

National Hospice Update

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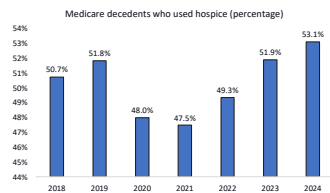

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CARE IN THE HOME

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Hospice Use Increasing Among Decedents

The increase in hospice use for decedents means more people are getting compassionate end-of-life care



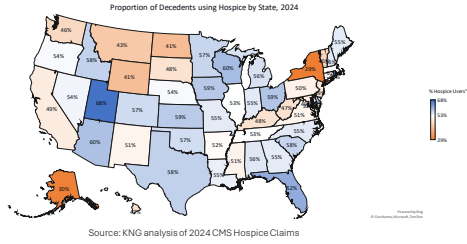
Source: KNG analysis of 2024 CMS Hospice Claims

- The portion of Medicare beneficiaries who use hospice is very steady over time.
- The portion of Medicare beneficiaries who die (decedents) are increasingly enrolling in hospice.
- Rates have recovered following the covid-19 pandemic, now showing the fourth year of growth and only the third time ever above half.

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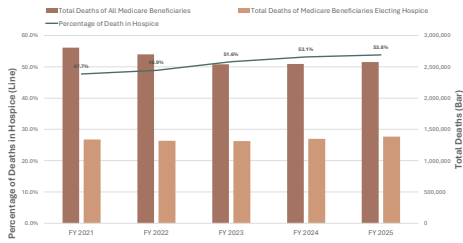
Hospice Use Uneven Across the Country

Availability of hospice providers and strength of referral partners matter most for access



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Deaths Inside and Outside of Hospice, FYs 2021-2025



Data Source: CMS, Hospice Monitoring Report (April 2026), <https://www.cms.gov/files/document/hospice-monitoring-report-2026.pdf>

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Hospice Monitoring Report: What Does This Mean?

Limitations:



No Geographic-Level Analysis



Non-Hospice Spending Not Disaggregated by Type
Diagnostic Categories Are Broad and Live Discharge Data May be Skewed



The Hospice Monitoring Report indicates that hospice is continuing to grow. However, increases in non-hospice spending for hospice users, along with live discharge rates signal potential increased scrutiny.

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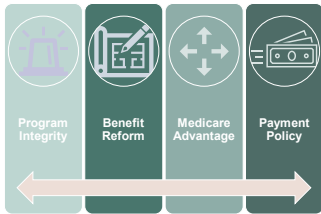
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WHERE ARE WE GOING?



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Key Home Health & Hospice Issues in Washington



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Oversight – 119th Congress

- **February 3, 2026:** House Energy and Commerce Committee, Oversight & Investigations Subcommittee - *Common Schemes, Real Harm: Examining Fraud in Medicare and Medicaid*
- **March 17, 2026:** House Energy and Commerce Committee, Oversight & Investigations Subcommittee - *Protecting Patients and Safeguarding Taxpayer Dollars: The Role of CMS in Combatting Medicare and Medicaid Fraud*
 - Witness – Kim Brandt, Deputy Administrator and Chief Operating Officer, Centers for Medicare & Medicaid Services
- **March 24, 2026:** House Oversight Committee launches investigation into California hospice fraud
- **April 21, 2026:** House Ways & Means Committee hearing: *Protecting Patients and Taxpayers: Cracking Down on Medicare Fraud*

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Program Integrity Levers



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Hospice Fraud Activities

- In FY 2024, Medicare payments for hospice reached over \$27 billion, with ~1.8 million Medicare beneficiaries receiving hospice care
- CMS has observed the following as common fraudulent behaviors in hospice:
 - Long lengths of stay
 - Co-located hospices
 - High rates of live discharges
- In January, CMS published a [Hospice Fast Facts Sheet](#) highlighting efforts to combat hospice fraud

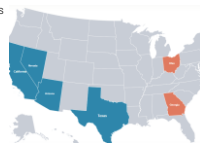
6 States	181 Revocations	Expanded Oversight
In July 2023, CMS implemented a Provisional Period of Enhanced Oversight (PPEO) for newly Medicare-enrolled hospices and hospices that underwent a change in ownership in AZ, CA, NV, and TX. In December 2025 GA and OH were added.	As of December 2025, 817 hospices have been subject to medical review under the PPEO. CMS has revoked the Medicare enrollment of 181 of these hospices.	Following the success of PPEO, CMS expanded prepayment review to existing Medicare-enrolled hospices in the same four states in September 2024. GA and OH were added December 2025.

