167	$33,608	3,890	1.2%	(277)
	Leadless Pacemaker	228	Other cardiothoracic procedures	MCC	$35,563	4,501	$36,001	4,891	1.2%	390
		229		None	$22,168	5,502	$22,918	6,328	3.4%	826
	Pacemaker Systems; CRT-P	242	Permanent cardiac pacemaker implant	MCC	$24,207	15,532	$23,233	13,633	-4.0%	(1,899)
		243		CC	$16,077	19,876	$15,506	18,672	-3.6%	(1,204)
		244		None	$12,879	9,660	$13,153	8,907	2.1%	(753)
	ICDs	245	AICD generator procedures	NA	$34,875	804	$33,199	745	-4.8%	(59)
		265	AICD lead procedures	NA	$25,457	412	$26,329	403	3.4%	(9)
	Pacemaker Generator Replacement	258	Cardiac pacemaker device replacement	MCC	$20,022	601	$22,864	46	14.2%	(555)
		259		None	$12,544	734	$14,714	55	17.3%	(679)
	Pacemaker Revision and ICMs Implant (ICM for syncope)	260	Cardiac pacemaker revision except device replacement	MCC	$24,308	2,435	$23,670	2,978	-2.6%	543
		261		CC	$13,542	2,428	$13,757	3,161	1.6%	733
		262		None	$10,832	809	$11,860	868	9.5%	59
	ICMs Implant (ICM for cryptogenic stroke)	040	Peripheral/Cranial Nerve and Other Nervous System Procedures Generator implantation only or replacement (any type)	MCC	$26,920	3,649	$28,097	3,588	4.4%	(61)
		041		CC	$16,116	4,948	$15,999	4,723	-0.7%	(225)
		042		None	$12,543	1,493	$12,572	1,509	0.2%	16
ELECTROPHYSIOLOGY	Catheter Ablations	273	Percutaneous intracardiac procedures	MCC	$27,906	7,698	$30,020	9,386	7.6%	1,688
		274		None	$22,273	50,623	$23,953	58,137	7.5%	7,514
	LAAC + Ablation	317	Concomitant Left Atrial Appendage Closure & Cardiac Ablation	None	$44,149	1,851	$48,656	7,015	10.2%	5,164

Medicare IPPS Comparison Chart: FY2025 vs. FY2026

BU	Technology	MS-DRG	Description	Severity	FY2025 Final Rule		FY2026 Final Rule			
					Payment	Discharges (National)	Payment	Discharges (National)	% Change ($) YOY	Change (Discharges)
HEART FAILURE	Left Ventricular Assist Device (LVAD)	001	Heart Transplant or Implant of Heart Assist System	MCC	$201,024	1,990	$203,923	2,501	1.4%	511
		002		None	$78,642	54	$82,459	51	4.9%	(3)
	Acute Mechanical Circulatory System (MCS)	003	ECMO or Tracheostomy with MV >96 Hours or PDX Except Face, Mouth and Neck with major O.R. procedure	None	$152,947	10,100	$154,451	9,435	1.0%	(665)
		215	Other heart assist systems implant	None	$75,610	3,901	$72,455	3,548	-4.2%	(353)
		216	Cardiac valve and other major cardiothoracic procedures with cardiac catheterization with MCC	None	$68,875	5,413	$71,187	5,502	3.4%	89
		217	Cardiac valve and other major cardiothoracic procedures with cardiac catheterization with CC	None	$46,087	1,783	$47,847	1,717	3.8%	(66)
		218	Cardiac valve and other major cardiothoracic procedures with cardiac catheterization without CC/MCC	None	$42,457	307	$47,847	279	12.7%	(28)
		219	Cardiac valve and other major cardiothoracic procedures without cardiac catheterization with MCC	None	$55,219	13,362	$55,873	12,449	1.2%	(913)
		220	Cardiac valve and other major cardiothoracic procedures without cardiac catheterization with CC	None	$37,800	10,405	$38,806	9,272	2.7%	(1,133)
		221	Cardiac valve and other major cardiothoracic procedures without cardiac catheterization without CC/MCC	None	$32,775	1,332	$36,676	1,157	11.9%	(175)
	PA Pressure Monitor	264	Other circulatory system operating room procedures	None	$24,943	8,303	$24,309	8,429	-2.5%	126
NEUROMODULATION	Deep Brain Stimulation (DBS)	023	System implant, multi-array, rechargeable or non-rechargeable, plus leads	MCC	$40,715	12,293	$41,698	12,980	2.4%	687
		024		None	$27,131	4,929	$28,466	5,043	4.9%	114
		025	Lead placement only, or lead revision OR System implant, single array generator plus leads	MCC	$31,917	22,540	$33,085	22,706	3.7%	166
		026		CC	$21,828	6,313	$22,625	6,273	3.7%	(40)
		027		None	$17,612	7,698	$18,359	7,487	4.2%	(211)
		040	Generator only implant or replacement, single/multi array non-rechargeable or multi-array rechargeable	MCC	$26,920	3,649	$28,097	3,588	4.4%	(61)
		041		CC	$16,116	4,948	$15,999	4,723	-0.7%	(225)
		042		None	$12,543	1,493	$12,572	1,509	0.2%	16
	Spinal Cord Stimulation (SCS) for Pain	028	Whole System implantation or replacement(generator plus leads)	MCC	$43,387	2,261	$43,721	2,113	0.8%	(148)
		029	Spinal procedures or spinal neurostimulators	CC	$23,955	3,120	$24,825	3,046	3.6%	(74)
		030	Spinal Procedures without CC/MCC	None	$15,882	880	$15,974	892	0.6%	12

