



# Skin Substitute Costs and Spending Drive Massive Medicare Bill

Traditional Medicare has recently seen extreme growth in the cost and spending on skin substitutes. The National Association of ACOs conducted an analysis of national Medicare claims data on skin grafts from 2022 through September 2025 to understand the drivers of the skyrocketing spending. The findings are detailed below.

## Unrelenting Spending Continued through Q3 2025

Medicare Part B allowed amounts for skin graft codes (Q4100-Q4367) increased from \$1.6 billion in 2022 to \$9.9 billion in 2024, with \$12.3 billion spent in the first nine months of 2025. Skin graft spending is projected to exceed \$16 billion in 2025 (Figure 1).

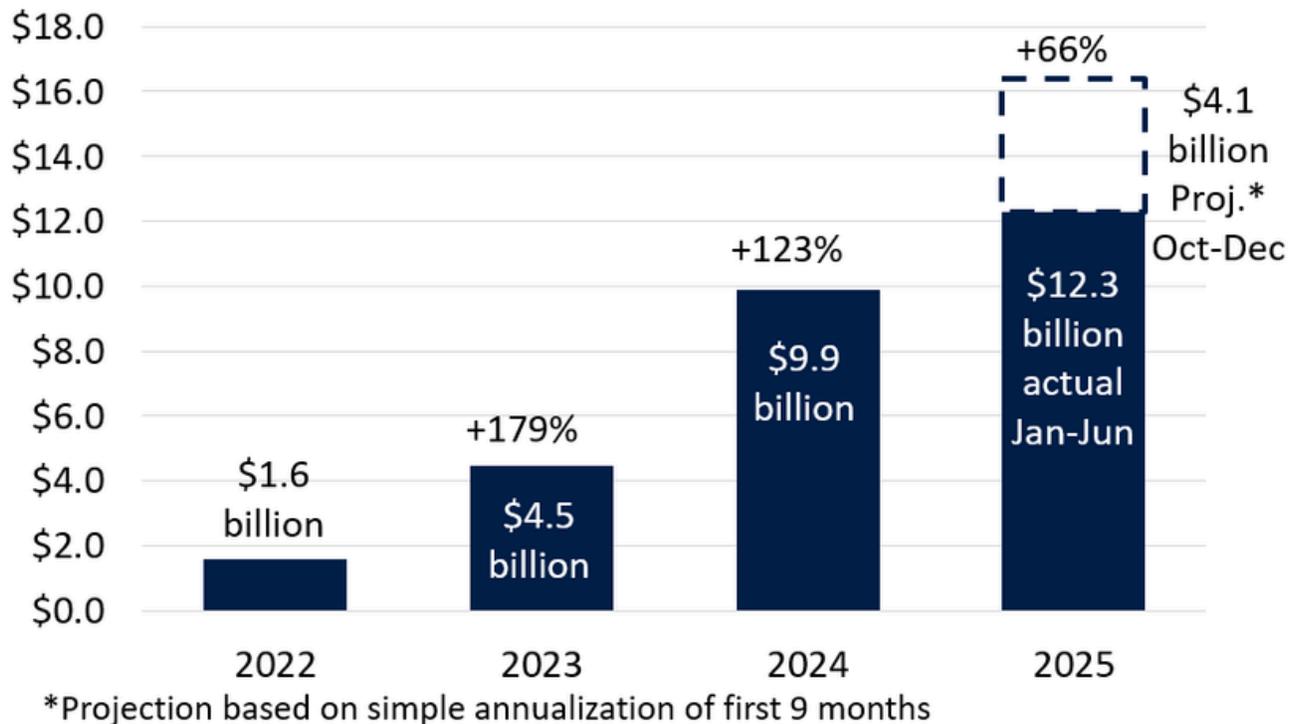
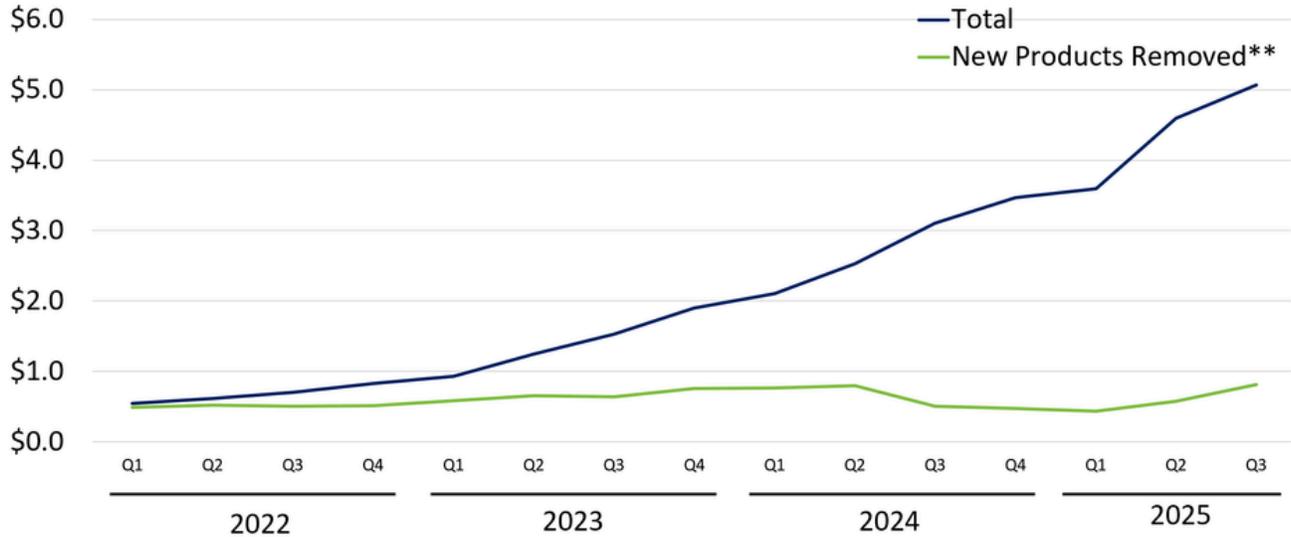


