Cardiac Rhythm Management and Diagnostics (CRMDx)

Summary of Final Fiscal Year (FY) 2027 Medicare Policy and Payment Changes for the Inpatient Prospective Payment System (IPPS)

On July 31st, the Centers for Medicare and Medicaid Services (CMS) released the final Fiscal Year 2027 Hospital Inpatient Prospective Payment System (IPPS) Rule. The IPPS is how CMS establishes hospital reimbursement levels for inpatient admissions. FY 2027 reimbursement rates and policy updates will be effective starting October 1, 2026. IPPS does not impact hospital outpatient or physician reimbursement, as CMS issues separate rates and policies for these programs at other times during the year. Overall Medicare operating payment rates for hospital inpatient services will increase 2.3% in FY 2027. Combined with other policy changes, CMS estimates that total hospital inpatient payments will increase approximately $2.1B compared to FY 2026.

Policies of Interest in the IPPS Final Rule:

Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Heart Failure Hospitalization Measure

CMS finalized updates to the Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Heart Failure Hospitalization quality measure under the Hospital Value-Based Purchasing (VBP) Program, beginning with the FY 2032 program year. The updates include the incorporation of Medicare Advantage beneficiaries into the quality measure population and a shortened performance period from three to two years. CMS believes these changes will improve quality measure reliability by capturing outcomes across a broader patient population and will provide a more current assessment of hospital performance for quality improvement efforts.

Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate Following Sepsis Hospitalization Measure

CMS is finalized the proposal to adopt the Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate Following Sepsis Hospitalization quality measure, with modifications. Hospitals will have 2 years of confidential early look reports that will include estimated Hospital Readmissions Reduction Program payment adjustments with the sepsis readmission measure added during the

FY 2028 and FY 2029 program years. The quality measure will be used in payment reduction calculations beginning with the FY 2030 program year.

MS-DRG Changes

CMS found that two low-volume pacemaker replacement MS-DRGs (258/259) mirror the costs and lengths of stay of similar pacemaker revision MS-DRGs (260-262). CMS has finalized the decision to delete MS-DRGs 258 / 259 (Pacemaker and CRT-P Generator Replacements) and MS-DRGs 260 / 261 / 262 (Pacemaker Revisions and Subcutaneous Cardiac Rhythm Monitor Implants for Syncope) and combine them into two new MS-DRGs. The finalized new MS-DRGs are MS-DRG 210 (Cardiac Pacemaker Revision or Device Replacement with MCC) and MS-DRG 211 (Cardiac Pacemaker Revision or Device Replacement without MCC). The inpatient hospital payment impact of these finalized changes ranges from a 2% reduction for pacemaker revisions or replacements to a 1% increase for insertion of subcutaneous cardiac rhythm monitors (SCRM) for syncope.

IPPS Final Payment Rates* for Key CRM-Dx Procedures:
**Weighted averages are provided. Please see the table at the end of this summary for further details.*

- Payment rates for ICD and CRT-D system implants will increase 4%.
- Payment rates for ICD and CRT-D generator replacements and lead procedures will remain flat.
- Payment rates for pacemaker and CRT-P system implants will decrease 1%.
- Payment rates for leadless cardiac pacemaker implants will increase 6%.
- Payment rates for pacemaker device revisions or replacements will decrease 2%.
- Payment rates for insertion of subcutaneous cardiac rhythm monitor for cryptogenic stroke (atrial fibrillation) will increase 1%.
- Payment rates for insertion of subcutaneous cardiac rhythm monitor for syncope/arrythmias will increase 1%.

Comments/Questions

If you have questions or would like additional information, contact: crm.reimbursement@bsci.com

Read the full FY 2027 Final IPPS Rule at the following link: 2026-15833.pdf

Cardiac Rhythm Management and Diagnostics
Medicare National Average Hospital Inpatient Payment Rates
FY2027 Final Rule vs FY 2026 Final Rule

MS-DRG	DRG Description	FY 2026 Final Rate*	FY 2027 Final Rate**	FY 2027 Final vs FY 2026 Final $	FY 2027 Final vs FY 2026 Final %
ICD Systems (transvenous and subcutaneous)					
275	Cardiac Defibrillator Implant with Cardiac Catheterization and MCC	$51,886	$52,884	$998	2%
276	Cardiac Defibrillator Implant with MCC or Carotid Sinus Neurostimulator	$43,709	$45,828	$2,119	5%
277	Cardiac Defibrillator Implant without MCC	$33,608	$34,662	$1,054	3%
				Weighted Average	***4%***
ICD Replacements					
245	Aicd Generator Procedures	$33,199	$34,331	$1,132	3%
265	Aicd Lead Procedures	$26,329	$24,062	($2,267)	-9%
				Weighted Average	***0%***
Pacemaker Systems					
242	Permanent Cardiac Pacemaker Implant with MCC	$23,233	$23,080	($153)	-1%
243	Permanent Cardiac Pacemaker Implant with CC	$15,506	$15,575	$69	0%
244	Permanent Cardiac Pacemaker Implant without CC/MCC	$13,153	$13,034	($119)	-1%
				Weighted Average	***-1%***
Pacemaker Revision or Replacement					
258	Cardiac Pacemaker Device Replacement with MCC **(OLD)**	$22,864			
259	Cardiac Pacemaker Device Replacement without MCC **(OLD)**	$14,714			
210	Cardiac Pacemaker Revision or Device Replacement with MCC **(NEW)**		$24,130	$1,266	6%
211	Cardiac Pacemaker Revision or Device Replacement without MCC **(NEW)**		$13,371	($1,343)	-9%
				Weighted Average	***-2%***
Insertion of Subcutaneous Cardiac Rhythm Monitor (SCRM) - Syncope					
260	Cardiac Pacemaker Revision Except Device Replacement with MCC **(OLD)**	$23,670			
261	Cardiac Pacemaker Revision Except Device Replacement with CC **(OLD)**	$13,757			
262	Cardiac Pacemaker Revision Except Device Replacement without CC/MCC **(OLD)**	$11,860			
210	Cardiac Pacemaker Revision or Device Replacement with MCC **(NEW)**		$24,130	$460	2%
211	Cardiac Pacemaker Revision or Device Replacement without MCC **(NEW)**		$13,371	$23	0%
				Weighted Average	***1%***

