

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

M1. CY2026 Home Health Final Rule Overview

Presented by:
Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C,
Vice President of Clinical Services, McBee
and
M. Aaron Little, CPA, Managing Director,
Forvis Mazars, Home Care & Hospice



ADMINISTRATOR PROGRAM

CY2026 Home Health Final Rule

Overview

M. Aaron Little, CPA | Managing Director | Forvis Mazars <u>maaron.little@us.forvismazars.com</u>

Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C | VP Clinical Services | McBee, part of Netsmart LisaSelman-Holman@McBeeAssociates.com

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Overview

Proposed Payment Rule

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Federal Register dated July 2, 2025



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Key Financial Provisions

M. Aaron Little, CPA | Managing Director | Forvis Mazars maaron.little@us.forvismazars.com



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Overview **Key Financial Provisions**







Data

Payment Update

Other Provisions

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Data







Data

Payment Update

Provisions

Overview | Key Financial Provisions | Data Medicare Beneficiaries & Visits

KPI	2019	2024	Change	% Change
Beneficiaries	2,802,560	2,620,520	-82,040	-6%
Visits	86,130,084	63,808,423	-22,321,661	-26%
Average visits per beneficiary	30.7	24.3	-6.4	-21%

Source: 2026 Proposed home health Medicare payment rule

Overview | Key Financial Provisions | Data

Medicare Payment Periods, Visits & LUPAs

KPI (Average)	(Simulated) 2019	2024	Change	% Change
Number of periods per patient	3.1	3.1	0.0	0%
Total visits per period	9.9	7.9	-2.0	-20%
SN visits per period	4.5	3.8	-0.7	-14%
PT visits per period	3.3	2.7	-0.6	-18%
LUPA %	6.8%	6.9%	0.1	1%

Source: 2026 Proposed home health Medicare payment rule

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Overview | Key Financial Provisions

Payment Update







Data

Payment Update

Otner Provisions

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Overview | Key Financial Provisions

Payment Update



\$1.135 billion
estimated aggregate
reduction in Medicare
payments

Source: 2026 Proposed home health Medicare payment rule

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Overview | Key Financial Provisions

