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Transitional Pass-Through (TPT) Payment Guide

Paradise® Ultrasound Renal Denervation System

Effective January 1, 2026

Overview

Effective January 1st, 2025, under the transitional pass-through (TPT) payment granted by CMS, renal denervation cases utilizing the Paradise Ultrasound Renal Denervation System performed in a hospital outpatient or ASC setting are eligible for an incremental payment for Medicare Fee-For-Service beneficiaries to help cover additional costs associated with the Paradise® System.[1]

TPT payments provide additional payment for new devices that meet eligibility criteria for a period of up to three years while CMS gathers additional data on the cost of those items. A TPT payment from CMS represents a critical funding mechanism that directly reimburses healthcare centers for the cost of using new and innovative medical devices, beyond the standard OPPS and ASC payment rates.

In order to secure the incremental payment, hospitals must report the new C-code for uRDN, C1736, along with the relevant procedure code (either 0338T or 0339T). If the uRDN C-Code is not submitted with the claim, Medicare will not map the procedure to the TPT payment and facilities will not be paid appropriately.

Procedure Code	Device HCPCS Code (C-Code)	C-Code Description	APC	Total Payment
0338T or 0339T	C1736	Catheter(s), intravascular for renal denervation, ultrasound, including all single use system components	5192	APC 5192 + TPT Payment

The TPT payment amount is dependent on facility-specific reimbursement and acquisition costs reflected in the charges billed to Medicare. Medicare determines the incremental TPT payment amount for Ultrasound RDN based on a case-by-case basis for each hospital; it is not a set payment amount.[2]

Outpatient Coding & Reimbursement

Procedure Code	Description	SI	APC	2026 National Medicare Rate[1]
0338T	Transcatheter renal sympathetic denervation, percutaneous approach including arterial puncture, selective catheter placement(s) renal artery(ies), fluoroscopy, contrast injection(s), intraprocedural roadmapping and radiological supervision and interpretation, including pressure gradient measurements, flush aortogram and diagnostic renal angiography when performed; unilateral	J1	5192	$5,815
0339T	Transcatheter renal sympathetic denervation, percutaneous approach including arterial puncture, selective catheter placement(s) renal artery(ies), fluoroscopy, contrast injection(s), intraprocedural roadmapping and radiological supervision and interpretation, including pressure gradient measurements, flush aortogram and diagnostic renal angiography when performed; bilateral	J1	5192	$5,815
C1736	**Catheter(s), intravascular for renal denervation, ultrasound, including all single use system components**	**H**	**N/A**	**Maps Procedure to TPT Payment**

Hospital TPT Payment Calculation Overview

Effective January 1, 2026 - December 31, 2026

Medicare calculates incremental TPT payments on a case-by-case, considering factors such as the following:

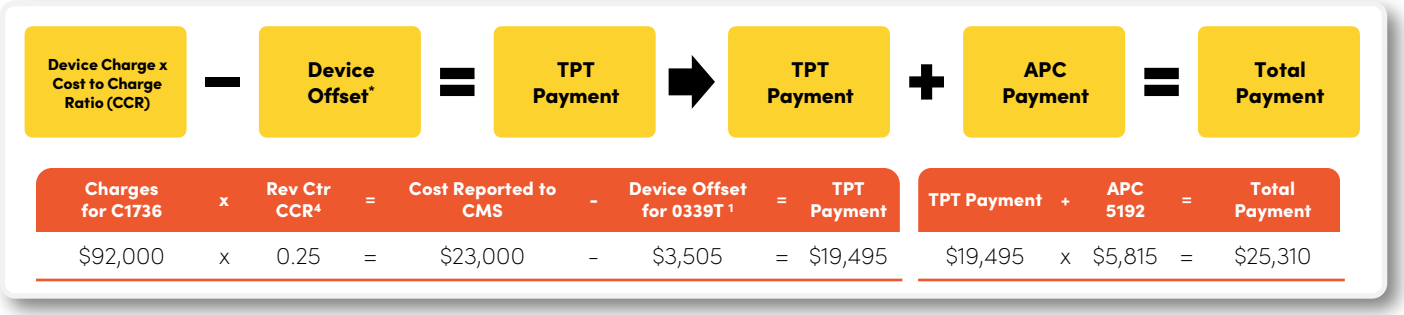
- Device Cost/Invoice
- Device Offset for the CPT code (0338T or 0339T)
- Charges for HCPCS C1736: Catheter(s), Renal Denervation, Ultrasound
- Revenue Center/Code the hospital charges C1736 against
- CMS's Calculation of the cost-to-charge ratio (CCR) for the Revenue Center/Code

Key considerations:

- Revenue Center/Code CCRs often differ from the overall Outpatient CCR that hospitals typically track
- Medical device Revenue Centers generally fall within the "27(x)" range, with the most commonly used being:
  - Rev Code 272: Med/Surg Supplies, Sterile Supply
  - Rev Code 278: Med/Surg Supplies, Other Implants

TPT payment calculation examples[1,2]

Below are examples of procedures that include the use of the Paradise System in the outpatient setting for a fictitious outpatient hospital to help illustrate how Medicare calculates the incremental TPT payment amount. These are hypothetical examples and should not be construed as reimbursement advice or guidance.