Figure 1: Continued escalation in skin substitute spending is estimated to have reached more than \$16 billion in 2025.

## Increased Spending Driven by New, Higher Cost Products

New skin graft products had an outsized impact on spending. Removing costs from products introduced in 2023 and 2024 would have kept spending flat (Figure 2).

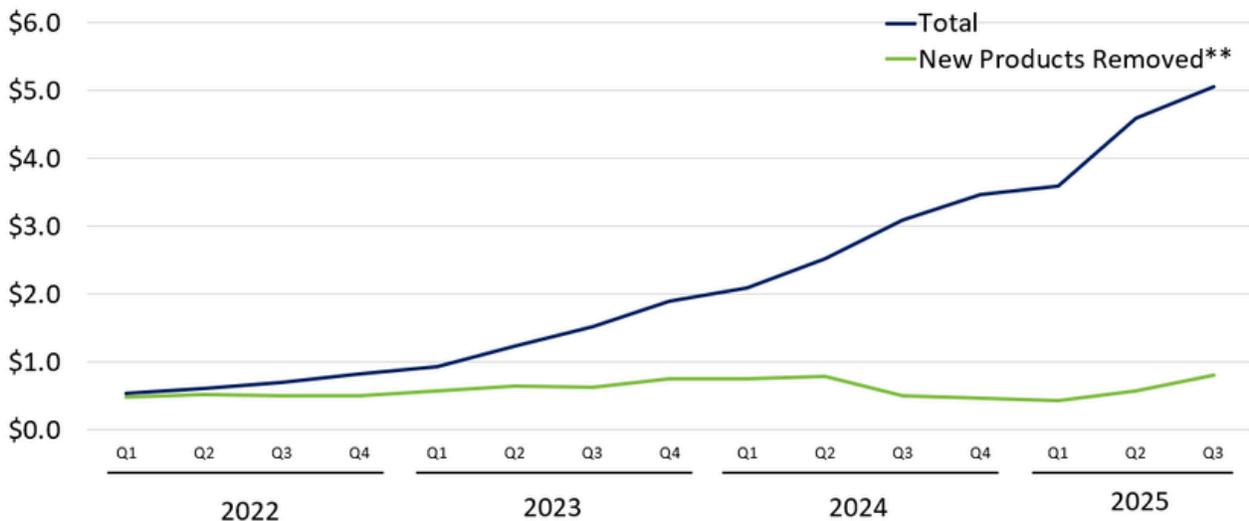


\*Includes CPTs for Part B Drug Skin Grafts, Application, and Wound Matrices

\*\*Removed all CPT codes that had ASP > \$1,000 and were identified in ASP pricing guide as New in either 2023, 2024

Figure 2: Impact of New Products on Medicare Allowed Amounts

Clinicians have increasingly shifted toward ordering newer, higher-cost products. In 2025, as number of units leveled off, spending continued to rise (Figure 3).



