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What 340B Hospitals Need to Know About CMS's CY 2026 OPPS Final Rule

Key Takeaways

- CMS launches Drug Acquisition Cost Survey beginning Jan. 1, 2026. OPPS hospitals must submit NDC-level pricing data for both 340B and non-340B drugs, which CMS will use to inform CY 2027 reimbursement policy.
- Hospitals must prepare for significant operational and legal risks. Nonparticipation in the survey could lead to drug packaging and reimbursement loss, and hospitals should begin data validation and site-of-service planning now.
- Site-neutral payment cuts for drug administration services take effect in CY 2026. Excepted off-campus departments will be paid at the PFS rate — 60% lower than OPPS — affecting 61 HCPCS codes tied to infusion and injection services.

CMS's recently published CY 2026 OPPS Final Rule will affect 340B covered entities in two key ways starting Jan. 1, 2026. First, CMS will conduct a Drug Acquisition Cost Survey to collect NDC-level pricing data on separately payable 340B and non-340B drugs *from all hospitals paid under the OPPS*. Second, CMS will apply physician fee schedule (PFS) reimbursement rates to drug administration HCPCS codes furnished at provider-based sites considered *excepted* under Section 603 of the Bipartisan Budget Act of 2015.

Payment reductions for drug administration codes will have immediate financial consequences, and CMS's Acquisition Cost Survey could lead to substantial reimbursement changes. 340B covered entities should carefully evaluate how they plan to respond, as CMS outlined several proposals for hospitals that decline to participate.

OPPS Drug Acquisition Cost Survey

CMS intends to survey all hospitals for detailed acquisition cost data across nearly 2,300 NDCs. CMS intends to use this data to inform OPPS drug payment policy beginning with the CY 2027 OPPS/ASC Proposed Rule. Given the CMS's prior unlawful attempt to reduce drug reimbursement in 2018 and the Supreme Court's 2022 decision overturning that effort, the Final Rule signals a renewed push to justify payment cuts for separately payable drugs. The language clearly suggests that 340B covered entities may be a prime target.

Related People

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Related Capabilities

- Health Care
- 340B Drug Pricing Program

Survey Scope and Requirements: What Providers Need to Know

The survey will impose a significant data burden on hospitals, particularly for 340B covered entities. Below is a summary of key requirements and timelines:

- **Who**: All OPPS hospitals must provide requested survey data (note this excludes CAHs since they are not paid under OPPS).
- **What**: Acquisition cost at the NDC level, including discounts directly applicable to an individual NDC and also those discounts not necessarily linked to a single NDC (e.g., discount linked to invoice, prompt pay discounts, wholesaler discounts).
    - CMS is asking hospitals to separately list their acquisition costs for drug NDCs acquired through the 340B program and those drug NDCs acquired outside of the 340B program.
    - HRSA's 340B pilot program is out of scope of this survey.
    - Hospitals must provide data from July 1, 2024, to June 30, 2025.
- **When**: Starting early 2026.
    - Considering CMS plans to complete the survey in time to inform the CY 2027 OPPS/ASC proposed rule, data will likely be due by March 31, 2026.
- **Where and How**: CMS will launch a portal on Jan. 1, 2026, that hospitals must register with to upload drug acquisition cost data.
    - CMS will host webinars on Dec. 9, 2025, and Dec. 11, 2025, to provide an overview of the survey and data submission. Providers should plan to attend. Details and other resources can be found here.
    - CMS has published a Draft Survey Template that offers some insight into the required data and formatting.

CMS Cuts Reimbursement for Drug Administration Codes at Excepted Off-Campus Sites

Beginning in CY 2026, CMS will expand its site-neutral payment policy to significantly reduce Medicare reimbursement for drug administration services furnished in excepted provider-based hospital outpatient departments (HOPDs). Although these HOPDs were historically "grandfathered" or "excepted" under Section 603 of the Bipartisan Budget Act of 2015 — meaning they could continue to be paid at the higher OPPS rate — CMS is using its authority to curb what it views as inappropriate increases in the volume of outpatient services by reducing the payment differential for the drug administration component (not the drug itself but see above Acquisition Cost Survey discussion). As a result, drug administration services at excepted HOPDs will be paid at the PFS equivalent rate (40% of OPPS), rather than the full OPPS hospital rate.

This policy also signals CMS's increasing willingness to expand site-neutral payment reforms, suggesting additional future pressure on outpatient reimbursement models, including for 340B hospitals.

For all hospitals paid under the OPPS that provide complex infusion and injection services — including 340B covered entities — this change represents a substantial payment reduction for services provided in excepted HOPDs. CMS estimates a $280 million overall decrease in OPPS spending in CY 2026 from this provision. While the policy does not change payment for the drug itself, it directly affects the payment intended to reimburse hospitals for the cost of the facility, nursing and other staffing costs, supplies, drug preparation and storage, and other overhead. The PFS equivalent rate for drug administration services will represent a 60% reduction of the OPPS rate. This change impacts APCs 5691, 5692, 5693 and 5694, which represent 61 HCPCS.

Key Considerations and Risks for All Hospitals

Hospitals should take proactive steps to prepare for both the drug acquisition survey and the payment changes tied to provider-based drug administration services.

Hospitals should begin validating their ability to extract 340B vs. non-340B acquisition detail at the NDC level using the Draft Survey Template. The burden will be material, since it includes roughly 2,300 NDCs and requires substantial analysis to incorporate various discounts offered to providers.

Though CMS does not explicitly require participation with an enforcement mechanism, participation is effectively mandatory. Hospitals that do not report their drug acquisition costs may be viewed as lacking meaningful additional, marginal costs related to their acquisition of the drugs and CMS may determine the drugs costs should not be paid separately but should be packaged. Although CMS may lack statutory authority to engage in such rate setting, all hospitals should carefully consider this dialogue and associated risks when considering a non-response.

Certain trade associations are likely looking closely at the survey and associated burdens, and they could coordinate a challenge of the survey. We would also expect legal challenges to resulting rates if stakeholders determine that the survey is inadequate.

Hospitals should also assess the financial impact of CMS's site-neutral payment policy for drug administration services. Hospitals should evaluate service mix, site-of-service utilization, and potential operational shifts, such as relocating services to on-campus departments or affiliated physician office settings, to mitigate the impact of these payment reductions.