

Public Policy

HCA Public Policy No. 1-2025

HCANYS

Home Care Association of New York State

TO: HCA HOSPICE PROVIDER MEMBERS

FROM: PATRICK CONOLE, VICE PRESIDENT, FINANCE & MANAGEMENT

RE: CMS ISSUES PROPOSED FY 2026 HOSPICE PAYMENT RULE

DATE: APRIL 14, 2025

The U.S. Centers for Medicare and Medicaid Services (CMS) has released its hospice proposed rule (CMS-1835-P) 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 proposed rule is on display for public inspection here (<https://public-inspection.federalregister.gov/2025-06317.pdf>).

In the rule, CMS is proposing a **2.4 percent (\$695 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 (<https://www.cms.gov/medicare/payment/fee-for-service-providers/hospice/hospice-regulations-and-notices/cms-1835-p>).
- A final FY 2026 aggregate cap amount of **\$35,292.51**.
- 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 (F2F) Encounter Attestation Requirements: CMS proposes to revise the F2F 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 F2F 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.

The following are key highlights of the rule.

Proposed 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. HCA has created **Appendix A** at the end of this memorandum that summarizes all the proposed changes for New York hospices in FY 2026. The following are highlights of these changes:

- Nine CBSAs are proposed to 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 are proposed to see increases 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.

HCA has concerns with the six CBSAs in New York that are proposed to see decreases including the Ithaca CBSA which has reached the negative 5 percent decrease cap, the Kiryas-Joel-Poughkeepsie-Newburgh CBSA which is proposed to have a -4.03 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.

HCA 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.

Proposed 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 **\$35,292.51** (This is the FY 2025 cap amount of \$34,465.34 increased by 2.4 percent.)

Proposed FY 2026 Market Basket Update

The proposed hospice payment update percentage for FY 2026 is based on the current estimate of the inpatient hospital market basket update of 3.2 (based on IHS Global Inc.'s fourth-quarter 2024 forecast). Due to requirements in the Affordable Care Act (ACA), the inpatient hospital market basket update for FY 2026 of 3.2 percent must be reduced by a mandated productivity adjustment (currently estimated to be 0.8 percentage points for FY 2026). In effect, the final hospice payment or market basket update percentage for FY 2026 will be **2.4 percent**.

Proposed 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 proposed 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 2.4 percent hospice payment update, which is based on the estimated inpatient hospital market-basket update of 3.2 percent, reduced by a productivity adjustment (estimated to be 0.8 percentage points for FY 2026).

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

Table 1: Proposed FY 2026 Hospice RHC Payment Rates

Code	Description	FY 2025 Final Payment Rates	Service Intensity Add-On Budget Neutrality Factor	Wage Index Standardization Factor	Proposed FY 2026 Hospice Market Basket Update	Proposed FY 2026 Hospice Payment Rates
651	Routine Home Care (Days 1-60)	\$224.62	1.0005	1.0009	X 1.024	\$230.33
651	Routine Home Care Days 61+	\$176.92	1.0001	1.0018	X 1.024	\$181.51

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

Code	Description	FY 2025 Final Payment Rates	Wage Index Standardization Factor	Proposed FY 2026 Hospice Market Basket Update	Proposed FY 2026 Hospice Payment Rates
------	-------------	-----------------------------	-----------------------------------	---	--

652	CHC (Full Rate = 24 hours of care)	\$1,618.59	1.0047	1.024	\$1,665.23 (\$69.38 per hour)
655	IRC	\$518.78	1.0007	1.024	\$531.60
656	GIP	\$1,170.04	0.9994	1.024	\$1,197.40

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 **\$695 million in increased hospice payments relative to FY 2025**.

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 F2F Attestation Signature Requirements

CMS proposes to revise the F2F 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 F2F. 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 F2F encounter to attest in writing that “he or she had a F2F 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.”

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.

CMS also includes an RFI in the proposed rule to gather input on the advanced digital quality measurement (dQM) “as part of its quality measurement enterprise modernization.” The RFI includes a number of requests about how hospices currently use health Information Technology (IT), barriers hospices face 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.

CMS Does not Address Associated with the Transition to the HOPE Tool

HCA and our national hospice colleagues at The Alliance have heard concerns from hospice providers and vendors regarding the complex transition from the Hospice Item Set (HIS) to the Hospice Outcomes & Patient Evaluation (HOPE) tool.

CMS did not address 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. Many in the hospice industry believe 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).

Comment Period & Issuance of the FY 2026 Final Rule

CMS's proposed rule will be open for public comment until 5 p.m. on June 30, 2025. HCANYs plans to submit comments on behalf of the membership. Hospice members are encouraged to share with HCA their concerns by e-mailing Patrick Conole at pconole@hcanys.org.

Providers interested in submitting their own comments can do so either electronically, by regular mail, express or overnight mail, hand, or courier and should refer to File Code CMS-1835-P. Electronic comments on the proposed rule can be sent [here](#) (follow the instructions under the "More Search Options" tab).

HCANYs will share with the membership our comments to CMS shortly after they are submitted. HCANYs expects CMS to post the final rule for the FY 2026 Hospice Wage Index and Payment Rate in the Federal Register in August. HCANYs will provide the membership with a follow-up Public Policy Memorandum when this occurs.

