National Alliance for Care at Home

The Federal Hospice Landscape: Policy, Payment, and Oversight

Patrick M. Harrison, JD

Vice President, Managed Care & Innovation Policy

May 2026

Disclosure

None of the faculty for this educational activity have relevant financial relationship(s) to disclose with ineligible companies whose primary business is producing, marketing, selling, re-selling, or distributing healthcare products used by or on patients.

Legal Disclaimer

This presentation does not constitute legal advice and is not intended to take the place of legal advice. This presentation has been developed by the National Alliance for Care at Home for informational purposes only. It is always the provider's responsibility to determine and comply with applicable regulatory requirements.

About the National Alliance for Care at Home

The Alliance is the unified voice for providers delivering high-quality, person-centered healthcare to individuals, wherever they call home. Our members are providers of different sizes and types—from small rural agencies to large national companies—including government-based providers, nonprofit organizations, systems-based entities, and public corporations. Our members, including over 1,500 providers representing 10,000 offices and locations, serve over 4 million patients nationwide through a dedicated workforce of over 1 million employees, staff, and volunteers.

Formed through the joint affiliation of the National Association for Home Care & Hospice (NAHC) and the National Hospice and Palliative Care Organization (NHPCO), the Alliance is dedicated to advancing policies that support care in the home for millions of Americans at all stages of life, individuals with disabilities, persons with chronic and serious illnesses, as well as dying Americans who depend on those supports.

https://allianceforcareathome.org

National Alliance for Care at Home

National Alliance for Care at Home

Federal Policy Landscape

Hospice CARE Act Reintroduction

- Hospice Care Accountability, Reform, and Enforcement (CARE) Act is a bill to modernize the Medicare Hospice Benefit
- Originally introduced in 2024 by former Rep. Earl Blumenauer (D-OR) as H.R. 9803
- Reintroduced on March 17, 2026 by Rep. Linda Sánchez (D-CA) and Sen. Mark Warner (D-VA) (H.R.7966/S.4118)
- Intended to preserve the integrity of the hospice benefit and modernize the benefit and expand appropriate access

Hospice CARE Act Provisions

- 5-year moratorium on new hospice Medicare enrollments, with certain exceptions
- Enhanced ownership and managing control transparency requirements
- Increased survey frequency for new hospices
- No payment update for hospices that fail to submit required quality data
- Expands certification authority to NPs and PAs
- Requires CMS to conduct additional oversight activities
- Provides patients with an explanation of benefits within 15 days of an individual's hospice election
- Revises the payment structure for routine home care to reward hospices for providing in-person care
- Increases payments to hospices for furnishing palliative radiation, chemotherapy, blood transfusions, and dialysis
- Adds home respite care to the Medicare hospice benefit and creates new transitional inpatient respite benefit

Telehealth Extension and Guardrails

- Consolidated Appropriations Act, 2026 extended telehealth flexibilities and hospice telehealth face-to-face (F2F) recertification flexibilities through Dec 31, 2027 with certain exceptions
- Effective for hospice F2F encounters on or after Jan 31, 2026, telehealth cannot be used when:

CMS Moratorium	PPEO	Medicare Enrollment
The encounter is performed for an individual located in an area subject to a new hospice enrollment moratorium pursuant to section 1866(j)(7) of the Social Security Act	The encounter is performed for an individual receiving hospice care from a provider that is subject to a provisional period of enhanced oversight pursuant to section 1866(j)(3) of the Social Security Act	The encounter is performed by a hospice physician or nurse practitioner who is not Medicare enrolled or validly opted out of the Medicare program

- Beginning Jan 1, 2027, claims must include a modifier flagging telehealth-conducted F2Fs
- Guidance is still pending from CMS on the implementation of these provisions

National Alliance for Care at Home

Program Integrity

Hospice is Still Under the Microscope

National Alliance for Care at Home

Program Integrity Landscape

Full Committee Hearing on Protecting Patients and Taxpayers: Cracking Down on Medicare Fraud

April 21, 2026

O&I Subcommittee: Protecting Patients and Safeguarding Taxpayer Dollars: The Role of CMS in Combatting Medicare and Medicaid Fraud

March 17, 2026, 2:00pm EDT 2123 Rayburn House Office Building

Vance anti-fraud task force suspends 447 hospices in Los Angeles over more than $600M in suspected fraud

White House warns fraudsters they cannot hide as suspension numbers and dollar values 'are only going to increase'

By Preston Mizell · Fox News

Published April 15, 2026 8:02am EDT

National Alliance for Care at Home

PPEO and Prepayment Review

- Provisional period of enhanced oversight (PPEO) applies to newly enrolling hospices and certain change-of-ownership scenarios
- Expanded beyond original four states (AZ, CA, NV, TX) to include GA and OH in Dec 30, 2025
- More existing providers are being pulled into prepayment review
- Provider experience varies by Medicare Administrative Contractor
- Downstream actions can include billing privilege suspensions and enrollment revocations
- CMS response times to reconsideration requests tied to prepayment review-driven revocations vary
- Affected providers face interrupted billing, frozen cash flow, and workforce continuity risk
- Many legitimate providers are being caught up in this “audit net”

Alliance Recommendations at a Glance

The Alliance has advocated for program integrity measures that hold bad actors accountable through targeted, data-driven enforcement, without restricting patient access or harming legitimate providers.

- Targeted, risk-based enforcement
- Strengthen enrollment checks and site visits
- Promote industry collaboration with CMS through workgroups
- Appropriate oversight of state survey agencies and accountable care organizations

National Alliance for Care at Home

FY 2027 Hospice Proposed Rule

CMS Hospice Monitoring Report

National Alliance for Care at Home

Hospice Monitoring Report

CMS published a Hospice Monitoring Report with the release of the FY 2027 Hospice Wage Index proposed rule. In this report, CMS examines hospice utilization and spending for Federal Fiscal Years (FYs) 2021 – 2025.

