



Home Care Association of New York State

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The mission of the Home Care Association of New York State, Inc (HCANYS) is to promote and enhance the quality and accessibility of health care and support at home.

HCANYS, New York State's premier home care association, represents over 300 providers, health plans, organizations and individuals who collectively provide healthcare at home to hundreds of thousands of New Yorkers.

HCANYS Members include:

- Certified Home Health Agencies
- Licensed Home Care Service Agencies
- Long Term Home Health Care Programs
- Hospices
- Managed Long Term Care Plans
- Waiver programs, allied health & health management organizations, and others

TO: HCANYS HOSPICE PROVIDER MEMBERS

FROM: PATRICK CONOLE, VICE PRESIDENT, FINANCE & MANAGEMENT

RE: CMS ISSUES FINAL FY 2026 HOSPICE PAYMENT RULE

DATE: AUGUST 5, 2025

The U.S. Centers for Medicare and Medicaid Services (CMS) has released its hospice final rule (CMS-1835-F) to update the fiscal year (FY) 2026 (October 1, 2025 through September 30, 2026) Medicare payment rates and the wage index for hospices serving Medicare beneficiaries.

The final rule is on display for public inspection [here](#).

In the rule, CMS finalizes a **2.6 percent (\$750 million nationally)** market basket increase in national hospice payments for FY 2026 over FY 2025. CMS updates the Routine Home Care (RHC), Continuous Home Care (CHC), Inpatient Respite Care (IRC) and General Inpatient Care (GIC) hospice Medicare rates for FY 2026.

In addition to the market basket increase and payment updates, the rule contains the following other updates:

- An updated FY 2026 Hospice Wage Index, including the finalized 5% cap on negative wage index changes available [here](#).
- A final FY 2026 aggregate cap amount of **\$35,361.44**.
- Hospice Admission Recommendations: CMS finalizes its update to 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 (F2F) Encounter Attestation Requirements: Rather than finalize its proposal to revise F2F attestation requirements at 418.22(b)(4) to explicitly require the signature and date of signature on the F2F encounter, CMS will now allow a signed clinical note to serve as the attestation that a hospice physician or nurse practitioner completed the F2F encounter and the date completed.



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is healthcare.

- Hospice Outcomes and Patient Evaluation (HOPE) Tool: CMS is moving forward with its decision to implement the HOPE tool with data collection beginning October 1, 2025.

The following are key highlights of the rule.

Final FY 2026 Hospice Wage Index & CBSA Delineations

On July 21, 2023, the Office of Management and Budget (OMB) issued Bulletin No. 23-01, which updates and supersedes OMB Bulletin No. 20-01, issued on March 6, 2020. OMB Bulletin No. 23-01 establishes revised delineations for the Micropolitan Statistical Areas (MSAs), Combined Statistical Areas, and Metropolitan Divisions, collectively referred to as Core Based Statistical Areas (CBSAs).

According to OMB, the delineations reflect the 2020 Standards for Delineating CBSAs (the "2020 Standards"), which appeared in the Federal Register (86 FR 37770 through 37778) on July 16, 2021, and application of those standards to Census Bureau population and journey-to-work data. A copy of the OMB Bulletin 23-01 is [here](#).

The July 21, 2023, OMB Bulletin No. 23-01 contains a number of significant changes. Specifically for New York, the following wage index revisions include:

- Dutchess and Orange Counties that are in the Poughkeepsie-Newburgh-Middletown CBSA will now have a new CBSA number of 28880 (formerly was 39100) and be re-named Kiryas-Joel-Poughkeepsie-Newburgh.
- Yates County formerly in the Rochester CBSA is now in New York's Rural Designated Counties and has a new CBSA number of 99933 (formerly 50015).

CMS finalized a permanent approach to smooth year-to-year changes in providers' wage indexes by placing a 5 percent cap on all wage index decreases in future years, regardless of the reason for the decrease as part of the FY 2023 Hospice Wage Index final rule. Under the 5 percent cap, a geographic area's wage index would not be less than 95 percent of its wage index calculated in the prior FY.