Payment Update

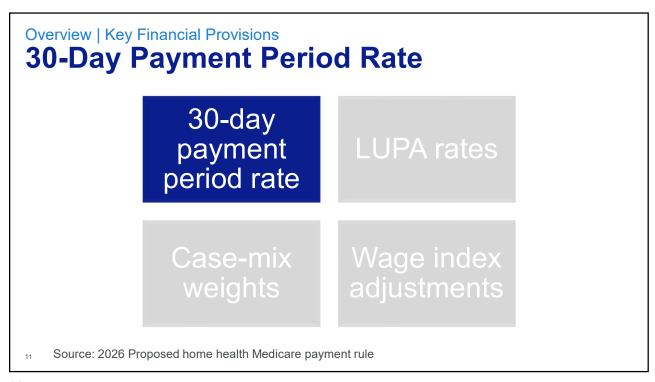
30-day payment period rate

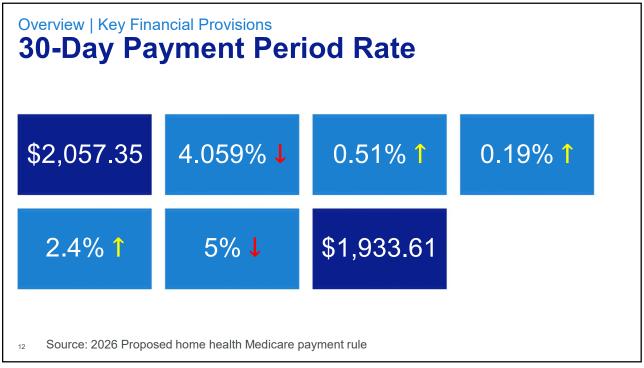
LUPA rates

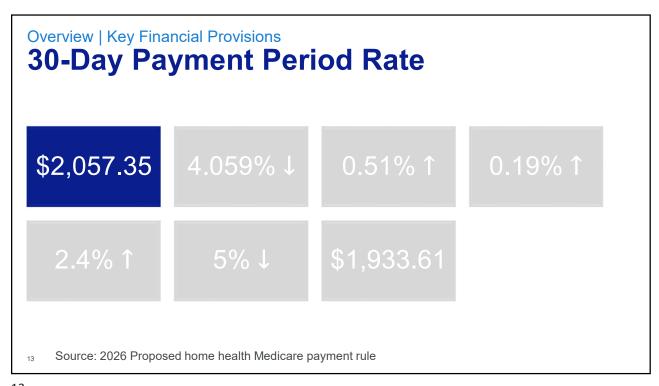
Case-mix weights

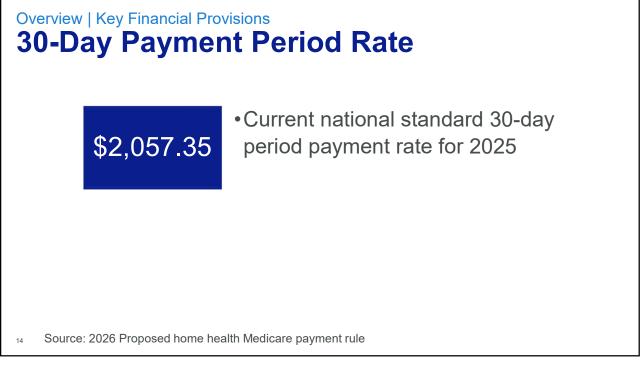
Wage index adjustments

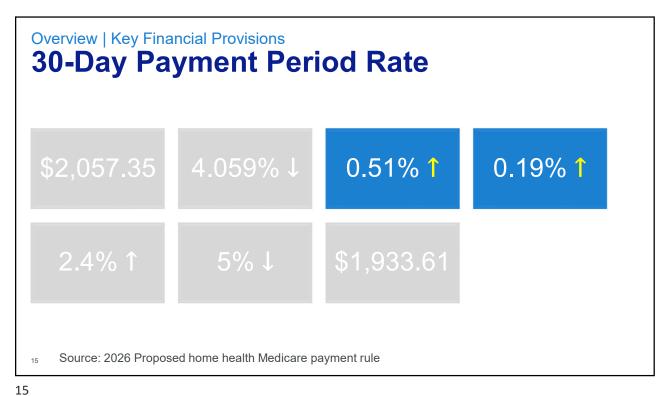
Source: 2026 Proposed home health Medicare payment rule