UTILIZATION

Level of care

Deaths, discharges & transfers

Length of stay

EXPENDITURES

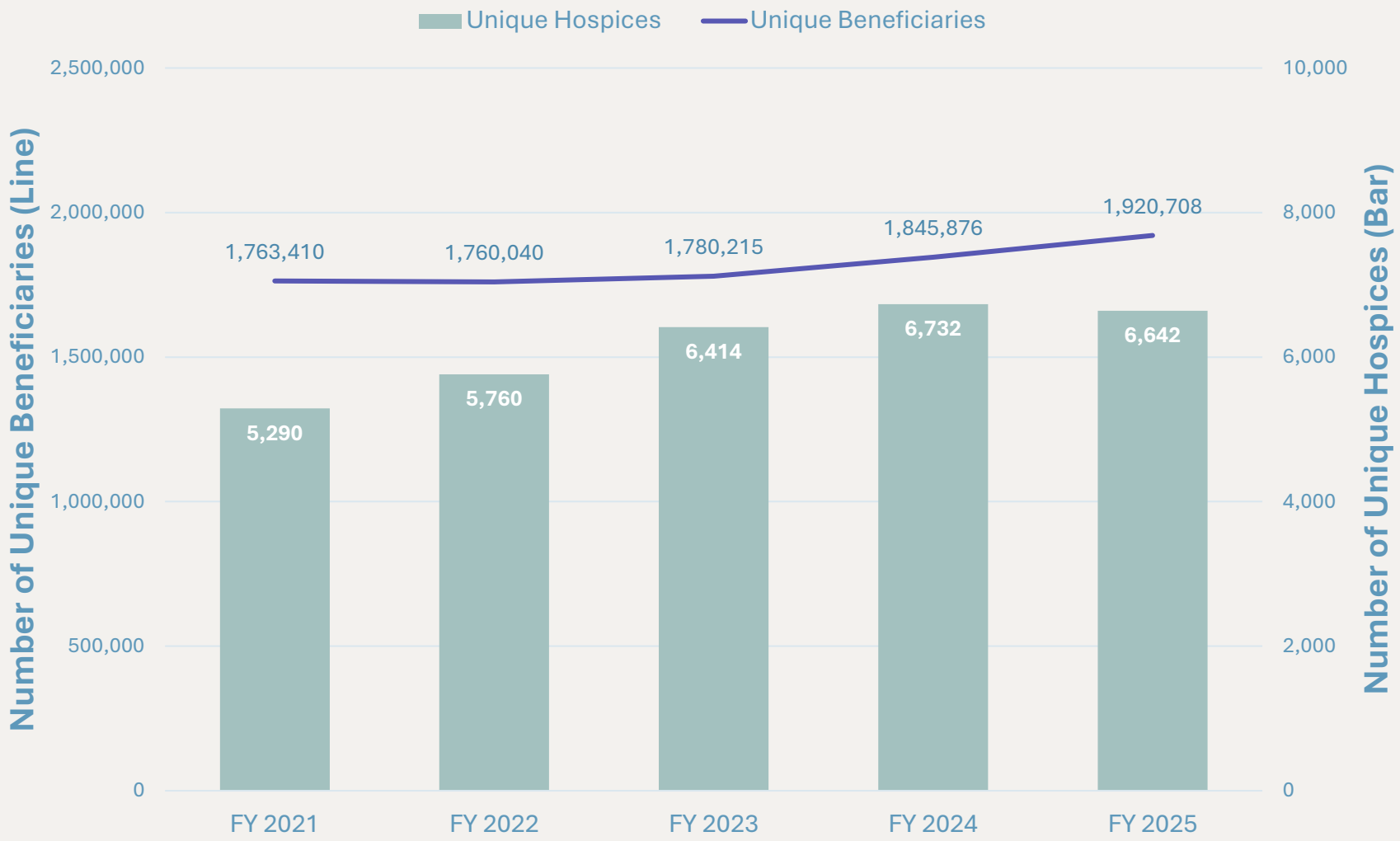
Medicare hospice expenditures

Spending outside the hospice benefit

DIAGNOSTIC CHARACTERISTICS

Primary diagnoses of beneficiaries using hospice