The 5 percent cap was implemented in a budget neutral manner and would be applied after the application of the hospice wage index floor. If there is a 5 percent decrease from the previous FY's wage index value after the application of the hospice wage index floor, then the 5 percent cap on wage index decreases would also be applied.

For FY 2026, there continues to be 15 CBSA wage index designations in New York. HCANYS has created **Appendix A** at the end of this memorandum that summarizes all the changes for New York hospices in FY 2026. The following are highlights of these changes:

- Nine CBSAs will see increases in their 2026 wage index. They include: Albany-Schenectady-Troy; Binghamton; Buffalo-Cheektowaga; Elmira; Ithaca; Glens Falls; Rochester; Syracuse; Utica-Rome and New York's 25 Counties in the Rural Designation.
- Six CBSAs will see decreases in their 2026 wage index. They include: Ithaca; Kingston; Kiryas-Joel-Poughkeepsie-Newburgh; Nassau-Suffolk; New York City-White Plains-NJ and Watertown-Fort Drum.

HCANYS has concerns with the six CBSAs in New York that will see decreases including the Ithaca CBSA which has reached the negative 5 percent decrease cap, the Kiryas-Joel-Poughkeepsie-Newburgh CBSA which will experience a -4.23 decrease, as well as New York's downstate hospice in the NYC Metropolitan area as well as Nassau-Suffolk that have proposed wage index decreases.

HCANYS hospice providers are reminded that the appropriate wage index value is applied to the labor portion of the hospice payment rate based on the geographic area in which the beneficiary resides when receiving RHC or CHC. The appropriate wage index value is applied to the labor portion of the payment rate based on the geographic location of the facility for beneficiaries receiving GIP or IRC.

The current labor portion of the payment rates are: RHC, 66.0 percent; CHC, 75.2 percent; general inpatient (GIP), 63.5 percent; and inpatient respite care (IRC), 61.0 percent. The non-labor portion is equal to 100 percent minus the labor portion for each level of care. The non-labor portion of the payment rates is as follows: RHC, 34.0 percent; CHC, 24.8 percent; GIP, 36.5 percent; and IRC, 39.0 percent.

Final Hospice Aggregate Cap Amount for FY 2026

The hospice payment system includes a statutory per-patient aggregate cap. The cap limits the overall payments made per-patient to a hospice annually. As mandated by the Improving Medicare Post-Acute Care Transformation Act of 2014 (IMPACT Act), the cap amount for accounting years that end after September 30, 2016, and before October 1, 2025 must be updated by the hospice payment update percentage, rather than the Consumer Price Index (CPI). Therefore, the final cap amount for FY 2026 will be **\$35,361.44**. (This is the FY 2025 cap amount of \$34,465.34 increased by 2.6 percent.)

Final FY 2026 Market Basket Update

The final hospice payment update percentage for FY 2026 is based on the current estimate of the inpatient hospital market basket update of 3.3 (based on IHS Global Inc.'s second-quarter 2025 forecast). Due to requirements in the Affordable Care Act (ACA), the inpatient hospital market basket update for FY 2026 of 3.3 percent must be reduced by a mandated productivity adjustment (currently estimated to be 0.7 percentage points for FY 2026). In effect, the final hospice payment or market basket update percentage for FY 2026 will be **2.6 percent**.

Final FY 2026 Hospice Payment Rates

While there are four payment levels for hospice care, CMS, starting in January 2016, imposed a bifurcated system of payment for the RHC level of care: 1) one rate for days 1 through 60 of care; and 2) a lower rate for days 61 and thereafter. Base payments are adjusted by the wage index to account for geographic differences.

To update the final FY 2026 hospice payment rates, CMS is making the following adjustments:

- The application of a service intensity add-on budget neutrality factor is used only for the RHC rates, to make sure service intensity add-on rates are budget neutral.
- A wage index standardization factor.
- A 2.6 percent hospice payment update, which is based on the estimated inpatient hospital market-basket update of 3.3 percent, reduced by a productivity adjustment (estimated to be 0.7 percentage points for FY 2026).