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Anti-Fraud Activities

- Provisional Period of Enhanced Oversight
 - July 2023 – Arizona, California, Nevada, Texas
 - "New" hospice providers
- Expanded Prepayment Review (EPR) / Targeted High Risk Hospice (THRH)
 - September 2024 – Arizona, California, Nevada, Texas
 - Existing hospice providers
- Additional states – Georgia and Ohio
 - December 2025
- Review

Prepayment	Limited "rounds"
Small sample size	Swift action by CMS



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Anti-fraud Activities

Beyond PPEO and EPR

- CMS Payment Suspension
- 447 hospices, 23 home health agencies
- California

Suspension versus Revocation



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CMS Announces Nationwide Home Health & Hospice Moratorium

6 months duration May be extended	Medicare only CMS leaves Medicaid/CHIP moratoria to State discretion	May 13, 2026 Moratorium effective date for home health and hospice
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WHAT IT DOES

- Halts enrollment nationwide of newly enrolling Medicare home health agencies and hospices
- Applies only to Medicare
- CMS offering states/territories opportunity to consult on prospect of implementing Medicaid/CHIP moratorium
- In States that require Medicare certification as a Medicaid qualification, the moratorium effectively reaches Medicaid

WHAT IT DOES NOT APPLY TO

- Changes in practice location (unless moving from outside to inside the moratorium area)
- Changes in provider/supplier information (e.g., phone number, address)
- Changes in ownership except CHOWs of HHAs or Hospices that would require an initial enrollment
- Enrollment applications already received by the MAC before the effective date of the moratorium (May 13, 2026)

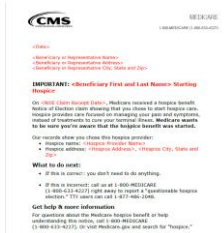
CMS Q & A Guidance | <https://www.cms.gov/files/document/hh-hospice-moratorium-faqs.pdf>
 CMS indicates the moratorium **will not impact** the existing telehealth flexibility for hospice face-to-face recertification encounters. Hospices already enrolled may continue to use telehealth to conduct recertification encounters.

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Hospice Beneficiary Notification Letter - Pilot

Hospice "Explanation of Benefits"

Piloted in: California & Nevada



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Future CRUSH Proposed Rule

- CMS issued a Request for Information for Comprehensive Regulations To Uncover Suspicious Healthcare (CRUSH) on February 27, 2026. Comments due March 30, 2026
- As mentioned previously, CMS has been focused on non-hospice spending during hospice election, so that could be the subject of some of the proposals in an upcoming rule
- Alliance member listening sessions were held in March and members provided thoughtful input to help the Alliance formulate its response to the RFI

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Hospice Benefit Reform



- Originally introduced by Rep. Earl Blumenauer (D-OR) in the 118th Congress, who has since retired.
- Reintroduced in the House by Rep. Linda Sanchez (D-CA) – H.R. 7966
- Introduced in the Senate by Rep. Mark Warner (D-VA) – S. 4118

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Hospice Care Accountability, Reform, and Enforcement (CARE) Act

- Program Integrity**
- 5-year moratorium on new Medicare hospices
 - Prepayment medical review on new (and newish) hospices
 - Nationwide revalidation of hospices
 - Increased survey frequency for new hospices
 - No reimbursement for hospices that fail to submit quality data requirements
 - Certifying physicians cannot have any financial relationship with hospice (ownership, payment etc)
 - 60 months no change of ownership from initial certification
 - 90-day medical reviews for hospices with "aberrant" billing
 - Face-to-face encounters for all recertifications
- Payment Changes**
- Moves to a blended per diem and per visit payment system in 2029
 - Temporary bonus payment for high intensity palliative care – moves to outlier payments

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MedPAC Examination of the Hospice Benefit

MedPAC is examining whether the current hospice benefit design and bundled payment structure create barriers for beneficiaries with ESRD or cancer who may need high-intensity treatments (palliative dialysis, blood transfusions, and radiation).

Potential policy options:

Enhanced Data Reporting

Problem: Medicare lacks data on the provision of certain services by hospice providers.