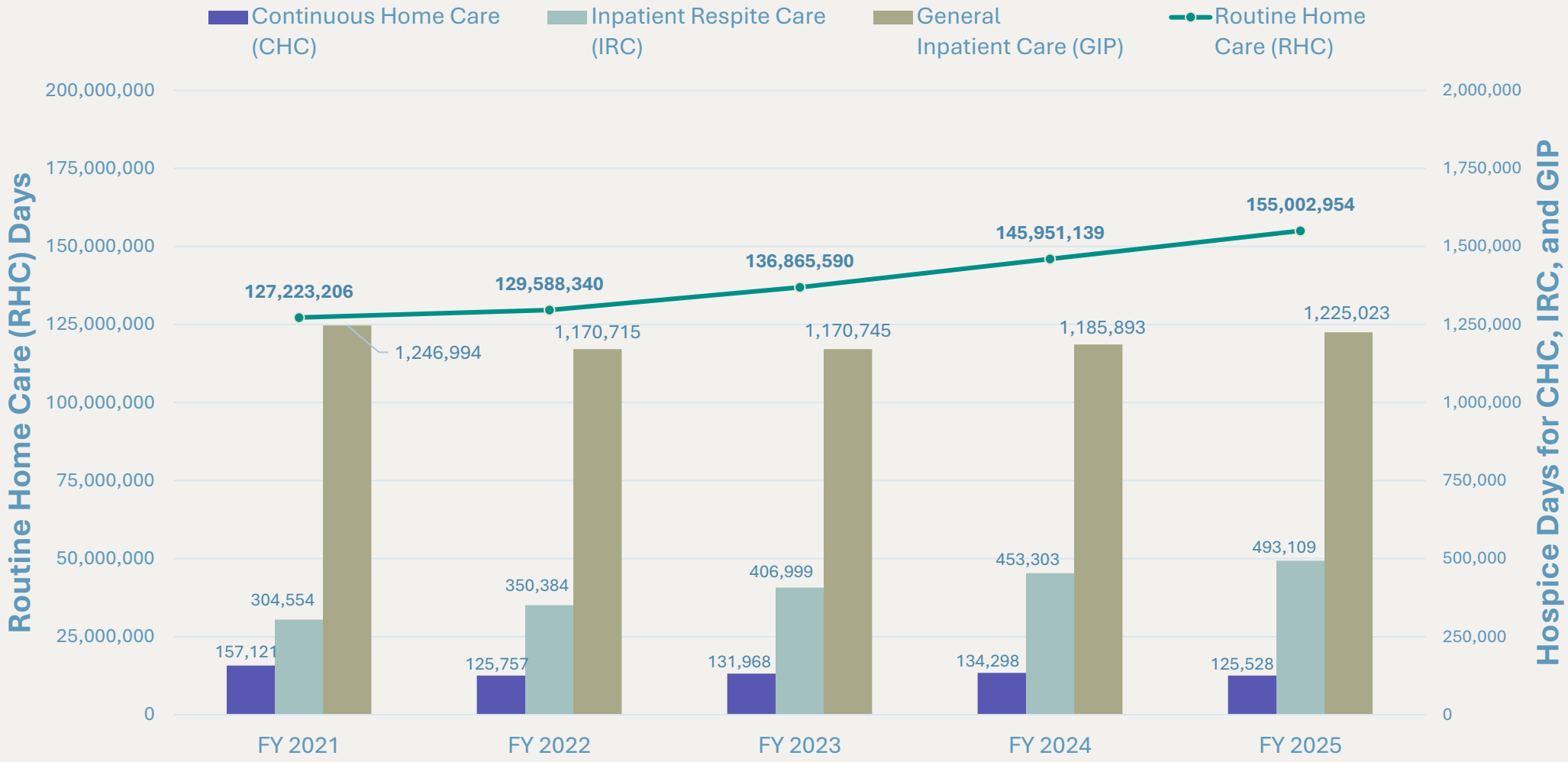
Overall Utilization of Hospice Services



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

National Alliance for Care at Home

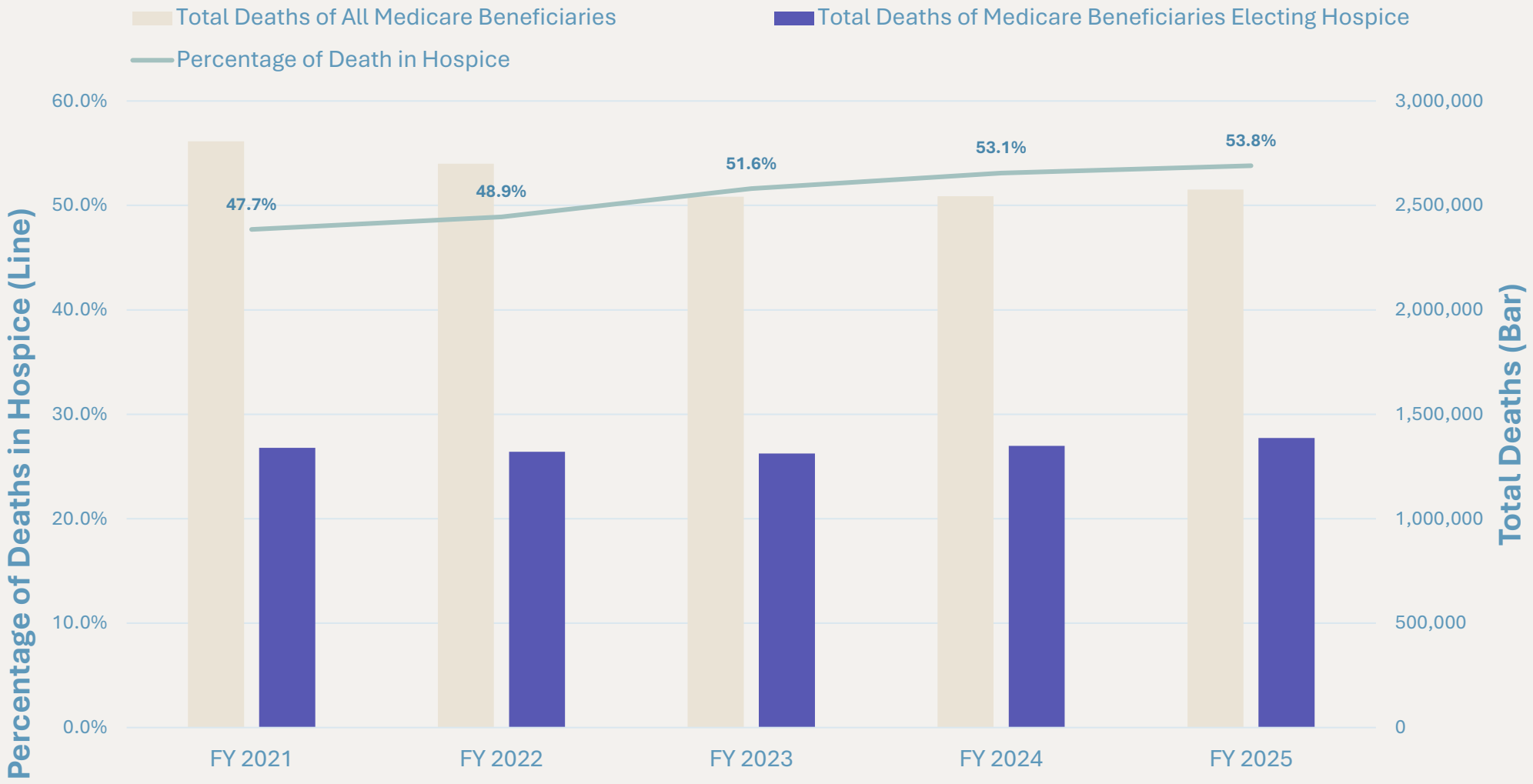
Number of Hospice Days by Level of Care, FYs 2021 - 2025