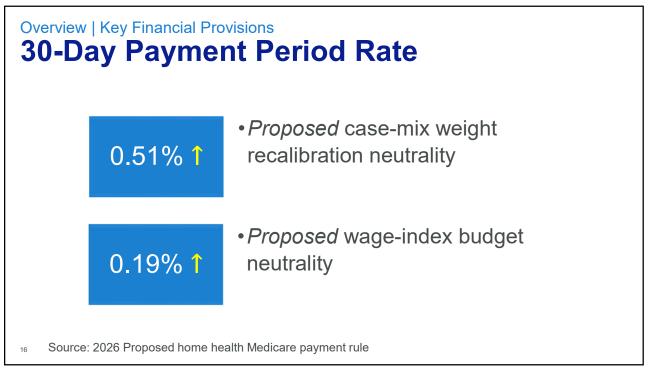


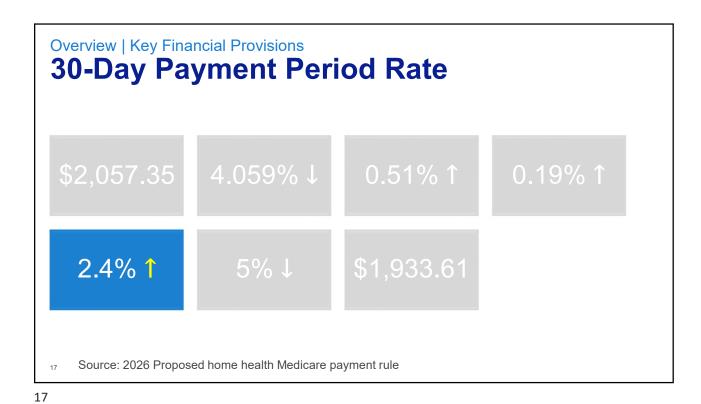












Overview | Key Financial Provisions 30-Day Payment Period Rate

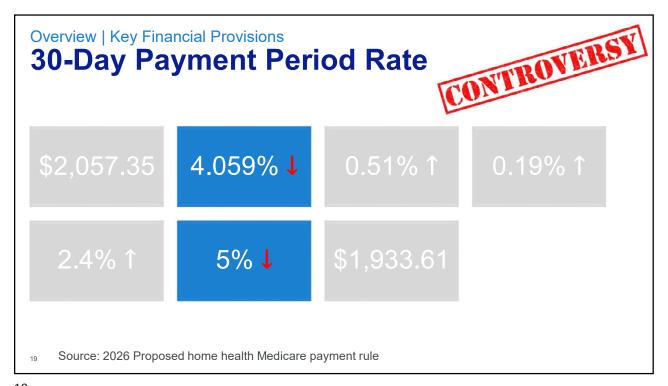
2.4% 1

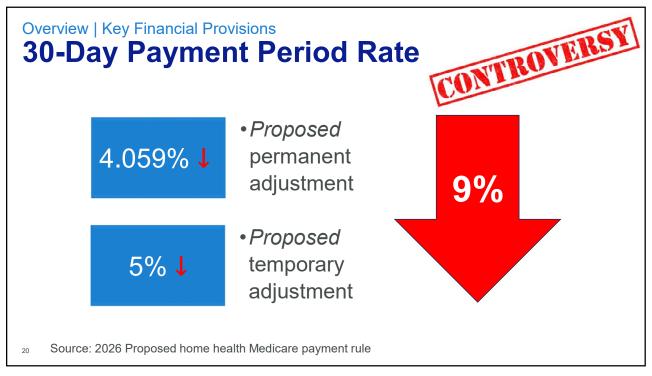
Proposed payment updateInflation update

Year	Actual Inflation Rate	CMS HH Inflation Update
2020	1.4%	2.0%
2021	7.0%	2.6%
2022	6.5%	4.0%
2023	3.4%	3.0%
2024	2.9%	2.7%

Source: Bureau of Labor Statistics

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Overview | Key Financial Provisions

30-Day Payment Period Rate



4.059% ↓

- Proposed permanent adjustment
 - Based on CMS' assertion that the conversion from PPS to PDGM resulted in additional spending due to changes in behaviors of providers
- Multiple permanent adjustments have been implemented to-date
- Source: 2026 Proposed home health Medicare payment rule

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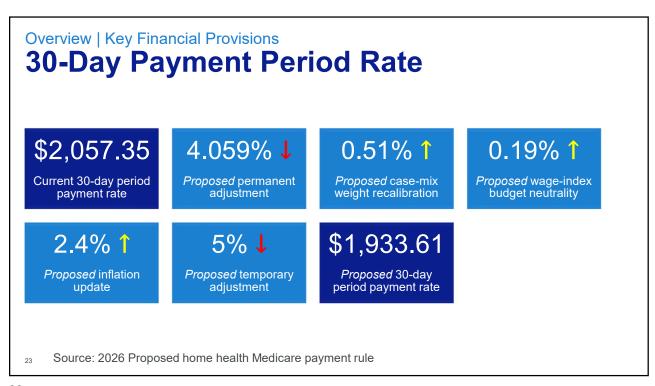
Overview | Key Financial Provisions