- Enhanced data reporting requirements for certain services on claims

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Hospice Payment Policy Changes

Problem: The Medicare hospice payment system may create disincentive for hospices to offer certain services that may be palliative for some patients.

- High-cost outlier payments
- Add-on payments for specialized palliative services
- Case-mix adjustments

Voluntary Transitional Program

Problem: Concerns about ceasing services like dialysis and blood transfusions may dissuade beneficiaries from electing hospice.

- Explore the development of a voluntary "transitional program"

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Fraud Task Force

Headed by Vice President JD Vance

West Coast Healthcare Fraud Strike Force

- multi-district enforcement initiative uniting the Division's Health Care Fraud Section with the U.S. Attorney's Offices for the District of Arizona, District of Nevada, and Northern District of California

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PEPPER

- PEPPER – Program for Evaluating Payment Patterns Electronic Report
- Site went down end of 2023
- CMS paused PEPPER until "Fall 2024"
- Anticipated hospice release date: Spring 2026

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FY2027 HOSPICE PAYMENT RATE PROPOSED RULE

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Payment Rate and Wage Index Update

CMS released the FY 2027 Hospice Wage Index and Payment Rate Update [proposed rule](#) on April 2

- Effective October 1, 2026
- Proposes 2.4% payment rate update
- Proposes hospice cap amount of \$36,210.11
- Continues 5 percent cap on wage index decrease at the county level
- Comments on the rule are due by June 1, 2026

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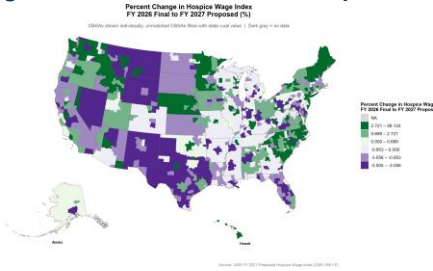
Proposed National Payment Rates for FY 2027 (For Hospices Who Meet Quality Reporting Requirements)

Code	Description	BIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2027 Hospice Payment Update	Proposed FY 2027 Payment Rates	FY 2026 Payment Rates
651	Routine Home Care (days 1-60)	0.9999	1.0009	1.024	\$230.56	\$230.83
651	Routine Home Care (days 61+)	0.9999	1.0013	1.024	\$188.53	\$181.94
Code	Description	Wage Index Standardization Factor	FY 2027 Hospice Payment Update	Proposed FY 2027 Payment Rates	FY 2026 Payment Rates	
652	Continuous Home Care Full Rate = 24 hours of care	1.0079	1.024		\$1,728.02 (\$72.00/hour)	\$1,674.29 (\$69.76/hour)
655	Inpatient Respite Care	1.0022	1.024		\$546.46	\$532.48
656	General Inpatient Care	1.0033	1.024		\$1,282.71	\$1,199.86

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Changes from CY26 Final to CY27 Proposed



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ELECTION STATEMENT ADDENDUM & SERVICE AND SPENDING VARIATION INDEX

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Election Statement Addendum

Dramatic Growth in Non-hospice Spending
\$1.3B FY 2020 **\$2.8B** FY 2024 Parts A, B and D combined

Accountability Gap

The 'upon request' model has not achieved the intended objective of ensuring hospices provide virtually all care for terminally ill beneficiaries.

Transparency Gap

Many beneficiaries don't know to ask for the addendum — they may not realize it exists or understand its importance at a vulnerable time.

Financial Gap

Without knowing what hospice doesn't cover, patients may unknowingly incur out-of-pocket costs for items that should be covered by hospice.

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Election Statement Addendum

Medicare Beneficiaries at Time of Election

Would be mandatory for all Medicare elections made on or after October 1, 2026

Within the first 5 days of a hospice election

Within 3 days of changes

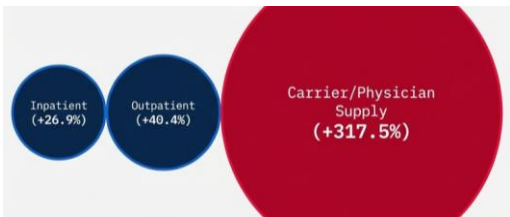
Condition of payment

Medicare Election Statement Addendum	
Beneficiary Information	
Name	
Address	
City	
State	
Zip	
Phone	
Signature	
Date	
Carrier/Physician	
Supply	
Other	

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Parts A & B



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Non-hospice Spending

Issues may arise from hospices misclassifying conditions, referring patients to non-hospice providers, failing to coordinate care, or deliberately avoiding costs.