Table 1 shows CMS' final FY 2026 RHC payment rates and Table 2 shows CMS' final FY 2026 CHR, IRC and GIP payment rates.

Table 1: Final FY 2026 Hospice RHC Payment Rates

Code	Description	FY 2025 Final Payment Rates	Service Intensity Add-On Budget Neutrality Factor	Wage Index Standardization Factor	Final FY 2026 Hospice Market Basket Update	Final FY 2026 Hospice Payment Rates
651	Routine Home Care (Days 1-60)	\$224.62	1.0005	1.0011	X 1.026	\$230.83
651	Routine Home Care Days 61+	\$176.92	1.0001	1.0022	X 1.026	\$181.94

Table 2: Final FY 2026 Hospice CHC, IRC and GIP Payment Rates

Code	Description	FY 2025 Final Payment Rates	Wage Index Standardization Factor	Final FY 2026 Hospice Market Basket Update	Proposed FY 2026 Hospice Payment Rates
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652	CHC (Full Rate = 24 hours of care)	\$1,618.59	1.0082	1.026	\$1,674.29 (\$69.76 per hour)
655	IRC	\$518.78	1.0004	1.026	\$532.48
656	GIP	\$1,170.04	0.9995	1.026	\$1,199.86

Notes:

1. For Hospice Payment Rates in Table 1 and 2, CMS will reduce the market-basket update by **4 percentage points** for any hospice that does not comply with the quality data submission requirements with respect to that fiscal year (the 4 percentage point reduction became NEW in FY 2024 – it previously was a 2.0 percentage point reduction).
2. All of the above values are **not** adjusted for the wage index.
3. The overall impact of the rule is an estimated **\$750 million in increased hospice payments relative to FY 2026**.

Hospice Admission Recommendation

CMS finalizes its proposal 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. Previously, the regulation limited this authority only to the hospice medical director (or their designee) in consultation with the patient’s attending physician (if any). By expanding the regulation to include the physician member of the hospice interdisciplinary group, CMS aims to better align the regulation with the existing hospice regulations regarding certification of terminal illness. HCANYSNYS supported this proposal and appreciates CMS finalizing this clarification.

Clarification of F2F Attestation Signature Requirements

Rather than finalize its proposal to revise F2F 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 F2F encounter, CMS decided to allow a signed clinical note to serve as the attestation that a hospice physician or nurse practitioner completed the F2F encounter and the date completed. HCANYSNYS appreciates that CMS recognized the regulatory burden that would occur if CMS had finalized the proposal to require the signature and date of signature on an attestation as a separate and distinct section of, or addendum to, the recertification form. By not finalizing the proposal CMS affords hospices the opportunity to format their paperwork in a way that best meets their needs.

CMS also finalized a modification to the regulation at 418.22(b)(4) to “clarify that the attestation requirement may be fulfilled by not only a clearly titled section of or an addendum to the recertification form, but also by a signed and dated clinical note within

the medical record that documents clear indication that the F2F encounter occurred and includes the date of the visit, the signature of the practitioner who conducted the face-to-face encounter, and the date of the signature.

Technical Corrections

CMS finalizes its proposal to correct a typographical error in the regulations at § 418.312(j). CMS also corrects an incorrect reference to other regulations from § 412.306(b)(2) to § 418.306(b)(2).

Hospice Quality Reporting Program (HQRP) & the HOPE Tool

Despite pushback from the state and national hospice trade community, CMS is moving forward with its decision to implement the Hospice Outcomes & Patient Evaluation (HOPE) tool, replacing the current Hospice Item Set (HIS), with data collection beginning **October 1, 2025**. Hospices will be required to transition from the QIES database to the new iQIES platform for HOPE data submission. In the final rule, CMS reiterates that iQIES will begin accepting HOPE data on October 1, 2025, with provider reports also available in the system on that date. QIES will stop accepting HIS records (including corrections) for admissions and discharges prior to October 1, 2025, on February 15, 2026.

