Issue Brief

FEDERAL ISSUE BRIEF

Analysis provided for MHA by Larry Goldberg, Goldberg Consulting

July 2, 2025

CMS Proposes CY 2026 Home Health PPS Update

The Centers for Medicare and Medicaid Services (CMS) have proposed a rule regarding the Calendar Year (CY) 2026 Home Health Prospective Payment System (PPS) Program. A copy of the 591-page rule is currently available at: https://public-inspection.federalregister.gov/2025-12347.pdf. The proposal is scheduled for publication on July 2. Of course, this link will change on July 2. A comment period ending August 29 is provided.

The rule proposes to (1) set forth the routine updates to the Medicare home health payment rates in accordance with existing statutory and regulatory requirements, (2) make permanent and temporary behavior adjustments, (3) recalibrate the case-mix weights and to update the functional impairment levels; comorbidity subgroups; and low-utilization payment adjustment (LUPA) thresholds, and (4) change the face-to-face encounter policy.

It also proposes changes to the Home Health Quality Reporting Program (HH QRP) and the expanded Health Value-Based Purchasing (HHVBP) Model requirements.

In addition, it would update the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP)

Comments

Please note for CY 2026 CMS is proposing a permanent -4.059 percent behavioral adjustments to account for the impact of implementing the Patient-Driven Groupings Model (PDGM). This adjustment accounts for differences between assumed behavior changes and actual behavior changes on estimated aggregate expenditures due to the CY 2020 implementation of the PDGM and the change from a 60-day to a 30-day unit of payment. In addition to the proposed permanent adjustment, CMS is also proposing to apply a -5.0 percent temporary adjustment on a prospective basis to the CY 2026 base payment rate, in accordance with statutory requirements to recoup retrospective overpayments.

While a table of contents has been provided, we are adding page numbers, in red.

I. Summary of the Provisions of this Proposed Rule (Page 13)

Summary of the Regulatory Impact Analysis (Page 21)

The following table identifies the Economic Costs And Transfers, by proposed provisions.

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Provision Description	Costs and Cost Savings	Transfers	Other Notes
CY 2026 HH PPS Payment Rate Update		**The overall economic impact related to the changes in payments under the HH PPS for CY 2026 is estimated to be -$1.135 billion (-6.4 percent).** The $1.135 billion decrease in estimated payments for CY 2026 reflects the effects of the CY 2026 proposed home health payment update percentage of 2.4 percent ($425 million increase), an estimated 3.7 percent decrease* that reflects the effects of the permanent adjustment ($655 million decrease), an estimated 4.6 percent decrease* that reflects the effects of the temporary adjustment ($815 million decrease) and an estimated 0.5 percent decrease that reflects the effects of an updated FDL ($90 million decrease). *The estimated 3.7 percent decrease and the estimated 4.6 percent decrease related to the proposed permanent and temporary adjustments includes all payments, while the proposed -4.059 percent and -5.0 percent adjustments are only applied to the national, standardized 30-Day period payments and does not impact payments for 30-day periods which are LUPAs.	To ensure that home health payments are consistent with statutory payment authority for CY 2026.
HH QRP	The total economic impact of these proposals including the removal of one Living Situation item, two Food items, and one Utilities item as well as the proposal to remove the patient COVID-19 vaccination item, which is proposed for implementation in CY 2026 will result in a reduction of $17,810,282.		Remove anticipated burden related to the implementation of these items in the OASIS assessment tool.

Provision Description	Costs and Cost Savings	Transfers	Other Notes
Expanded HHVBP Model		The overall economic impact of the expanded HHVBP Model for CYs 2024 through 2027 is an estimated $3.376 billion in total savings to FFS Medicare from a reduction in unnecessary hospitalizations and SNF usage as a result of greater quality improvements in the HH industry. As for payments to HHAs, there are no aggregate increases or decreases expected to be applied to HHAs competing in the expanded Model.	
HH CoP Technical Updates		No costs expected.	Alignment with all-payer requirements provides clarification to HHAs regarding which patients they must collect and submit OASIS information on.
Medicare and Medicaid Provider Enrollment		CMS anticipates average annual transfers from providers and suppliers to the Federal Government of approximately $2.2 billion.	To help ensure that payments are made only to qualified providers and suppliers, which CMS believes would assist in protecting the Trust Funds and Medicare beneficiaries.
DMEPOS Supplier Accreditation	CMS estimates a combined average annual cost burden to DMEPOS suppliers and DMEPOS Accrediting Organizations (AOs) of approximately $128.3 million.	CMS anticipates the following average annual transfers: + $165.8 million in transfers from DMEPOS suppliers to DMEPOS AOs in the form of accreditation fees the suppliers pay to the AOs. + $3.8 million in transfers from DMEPOS AOs to DMEPOS suppliers in the form of refunds if the AO's approval as a DMEPOS AO is terminated or suspended. + $664 million in transfers from DMEPOS suppliers to the Federal government based on DMEPOS supplier revocations.	To help better ensure that: (1) DMEPOS AOs are fully qualified to conduct DMEPOS accreditation activities; and (2) all DMEPOS suppliers meet the DMEPOS quality standards.