See page 6 for important information about the uses and limitations of this document.

MS-DRG	DRG Description	FY 2026 Final Rate*	FY 2027 Final Rate**	FY 2027 Final vs FY 2026 Final $	FY 2027 Final vs FY 2026 Final %
ICD Systems (transvenous and subcutaneous)					
275	Cardiac Defibrillator Implant with Cardiac Catheterization and MCC	$51,886	$52,884	$998	2%
276	Cardiac Defibrillator Implant with MCC or Carotid Sinus Neurostimulator	$43,709	$45,828	$2,119	5%
277	Cardiac Defibrillator Implant without MCC	$33,608	$34,662	$1,054	3%
				Weighted Average	***4%***
ICD Replacements					
245	Aicd Generator Procedures	$33,199	$34,331	$1,132	3%
265	Aicd Lead Procedures	$26,329	$24,062	($2,267)	-9%
				Weighted Average	***0%***
Pacemaker Systems					
242	Permanent Cardiac Pacemaker Implant with MCC	$23,233	$23,080	($153)	-1%
243	Permanent Cardiac Pacemaker Implant with CC	$15,506	$15,575	$69	0%
244	Permanent Cardiac Pacemaker Implant without CC/MCC	$13,153	$13,034	($119)	-1%
				Weighted Average	***-1%***
PG Replacements					
258	Cardiac Pacemaker Device Replacement with MCC **(OLD)**	$22,864			
259	Cardiac Pacemaker Device Replacement without MCC **(OLD)**	$14,714			
210	Cardiac Pacemaker Revision or Device Replacement with MCC **(NEW PROPOSED)**		$24,130	$1,266	6%
211	Cardiac Pacemaker Revision or Device Replacement without MCC **(NEW PROPOSED)**		$13,371	($1,343)	-9%
				Weighted Average	***-2%***
Pacemaker Revisions and Insertion of Subcutaneous Cardiac Rhythm Monitor (SCRM) - Syncope					
260	Cardiac Pacemaker Revision Except Device Replacement with MCC **(OLD)**	$23,670			
261	Cardiac Pacemaker Revision Except Device Replacement with CC **(OLD)**	$13,757			

MS-DRG	DRG Description	FY 2026 Final Rate*	FY 2027 Final Rate**	FY 2027 Final Vs FY 2026 Final $	FY 2027 Final vs FY 2026 Final %
262	Cardiac Pacemaker Revision Except Device Replacement without CC/MCC **(OLD)**	$11,860			
210	Cardiac Pacemaker Revision or Device Replacement with MCC **(NEW PROPOSED)**		$24,130	$460	2%
211	Cardiac Pacemaker Revision or Device Replacement without MCC **(NEW PROPOSED)**		$13,371	$23	0%
				Weighted Average	***1%***
Insertion of Subcutaneous Cardiac Rhythm Monitor (SCRM) – Cryptogenic Stroke					
040	Peripheral, Cranial Nerve and Other Nervous System Procedures with MCC	$28,097	$27,463	($634)	-2%
041	Peripheral, Cranial Nerve and Other Nervous System Procedures with CC or Peripheral Neurostimulator	$15,999	$16,104	$105	1%
042	Peripheral, Cranial Nerve and Other Nervous System Procedures without CC/MCC	$12,572	$12,382	($190)	-2%
				Weighted Average	***1%***
Leadless Cardiac Pacemakers / Transcatheter Mitral Valve Repair (TMVR)					
228	Other Cardiothoracic Procedures with MCC	$36,001	$36,694	$693	2%
229	Other Cardiothoracic Procedures without MCC	$22,918	$25,421	$2,503	11%
				Weighted Average	***6%***

*FY2026 Final calculated rates assume the hospital submits quality data and is a meaningful EHR user.

*FY2026 Final payment rate is calculated using the 10% cap applied.

**FY 2027 Final calculated rates assume the hospital submits quality data and is a meaningful EHR user (2.4% increase).

**FY 2027 Final payment rate is calculated using the 10% cap applied.

Important Information:

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