CMS will require hospices to submit at least 90% of all required HOPE records within 30 days of the event (admission, discharge, and up to two HOPE update visits per patient based on length of stay) to avoid a penalty. Failure to meet these quality reporting program (HQRP) requirements will result in a 4-percentage point reduction in the annual payment update for the affected fiscal year, a penalty double that of most other provider types. 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 the Hospice Item Set (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).

This heightened penalty creates significant financial risk, especially for smaller and community-based hospices. The risk is compounded by the technical complexity of transitioning both to the new HOPE tool and the iQIES platform, particularly given sector-wide concerns about insufficient lead time for technical preparation and training.

The hospice industry has actively urged CMS to delay HOPE implementation until at least six months after all technical specifications, provider and vendor training,

and the iQIES enrollment process are fully available. These efforts included formal requests for CMS and the Administration to waive timeliness penalties for a period of time after HOPE goes live, due to the operational and financial risks of such a significant system transition. Despite the sector's unified advocacy, CMS is proceeding with the October 1, 2025, start date and full 90% timeliness requirement from day one.

Our colleagues at the National Alliance for Care at Home has consistently raised concerns that the technical specifications, the Validation Utility Tool (VUT) for vendor testing, and necessary CMS education have been delayed, giving hospices and vendors very limited time to prepare. The risk of negative financial consequences from a failed or incomplete transition, entirely outside the control of hospices, remains of considerable concern.

In light of CMS' decision to move forward with an October 1, 2025 HOPE implementation date, it is critical for all hospices to begin reviewing and preparing for HOPE and iQIES implementation immediately. This includes working closely with technology vendors, ensuring key staff enroll in iQIES, and preparing to meet HOPE's data collection and reporting demands.

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. CMS also stated that it will provide additional sub-regulatory guidance regarding APUs for the HOPE implementation year.

Conclusion & Next Steps

HCANYS is very concerned that the final rule includes six decreases to New York's fifteen Wage Index CBSAs that negatively impacts most, if not all, of our downstate hospice members. On top of this, HCANYS is also concerned that CMS' market basket or inflationary update of 2.6 percent is wholly inadequate in allowing hospices to provide high quality services, given the continuing rise in costs that they are experiencing.

HCANYS will be including these concerns in our ongoing advocacy with New York's Congressional Delegation that includes our numerous issues with CMS' Home Health proposed rule for CY 2026.

HCANYS will update our hospice provider members as any additional information becomes available. For further information, contact Patrick Conole at (518) 810-0661 or pconole@hcanys.org.

