

CMS Finalizes 2.6% Payment Update for Hospices in FY 2026

On August 1, 2025, the Centers for Medicare & Medicaid Services (CMS) issued the fiscal year (FY) 2026 final [Hospice Wage Index, Payment Rate Update, and Quality Reporting Requirements](#) rule. See the fact sheet [here](#).

In this rule, CMS:

- Updates hospice payment by 2.6 percent;
- Updates the hospice wage index; and
- Makes changes to regulatory text related to hospice eligibility and admission.

In its proposed rule, CMS did not propose substantive new policies for the Hospice Quality Reporting Program (HRQP) for FY 2026. However, CMS sought feedback on advancing digital quality measurement and potential measure concepts related to interoperability, well-being, and nutrition. CMS does not address these Requests for Information (RFIs) in the final rule.

Finally, beginning October 1, 2025, CMS will implement the use of the Hospice Outcomes & Patient Evaluation (HOPE) instrument set, as finalized in the FY 2025 Hospice Wage Index rule.

This final rule is scheduled to be published in the *Federal Register* on August 5, 2025.

CMS FINALIZES INCREASE IN HOSPICE PAYMENTS FOR FY 2026

Pages 24-33, pages 38-40, pages 75-76

For FY 2026, CMS finalizes a hospice payment update of 2.6 percent, compared to the 2.4 proposed update. CMS estimates that payments to hospices will increase by \$750 million in FY 2026, as compared to FY 2025. CMS proposed an FY 2026 hospice cap of \$35,292.51 and finalizes a cap of \$35,361.44. CMS also finalizes the following hospice payment rates:



Final FY 2026 Hospice Routine Home Care, Continuous Home Care, Inpatient Respite Care, and General Inpatient Care Payment Rates¹

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Code	Description	FY 2025 Payment Rates	Proposed FY 2026 Payment Rates	Final FY 2026 Payment Rates
651	Routine Home Care (days 1-60)	\$224.52	\$230.33	\$230.83
651	Routine Home Care (days 61+)	\$176.92	\$181.51	\$181.94
652	Continuous Home Care Full Rate = 24 hours of care	\$1,618.59	\$1,665.23 (\$69.38 per hour)	\$1,674.29 (\$69.76 per hour)
655	Inpatient Respite Care	\$518.78	\$531.60	\$532.48
656	General Inpatient Care	\$1,170.04	\$1,197.40	\$1,199.86

These rates would apply to hospices that submit the required quality data. Source: CMS.

Payment impacts of the FY 2026 rates vary by hospice provider type and location in consideration of updated wage data with the cap. Overall, rural hospices fare slightly better than their urban counterparts, with an overall 3.0 percent estimated payment update (compared to 2.7 percent proposed), while urban hospices are estimated to receive an overall 2.6 percent payment update (compared to 2.4 percent proposed).

CMS UPDATES THE HOSPICE WAGE INDEX

Pages 10-23

CMS finalizes its proposal to base the FY 2026 hospice wage index on the FY 2026 hospital pre-floor, pre-reclassified wage index for the FY 2022 cost reporting period. CMS will continue to incorporate the permanent five percent cap on negative wage index changes and the hospice floor policy, both of which were finalized in previous rules.

CMS WILL IMPLEMENT THE HOPE INSTRUMENT FOR THE HRQP ON OCTOBER 1, 2025

HRQP Updates

The HRQP specifies the quality reporting requirements for hospices, and includes the Hospice Item Structure (HIS), administrative data, and Consumer Assessment of Healthcare Providers and Systems (CAHPS) Hospice Survey. Although no substantive policies for the

¹ See Tables 1 and 2 of the proposed rule.

HRQP were proposed, CMS reiterated the requirements for the HOPE instrument set, which will replace the HIS beginning with FY 2026. HOPE implementation was finalized in the FY 2025 Hospice Wage Index Final Rule and is intended to enable CMS to gather patient-level data throughout the hospice stay. Although commenters expressed concern about the transition to HOPE, CMS states it has provided updates to where providers and vendors can find up-to-date information about HOPE, at the [HOPE Technical Information](#) webpage. CMS also received feedback from commenters that the HOPE burden included in the final Paperwork Reduction Act (PRA) package may be underestimated.² In response, CMS states it will consider these concerns in the future PRA package.

RFI on Future Measures on Interoperability, Well-Being, and Nutrition

In the proposed rule, CMS sought feedback on three potential measure concepts for the Hospice QRP for future years. CMS did not address stakeholder feedback on the RFI or discuss next steps in this final rule, however, it is likely comments will be considered for measure development in future rulemaking.

1. **Interoperability:** CMS requested feedback on approaches to assessing interoperability in the hospice care setting, such as measures that address readiness for interoperable data exchange or evaluate the ability of data systems to share information securely.
2. **Well-Being:** CMS requested feedback on tools and measures that assess “overall health, happiness, and satisfaction at the end of life,” including areas such as emotional well-being and purpose.
3. **Nutrition:** CMS requested feedback on tools and frameworks that promote nutrition and activity relevant to optimal end-of-life care.

RFI on Advancing Digital Quality Measurement

In the proposed rule, CMS sought feedback on digital quality measurement, aligned with the agency’s quality measurement enterprise modernization and the promotion of adoption of interoperable health information technology via the Health Level Seven (HL7) Fast Healthcare Interoperability Resources (FHIR) standards. Specifically, CMS sought feedback on the current state of information technology (IT) use, including electronic health records (EHR), at respondents’ facilities. Questions focused on several topics, including current adoption of health IT, barriers and challenges to using health IT and exchanging information, security and patient privacy practices, and standards and frameworks used within health IT adoption. CMS did not address stakeholder feedback on the RFI or discuss next steps in this final rule.

² (CMS-10390; OMB Control Number: 0938-1153)

CMS FINALIZES CLARIFICATIONS AND TECHNICAL CHANGES RELATED TO ELIGIBILITY FOR AND ADMISSION TO HOSPICE CARE

CMS Clarifies That a Physician Member of the Hospice Interdisciplinary Group May Recommend Admission to Hospice

Pages 41-44

Statute requires an individual's attending physician and hospice medical director (or physician member of a hospice interdisciplinary group (IDG)) to certify in the beginning of the first 90-day period hospice care that an individual is "terminally ill." For each 90- or 60-day period of hospice care, only the hospice medical director or physician member of the IDG can recertify that the patient is terminally ill. However, CMS and commenters on the FY 2025 Hospice Wage Index Proposed Rule identified a section of hospice regulations where this provider type is not included. To align with current payment and Conditions of Participation (CoP) regulations, CMS finalizes its proposal to add to the regulatory text that the physician member of the hospice IDG may recommend admission to hospice.

CMS Specifies Requirements for Face-to-Face Encounter Attestation

Pages 44-51

Statute and regulations outline requirements related to hospice physicians or nurse practitioners having face-to-face encounters with patients to determine continued eligibility for hospice care. CMS states that it inadvertently omitted from regulatory text requirements related to the attestation of this encounter, which has led to discrepancies in documentation and potential ambiguity around hospice compliance requirements. As such, CMS finalizes its proposal to amend the regulatory text to set forth requirements related to the face-to-face encounter attestation, with a modification intended to reduce administrative burden related to the attestation process. Under this modification, CMS eliminates the requirement that the attestation must be documented separately and distinctly and clarifies that the attestation requirement may be fulfilled as part of the recertification form, or as part of signed and dated note within the patient's medical record.

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