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

National Alliance for Care at Home

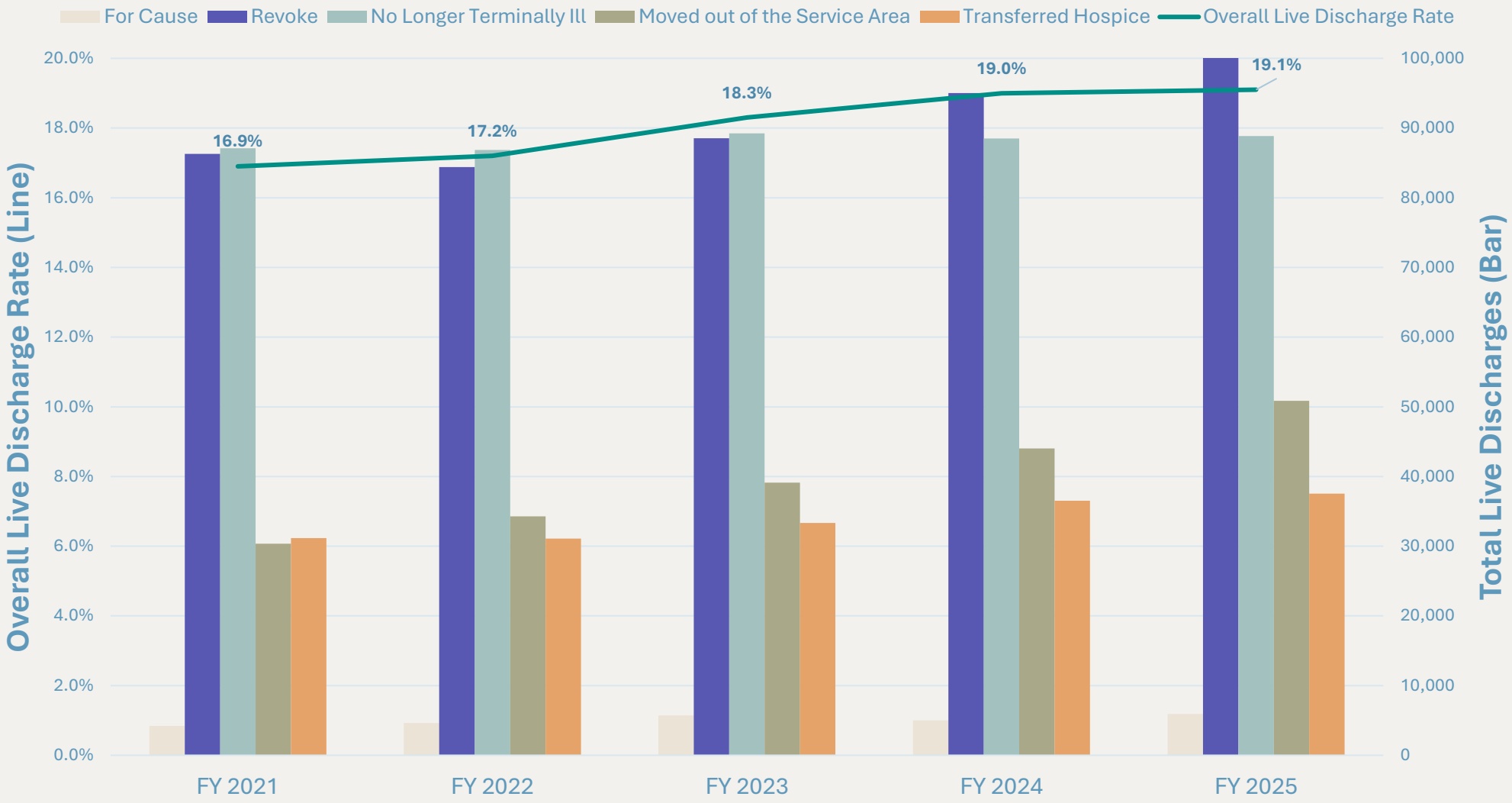
Deaths Inside and Outside of Hospice, FYs 2021-2025



