Texas Association for Home Care & Hospice
Leading ★ Advancing ★ Advocating

Administrator Program
Wednesday, November 19, 2025
8:15am-9:15am

H1. The Hospice Final Rule 2026 – What's Changing and What It Means for You

Presented by:

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Hospice Final Rule FY 2026

Texas Association for Home Care & Hospice
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BC Healthcare Consulting

- Wage Index and Payment Rate Update
  - Issued 8.1.2025
- TAHCH Administrator Conference
  - November 2025

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Learning Objectives

Understand Key FY 2026 Reimbursement Changes
Participants will be able to summarize the updated payment rates, wage index adjustments, and the new aggregate cap amount, and recognize how these changes will impact hospice revenue beginning October 1, 2025.

Identify Critical Regulatory & Documentation Updates
Participants will be able to explain the revised requirements related to physician IDG recommendations, face-to-face encounter attestation, and quality reporting expectations under HOPE and iQIES.

Apply Operational and Financial Strategies for Compliance
Participants will be able to outline practical actions—such as budget updates, documentation audits, and quality-reporting readiness—to ensure organizational compliance and optimized financial performance under the final rule.

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Key Provisions

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Key Provisions

- **Final Payment Rate Update.** CMS is finalizing a 2.6% update for FY 2026, which reflects a 3.3% market basket percentage increase, decreased by a 0.7 percentage point productivity adjustment. Comparatively, CMS proposed a 2.4% update for FY 2026.
- **Final Hospice Cap Amount.** CMS finalizes a hospice cap amount for the FY 2026 cap year of **$35,361.44**, which is equal to the FY 2025 cap amount ($34,465.34) updated by the final FY 2026 hospice payment update percentage of 2.6%.

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Key Provisions

- **Hospice Admission Recommendations.** CMS finalizes its proposal to update 42 C.F.R. § 418.25 to add the "physician member of the hospice interdisciplinary group" as a physician who can make a recommendation for admission to hospice.
- **Hospice Outcomes and Patient Evaluation (HOPE) Implementation.** Despite pushback from the national hospice trade community, CMS is moving forward with its decision to implement the HOPE tool with data collection beginning October 1, 2025.

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Key Provisions

- **Face-to-Face Encounter Attestation Requirements.** Rather than finalize its proposal to revise face-to-face attestation requirements at 418.22(b)(4) to explicitly require the signature and date of signature on the face-to-face encounter, CMS adopts the Alliance's recommendation to allow a signed clinical note to serve as the attestation that a hospice physician or nurse practitioner completed the face-to-face encounter and the date completed.
- **The overall impact of the rule is an estimated $750 million increase in hospice payments relative to FY 2025.** The final rule and its wage index tables can be found at https://www.cms.gov/medicare/payment/fee-for-service-providers/hospice/hospice-regulations-and-notices/cms-1835-f

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Payment Rate Analysis

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Final FY 2026 Hospice Wage Index and Rate Update

For FY 2026, CMS finalizes a rate update of **2.6%** for hospices who meet quality reporting requirements, rather than 2.4% as proposed.

CMS finalizes a hospice cap amount of **$35,361.44** for FY 2026.

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Final FY 2026 Hospice Payment Rates (with Quality Reporting)

Note that impacts of the FY 2026 rate update vary by hospice type and geographic location.

Code	Description	SIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2026 Hospice Payment Update	Final FY 2026 Payment Rates	FY 2025 Payment Rates
651	Routine Home Care (days 1-60)	1.0005	1.0011	1.026	**$230.83**	$224.62
651	Routine Home Care (days 61+)	1.0001	1.0022	1.026	**$181.94**	$176.92

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Final FY 2026 Hospice Payment Rates (with Quality Reporting)

Note that impacts of the FY 2026 rate update vary by hospice type and geographic location.