For further information, contact Patrick Conole at (518) 810-0661 or pconole@hcanys.org.

Proposed 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	Proposed FY 2026 Wage Index	% Difference Proposed FY 2026 Wage Index vs Current FY 2025 Wage Index
99933	99933	ALLEGANY	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	CATTARAUGUS	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	CAYUGA	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	CHAUTAUQUA	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	CHENANGO	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	CLINTON	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	COLUMBIA	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	CORTLAND	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	DELAWARE	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	ESSEX	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	FRANKLIN	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	FULTON	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	GENESEE	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	GREENE	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	HAMILTON	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	LEWIS	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	MONTGOMERY	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	OTSEGO	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	ST. LAWRENCE	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	SCHUYLER	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	SENECA	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	STEUBEN	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	SULLIVAN	RURAL	NEW YORK	0.8653	0.8905	2.91%
99933	99933	WYOMING	RURAL	NEW YORK	0.8653	0.8905	2.91%
40380	99933	YATES	RURAL	NEW YORK	0.8686	0.8905	2.52%
10580	10580	ALBANY	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8556	4.81%
10580	10580	RENSSELAER	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8556	4.81%
10580	10580	SARATOGA	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8556	4.81%
10580	10580	SCHENECTADY	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8556	4.81%
10580	10580	SCHOHARIE	URBAN	Albany-Schenectady-Troy, NY	0.8163	0.8556	4.81%
13780	13780	BROOME	URBAN	Binghamton, NY	0.8043	0.8345	3.75%
13780	13780	TIOGA	URBAN	Binghamton, NY	0.8043	0.8345	3.75%
15380	15380	ERIE	URBAN	Buffalo-Cheektowaga NY	1.0398	1.0452	0.52%
15380	15380	NIAGARA	URBAN	Buffalo-Cheektowaga NY	1.0398	1.0452	0.52%

Proposed 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	Proposed FY 2026 Wage Index	% Difference Proposed FY 2026 Wage Index vs Current FY 2025 Wage Index
21300	21300	CHEMUNG	URBAN	Elmira, NY	0.8313	0.8494	2.18%
24020	24020	WARREN	URBAN	Glens Falls, NY	0.8479	0.9334	10.08%
24020	24020	WASHINGTON	URBAN	Glens Falls, NY	0.8479	0.9334	10.08%
27060	27060	TOMPKINS	URBAN	Ithaca, NY	0.9955	0.9457	-5.00%
28740	28740	ULSTER	URBAN	Kingston, NY	1.0941	1.0572	-3.37%
39100	28880	Dutchess	Urban	Kiryas-Joel-Poughkeepsie-Newburgh, NY	1.2238	1.1745	-4.03%
39100	28880	Orange	Urban	Kiryas-Joel-Poughkeepsie-Newburgh, NY	1.2238	1.1745	-4.03%
35004	35004	NASSAU	URBAN	Nassau County-Suffolk County, NY	1.2671	1.2308	-2.86%
35004	35004	SUFFOLK	URBAN	Nassau County-Suffolk County, NY	1.2671	1.2308	-2.86%
35614	35614	BRONX	URBAN	NYC, White Plains, NJ	1.3138	1.2965	-1.32%
35614	35614	KINGS	URBAN	NYC, White Plains, NJ	1.3138	1.2965	-1.32%
35614	35614	NEW YORK	URBAN	NYC, White Plains, NJ	1.3138	1.2965	-1.32%
20524	35614	Putnam	URBAN	NYC, White Plains, NJ	1.3138	1.2965	-1.32%
35614	35614	QUEENS	URBAN	NYC, White Plains, NJ	1.3138	1.2965	-1.32%
35614	35614	RICHMOND	URBAN	NYC, White Plains, NJ	1.3138	1.2965	-1.32%
35614	35614	ROCKLAND	URBAN	NYC, White Plains, NJ	1.3138	1.2965	-1.32%
35614	35614	WESTCHESTER	URBAN	NYC, White Plains, NJ	1.3138	1.2965	-1.32%
40380	40380	LIVINGSTON	URBAN	Rochester, NY	0.9073	0.9418	3.80%
40380	40380	MONROE	URBAN	Rochester, NY	0.9073	0.9418	3.80%
40380	40380	ONTARIO	URBAN	Rochester, NY	0.9073	0.9418	3.80%
40380	40380	ORLEANS	URBAN	Rochester, NY	0.9073	0.9418	3.80%
40380	40380	WAYNE	URBAN	Rochester, NY	0.9073	0.9418	3.80%
45060	45060	MADISON	URBAN	Syracuse, NY	0.9537	0.9648	1.16%
45060	45060	ONONDAGA	URBAN	Syracuse, NY	0.9537	0.9648	1.16%
45060	45060	OSWEGO	URBAN	Syracuse, NY	0.9537	0.9648	1.16%
46540	46540	HERKIMER	URBAN	Utica-Rome, NY	0.8864	0.9147	3.19%
46540	46540	ONEIDA	URBAN	Utica-Rome, NY	0.8864	0.9147	3.19%

Proposed 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	Proposed FY 2026 Wage Index	% Difference Proposed FY 2026 Wage Index vs Current FY 2025 Wage Index
48060	48060	JEFFERSON	URBAN	Watertown-Fort Drum, NY	0.8555	0.8459	-1.12%