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

National Alliance for Care at Home

Total Live Discharges by Reason, FYs 2021-2025



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

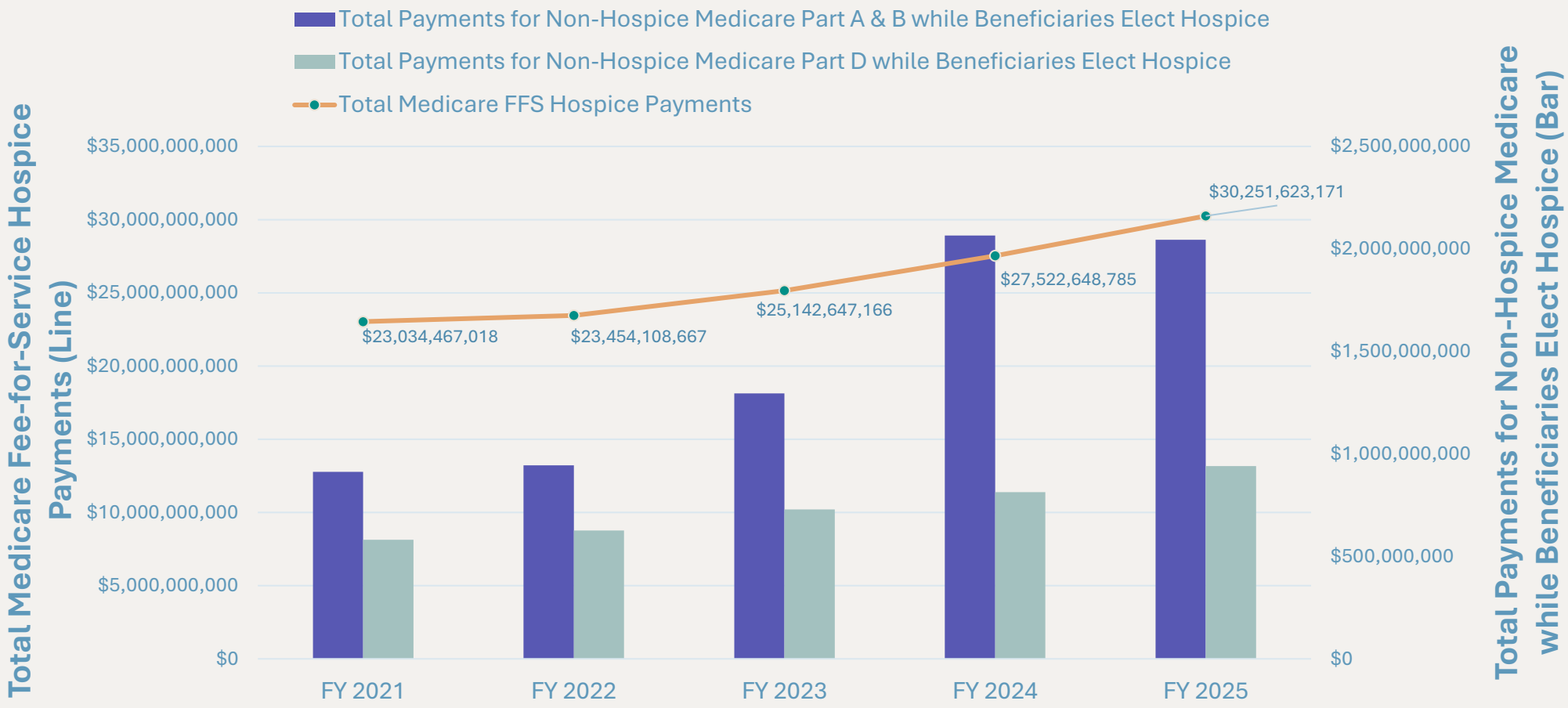
National Alliance for Care at Home

Exhibit 5b. Percentage (within a year) of Beneficiaries by Hospice Lifetime Length of Stay (LOS) Category for FYs 2021-2025

Hospice Lifetime Length of Stay	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
1-4 days	23.0%	22.3%	21.5%	21.1%	20.4%
5-10 days	18.1%	17.7%	17.4%	17.0%	16.4%
11–30 days	19.4%	19.5%	19.4%	19.1%	18.7%
31-60 days	10.6%	10.9%	11.0%	10.9%	10.9%
61-90 days	5.6%	5.8%	5.9%	6.0%	6.0%
90-180 days	8.9%	9.2%	9.5%	9.7%	10.0%
181+ days	14.5%	14.6%	15.2%	16.2%	17.6%

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

Medicare Hospice and Non-Hospice Spending for Hospice Users, FYs 2021-2025



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

National Alliance for Care at Home

Exhibit 9a. Number of Beneficiaries by Principal Diagnosis Category for FYs 2021-2025

Principal Diagnosis	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Alzheimer's, Dementia, or Parkinson's	418,124	428,227	440,262	410,496	432,886
Cancers	412,704	407,539	413,309	421,372	427,550
Cardiac (e.g., Congestive Heart Failure (CHF))	324,657	329,107	344,974	364,153	381,959
Respiratory (e.g., Chronic Obstructive Pulmonary Disease (COPD))	183,147	182,217	184,278	187,946	194,612
Cerebral Vascular Accident (CVA)/Stroke	180,861	186,158	191,636	203,727	216,560
Chronic Kidney Disease (CKD)/End-Stage Renal Disease (ESRD)	39,440	38,762	37,836	38,312	39,864
Other	240,410	228,149	215,244	275,394	280,043

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

What Does This Mean?

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.

Limitations:

No Geographic-Level Analysis

Non-Hospice Spending Not Disaggregated by Type

Diagnostic Categories Are Broad and Live Discharge Data May be Skewed

FY 2027 Hospice Wage Index and Payment Rate Update

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**

Proposed National Payment Rates for FY 2027

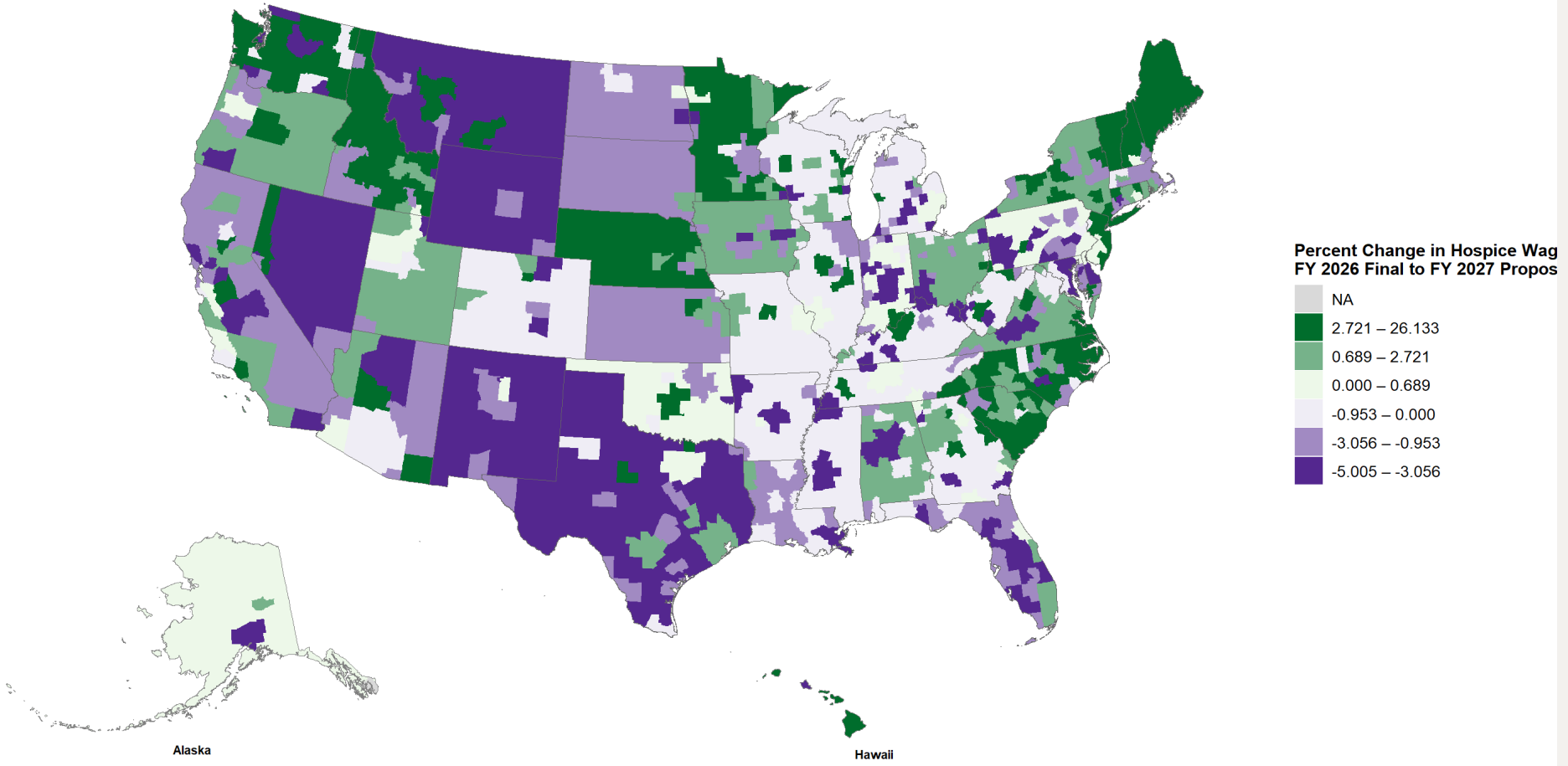
(For Hospices Who Meet Quality Reporting Requirements)