Code	Description	Wage Index Standardization Factor	FY 2026 Hospice Payment Update	Final FY 2026 Payment Rates	FY 2025 Payment Rates
652	Continuous Home Care Full Rate = 24 hours of care	1.0082	1.026	**$1,674.29 ($69.76/hour)**	$1,618.59 ($67.44/hour)
655	Inpatient Respite Care	1.0004	1.026	**$532.48**	$518.78
656	General Inpatient Care	0.9995	1.026	**$1,199.86**	$1,170.04

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Final FY 2026 Hospice Payment Rates (without Quality Reporting)

Note that impacts of the FY 2026 rate update vary by hospice type and geographic location.

Code	Description	Wage Index Standardization Factor	FY 2026 Hospice Payment Update	Final FY 2026 Payment Rates	FY 2025 Payment Rates
651	Routine Home Care (days 1-60)	1.0005	1.0011	0.986	**$221.83**
651	Routine Home Care (days 61+)	1.0001	1.0022	0.986	**$174.84**

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Final FY 2026 Hospice Payment Rates (without Quality Reporting)

Note that impacts of the FY 2026 rate update vary by hospice type and geographic location.

Code	Description	Wage Index Standardization Factor	FY 2026 Hospice Payment Update	Final FY 2026 Payment Rates	FY 2025 Payment Rates
652	Continuous Home Care Full Rate = 24 hours of care	1.0082	0.986	**$1,609.02**	$1,565.46
655	Inpatient Respite Care	1.0004	0.986	**$511.72**	$507.71
656	General Inpatient Care	0.9995	0.986	**$1,153.08**	$1,145.31

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Wage Index Changes

- CMS will continue the permanent 5% cap on any county-level wage index decrease to reduce financial disruption—first finalized in the FY 2025 Hospice Wage Index Final Rule.
- FY 2025 updates included new OMB statistical area delineations, incorporating 2020 Census data and redefining Core-Based Statistical Areas (CBSAs), which reshaped geographic boundaries and affected hospice wage index calculations.
- For hospice payment purposes, the wage index applies to:
  - Labor portion of RHC and CHC rates based on beneficiary residence
  - GIP and IRC based on facility geographic location
- Hospices negatively impacted by geographic boundary changes will see no more than a 5% reduction in their FY 2026 wage index due to the permanent cap set in FY 2023.
- Although the 5% cap provides stability, even a capped reduction can create significant reimbursement challenges, especially for agencies in already low-wage or financially strained areas.
- Hospices are strongly encouraged to review their updated FY 2026 wage index values and calculate the projected impact on Medicare revenue.

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Regulatory Updates

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Hospice Admission Recommendation

- CMS finalized an update to 42 C.F.R. § 418.25 allowing a physician member of the hospice interdisciplinary group (IDG) to recommend hospice admission.
- Previously, only the hospice medical director (or designee), in consultation with the attending physician, could make this recommendation.
- This change expands flexibility and aligns admission recommendations with existing rules for certification of terminal illness.
- Intended to improve operational efficiency, reduce bottlenecks, and ensure timely access to hospice care.

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Face-To-Face Attestation Signature Requirements

- CMS did not finalize its proposal to require a separately signed and dated attestation section for the face-to-face encounter.
- Instead, CMS will allow a signed and dated clinical note to serve as the required attestation for the physician or nurse practitioner conducting the encounter.
- This approach reduces administrative burden and allows hospices to maintain flexibility in how they format recertification paperwork.
- CMS finalized language clarifying that attestation may be satisfied through:
  - A titled section or addendum on the recertification form or
  - A signed, dated clinical note documenting:
    - That the face-to-face encounter occurred
    - The date of the visit
    - The signature and date of signature of the practitioner

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HQRP and HOPE Updates

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HOPE Tool Implementation & HQRP Requirements

- CMS is moving forward with replacing the Hospice Item Set (HIS) with the Hospice Outcomes & Patient Evaluation (HOPE) tool beginning October 1, 2025.
- Hospices must transition from QIES to iQIES for HOPE data submission.
  - iQIES begins accepting HOPE data Oct 1, 2025.
  - Provider reports also available Oct 1, 2025.
  - QIES stops accepting HIS records (including corrections) on Feb 15, 2026 for pre-Oct 1 admissions/discharges.
- Hospices must submit at least 90% of required HOPE records within 30 days of each event (admission, discharge, up to two update visits), or face penalties.
- Failure to meet HOPE timeliness requirements results in a 4-percentage-point reduction in the annual payment update — double the penalty applied to most other provider types.

