Missouri Alliance for HOME CARE

2420 Hyde Park, Suite A, Jefferson City, MO 65109-4731 ▪ (573) 634-7772 ▪ (573) 634-4374 Fax

April 11, 2025

CMS Releases Fiscal Year (FY) 2026 Hospice Wage Index and Payment Rate Update *(from Alliance Daily)*

HIGHLIGHTS:

- Proposed payment update, hospice cap amount
- Admission recommendations, F2F encounter requirements
- Estimated $695 million in increased payments relative to FY2025

On April 11, the Centers for Medicare & Medicaid Services (CMS) issued the fiscal year (FY) 2026 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, and Hospice Quality Reporting Program proposed rule. CMS has also released a fact sheet accompanying the proposed rule. The National Alliance for Care at Home (Alliance) issued a statement in response.

Key provisions include:

- **Proposed Payment Rate Update.** CMS is proposing a 2.4% increase for FY 2026, which reflects a 3.2% market basket percentage increase, decreased by a 0.8 percentage point productivity adjustment.
- **Proposed Hospice Cap Amount.** CMS proposes a hospice cap amount for the FY 2026 cap year of $**35,292.51**, which is equal to the FY 2025 cap amount ($34,465.34) updated by the proposed FY 2026 hospice payment update percentage of 2.4%.
- **Hospice Admission Recommendations:** CMS proposes to update 42 C.F.R. § 418.25 to add "physician member of the hospice interdisciplinary group" as a physician who can make a recommendation for admission to hospice.
- **Face-to-Face Encounter Attestation Requirements:** CMS proposes to revise face-to-face attestation requirements at § 418.22(b)(4) to explicitly require the signature and date of signature on the attestation that a physician or nurse practitioner (NP) conducted a face-to-face encounter.
- **Request for Information.** The proposed rule includes two requests for information to Advance Digital Quality Measurement (dQM) in the HQRP and Future Quality Measure Concepts for the HQRP. CMS also references a separate Deregulation request for information to solicit stakeholder feedback on approaches that would reduce provider burdens in alignment with the objectives outlined in Executive Order 14094.

Comments on the proposed rule are due by June 30, 2025. **The overall impact of the rule is an estimated $695 million in increased hospice payments relative to FY 2025.**

See our analysis of the rule below.

Rule Analysis

Proposed FY 2026 Hospice Wage Index and Rate Update

For FY 2026, CMS proposes a rate increase of **2.4%** for hospices who meet quality reporting requirements**.** CMS proposes a hospice cap amount of **$35,292.51** for FY 2026. **NOTE:** The percentage increase may change when the final rate update is issued, based on the latest available data for the percentage increase calculation. **Charts reflecting the current (FY 2025) and proposed (FY 2026) rates for each level of care** for hospices that do and do not submit quality data are included below.

Payment Rates for Hospices Who Submit Required Quality Data

Proposed FY 2026 Hospice Payment Rates (with Quality Reporting)[1]

Code	Description	SIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2026 Hospice Payment Update	Proposed FY 2026 Payment Rates	FY 2025 Payment Rates
651	Routine Home Care (days 1-60)	1.0005	1.0009	1.024	**$230.33**	$224.62
651	Routine Home Care (days 61+)	1.0001	1.0018	1.024	**$181.51**	$176.92

Code	Description	Wage Index Standardization Factor	FY 2026 Hospice Payment Update	Proposed FY 2026 Payment Rates	FY 2025 Payment Rates
652	Continuous Home Care Full Rate = 24 hours of care	1.0047	1.024	**$1,665.23 ($69.38/hour)**	$1,618.59 ($67.44/hour)
655	Inpatient Respite Care	1.0007	1.024	**$531.60**	$518.78
656	General Inpatient Care	0.9994	1.024	**$1,197.40**	$1,170.04

Payment Rates for Hospices Who Do Not Submit Required Quality Data

Proposed FY 2026 Hospice Payment Rates for Hospices that DO NOT Submit Required Quality Data[2]

Code	Description	SIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2026 Hospice Payment Update[3]	Proposed FY 2026 Payment Rates	FY 2025 Payment Rates
651	Routine Home Care (days 1-60)	1.0005	1.0009	0.984	**$221.34**	$218.33
651	Routine Home Care (days 61+)	1.0001	1.0018	0.984	**$174.42**	$172.35

Code	Description	Wage Index Standardization Factor	FY 2026 Hospice Payment Update[3]	Proposed FY 2026 Payment Rates	FY 2025 Payment Rates
652	Continuous Home Care Full Rate = 24 hours of care	1.0047	0.984	**$1,600.18**	$1,565.46
655	Inpatient Respite Care	1.0007	0.984	**$510.84**	$507.71
656	General Inpatient Care	0.9994	0.984	**$1,150.63**	$1,145.31

---

[1] See FY 2026 Hospice Wage Index Proposed Rule (unpublished), Tables 1 and 2.