Code	Description	SIA 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	$236.56	$230.83
651	Routine Home Care (days 61+)	0.9999	1.0013	1.024	$186.53	$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	$1,232.71	$1,199.86

Percent Change in Hospice Wage Index
FY 2026 Final to FY 2027 Proposed (%)

CBSAs shown individually; unmatched CBSAs filled with state rural value | Dark grey = no data



Source: CMS FY 2027 Proposed Hospice Wage Index (CMS-1851-P)

National Alliance for Care at Home

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.

Election Statement Addendum

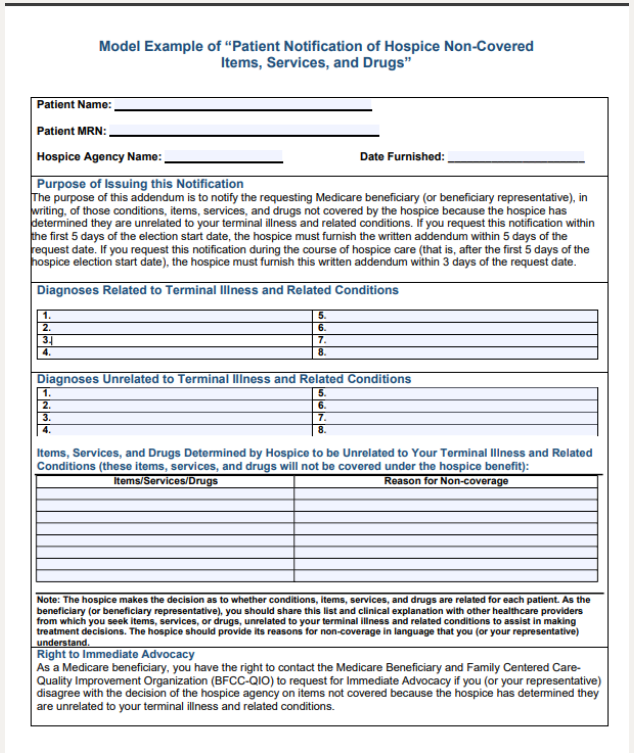
Medicare Beneficiaries at Time of Election

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



Model Example of "Patient Notification of Hospice Non-Covered Items, Services, and Drugs"

Patient Name: _____

Patient MRN: _____

Hospice Agency Name: _____ **Date Furnished:** _____

Purpose of Issuing this Notification

The purpose of this addendum is to notify the requesting Medicare beneficiary (or beneficiary representative), in writing, of those conditions, items, services, and drugs not covered by the hospice because the hospice has determined they are unrelated to your terminal illness and related conditions. If you request this notification within the first 5 days of the election start date, the hospice must furnish the written addendum within 5 days of the request date. If you request this notification during the course of hospice care (that is, after the first 5 days of the hospice election start date), the hospice must furnish this written addendum within 3 days of the request date.

Diagnoses Related to Terminal Illness and Related Conditions

1.	5.
2.	6.
3.	7.
4.	8.

Diagnoses Unrelated to Terminal Illness and Related Conditions

1.	5.
2.	6.
3.	7.
4.	8.

Items, Services, and Drugs Determined by Hospice to be Unrelated to Your Terminal Illness and Related Conditions (these items, services, and drugs will not be covered under the hospice benefit):