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HOPE Tool Implementation & HQRP Requirements

- HOPE timeliness requirements mirror current HIS rules: 90% of required files must be submitted within 30 days after each event.
- This creates significant financial risk, particularly for smaller or community-based hospices, due to:
  - The higher penalty
  - Technical complexity of the HOPE tool
  - Required migration to the new iQIES system
- Concerns remain regarding limited preparation time, delayed technical specifications, vendor testing tools, and CMS education resources.
- Hospices should:
  - Coordinating with EHR/technology vendors
  - Ensuring staff enrollment in iQIES
  - Mapping workflows for HOPE admissions, discharges, and update visits
  - Training staff on new documentation and data submission requirements
- Early preparation is critical to avoid financial loss and ensure compliance once HOPE goes live.

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Anticipated HOPE Public Education, Data Collection, and Reporting

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.

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HQRP Reporting Requirements and Corresponding Annual Payments Updates

Reporting Year for HIS/HOPE and Data Collection Year for CAHPS data (Calendar year)	Annual Payment Update Impacts Payments for the FY	Reference Year for CAHPS Size Exemption (CAHPS only)
CY 2024	FY 2026 APU	CY 2023
CY 2025	FY 2027 APU	CY 2024
CY 2026	FY 2028 APU	CY 2025
CY 2027	FY 2029 APU	CY 2026

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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 date, HUV completion date or discharge date) 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.

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Practical Actions

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Practical Actions for Operational & Financial Compliance

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Update FY 2026 Budget & Forecasts

- Recalculate projected revenue using new payment rates and wage index values.
- Model best-case and worst-case reimbursement scenarios.

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Strengthen Documentation & Compliance Workflows

- Audit face-to-face encounter notes, certifications, and recertifications.
- Standardize templates to meet updated regulatory requirements.
- Conduct monthly internal reviews to ensure accuracy and timeliness.

3

Prepare for HOPE & iQIES Readiness

- Confirm staff access and training for the iQIES platform.
- Align workflows and policies with HOPE admission, discharge, and update visit timeframes.
- Set internal benchmarks above the 90% timely submission requirement.

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Practical Actions for Operational & Financial Compliance

Enhance Quality-Reporting Monitoring	Assign a dedicated QRP lead or compliance champion. Implement dashboards to track real-time submission performance. Validate data regularly to prevent penalties and revenue loss.
Optimize Revenue Cycle Processes	Review NOE/NOTR timeliness and correct any bottlenecks. Strengthen AR follow-up and denial prevention protocols. Track impact of wage index changes on monthly cash flow.
Communicate Changes Across the Organization	Brief leadership, clinical teams, and admitting staff on new requirements. Provide refresher training where documentation or workflow shifts are needed.

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Questions and Answers

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References/Resources

- Centers for Medicare & Medicaid Services (CMS). FY 2026 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements – Final Rule (CMS-1835-F). Available at: https://www.cms.gov/medicare/payment/fee-for-service-providers/hospice/hospice-regulations-and-notices/cms-1835-f
- CMS. "FY 2026 Hospice Wage Index Final Rule" Fact Sheet. Available at: https://www.cms.gov/newsroom/fact-sheets/fy-2026-hospice-wage-index-and-payment-rate-update-and-hospice-quality-reporting-program
- CMS. HOPE Implementation Frequently Asked Questions (FAQs). Available at: https://www.cms.gov/files/document/hope-implementation-faqs.pdf
- CMS. Hospice Quality Reporting Program — HOPE: Technical Information. Available at: https://www.cms.gov/medicare/quality/hospice-quality-reporting-program/hospice-outcomes-and-patient-evaluation-hope-technical-information
- CMS. Face-to-Face Encounter and Attestation Guidance for Hospice Recertification. Available at: https://www.cms.gov/medicare/medicare-fee-for-service-payment/hospice/downloads/hospiceface-to-faceguidance.pdf

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