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Total Score	Number of Hospices	Percent of Hospices
0	4	0.1%
1	87	1.3%
2	332	5.0%
3	527	7.9%
4	714	10.7%
5	887	13.4%
6	890	13.4%
7	898	13.5%
8	899	13.5%
9	571	8.6%
10	407	6.1%
11	230	3.5%
12	122	1.8%
13	55	0.8%
14	18	0.3%
15	1	0.0%
16	0	0.0%

Service and Spending Variation Index (SSVI) 2025



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CMS's Stated Purpose of SSVI



Program Integrity

Identify individual hospice vulnerabilities to help focus program integrity efforts, such as conducting medical reviews, providing additional education, and conducting investigations into individual hospices that could result in administrative actions like payment suspension and/or revocation of hospices demonstrating fraudulent behavior.



Transparency

Enhanced transparency in allowing beneficiaries and their families the ability to make more informed choices regarding care at the end of life.

CMS is seeking feedback on the metrics used to calculate the SSVI score, the threshold values and point assignments.

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CONFORMING REGULATORY TEXT CHANGES

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Discharge From Hospice Care

- § 418.22(b) requires that prior to discharging a patient for any reason listed in § 418.26, the hospice must obtain a written physician's discharge order from the hospice medical director
- Proposing conforming additions to § 418.26(b) to state the hospice may also obtain the written physician's discharge order from the physician designee, as defined at § 418.3, or physician member of IDG.
- To align with the previously updated payment regulations at §§ 418.22, 418.102(b), and 418.25(a) and (b) and to create greater consistency between key components of hospice regulations and policies

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Hospice Telehealth Face-to-Face Parameters

Consolidated Appropriations Act, 2026 extended telehealth flexibilities through December 31, 2027

Flexibilities shall not apply in the case of a face-to-face encounter with an individual occurring on or after January 31, 2026, if:

- such individual is located in an area that is subject to a moratorium on the enrollment of hospice programs under this title pursuant to section 1866(j)(7),
- such individual is receiving hospice care from a provider that is subject to enhanced oversight under this title pursuant to section 1866(j)(3), or
- such encounter is performed by a hospice physician or nurse practitioner who is not enrolled under section 1866(j) and is not an opt-out physician or practitioner (as defined in section 1802(b)(6)(D))
- in the case of such an encounter occurring on or after January 1, 2027, any hospice claim includes 1 or more modifiers or codes (as specified by the Secretary) to indicate that such encounter was conducted via telehealth" after "as determined appropriate by the Secretary".

Proposing to amend § 418.22(a)(4)(ii) to align with these provisions

Hospice claims would have a G-code identifying that a face-to-face encounter was furnished via telehealth

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HOPE

Waiver

CMS has granted a waiver to all HOPE assessments dated October 1, 2025, through December 31, 2025, and as a result, all HOPE assessments with a target date in 2025 will be considered timely.



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Care Compare Icon

Proposed to add an icon identifying hospice facilities, on the Medicare.gov Compare Tool, that have failed to meet reporting requirements for the HQRP

HQRP has very few publicly reported measures compared to other care settings

Lack of information in comparison can make it more challenging for consumers to differentiate between hospices

Identify hospices failing to submit any data or submitting less than the required 60 percent of HOPE submissions within 30 days of the patient's admission or discharge date within a year period.

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Care Compare Icon

Added to the Medicare.gov Compare Tool no earlier than FY 2028 (October 1, 2027)
 Added or removed on an annual basis
 Visible both on the provider search page, as well as the individual hospice page on Care Compare



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Respecification of the HCI

Hospice Care Index

Updated measure expected in 2026 MUC list



Fall 2024 HQRPTP Report



<https://www.cms.gov/files/document/fall-2024-hqrp-tp-summary-report508c.pdf>

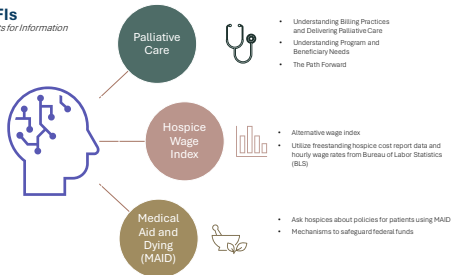
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REQUESTS FOR INFORMATION

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RFIs *Requests for information*



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