Provision Description	Costs and Cost Savings	Transfers	Other Notes
DMEPOS Prior Authorization	The overall economic impact of the DMEPOS Prior Authorization Exemption provisions is an estimated $2,497,392 in total savings as a result of reduced workload to the DMEPOS Medicare Administrative Contractors ($2,243,074) and reduced supplier burden by compliant suppliers not submitting requests for prior authorization ($254,318).		To reduce supplier burden by not requiring compliant DMEPOS suppliers to submit requests for prior authorization.
DMEPOS Competitive Bidding Program		No economic impact of this regulatory action, thus no associated transfers.	To support the ongoing cost savings and guaranteed beneficiary access offered by the previously implemented DMEPOS CBP. Also, to improve flexibility in providing beneficiaries with the most appropriate medical devices by modifying the payment category of continuous glucose monitors and insulin infusion pumps.

II. Home Health Prospective Payment System (Page 25)

CY 2026 Proposed Permanent Adjustment and Temporary Adjustment Calculations

(Page 50)

The rule proposes routine, statutorily required updates to the HH PPS payment rates for CY 2026. The proposed CY 2026 updated rates include the proposed CY 2026 HH payment update of 2.4 percent ($425 million increase); an estimated 3.7 percent decrease that reflects the net impact of the proposed permanent behavior adjustment, required by statute, ($655 million decrease); an estimated 4.6 percent decrease that reflects the net impact of the proposed temporary adjustment ($815 million decrease); and an estimated 0.5 percent decrease that reflects the effects of a proposed update to the Fixed Dollar Loss (FDL) ratio ($90 million decrease).

CMS estimates that Medicare payments to HHAs in CY 2026 would decrease in the aggregate by 6.4 percent, or $1.135 billion, compared to CY 2025.

CMS proposes to also implement a 5.0 percent reduction in CY 2026, that is equivalent to a 0.9500 temporary adjustment factor, to the CY 2026 national, standardized payment rate.

A 5.0 percent reduction to the CY 2026 30-day payment rate would begin to collect approximately $786 million of the total temporary adjustment dollar amount, equating to about 14.8 percent of the total $5.3 billion shown in the rule's table 19 below. In doing so, however, CMS would need to account for the remaining temporary adjustment dollar amount for CYs 2020 through 2024, plus any possible adjustments for CY 2025 and 2026, in future years.

Table 19: Summary of Temporary Adjustments Dollar Amounts for CYs 2020 – 2026

Claims Analysis Year	Dollar Amount
CY 2020	-$873,073,121
CY 2021	-$1,211,002,953
CY 2022	-$1,405,447,290
CY 2023	- $971,431,113
CY 2024 – this proposed rule	- $840,149,468
CY 2025	TBD
CY 2026	TBD
Total (through CY 2024)	-$5,301,103,945

CMS says it estimates that collecting the full temporary dollar amount of $5,301,103,945 in a single year (as shown above) would require an approximate 34 percent reduction to the CY 2026 base payment rate. And CMS anticipates that it would need to make additional adjustments for CYs

2025 and 2026, once data for those years are available.

Proposed CY 2026 PDGM Case-Mix Weights (Page 78)

The PDGM case-mix methodology results in 432 unique case-mix groups. They are as follows:

Case-Mix Weights and LUPA Thresholds for Each HHRG Payment Group

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1FC11	Behavioral Health - High	Early - Community	0	1.0868	4
1FC21	Behavioral Health - High	Early - Community	1	1.1436	4
1FC31	Behavioral Health - High	Early - Community	2	1.2800	4
2FC11	Behavioral Health - High	Early - Institutional	0	1.2933	4
2FC21	Behavioral Health - High	Early - Institutional	1	1.3500	4
2FC31	Behavioral Health - High	Early - Institutional	2	1.4865	4
3FC11	Behavioral Health - High	Late - Community	0	0.7510	2
3FC21	Behavioral Health - High	Late - Community	1	0.8078	2
3FC31	Behavioral Health - High	Late - Community	2	0.9442	2
4FC11	Behavioral Health - High	Late - Institutional	0	1.2228	3
4FC21	Behavioral Health - High	Late - Institutional	1	1.2795	3
4FC31	Behavioral Health - High	Late - Institutional	2	1.4160	3
1FA11	Behavioral Health - Low	Early - Community	0	0.8773	3
1FA21	Behavioral Health - Low	Early - Community	1	0.9340	3
1FA31	Behavioral Health - Low	Early - Community	2	1.0705	3
2FA11	Behavioral Health - Low	Early - Institutional	0	1.0838	3
2FA21	Behavioral Health - Low	Early - Institutional	1	1.1405	3
2FA31	Behavioral Health - Low	Early - Institutional	2	1.2769	2