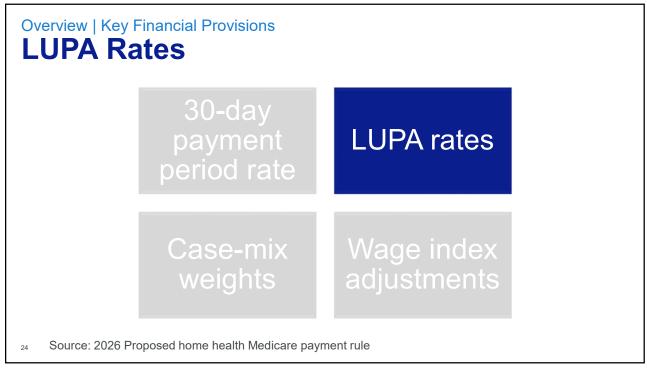
30-Day Payment Period Rate

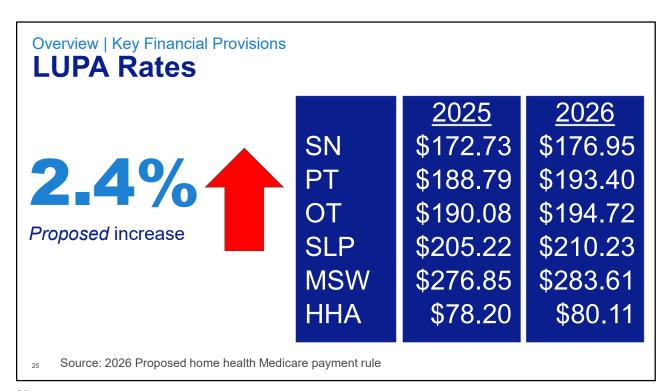


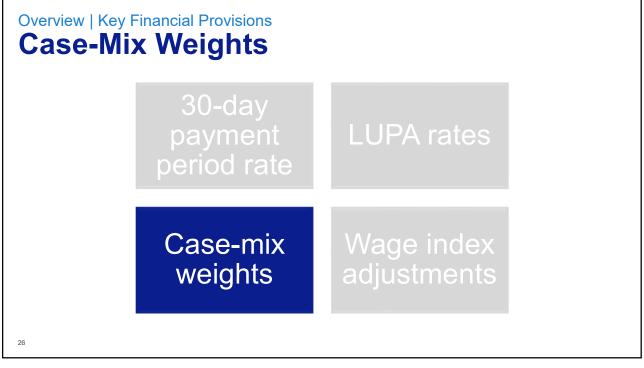
5% ↓

- Proposed temporary adjustment
 - Based on CMS' assertion that the conversion from PPS to PDGM resulted in additional spending due to changes in behaviors of providers
 - -No adjustments implemented to-date
 - -"Clawback"
- Source: Proposed Final home health Medicare payment rule



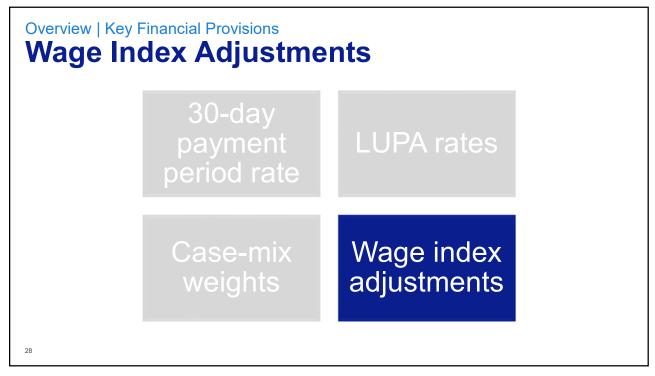






HIPPS Code	Admission Source & Timing	Clinical Group	Function Grouping	Co- morbidity Adjustment	% of 2024 Medicare 30-Day Payment Periods	2025 Case- Mix Weight	2026 Case- Mix Weight	% Change
3HC21	Late, Community	MMTA - Cardiac	High	Low	2.6%	0.8274	0.8306	0.4%
3HA21	Late, Community	MMTA – Cardiac	Low	Low	2.6%	0.6242	0.6250	0.1%
3EC21	Late, Community	MS Rehab	High	Low	2.5%	0.8989	0.8876	-1.3%
3HB21	Late, Community	MMTA – Cardiac	Medium	Low	2.3%	0.7107	0.7232	1.8%
3EA21	Late, Community	MS Rehab	Low	Low	1.8%	0.6683	0.6666	-0.3%
3EB21	Late, Community	MS Rehab	Medium	Low	1.7%	0.7511	0.7537	0.3%

Note: Represents five most frequently paid case-mix weights based on 2024 Medicare claims data, per CMS



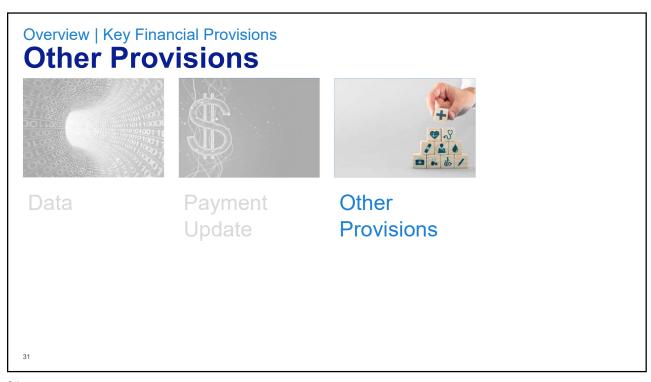
Overview | Key Financial Provisions Wage Index Adjustments

CBSA Code	Texas CBSA Name	2025 Wage Index Adjustment	2026 Wage Index Adjustment	% Change
11100	Amarillo	0.7943	0.8466	6.6%
12420	Austin-Round Rock-San Marcos	0.9880	0.9678	-2.0%
18580	Corpus Christi	0.9776	0.9287	-5.0%
19124	Dallas-Plano-Irving	0.9673	0.9676	0.0%
21340	El Paso	0.8257	0.8341	1.0%
23104	Fort Worth-Arlington-Grapevine	0.9558	0.9728	1.8%
26420	Houston-Pasadena-The Woodlands	1.0189	0.9763	-4.2%
29700	Laredo	0.7890	0.8142	3.2%
31180	Lubbock	0.8241	0.8626	4.7%
41700	San Antonio-New Braunfels	0.8532	0.8558	0.3%

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Overview | Key Financial Provisions Wage Index Adjustments

