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U.S. Site-of-Care Policy: 2026-2028

What changed, what is proposed, and when

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Several U.S. policy changes are narrowing payment differences among care settings and allowing more services to be performed on an outpatient basis. The changes do not require every patient or service to move. They change payment or eligibility rules, while clinical appropriateness and provider capability still matter.

January 2026

Medicare expanded site-neutral payment for drug administration

CMS began paying the Physician Fee Schedule-equivalent rate for drug-administration services provided in certain hospital-owned outpatient departments located away from the hospital campus. Rural Sole Community Hospitals are exempt. CMS estimates the policy will reduce 2026 OPPS spending by $290 million, including $70 million in beneficiary coinsurance.

In effect

2026-2028

Medicare began phasing out the Inpatient Only list

CMS started a three-year phaseout by removing 285 mostly musculoskeletal procedures in 2026. Removal from the list permits Medicare payment in an outpatient setting when appropriate; it does not require outpatient treatment.

Phaseout underway

Proposed for 2027

CMS proposed extending site-neutral payment to imaging without contrast

The proposal would apply Physician Fee Schedule-equivalent payment to specified imaging-without-contrast services in certain hospital-owned outpatient departments located away from the hospital campus. Rural Sole Community Hospitals would remain exempt.

Proposed, not final

Ongoing

Commercial payers maintain separate site-of-care policies

Some commercial plans apply site-of-care criteria to selected infused and injected therapies. Requirements vary by payer, product, benefit design, patient need, and available local settings. These policies are separate from Medicare's OPPS payment changes.

Payer-specific

What this means

The federal changes affect specific services, payment systems, and provider settings. They should not be read as a universal requirement to move care out of hospitals.

Sources

Centers for Medicare & Medicaid Services. CY 2026 Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Final Rule . November 21, 2025.

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Aetna. Drug Infusion and Injection Site-of-Care Policy .

UnitedHealthcare. Provider Administered Drugs, Site of Care, Commercial Medical Benefit Drug Policy . Effective August 1, 2026.

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