Charges for C1736	x	Rev Ctr CCR[4]	=	Cost Reported to CMS	-	Device Offset for 0339T [1]	=	TPT Payment	TPT Payment	+	APC 5192	=	Total Payment
$92,000	x	0.25	=	$23,000	-	$3,505	=	$19,495	$19,495	x	$5,815	=	$25,310

	Element	Calculation	Amount	
			0338T	0339T
Hospital Charge for C1736	A		$92,000	$92,000
Hospital Implantable Devices CCR	B		0.25	0.25
Reported Cost of C1736	C	A x B	**$23,000**	**$23,000**
Device Related Offset* of CPT Codes 0338T/0339T	D		$4,244	$3,505
Incremental TPT Payment	E	C – D	**$18,756**	**$19,495**
APC Assignment for CPT Codes 0338T/0339T (APC 5192)	F		$5,815	$5,815
Total APC + TPT Payment	G	E + F	**$24,571**	**$25,310**

* Device Offset is defined as the percentage of the APC that has already been allocated to reimburse the hospital for medical devices used in the procedure. Medicare applies the device offset amount to APC 5192 for CPT procedure codes 0338T and 0339T. These codes have different HCPCS level device offsets. The device offset is published by Medicare annually. Therefore, it is subject to change. Please refer to the most current Device Offset Code Pairs file on CMS website at: https://www.cms.gov/medicare/payment/prospective-payment-systems/hospital-outpatient-pps/device-offset-code-pairs

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Example UB-04 – For Illustrative Purposes Only

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES
0250	PHARMACY GENERAL					
0270	MED/SUR SUPPLIES AND DEVICES					
0301	LAB / CHEMISTRY					
0320	DIAGNOSTIC RADIOLOGY					
0360	OPERATING ROOM	0339T			$XXXXX	
0272	MED/SUR SUPPLIES AND DEVICES	C1736			$XXXXX	
0710	RECOVERY ROOM					

FOR EXAMPLE ONLY – DO NOT ASSIGN CODES DIRECTLY FROM THIS DOCUMENT

PAGE ____ OF ____ CREATION DATE TOTALS

66 DX	A	B	C	D	E	F	G	H	68
	I10	I1A.0							

UB-04 CMS-1450 APPROVED OMB NO. 0938-0997 NUBC LIC0213257 THE CERTIFICATIONS ON THE REVERSE APPLY TO THIS BILL AND ARE MADE A PART HEREOF.

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FAQs

What is a transitional pass-through (TPT) payment and what is it intended to do?

A TPT payment from CMS represents a critical funding mechanism that directly reimburses healthcare centers for the cost of using new and innovative medical devices while claims data is collected. A TPT payment allows an Outpatient facility or ASC to receive additional device cost-based payment for the use of qualified innovative technology.

How long will the TPT payment be in effect?

Recor Medical anticipates that the TPT payment will be effective for a duration of at least two years but not more than three years.[2]

Is there a specific HCPCS code that I will need to bill under?

Yes, CMS created a new HCPCS Level II code to define this TPT payment device category, C1736 – Catheter, Renal Denervation, Ultrasound. This code will allow for billing and payment for the Paradise System when medically appropriate and billed with an associated procedure code such as 0338T or 0339T.[1]

Does this TPT payment only apply to Ultrasound Renal Denervation?

The TPT payment and HCPCS Level II code granted by CMS, is unique to "Catheter, Renal Denervation, Ultrasound" and should only be applied when RDN procedures are performed with an ultrasound catheter.

CMS also approved a separate code for RF-RDN, so it is important to make sure the appropriate code is utilized.

Why did CMS decide to grant separate TPT payment codes for uRDN and RF-RDN?

CMS created two separate device categories due to them believing "that there are procedural differences and potential resource requirement differences between the two treatment modalities that warrant separate device categories".

Will the TPT payment level be the same for both uRDN and RF-RDN procedures?

CMS has approved a TPT payment for both Ultrasound RDN and RF-RDN technologies. These payments are directly tied to the charges/acquisition costs of the devices and are intended to offset the device expenses. Variations in the pricing of the devices may result in corresponding and proportional variations in the TPT payment amounts.[2]

Does the TPT payment apply to uRDN cases performed in other sites of service such as an ambulatory surgery center (ASC) or inpatient facility?