Medicare IPPS Comparison Chart: FY2025 vs. FY2026

BU	Technology	MS-DRG	Description	Severity	FY2025 Final Rule		FY2026 Final Rule			
					Payment	Discharges (National)	Payment	Discharges (National)	% Change ($) YOY	Change (Discharges)
NEUROMODULATION	Spinal Cord Stimulation (SCS) for Pain	040	Peripheral/Cranial Nerve and Other Nervous System Procedures Generator implantation only or replacement (any type)	MCC	$26,920	3,649	$28,097	3,588	4.4%	(61)
		041		CC	$16,116	4,948	$15,999	4,723	-0.7%	(225)
		042		None	$12,543	1,493	$12,572	1,509	0.2%	16
		518	Back & neck procedures excluding spinal fusion, or disc device/neurostimulator	MCC	$25,577	2,146	$27,195	2,182	6.3%	36
		519	Back and neck procedure except spinal fusion with CC	CC	$14,073	7,141	$14,555	7,299	3.4%	158
		520	Back and neck procedure except spinal fusion without CC/MCC	None	$10,228	4,008	$10,871	3,833	6.3%	(175)
		981	Extensive OR procedure unrelated to to principal Dx	MCC	$33,926	20,672	$34,141	20,574	0.6%	(98)
		982		CC	$17,472	9,956	$17,890	10,012	2.4%	56
		983		None	$11,905	1,980	$12,472	1,955	4.8%	(25)
MISC	Major Chest	163	Major chest procedures	MCC	$32,894	12,752	$32,613	13,643	-0.9%	891
		164		CC	$17,963	14,999	$18,367	14,893	2.2%	(106)
		165		None	$13,302	6,935	$13,929	6,966	4.7%	31
	Aortic Heart Assist	268	Aortic and heart assist procedures except pulsation balloon	MCC	$47,584	2,751	$50,049	2,525	5.2%	(226)
		269		None	$29,693	11,375	$30,731	9,849	3.5%	(1,526)
	Aortic Heart Assist	286	Circulatory disorders except AMI, w card cath	MCC	$15,795	38,705	$16,102	37,741	1.9%	(964)
		287		None	$7,777	33,159	$7,787	32,656	0.1%	(503)
	Heart Failure	291	Heart failure & shock	MCC	$9,312	322,325	$9,342	303,003	0.3%	(19,322)
		292		CC	$6,146	13,903	$6,178	12,867	0.5%	(1,036)
		293		None	$3,916	2,048	$4,119	1,916	5.2%	(132)
	Peripheral Vascular	299	Peripheral vascular disorders	MCC	$11,544	15,233	$11,881	15,185	2.9%	(48)
		300		CC	$7,640	19,052	$7,768	19,349	1.7%	297
		301		None	$5,091	4,268	$5,237	4,024	2.9%	(244)
	Vascular: Other Kidney and Urinary Tract	673	Other kidney & urinary tract procedures	MCC	$29,899	11,076	$30,574	10,391	2.3%	(685)
		674		CC	$16,474	8,518	$17,017	8,244	3.3%	(274)
		675		None	$11,171	580	$11,944	544	6.9%	(36)

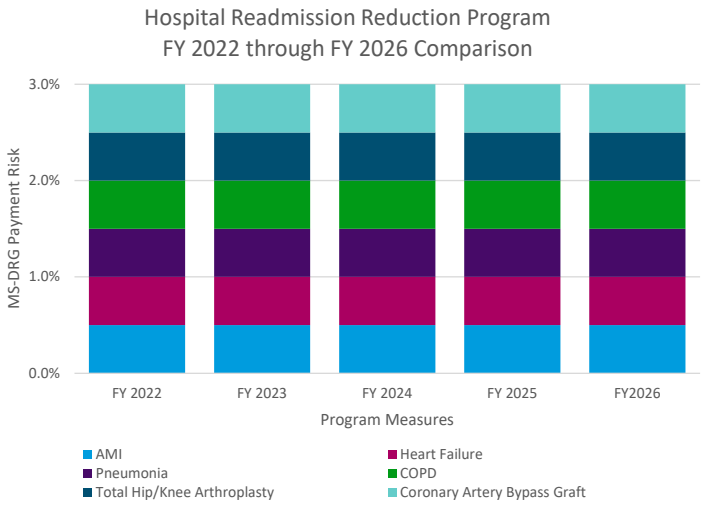
Medicare IPPS Comparison Chart: FY2025 vs. FY2026