[2] See FY 2025 Hospice Wage Index Proposed Rule (unpublished), Tables 3 and 4.

[3] Includes a FY 2025 Hospice payment update of 2.4%, minus 4 percentage points, which equals -1.6%.

Hospice Admission Recommendation

CMS proposes to update 42 C.F.R. § 418.25 to add "physician member of the hospice interdisciplinary group" as a physician who can make a recommendation for admission to hospice. The current regulation lists only the patient's attending physician and hospice medical director (or the medical director's designee) as those who can determine a patient's admission to hospice. This revision would add "or the physician member of the hospice interdisciplinary group" to that list of physicians to better align with the hospice regulations regarding certification of terminal illness.

Clarification of Face-To-Face Attestation Signature Requirements

CMS proposes to revise face-to-face attestation requirements at § 418.22(b)(4) to explicitly require the signature and date of signature on the attestation that a physician or NP conducted a face-to-face encounter. CMS also proposes to require the attestation to be "a separate and distinct section of, or an addendum to, the recertification form, and must be clearly titled." The current regulation requires the physician or NP who conducts a face-to-face encounter to attest in writing that "he or she had a face-to-face encounter with the patient, including the date of that visit" but does not specifically require the physician or NP to sign or date the attestation. The proposed rule indicates this lack of specificity creates confusion and disparate documentation practices, leading to issues in audits and "undermining the original intent of the statute and rule" requiring verifiable documentation of the assessment of eligibility.

Specifically, the proposed regulation would add the following language to § 418.22(b)(4): "The attestation must include the physician's or nurse practitioner's signature and the date it was signed. The attestation, its accompanying signature, and the date signed, must be a separate and distinct section of, or an addendum to, the recertification form, and must be clearly titled."

Technical Corrections

CMS proposes to correct a typographical error in the regulations at § 418.312(j). CMS noticed an error in the text of §418.312(j) as adopted in the FY 2024 Hospice final rule. The FY 2026 proposed rule would correct a reference to other regulations from § 412.306(b)(2) to § 418.306(b)(2).

HQRP Updates Including HOPE

The Alliance has heard concerns from providers and vendors regarding the complex transition from the Hospice Item Set (HIS) to the Hospice Outcomes & Patient Evaluation (HOPE) tool. CMS did not acknowledge the need for additional information about the transition and clarifications of the HOPE tool itself that are needed for a successful implementation of HOPE, which is currently scheduled to begin October 2025. The implementation requires a transition from the QIES database hospices currently use to submit quality data to the iQIES database. The transition to the iQIES platform has not been without issues in other provider sectors and the same is anticipated for hospices. Additional information, clarifications and adequate time is needed for hospices and vendors to integrate and operationalize the complex requirements of the transition to HOPE to ensure a smooth transition—without compromising patient care.

In this proposed rule, CMS states that beginning on October 1, 2025, iQIES will begin accepting the data from HOPE, in line with the start of HOPE data collection. Provider reports will also be available in this system beginning October 1, 2025. The QIES system will stop accepting HIS records for hospice admissions and discharges that occurred prior to October 1, 2025, including any corrections, on February 15, 2026.

As finalized in the FY 2025 Hospice Wage Index final rule, public reporting of the HOPE quality measures will be implemented no earlier than FY 2028. Data collected by hospices during the four quarters of CY 2026 (for example, Q 1, 2, 3 and 4 CY 2026) will be analyzed starting in CY 2027. CMS will inform the public of the decisions about whether it will report some or all of the quality measures publicly based on the findings of analysis of the CY 2026 data through future rulemaking. Providers will have the opportunity to preview HOPE data before it is publicly reported, with the first HOPE-based Quality Measures (QM) public reporting anticipated to be no earlier than November 2027 (FY 2028). CMS further stated that it intends to develop several quality measures based on information collected by HOPE after HOPE is implemented. And the Agency continues to consider developing hybrid quality measures that could be calculated from multiple data sources, such as claims, HOPE data, or other data sources (for example, CAHPS Hospice Survey).