Items/Services/Drugs	Reason for Non-coverage

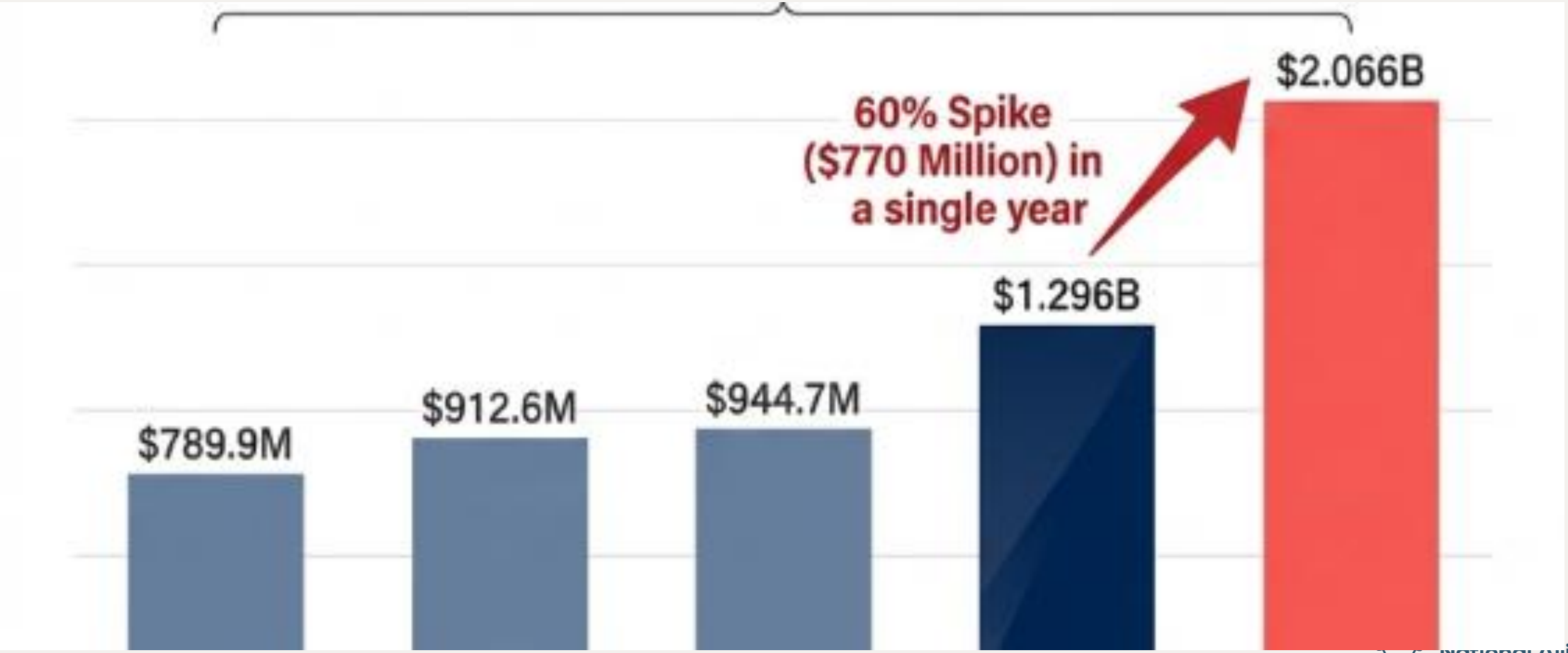
Note: The hospice makes the decision as to whether conditions, items, services, and drugs are related for each patient. As the beneficiary (or beneficiary representative), you should share this list and clinical explanation with other healthcare providers from which you seek items, services, or drugs, unrelated to your terminal illness and related conditions to assist in making treatment decisions. The hospice should provide its reasons for non-coverage in language that you (or your representative) understand.

Right to Immediate Advocacy

As a Medicare beneficiary, you have the right to contact the Medicare Beneficiary and Family Centered Care-Quality Improvement Organization (BFCC-QIO) to request for Immediate Advocacy if you (or your representative) disagree with the decision of the hospice agency on items not covered because the hospice has determined they are unrelated to your terminal illness and related conditions.

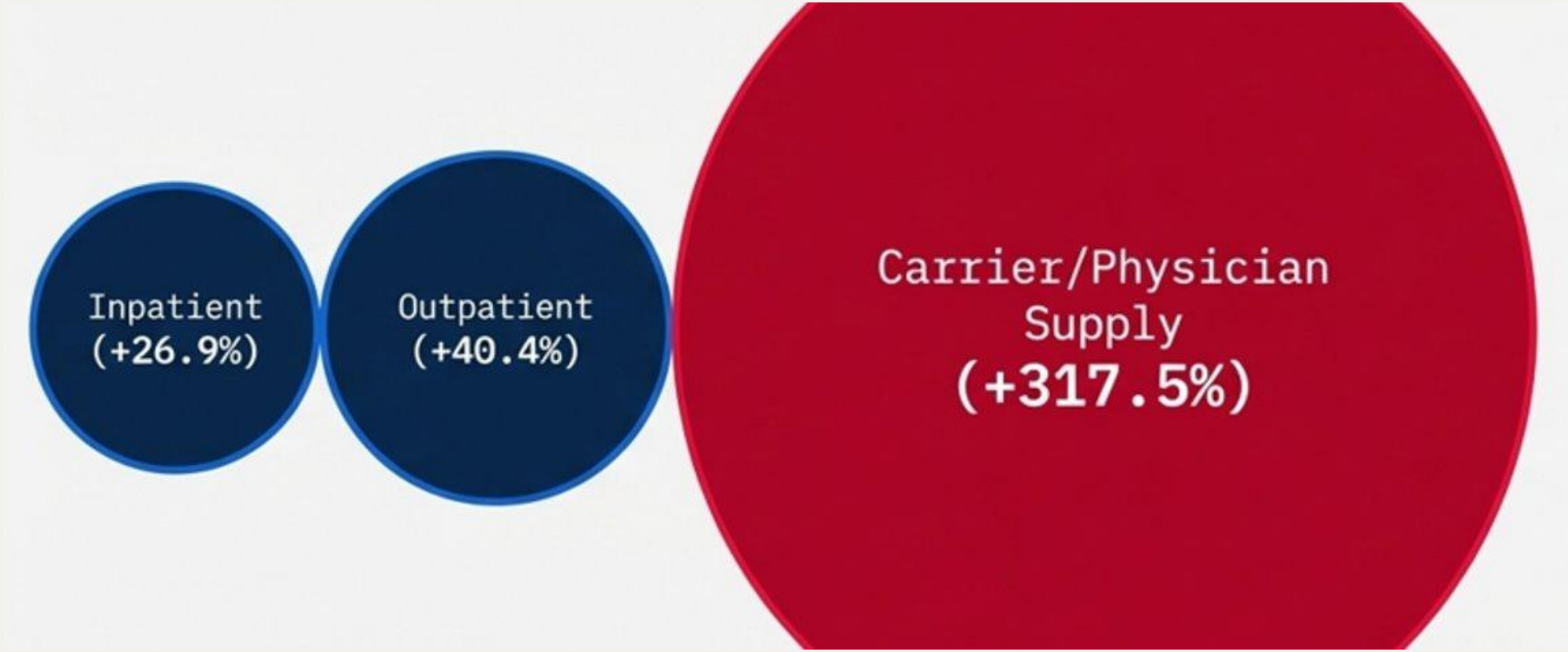
National Alliance for Care at Home

Non-hospice Spending



National Alliance for Care at Home

Medicare Part A and B Spending



National Alliance for Care at Home

Non-hospice Spending

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

Service and Spending Variation Index (SSVI)

