
Issue Brief

FEDERAL ISSUE BRIEF



Analysis provided for MHA by Larry Goldberg, Goldberg Consulting

September 29, 2026

CMS Issues Correction Notice to Fiscal Year 2027 Hospice

The Centers for Medicare & Medicaid Services (CMS) have issued a correction rule to the Fiscal Year (FY) 2027 Hospice PPS update issued in the August 3 **Federal Register**. The corrections in this document are applicable to discharges occurring on or after October 1, 2026, as if they had been included in the document that appeared in the August 3, 2026 **Federal Register**.

The rule is scheduled for publication in the September 30 **Federal Register**. A copy of the 9-page display copy is available at: <https://public-inspection.federalregister.gov/2026-20067.pdf>

The tables that are available on the internet have been updated to reflect the revisions.

Comments

This document is much easier to follow and understand than the material presented in the IPPS correction rule.

CMS notes that it inadvertently treated a current IPPS hospital as a hospital that had converted to REH status, thereby erroneously excluding its data from the MS-DRG relative weight calculation and the wage index. Therefore, CMS has restored the applicable data for this hospital and recalculated the FY 2027 IPPS pre-floor, pre-reclassified hospital wage index.

Further, CMS says that as a result of this technical error, it has recalculated the FY 2027 hospice wage index values for all Core-Based Statistical Areas (CBSAs) and rural areas, the wage index standardization factors and subsequently the national payment rates for each level of hospice care.

Therefore, CMS is making conforming changes to the following items in the August 3 **Federal Register**.

On page 49122, the wage index values listed for CBSA 25980, Hinesville, Georgia and rural North Dakota.

On page 49127, Tables 1 and 2 titled “Final FY 2027 Hospice RHC Payment Rates” and “Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates”.

On page 49128, Tables 3 and 4 titled “Final FY 2027 Hospice RHC Payment Rates for Hospices That DO NOT Submit the Required Quality Data” and “Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates for Hospices That DO NOT Submit the Required Quality Data”.

On page 49170, Table 22 titled “Impact to Hospices for FY 2027”.

On page 49175, the impact percentage for hospices with greater than 20,000 RHC days.

CMS is republishing the FY 2027 Hospice Wage Index file accordingly on the CMS website at:

<https://www.cms.gov/medicare/payment/fee-for-service-providers/hospice/hospice-wage-index>.

CMS says to make the following changes to the August 3, 2026 **Federal Register** as follows.

1. On page 49122,

a. Second column, second full paragraph, last line, the figure “0.8915” is corrected to read “0.8916”.

b. Third column, first partial paragraph, last line, the figure “0.8297” is corrected to read “0.8298”.

a. Table 1 titled “Final FY 2027 Hospice RHC Payment Rates” is corrected to read as follows: The August 3 amounts being changes are crossed out in red.

TABLE 1: Final FY 2027 Hospice RHC Payment Rates

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Code	Description	FY 2026 Payment Rates	SIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2027 Hospice Payment Update	FY 2027 Payment Rates
651	Routine Home Care (days 1-60)	\$230.83	0.9999	~~1.0010~~ 1.0009	1.023	\$236.33
651	Routine Home Care (days 61+)	\$181.94	0.9999	1.0012	1.023	\$186.33

b. Table 2 titled "Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates" is corrected to read as follows:

TABLE 2: Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates

Code	Description	FY 2026 Payment Rates	Wage Index Standardization Factor	FY 2027 Hospice Payment Update	FY 2027 Payment Rates
652	Continuous Home Care Full Rate = 24 hours of care.	\$1,674.29	~~1.0078~~ 1.0080	1.023	~~\$1,726.16 (\$71.92 per hour)~~ \$1,726.50 (71.94 per hour)
655	Inpatient Respite Care	\$532.48	~~1.0022~~ 1.0023	1.023	~~\$545.93~~ \$545.98
656	General Inpatient Care	\$1,199.86	~~1.0033~~ 1.0034	1.023	~~\$1,231.51~~ \$1,231.63

**Final FY 2027 Hospice RHC Payment Rates for Hospices That
DO NOT Submit the Required Quality Data**

Code	Description	FY 2026 Payment Rates	SIA Budget Neutrality Factor	Wage Index Standardization Factor	FY 2027 Hospice Payment Update of 2.3% minus 4 percentage points = - 1.7%	FY 2027 Payment Rates
651	Routine Home Care (days 1-60)	\$230.83	0.9999	~~1.0010~~ 1.0009	0.983	~~\$227.11~~ \$227.09
651	Routine Home Care (days 61+)	\$181.94	0.9999	~~1.0013~~ 1.0012	0.983	~~\$179.06~~ \$179.04

**Final FY 2027 Hospice CHC, IRC, and GIP Payment Rates for Hospices That
DO NOT Submit the Required Quality Data**

Code	Description	FY 2026 Payment Rates	Wage Index Standardization Factor	FY 2027 Hospice Payment Update of 2.3% minus 4 percentage points = - 1.7%	FY 2027 Payment Rates
652	Continuous Home Care Full Rate = 24 hours of care.	\$1,674.29	~~1.0080~~ 1.0078	0.983	~~\$1,658.99~~ ~~\$69.12 per hour~~ \$1,658.66 \$69.11 per hour
655	Inpatient Respite Care	\$532.48	~~1.0023~~ 1.0022	0.983	~~\$524.63~~ \$524.58
656	General Inpatient Care	\$1,199.86	~~1.0034~~ 1.0033	0.983	~~\$1,183.47~~ \$1,183.35

Final Comments

Just like yesterday's FY 2027 IPPS correction rule, it is difficult to conceive that a single hospital's data can have such drastic impact on all hospices.