The Agency included the following table showing the anticipated HOPE public education, data collection, and reporting time frames.

Key Event	Time Period
Provider Trainings for HOPE Implementation	Spring/Summer 2025
Data Collection Begins	October 1, 2025
CY 2026 Data Analyzed to Assess Quality and Completeness	Winter/Spring 2027
Provider Preview Reports for HOPE Measure(s) Provided to Hospices*	Summer 2027
Public Reporting of HOPE Measure(s) Begins*	Fall 2027

*These dates are subject to change based on the quality and reportability of the data as determined based on CMS analyses; updates will be provided in the FY 2027 Hospice Rule.

Hospices must meet quality reporting requirements to avoid a payment penalty. This includes the requirements for both the HIS, and HOPE when implemented, as well as the CAHPS Hospice Survey. The payment reduction for failing to meet hospice quality reporting requirements was increased from 2 percent to 4 percent beginning with FY 2024. Beginning in FY 2024 and for each subsequent year, the Department of Health & Human Services (HHS) Secretary will reduce the market basket update by 4 percentage points for any hospice that does not comply with the quality measure data submission requirements for that fiscal year. This may result in a payment reduction for some hospices. CMS will apply the same timely submission requirements for HOPE admission, discharge, and up to two hospice update visit (HUV) records as it currently does for HIS records. After HIS is phased out, hospices will continue to be required to submit 90 percent of all required HOPE records to support the quality measures within 30 days of the event or completion date (patient's admission, discharge, and based on the patient's length of stay up to two HUV timepoints).CMS noted that during the first reporting year that implements HOPE, hospice Annual Payment Updates (APUs) may be based on fewer than four quarters of data. The Alliance appreciates that CMS will consider fewer reporting quarters as the first quarter of HOPE implementation may not go smoothly and, without adjustment by CMS, could adversely impact hospice provider payments. The Agency stated that it will provide additional subregulatory guidance regarding APUs for the HOPE implementation year.

The HQRP Compliance Checklist table below illustrates the APU and timeliness threshold requirements.

HQRP Compliance Checklist

Annual payment update	HIS/HOPE	CAHPS
FY 2026	Submit at least 90 percent of all HIS records within 30 days of the event date (for example, patient's admission or discharge) for patient admissions/discharges occurring 1/1/24-12/31/24	Ongoing monthly participation in the Hospice CAHPS survey 1/1/2024-12/31/2024
FY 2027	Submit at least 90 percent of all HIS/HOPE records within 30 days of the event date (for example, patient's admission or discharge) for patient admissions/discharges occurring 1/1/25-12/31/25	Ongoing monthly participation in the Hospice CAHPS survey 1/1/2025-12/31/2025
FY 2028	Submit at least 90 percent of all HOPE records within 30 days of the event or completion date (for example, patient's admission date, HUV completion date or discharge date) for patient admissions/discharges occurring 1/1/26-12/31/26	Ongoing monthly participation in the Hospice CAHPS survey 1/1/2026-12/31/2026
FY 2029	Submit at least 90 percent of all HOPE records within 30 days of the event date (for example, patient's admission or discharge) for patient admissions/discharges occurring 1/1/27-12/31-2027	Ongoing monthly participation in the Hospice CAHPS survey 1/1/2028-12/31/2027

Note: The data source for the claims-based measures will be Medicare claims data that are already collected and submitted to CMS. There is no additional submission requirement for administrative data (Medicare claims), and hospices with claims data are 100-percent compliant with this requirement.

Requests for Information

CMS includes two requests for information (RFI) in the proposed rule. CMS also references a separate Deregulation RFI to solicit stakeholder feedback on approaches that would reduce provider burdens in alignment with the objectives outlined in Executive Order 14094, which seeks to reduce administrative complexity and streamline regulations to facilitate more efficient and effective patient care.

RFI to Advance Digital Quality Measurement (dQM) in the HQRP: CMS includes an RFI in the proposed rule to gather input on the digital quality measurement "as part of [its] quality measurement enterprise modernization." The RFI includes a number of requests about how hospices currently use health IT, barriers hospices face to using health IT, and opportunities hospices have to use health IT. CMS will not respond to comments received in response to the RFI in the final rule, but it will "actively consider all input" in future regulatory proposals or sub-regulatory guidance.