Final FY 2026 Hospice Wage Index for Rural & Urban Areas

Appendix A

Previous CBSA	New CBSA	County Name	Urban / Rural	CBSA Name	Current FY 2025 Wage Index	Final FY 2026 Wage Index	% Difference Final FY 2026 Wage Index vs Current FY 2025 Wage Index
99933	99933	ALLEGANY	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	CATTARAUGUS	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	CAYUGA	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	CHAUTAUQUA	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	CHENANGO	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	CLINTON	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	COLUMBIA	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	CORTLAND	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	DELAWARE	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	ESSEX	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	FRANKLIN	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	FULTON	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	GENESEE	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	GREENE	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	HAMILTON	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	LEWIS	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	MONTGOMERY	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	OTSEGO	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	ST. LAWRENCE	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	SCHUYLER	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	SENECA	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	STEUBEN	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	SULLIVAN	RURAL	NEW YORK	0.8653	0.8892	2.76%
99933	99933	WYOMING	RURAL	NEW YORK	0.8653	0.8892	2.76%
40380	99933	YATES	RURAL	NEW YORK	0.8686	0.8892	2.37%
10580	10580	ALBANY	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8551	4.75%
10580	10580	RENSSELAER	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8551	4.75%
10580	10580	SARATOGA	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8551	4.75%
10580	10580	SCHENECTADY	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8551	4.75%
10580	10580	SCHOHARIE	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8551	4.75%
13780	13780	BROOME	URBAN	Binghamton, NY	0.8043	0.8313	3.36%
13780	13780	TIOGA	URBAN	Binghamton, NY	0.8043	0.8313	3.36%
15380	15380	ERIE	URBAN	Buffalo-Cheektowaga NY	1.0398	1.0646	2.39%
15380	15380	NIAGARA	URBAN	Buffalo-Cheektowaga NY	1.0398	1.0646	2.39%
21300	21300	CHEMUNG	URBAN	Elmira, NY	0.8313	0.8462	1.79%
24020	24020	WARREN	URBAN	Glens Falls, NY	0.8479	0.9299	9.67%
24020	24020	WASHINGTON	URBAN	Glens Falls, NY	0.8479	0.9299	9.67%
27060	27060	TOMPKINS	URBAN	Ithaca, NY	0.9955	0.9457	-5.00%
28740	28740	ULSTER	URBAN	Kingston, NY	1.0941	1.0532	-3.74%
39100	28880	Dutchess	Urban	Kiryas-Joel-Poughkeepsie-Newburgh, NY	1.2238	1.1720	-4.23%
39100	28880	Orange	Urban	Kiryas-Joel-Poughkeepsie-Newburgh, NY	1.2238	1.1720	-4.23%
35004	35004	NASSAU	URBAN	Nassau County-Suffolk County, NY	1.2671	1.2365	-2.41%
35004	35004	SUFFOLK	URBAN	Nassau County-Suffolk County, NY	1.2671	1.2365	-2.41%
35614	35614	BRONX	URBAN	NYC, White Plains, NJ	1.3138	1.2951	-1.42%

Final FY 2026 Hospice Wage Index for Rural & Urban Areas

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Previous CBSA	New CBSA	County Name	Urban / Rural	CBSA Name	Current FY 2025 Wage Index	Final FY 2026 Wage Index	% Difference Final FY 2026 Wage Index vs Current FY 2025 Wage Index
35614	35614	KINGS	URBAN	NYC, White Plains, NJ	1.3138	1.2951	-1.42%
35614	35614	NEW YORK	URBAN	NYC, White Plains, NJ	1.3138	1.2951	-1.42%
20524	35614	Putnam	URBAN	NYC, White Plains, NJ	1.3138	1.2951	-1.42%
35614	35614	QUEENS	URBAN	NYC, White Plains, NJ	1.3138	1.2951	-1.42%
35614	35614	RICHMOND	URBAN	NYC, White Plains, NJ	1.3138	1.2951	-1.42%
35614	35614	ROCKLAND	URBAN	NYC, White Plains, NJ	1.3138	1.2951	-1.42%
35614	35614	WESTCHESTER	URBAN	NYC, White Plains, NJ	1.3138	1.2951	-1.42%
40380	40380	LIVINGSTON	URBAN	Rochester, NY	0.9073	0.9499	4.70%
40380	40380	MONROE	URBAN	Rochester, NY	0.9073	0.9499	4.70%
40380	40380	ONTARIO	URBAN	Rochester, NY	0.9073	0.9499	4.70%
40380	40380	ORLEANS	URBAN	Rochester, NY	0.9073	0.9499	4.70%
40380	40380	WAYNE	URBAN	Rochester, NY	0.9073	0.9499	4.70%
45060	45060	MADISON	URBAN	Syracuse, NY	0.9537	1.0186	6.81%
45060	45060	ONONDAGA	URBAN	Syracuse, NY	0.9537	1.0186	6.81%
45060	45060	OSWEGO	URBAN	Syracuse, NY	0.9537	1.0186	6.81%
46540	46540	HERKIMER	URBAN	Utica-Rome, NY	0.8864	0.9113	2.81%
46540	46540	ONEIDA	URBAN	Utica-Rome, NY	0.8864	0.9113	2.81%
48060	48060	JEFFERSON	URBAN	Watertown-Fort Drum, NY	0.8555	0.8520	-0.41%