CBSA Code	Texas CBSA Name	2025 Wage Index Adjusted Payment	2026 Wage Index Adjusted Payment	% Change Before Case-Mix Weight, Sequestration, & VBP
11100	Amarillo	\$1,740	\$1,711	-1.7%
12420	Austin-Round Rock-San Marcos	\$2,039	\$1,887	-7.4%
18580	Corpus Christi	\$2,023	\$1,830	-9.5%
19124	Dallas-Plano-Irving	\$2,007	\$1,887	-6.0%
21340	El Paso	\$1,789	\$1,693	-5.3%
23104	Fort Worth-Arlington-Grapevine	\$1,989	\$1,894	-4.8%
26420	Houston-Pasadena-The Woodlands	\$2,086	\$1,899	-9.0%
29700	Laredo	\$1,732	\$1,665	-3.9%
31180	Lubbock	\$1,786	\$1,735	-2.9%
41700	San Antonio-New Braunfels	\$1,831	\$1,725	-5.8%





Clinical Groupers by 30-Day Periods of Care

TABLE 6: DISTRIBUTION OF 30-DAY PERIODS OF CARE BY THE 12 PDGM CLINICAL GROUPS, CYs 2018-2024

	CY 2018	CY 2019					
Clinical Grouping	(Simulated)	(Simulated)	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Behavioral Health	1.7%	1.5%	2.3%	2.4%	2.3%	2.2%	2.1%
Complex	2.6%	2.5%	3.5%	3.3%	3.2%	3.1%	3.1%
MMTA - Cardiac	16.5%	16.1%	18.9%	18.5%	17.9%	17.5%	17.1%
MMTA - Endocrine	17.3%	17.4%	7.2%	6.9%	6.8%	7.0%	7.1%
MMTA – GI/GU	2.2%	2.3%	4.7%	4.7%	4.9%	5.0%	5.2%
MMTA - Infectious	2.9%	2.7%	4.8%	4.6%	4.6%	4.7%	4.8%
MMTA - Other	4.7%	4.7%	3.1%	3.6%	3.5%	3.7%	3.8%
MMTA - Respiratory	4.3%	4.1%	7.8%	8.0%	7.8%	7.2%	7.0%
MMTA - Surgical Aftercare	1.8%	1.8%	3.6%	3.4%	3.4%	3.5%	3.5%
MS Rehab	17.1%	17.3%	19.4%	19.8%	20.8%	21.2%	21.4%
Neuro	14.4%	14.5%	10.5%	10.9%	11.0%	10.9%	10.8%
Wound	14.5%	15.1%	14.2%	13.9%	13.7%	14.0%	14.0%

Source: CY 2018 and CY 2019 simulated PDGM data with behavioral assumptions came from the Home Health LDS, CY 2020 PDGM data was accessed from the CCW VRDC on July 12, 2021. CY 2021 PDGM data was accessed from the CCW VRDC on July 14, 2022. CY 2022 PDGM data was accessed from the CCW VRDC on January 20, 2023. CY 2023 data was accessed from the CCW VRDC on January 11, 2024. CY 2024 data was accessed from the CCW VRDC on January 11, 2024. CY 2024 data was accessed from the CCW VRDC on March 13, 2025.

Note: All 30-day periods of care claims were included (for example LUPAs, PEPs, and outliers).

Highlights:

- MMTA (Cardiac) & MS Rehab clinical groups had the greatest number of 30-day periods in 2024 with slight differences.
- Behavioral Health
 & Complex Nursing
 clinical
 groups had the lowest
 number of 30 day
 periods in 2024.

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Comorbidity Adjustment Distribution

TABLE 7: DISTRIBUTION OF 30-DAY PERIODS OF CARE BY COMORBIDITY ADJUSTMENT CATEGORY FOR 30-DAY PERIODS, CY 2018-2024

	CY 2018	CY 2019					
Comorbidity Adjustment	(Simulated)	(Simulated)	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
None	55.6%	52.0%	49.1%	49.6%	37.3%	30.7%	29.1%
Low	35.3%	38.0%	36.9%	36.8%	47.8%	52.6%	55.4%
High	9.2%	10.0%	14.0%	13.5%	14.9%	16.7%	15.4%

Source: CY 2018 and CY 2019 simulated PDGM data with behavioral assumptions came from the Home Health LDS. CY 2020 PDGM data was accessed from the CCW VRDC on July 12, 2021. CY 2021 PDGM data was accessed from the CCW VRDC on July 14, 2022. CY 2022 PDGM data was accessed from the CCW VRDC on January 20, 2023. CY 2023 PDGM data was accessed from the CCW VRDC on January 20, 2023. CY 2023 data was accessed from the CCW VRDC on March 13, 2025. Note: All 30-day periods of care claims were included (for example LUPAs, PEPs, and outliers).