Ambulatory Surgery Centers (ASC)

Renal Denervation procedure codes are listed on CMS's ASC Covered Procedures List (CPL) and the HCPCS Level II code granted has a status indicator of "J7" which means that it is eligible for TPT payments in the ASC setting.[3] It's important to note, however, that the calculation of the additional TPT payment amount is different from the Outpatient setting (carrier priced) and is defined by the individual Medicare Administrative Contractor (MAC).[4] Your MAC might also require extra documentation to process the claim and to determine the appropriate amount of TPT payment in the ASC context. Should you need clarification or assistance, we encourage you to reach out to your local MAC or the Recor Medical Reimbursement Team via email at reimbursement@recormedical.com.

Hospital Inpatient Setting

TPT payment does not apply to the inpatient setting. The Paradise System was approved for a New Technology Add-on Payment (NTAP) effective October 1, 2024.[5] Please reference our NTAP resources for more information.

Physician's Office / Office Based Lab (OBL)

Renal denervation procedures are not currently payable by Medicare in the OBL setting. TPT payments also only apply to Outpatient and ASC facilities.

FAQs - Continued

Does the TPT payment apply to non-Medicare FFS patients?

No, the TPT payment only applies to Medicare fee-for-service (FFS) beneficiaries when appropriate procedure codes and the C-Code indicating the use of Paradise System are utilized. This payment does not extend to Medicare Advantage or other private payers, whose reimbursement is typically governed by individual contracts with providers.

While these private entities may reference Medicare FFS rates, their coding and payment policies can differ. TPT payments may provide private payers with insight into changes in market reimbursement updates, however the degree of impact on contract negotiations is uncertain.

Providers are advised to consult with private payers to confirm eligibility for any supplemental reimbursement and to verify accurate coding and billing practices for non-Medicare FFS patients.

Does the Medicare TPT payment have any impact on the physician payment in any setting?

The TPT payment applies to facility payments under the Hospital Outpatient Prospective Payment System, including ASCs. TPT payment status for the Paradise System has no impact on the Medicare Physician Fee Schedule (MPFS) payment to the clinician for the associated procedure.

Do TPT payments impact coverage policies?

TPT payments are not directly connected to coverage decisions, rather it affects the payment rate received by facilities for providing Medicare FFS beneficiaries.

How much does my facility receive with the TPT Payment?

Medicare determines the incremental TPT payment amount for Ultrasound RDN based on a case-by-case basis for each hospital; it is not a set payment amount.

The TPT payment is typically calculated based on:

- A hospital's charges for the Paradise System, which includes a hospital's charge adjustment or markup to account for its operating/capital costs
- A hospital's cost-to-charge ratio (CCR) for Medical Devices, typically reported under Revenue Center 272 or alternatively 278, which Medicare publishes. Medicare applies this CCR to the charges a hospital submits to determine the cost of the Paradise System to the hospital, and
- The device related portion of the relevant APC payment, also referred to as the device offset.

What is the device offset and why is it removed from the TPT payment calculations?

The device offset is mandated by CMS as part of the program payment calculations. CMS applies a fixed device offset to account for device costs already captured in the base APC payment. The device offset is intended to remove payment already included in the base APC amount.

How much should my hospital charge for the Paradise System?

Each hospital should determine its own charge for the Paradise System. However, it is important to understand that CMS will apply the hospital's cost-to-charge ratio (CCR) to the hospital charge to calculate an estimate of the cost of the device. Therefore, to be consistent with its billing practices, a hospital should submit the charges (accounting for their CCRs), not the invoice amount, to CMS on the claim with HCPCS C1736. Otherwise, CMS will calculate an incorrect payment amount for the Paradise System. CMS also relies on the charges on claims data for setting payment rates for related procedures when the TPT payment expires.

Where can a hospital find the relevant hospital CCRs used in the TPT payment calculation?

The provider specific Revenue Center CCRs are part of the Outpatient impact files found on CMS's website at FY 2026 Impact File (final rule).[6] Please note that this information in published and updated annually.

You can contact the Recor Medical Reimbursement team for your hospital's different CCRs for the relevant Revenue Centers.

Additionally, you may contact your MAC to find out your hospital's CCR for purposes of new technology payments from CMS.

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References

1. Hospital Outpatient Prospective Payment CY2026- Notice of Final Rulemaking with Comment Period (NFRM) CMS 1834-FC: https://www.cms.gov/medicare/payment/prospective-payment-systems/hospital-outpatient/regulations-notices/cms-1834-fc

2. https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-419/subpart-G/section-419.66

3. Ambulatory Surgical Center Payment CY2026- Notice of Final Rulemaking (NFRM) CMS-1834-FC: https://www.cms.gov/medicare/payment/prospective-payment-systems/ambulatory-surgical-center-asc/asc-regulations-and-notices/cms-1834-fc

4. Medicare Claims Processing Manual Chapter 14 - Ambulatory Surgical Centers: https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/clm104c14.pdf

5. FY 2026 IPPS Final Rule Home Page 1833-F: https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/fy-2026-ipps-final-rule-home-page

6. FY 2026 Impact File (final rule): https://www.cms.gov/medicare/payment/prospective-payment-systems/long-term-care-hospital/regulations-notices/cms-1833-f

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