Utilization Metrics (2025)	Points
Providing no Continuous Home Care and no General Inpatient Care	1
Greater than 40% of Routine Home Care days are provided in a nursing home or skilled nursing facility	1
The last two Routine Home Care days of life with visits are less than or equal to 85.7% (25th percentile)	1
Live discharge rate greater than or equal to 47.5% (75th percentile)	1
Percentage of discharges with a length of stay of over 180 days is greater than or equal to 33.2% (75th percentile)	1
Average skilled nursing minutes on Routine Home Care less than or equal to 9.8 minutes per day (25th percentile)	1
Percentage of Weekend Routine Home Care days with a skilled visit (nursing, medical social worker, or therapy) less than or equal to 4.8% (25th percentile)	1
Percentage of live discharges where beneficiaries return to the same hospice in seven days greater than or equal to 15% (75th percentile)	1

Total Non-Hospice Spending (2025)	Points
Greater than 0 and less than or equal to $6,352.84	1
Greater than $6,352.84 and less than or equal to $20,612.10	2
Greater than $20,612.10 and less than or equal to $42,911.79	3
Greater than $42,911.79 and less than or equal to $76,801.05	4
Greater than $76,801.05 and less than or equal to $133,440.80	5
Greater than $133,440.80 and less than or equal to $246,123.10	6
Greater than $246,123.10 and less than or equal to $517,204.40	7
Greater than $517,204.40	8

Total Points Possible = 16 (higher is worse)

National Alliance for Care at Home

Service and Spending Variation Index (SSVI)

Utilization Metrics (2025)	Number of Hospices
Providing no Continuous Home Care and no General Inpatient Care	2,994
Greater than 40% of Routine Home Care days are provided in a nursing home or skilled nursing facility	608
The last two Routine Home Care days of life with visits are less than or equal to 85.7% (25th percentile)	1,547
Live discharge rate greater than or equal to 47.5% (75th percentile)	1,640
Percentage of discharges with a length of stay of over 180 days is greater than or equal to 33.2% (75th percentile)	1,686
Average skilled nursing minutes on Routine Home Care less than or equal to 9.8 minutes per day (25th percentile)	1,661
Percentage of Weekend Routine Home Care days with a skilled visit (nursing, medical social worker, or therapy) less than or equal to 4.8% (25th percentile)	1,658
Percentage of live discharges where beneficiaries return to the same hospice in seven days greater than or equal to 15% (75th percentile)	1,617

Total Non-Hospice Spending (2025)	Number of Hospices
Greater than 0 and less than or equal to $6,352.84	812
Greater than $6,352.84 and less than or equal to $20,612.10	812
Greater than $20,612.10 and less than or equal to $42,911.79	811
Greater than $42,911.79 and less than or equal to $76,801.05	812
Greater than $76,801.05 and less than or equal to $133,440.80	812
Greater than $133,440.80 and less than or equal to $246,123.10	811
Greater than $246,123.10 and less than or equal to $517,204.40	812
Greater than $517,204.40	811

Total Hospices = 6,642

National Alliance for Care at Home

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

National Alliance for Care at Home

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

Discharge From Hospice Care

- § 418.26(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
- CMS 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

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''

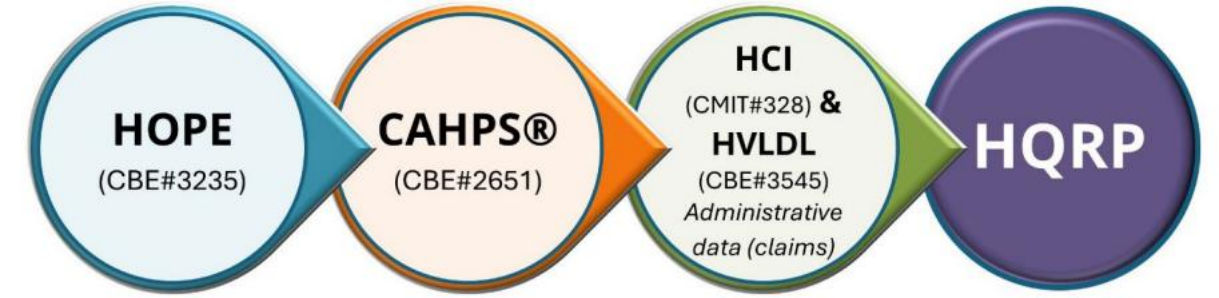
Proposing to amend § 418.22(a)(4)(ii) to align with these provisions

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

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.



National Alliance for Care at Home

Care Compare Icon

Proposing 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 90 percent of HOPE submissions within 30 days of the patient's admission or discharge date within a year period.

RFIs

Requests for Information

Palliative Care

- Understanding Billing Practices and Delivering Palliative Care
- Understanding Program and Beneficiary Needs
- The Path Forward

Hospice Wage Index

- Alternative wage index
- Utilize freestanding hospice cost report data and hourly wage rates from Bureau of Labor Statistics (BLS)

Medical Aid and Dying (MAID)

- Ask hospices about policies for patients using MAID
- Mechanisms to safeguard federal funds

National Alliance for Care at Home

Questions?

National Alliance
for Care at Home

Patrick Harrison, Vice President, Managed Care & Innovation Policy | pharrison@allianceforcareathome.org