Highlights:

- 30-day periods with no adjustment have been decreasing over the years.
- Of all 30-day periods of care, over half received a low comorbidity adjustment in 2023 (the number has been increasing over the years).
- Number of 30-day periods that received a high comorbidity adjustment decreased from 2023 to 2024

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Comorbidity Changes (if finalized)

High Interaction List

Net gain of 6 new pairings

Low Comorbid List

- 2 New: Heart 5, Neoplasms 6
- 5 removed: Circulatory 2, Circulatory 7, Endo 3, Neuro 11, Neuro 12

Highlights:
Removed
diabetes as a
low comorbidity

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Functional Impairment Distribution

TABLE 9: DISTRIBUTION OF 30-DAY PERIODS OF CARE BY FUNCTIONAL IMPAIRMENT LEVEL. CY5 2018-2024

Functional Impairment Level	CY 2018 (Simulated)	CY 2019 (Simulated)	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Low	33.9%	31.9%	25.7%	23.3%	28.1%	29.8%	30.3%
Medium	34.9%	35.5%	32.7%	32.6%	33.1%	31.8%	31.8%
High	31.2%	32.6%	41.7%	44.2%	38.8%	38.4%	37.8%

Source: CY 2018 and CY 2019 simulated PDGM data with behavioral assumptions came from the Home Health LDS. CY 2020 PDGM data was accessed from the CCW VRDC on July 12, 2021. CY 2021 PDGM data was accessed from the CCW VRDC on July 14, 2022. CY 2022 PDGM data was accessed from the CCW VRDC on January 20, 2023. CY 2023 data was accessed from the CCW VRDC on January 20, 2023. CY 2023 data was accessed from the CCW VRDC on March 13, 2025.

Note: All 30-day periods of care claims were included (for example LUPAs, PEPs, and outliers).

Highlights:

• When comparing CY 2023 to CY 2024, the distribution of functional impairment levels has remained relatively similar (a .5% increase in low and a .6% decrease in high).

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Proposed OASIS Points Table CY 2026

04010 14	OASIS	CV2024	CVOOSE	CV202C
OASIS Item	Answer	CY2024	CY2025	CY2026
M1800	0 or 1	0	0	0
WITOOO	2 or 3	3	3	3
M1810	0 or 1	0	0	0
WITOTO	2 or 3	5	5	5
	0 or 1	0	0	0
M1820	2	3	3	4
	3	11	11	12
	0 or 1	0	0	0
M1830	2	0	3	2
	3 or 4	7	10	10
	5 or 6	14	18	17
M1840	0 or 1	0	0	0
IVI 1040	2, 3 or 4	6	5	6
	0	0	0	0
M1850	1	3	1	1
	2,3,4 or 5	6	4	4
	0 or 1	0	0	0
M1860	2	6	6	5
IVITOOU	3	4	2	1
	4,5, or 6	20	18	20
	4 or more			
M1033	items			
	checked	11	12	12

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Proposed CY 2026 (with comparisons) Clinical Group Threshold

Clinical Group	Low 2024	Low 2025	Low 2026	Med 2024	Med 2025	Med 2026	High 2024	High 2025	High 2026
MS Rehab	0 - 28	0-29	0-31	29-41	30-43	32-45	42+	44+	46+
Neuro Rehab	0 - 34	0-33	0-34	35-49	34-49	35-52	50+	50+	53+
Wound	0 - 28	0-32	0-33	29-49	33-48	34-52	50+	49+	53+
Complex Nursing	0 - 28	0-29	0-31	29-52	30-43	32-54	53+	53+	55+
Behavioral Health	0 - 28	0-28	0-31	29-41	29-44	32-46	42+	45+	47+
MMTA Aftercare	0 - 28	0-27	0-30	29-39	28-40	31-42	40+	41+	43+
MMTA Cardiac	0 - 28	0-27	0-28	29-41	28-40	29-43	42+	41+	44+
MMTA Endocrine	0 - 27	0-27	0-27	28-39	28-40	28-41	40+	41+	42+
MMTA GI/GU	0 - 31	0-32	0-34	32-46	33-47	35-48	47+	48+	49+
MMTA Infection	0 - 28	0-31	0-32	29-43	32-44	33-46	44+	45+	47+
MMTA Respiratory	0 -29	0-32	0-33	30-44	33-44	34-46	45+	45+	47+
MMTA Other	0 - 28	0-28	0-30	29-41	29-43	31-45	42+	44+	46+

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F2F: Requirements

Timely (90 days prior or within 30 days of the SOC)



Performed by an allowed provider



· Related to the primary reason services are rendered





• This can be identified in various areas beyond the F2F encounter (e.g., 485 or home health therapy visit evaluation or SOC OASIS co-signed by the certifying provider).