\*Includes CPTs for Part B Drug Skin Grafts, Application, and Wound Matrices

\*\*Removed CPT codes with an ASP > \$1,000 and were identified in ASP pricing guides as "new" between 1/2023 and 9/2025

Figure 3: Growth in Volume and Cost Per Unit for Part B Skin Grafts

## DATA BRIEF

In total, 102 skin graft products were introduced from January 2023 through September 2025 with an average sales price (ASP) of greater than \$1,000 with some products priced at more than \$3,000 (**Table 1**).

CPT Code	Name	Oct 2025 ASP	Total spending 2022 - Q3 2025 in millions
Q4205	Membrane graft or wrap	\$1,237	\$2,294
Q4271	Complete ft	\$1,141	\$1,930
Q4262	Dual layer impax	\$99	\$1,766
Q4280	Xcell amino matrix	\$2,356	\$1,354
Q4275	Esano Aca	\$2,707	\$1,198
Q4316	Amchoplast	\$4,416	\$1,032
Q4250	Amnioamp-mp	\$2,979	\$961
Q4265	Neostim tl	\$1,386	\$859
Q4341	Simplimax	\$3,071	\$849
Q4253	Zenith amniotic membrane psc	\$83	\$823

Table 1: Products with the Most Total Spending

## Providers Drive Spending

From January through September 2025, the top 10 percent of billing providers had triple the charges per beneficiary compared to the 50th percentile. **Table 2** includes 9,131 clinicians with a claim paid between January - June 2025, but does not include risk-adjustments to account for differences in patient severity.

	Allowed Amount	Charges Per Beneficiary	Charges Per Unit
Mean	\$1,034,116	\$147,342	\$1,587
Top 1%	\$15,428,123	\$1,528,478	\$4,416
Top 10%	\$2,277,605	\$365,603	\$2,935
Median	\$108,380	\$39,181	\$1,564

Table 2: Trends in Clinician Billing Practices

## DATA BRIEF

The top 20 providers by allowed amounts, billed Medicare for an average of 38 patients with charges over \$1 million each (**Table 3**).

	2025 (Jan-Sep); (millions)	2024 (millions)	2023 (millions)	Number of Beneficiaries with \$1m+ in skin grafts
Provider 1	\$332.20	\$912.50	\$395.70	251
Provider 2	\$197.00	\$106.70	\$5.70	71
Provider 3	\$154.20	\$0	\$0	39
Provider 4	\$86.50	\$98.30	\$3.40	18
Provider 5	\$80.20	\$21.40	\$0	39
Provider 6	\$63.90	\$14.10	\$0	11
Provider 7	\$62.80	\$107.70	\$0	33
Provider 8	\$44.70	\$10.00	\$0	13
Provider 9	\$59.60	\$98.60	\$10.80	26
Provider 10	\$57.90	\$0	\$0	12
Provider 11	\$56.70	\$93.90	\$0	37
Provider 12	\$53.80	\$65.60	\$27.70	33
Provider 13	\$49	\$0	\$0	13
Provider 14	\$42.10	\$65.50	\$4.80	18
Provider 15	\$41.60	\$53.50	\$5.50	21
Provider 16	\$40.10	\$6.00	\$0	15
Provider 17	\$37.50	\$91.30	\$25.10	33
Provider 18	\$32.90	\$101.80	\$81.90	32
Provider 19	\$27.60	\$103.30	\$24.80	33
Provider 20	\$23.00	\$50.60	\$5.20	15

Table 3: Top 20 Provides with Rapid Growth in Skin Graft Billing

**METHODS:** The National Association of ACOs conducted an analysis of Medicare allowed amounts (e.g., Medicare payment plus beneficiary coinsurance amount) to measure skin substitute spending for Part B Drug Skin Graft CPT codes Q4100-Q4367. Skin graft payments are based on Medicare allowed amounts from carrier claims and outpatient claims. Charges were only included if the line processing indicator was an A, R, or S. 4