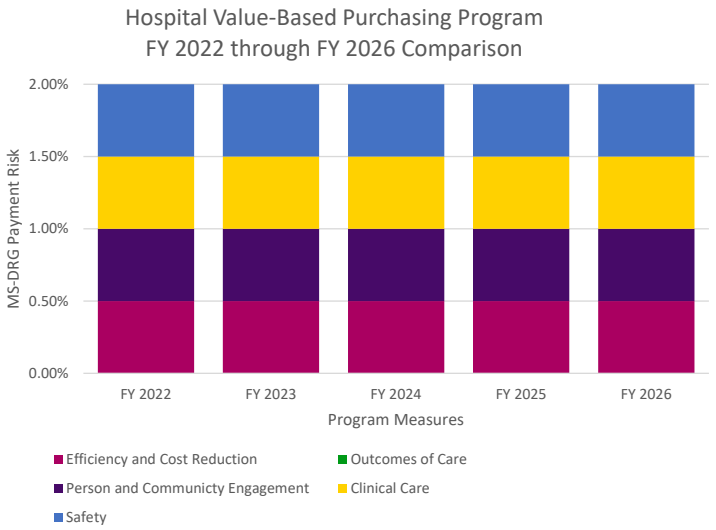
MEDICARE PAYMENT RISK CONTINUES

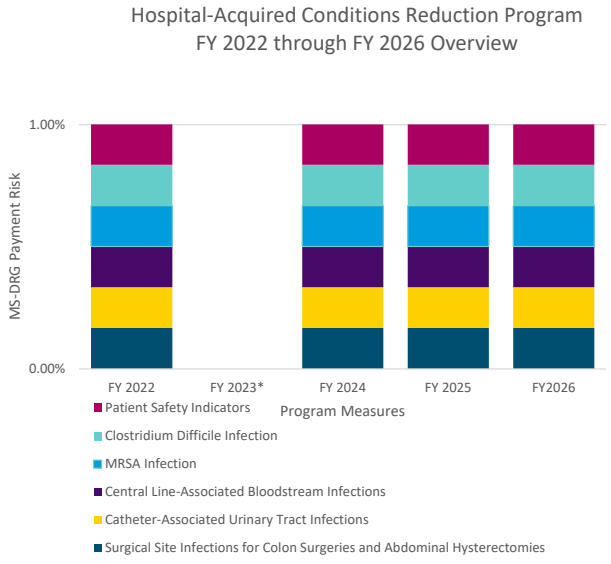
As planned, Medicare will continue the scope and level of potential penalties of its payment reform initiatives, including the Hospital Readmissions Reduction Program and the Value-Based Purchasing Program. Risk to inpatient MS-DRG payments will continue at 3% and 2% respectively. The FY 2018 through FY2026 makeup and impact of these two payment reform programs are illustrated in the charts on this page. As payment reforms continue to impact healthcare management and as Medicare changes the way in which health care providers are paid, Abbott will continue to explore programs that seek to improve meaningful patient outcomes through shared risk.

For more information on how Medicare's rulemaking or reform initiatives may impact your facility or institution, please contact Abbott's Reimbursement team at 855-569-6430 or at AbbottEconomics@abbott.com.

CMS paused the use of all measures from scoring and payment calculations in the FY2023 program year.







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REFERENCES

Hospital Inpatient Prospective Payment-Final Rule FY2025 Payment Rates. CMS-1808-F: https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/fy-2025-ipps-final-rule-home-page

Hospital Inpatient Prospective Payment-Final Rule FY2026 Payment Rates. CMS-1833-F: https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/fy-2026-ipps-final-rule-home-page

Tables created by Abbott Health Economics and Reimbursement team based on analysis of Medicare 2026 IPPS Final rule

Table(s) sources:

1. CMS Hospital Readmissions Reduction Program (HRRP) Resources. https://www.qualitynet.org/inpatient/hrrp/resources

2. CMS Hospital-Acquired Condition Reduction Program Measures. https://qualitynet.cms.gov/inpatient/hac/measures

3. CMS Hospital Inpatient Overview. https://qualitynet.cms.gov/inpatient

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