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Proposed Rule—What is the Intent?

- Allow any practitioner to perform the face-to-face encounter
 - Not limit this regulation to the certifying practitioner, a permitted NPP, or a physician or allowed practitioner with privileges who cared for the patient in an acute or post-acute care facility from which the patient was directly admitted to home health.

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Virtual FTF Encounters—Current State

- Virtual F2F encounters extension ended on September 30, 2025!
 - Where are we now?
 - Extension to January 30, 2026 with a retroactive provision





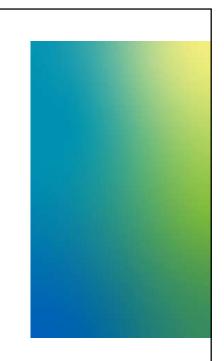


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Proposed Changes to OASIS and CoPs

OASIS E2 to be implemented April 1, 2026



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Proposed changes for OASIS-E2

- Adding A1110 Language, B0200 – Vision, and B1000 – Hearing to the ROC time point
 - This information can be used for risk-adjustment of quality measures and must be available at the start of the quality episode (SOC/ROC).
- Changing Gender to Sex

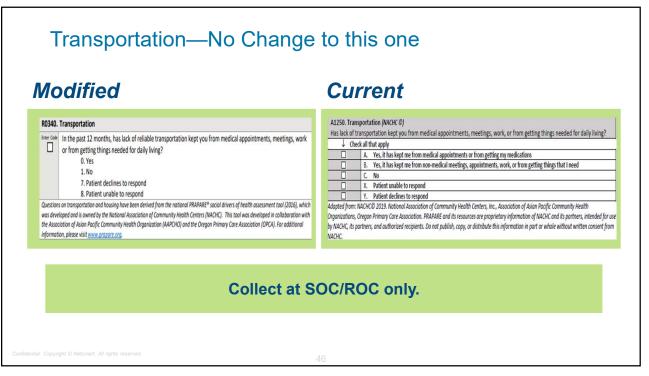
Retiring O0350 – Patient's COVID-19 vaccination is up to date



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0310. Living Situation	
What is your living situation today? O. I have a steady place to live 1. I have a place to live today, but I am worried about losing it in the future 2. I do not have a steady place to live 7. Patient declines to respond 8. Patient unable to respond westions on transportation and housing have been derived from the national PRAPARE* social drivers of health is not been declined in the sacciation of Asian Pacific Community Health Centers (NACHC). This tool was define Association of Asian Pacific Community Health Organization (AAPCHO) and the Oregon Primary Care Association of Indiana please visit www.propare.org.	R0320. Food Enter Code A. Within the past 12 months, you worried that your food would run out before you got money to buy more. 0. Often true 1. Sometimes true 2. Never true 7. Patient declines to respond 8. Patient unable to respond 8. Within the past 12 months, the food you bought just didn't last and you didn't have money to get more. 0. Often true 1. Sometimes true 2. Never true 7. Patient declines to respond 8. Patient unable to respond 8. Patient unable to respond
	Hager, E. R., Quigg, A. M., Block, M. M., et al. (2010). Development and Validity of a 2-Item Screen to Identify Families at Risk for Food Insecurity. Pediatrics. 126(1), 26-32. doi:10.1542/eeds.2009-3146.
R0330. Utilities	
In the past 12 months, has the electric, gas, 0. Yes 1. No 2. Already shut off 7. Patient declines to respond 8. Patient unable to respond	s, oil, or water company threatened to shut off services in your home?



All Payor OASIS → CoP Change

- "An HHA must encode and electronically transmit each completed OASIS assessment to the CMS system, regarding each *patient* with respect to which information is required to be transmitted (as determined by the Secretary), within 30 days of completing the assessment of the *patient*."
- These technical changes to update terminology would further clarify that the requirement for reporting OASIS information applies to all HHA patients receiving skilled services and align the language in the CoPs with the requirements finalized in the CY 2023 and CY 2025 Home Health PPS final rules.

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Changes to HHCAHPS

Plan to implement the revised HHCAHPS Survey beginning with the April 2026 sample month



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Addition of 3 new questions

- Whether the care provided helped the patient take care of their health.
- Whether the patient's family/friends were given sufficient information and instructions.
- Whether the patient felt the staff cared about them "as a person."