Specifically, CMS wants to assess the feasibility of using the Fast Healthcare Interoperability Resources ("FHIR") standard for the submission of HOPE data. To do so, CMS is requesting hospice provider feedback on the following questions regarding the current state of health IT use, including EHRs, in hospices:[1]

- To what extent does your hospice use health IT to maintain patient records? If your hospice has transitioned to using electronic records, in part or in whole, what types of health IT does your hospice use to maintain patient records, and are these technology systems certified

under the Office of the National Coordinator (ONC) Health IT Certification Program? If your hospice uses health IT systems that are not certified under the ONC Health IT Certification Program, please specify and include the reason(s) for not using a certified health IT system (for example, resources, lack of certified health IT products that meet your needs, etc.). Does your hospice maintain any patient records outside of these electronic systems? If so, are the data organized in a structured format, using codes and recognized standards, that can be exchanged with other systems?

- Does your hospice submit data to CMS through your current health IT system? If a third-party intermediary (for example, an EHR vendor) is used to report data, what type of intermediary service is used? How does your hospice currently exchange health information with other healthcare providers or systems, specifically between hospices and other provider types? What about health information exchange with other entities, such as public health agencies – what does that look like? What are the challenges to electronic exchange of health information?
- Are there any challenges with your current electronic devices (for example, tablets, smartphones, computers) that hinder your ability to easily exchange information across systems? Does limited or lack of internet connectivity impact your ability to exchange data with other healthcare providers, including community-based care services, or your ability to submit patient assessment data to CMS? Please specify.
- What steps does your hospice take to ensure compliance in using health IT security and patient privacy requirements such as the Health Insurance Portability and Accountability Act and related regulations?
- Does your hospice refer to Safety Assurance Factors for EHR Resilience (SAFER) Guides to self-assess EHR safety practices?
- What challenges or barriers does your hospice encounter when submitting quality measure data to CMS as part of the Hospice QRP? What opportunities or factors could improve your hospice's successful data submission to CMS?
- How do you anticipate the adoption of technology using FHIR-based APIs to facilitate the reporting of patient assessment data could impact provider workflows? What impact, if any, do you anticipate it will have on quality of care?
- Does your hospice have any experience using one or more versions of the United States Core Data for Interoperability (USCDI) standard? Is your facility using technology that utilizes APIs based on the FHIR standard for electronic data exchange using APIs? If so, with whom are you exchanging data using the FHIR standard and for what purpose(s)? For example, have you used FHIR APIs to exchange data with public health agencies? Does your facility use any Substitutable Medical Applications and Reusable Technologies (SMART) on FHIR applications? If so, are the SMART on FHIR applications integrated with your EHR? Additionally, what benefits or challenges have you experienced with the implementation of technology using FHIR-based APIs?
- What might encourage your facility or agency and/or vendors to participate in a pilot test that would explore assessment submission process options, for example, testing a FHIR-based assessment submission to CMS?
- How could the Trusted Exchange Framework and Common Agreement™ (TEFCA™)10 support CMS quality programs' adoption of FHIR-based assessment submissions

consistent with the FHIR Roadmap? How might patient assessment data hold secondary uses for treatment or other TEFCA exchange purposes?

- What other information should we consider that could facilitate successful adoption and integration of FHIR-based technologies and standardized data for patient assessment instruments like HOPE? We invite any feedback, suggestions, best practices, or success stories related to the implementation of these technologies.

RFIs on Future Quality Measure Concepts for the HQRP: CMS is seeking input on the importance, relevance, appropriateness, and applicability of several concepts under consideration for future years in the HQRP. Specifically, CMS is seeking input on three concepts: interoperability, well-being, and nutrition.

- Interoperability: CMS would like input and comment on approaches to assessing interoperability in the hospice care setting, for instance, measures that address or evaluate the level of readiness for interoperable data exchange, or measures that evaluate the ability of data systems to securely share information across the spectrum of care.
- Well-Being: CMS would like input and comment on tools and measures that assess overall health, happiness, and satisfaction at the end of life, which could include aspects of emotional well-being, social connections, purpose, fulfillment, and self-care work.
- Nutrition: CMS is seeking feedback on tools and frameworks that promote healthy, safe eating habits, exercise, nutrition, and activity appropriate for optimal end-of-life care.

Next Steps

The Alliance has begun a review of the proposed rule and will provide opportunities for our members to provide feedback to inform our comment response.