

CMS Proposes Important Medicare Payment Policy Change for Mechanical Scalp Cooling

The Centers for Medicare & Medicaid Services (CMS) has released its Calendar Year (CY) 2027 proposed Hospital Outpatient Prospective Payment System (OPPS) and Medicare Physician Fee Schedule (MPFS) rules affecting mechanical scalp cooling. The proposed OPPS rule would establish separate payment for CPT® code 97008, following continued dialogue between Paxman and CMS regarding appropriate Medicare reimbursement for mechanical scalp cooling.

The proposed payment rates under both rules, however, underscore the need for further progress toward fair and reasonable Medicare reimbursement.

The proposed OPPS rule assigns Status Indicator “S” to CPT® code 97008 (mechanical scalp cooling pre-cooling), making the service separately payable in the hospital outpatient setting. CMS has proposed assigning CPT® code 97008 to APC 1494 with a payment rate of \$35.50. The separate payment recognizes pre-cooling as a distinct provider-delivered clinical service and marks another important milestone in implementation of the Category I CPT® codes that took effect January 1, 2026.

While Paxman is encouraged by CMS’s decision to separately recognize pre-cooling, the company believes the proposed payment rates still fall short of adequately reflecting the clinical resources required to safely deliver mechanical scalp cooling. Under the proposed MPFS rule, payment rates also decline slightly from CY 2026, largely reflecting broader Medicare Physician Fee Schedule updates rather than changes specific to scalp cooling.

“CMS’s proposed rules represent continued progress toward broader reimbursement for mechanical scalp cooling,” said Richard Paxman, Chief Executive Officer of Paxman. “The decision to establish separate payment for pre-cooling is an important step that recognizes the clinical services required to deliver this treatment. Together, these proposed rules further support adoption of Paxman’s insurance-based billing model. At the same time, they reinforce the need for fair and reasonable Medicare reimbursement that appropriately values the clinical resources required to deliver mechanical scalp cooling. We look forward to continuing our work with CMS throughout the rulemaking process.”

Proposed Medicare Payment Rates (CY 2027 Proposed)

Paxman will submit formal comments on both proposed rules and will continue working with CMS, providers, and other stakeholders to support reimbursement policies that improve patient access to provider-delivered mechanical scalp cooling.

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About Us

The Paxman Scalp Cooling System has been developed by the Paxman family to reduce hair loss in breast cancer patients undergoing chemotherapy. The concept behind the system came when the mother of four, Sue Paxman, experienced first-hand the trauma of chemotherapy-induced hair loss. In 2025, PAXMAN AB acquired Dignitana, merging to form a stronger united company.

Today, PAXMAN's portfolio includes both the Paxman and DigniCap systems with several thousand installations in hospitals, clinics and treatment centres worldwide, reaffirming PAXMAN as the leading global supplier of Scalp Cooling technology.

PAXMAN AB (publ) has its headquarters in Karlshamn (Sweden). Subsidiaries of the PAXMAN Group are Paxman Coolers Limited (Huddersfield UK), Paxman Inc. (Houston, Texas US), Paxman Canada (Toronto, Ontario CA), Dignitana AB (Lund, Sweden), Dignitana Inc. (Dallas, TX US), and Dignitana S.r.l. (Milan, IT).

The PAXMAN share is listed on Nasdaq First North Growth Market.

FNCA Sweden AB is the company's Certified Adviser.

Attachments

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