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Removal of questions

- Whether someone asked to see all the prescription and over-the-counter medicines the patient was taking.
- Whether the patient is taking any new prescription medicines or whether the patient's medicines have changed.
- Whether home health providers talked to the patient about the purpose for taking new or changed prescription medicines.
- Whether home health providers talked to the patient about when to take the medicines.
- Three questions on which type of staff served the patient—nurse, physical or occupational therapist, and home care aide.
- Whether the patient got information about what care and services they would get when they first started getting home health care.

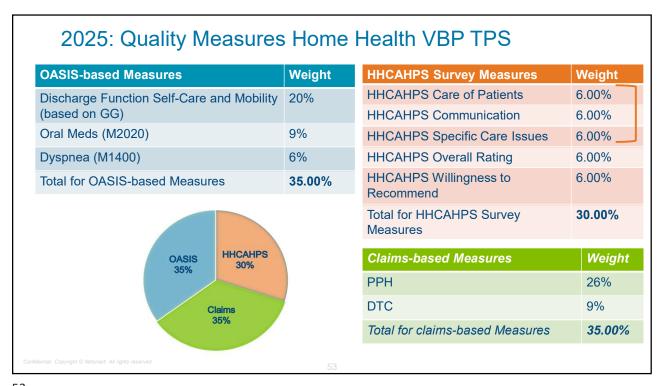
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Care Compare and Star

- The first Care Compare refresh in which publicly reported measures scores would be updated to include the new measures would be October 2027, with scores calculated using data from Q2 2026 through Q1 2027.
- Interim reports will be available on Provider Preview reports.
- Scores and Star Ratings for the Overall Rating and Willingness to Recommend measures would be calculated by combining scores from quarters using the current and new survey and will continue to be reported.

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HHVBP Proposed Changes



Proposed Changes to VBP

Propose to remove the following HHCAHPS Survey-based measures from the HHVBP applicable measure set starting with CY 2026:

- Care of Patients
- © Communications between Providers and Patients
- Specific Care Issues

Need a full year of data if CMS uses the proposed changes to HHCAHPS (CY2027). Would need achievement and improvement thresholds and benchmarks.

Propose addition of OASIS-Based Function Measures to Supplement DC Function

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Proposed Addition of Medicare Spending Per Beneficiary Post-Acute Care (MSPB-PAC)

- Anticipate reporting preliminary benchmarks, achievement thresholds, and improvement thresholds for the MSPB-PAC measure in the October 2025 Interim Performance Reports (IPR) if it goes forward
- High quality at lower cost

Payment & value of care

How much Medicare spends on an episode of care at this agency, compared to Medicare spending across all agencies nationally Higher (lower) ratios means that the agency spends more (less) on an episode of care than the Medicare national average

National average: 1.00

Measure

Willingness to

Recommend

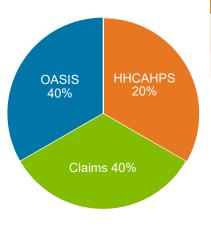
MSPB

Understanding costs improves transparency and can help patients and families assess a provider.

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Updates to Individual Measure Weights and Category Weights Performance Year 2026

Measure	Wt
Improvement in Dyspnea	7
Improvement in Oral Med Management	11
DC Function	15
Improvement in Bathing	3.5
Improvement in Dressing Upper Body	1.75
Improvement in Dressing Lower Body	1.75



Overall Rating		10		
	Мосолико	VA/		
	Measure	W	t	
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Questions?

M. Aaron Little, CPA | Managing Director | Forvis Mazars maaron.little@us.forvismazars.com

Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C | VP Clinical Services | McBee, part of Netsmart LisaSelman-Holman@McBeeAssociates.com

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Acronyms

- CAHPS Consumer Assessment of HHA Home health aide Healthcare Providers & Systems
- CMS Centers for Medicare & **Medicaid Services**
- CoPs Conditions of Participation
- DTC-PAC Discharge to Community-Post Acute Care
- F2F Face-to-face
- GI/GU Gastrointestinal & genitourinary
- **HH** Home health

- - HHRG Home Health Resource Group
 - IPR Interim Performance Report
- **KPI** Key performance indicator
- LUPA Low Utilization Payment Adjustment

Acronyms

- MMTA Medication management, teaching & assessment
- MS Musculoskeletal rehabilitation
- MSPB-PAC Medicare Spending Per Beneficiary - Post-Acute Care
- MSW Medical social worker
- NPP Non-physician practitioner
- OASIS Outcome & Assessment Information Set
- •OT Occupational therapy
- PDGM Patient Driven Groupings

Model

- **PPH** Potentially Preventable Hospitalization
- •PT Physical therapy
- ROC Resumption of care
- •SLP Speech-language pathology
- •SN Skilled nursing
- •SOC Start of care
- VBP Value-Based Purchasing

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