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3FA11	Behavioral Health - Low	Late - Community	0	0.5415	2
3FA21	Behavioral Health - Low	Late - Community	1	0.5983	2
3FA31	Behavioral Health - Low	Late - Community	2	0.7347	2
4FA11	Behavioral Health - Low	Late - Institutional	0	1.0133	3
4FA21	Behavioral Health - Low	Late - Institutional	1	1.0700	3
4FA31	Behavioral Health - Low	Late - Institutional	2	1.2065	2
1FB11	Behavioral Health - Medium	Early - Community	0	1.0074	4
1FB21	Behavioral Health - Medium	Early - Community	1	1.0642	4
1FB31	Behavioral Health - Medium	Early - Community	2	1.2006	4
2FB11	Behavioral Health - Medium	Early - Institutional	0	1.2139	3
2FB21	Behavioral Health - Medium	Early - Institutional	1	1.2706	4
2FB31	Behavioral Health - Medium	Early - Institutional	2	1.4071	4
3FB11	Behavioral Health - Medium	Late - Community	0	0.6717	2
3FB21	Behavioral Health - Medium	Late - Community	1	0.7284	2
3FB31	Behavioral Health - Medium	Late - Community	2	0.8649	2
4FB11	Behavioral Health - Medium	Late - Institutional	0	1.1434	3
4FB21	Behavioral Health - Medium	Late - Institutional	1	1.2001	3
4FB31	Behavioral Health - Medium	Late - Institutional	2	1.3366	4
1DC11	Complex – High	Early - Community	0	1.0108	2
1DC21	Complex – High	Early - Community	1	1.0675	2
1DC31	Complex – High	Early - Community	2	1.2040	2
2DC11	Complex – High	Early - Institutional	0	1.2172	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
2DC21	Complex – High	Early - Institutional	1	1.2739	3
2DC31	Complex – High	Early - Institutional	2	1.4104	3
3DC11	Complex – High	Late - Community	0	0.6750	2
3DC21	Complex – High	Late - Community	1	0.7317	2
3DC31	Complex – High	Late - Community	2	0.8682	2
4DC11	Complex – High	Late - Institutional	0	1.1467	2
4DC21	Complex – High	Late - Institutional	1	1.2035	2
4DC31	Complex – High	Late - Institutional	2	1.3399	2
1DA11	Complex – Low	Early - Community	0	0.9012	2
1DA21	Complex – Low	Early - Community	1	0.9579	2
1DA31	Complex – Low	Early - Community	2	1.0944	2
2DA11	Complex – Low	Early - Institutional	0	1.1076	3
2DA21	Complex – Low	Early - Institutional	1	1.1644	3
2DA31	Complex – Low	Early - Institutional	2	1.3008	3
3DA11	Complex – Low	Late - Community	0	0.5654	2
3DA21	Complex – Low	Late - Community	1	0.6221	2
3DA31	Complex – Low	Late - Community	2	0.7586	2
4DA11	Complex – Low	Late - Institutional	0	1.0372	2
4DA21	Complex – Low	Late - Institutional	1	1.0939	2
4DA31	Complex – Low	Late - Institutional	2	1.2304	3
1DB11	Complex - Medium	Early - Community	0	1.0440	2
1DB21	Complex - Medium	Early - Community	1	1.1007	2

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1DB31	Complex - Medium	Early - Community	2	1.2372	2
2DB11	Complex - Medium	Early - Institutional	0	1.2504	3
2DB21	Complex - Medium	Early - Institutional	1	1.3071	3
2DB31	Complex - Medium	Early - Institutional	2	1.4436	3
3DB11	Complex - Medium	Late - Community	0	0.7082	2
3DB21	Complex - Medium	Late - Community	1	0.7649	2
3DB31	Complex - Medium	Late - Community	2	0.9014	2
4DB11	Complex - Medium	Late - Institutional	0	1.1799	3
4DB21	Complex - Medium	Late - Institutional	1	1.2366	3
4DB31	Complex - Medium	Late - Institutional	2	1.3731	3
1HC11	MMTA - Cardiac - High	Early - Community	0	1.1097	4
1HC21	MMTA - Cardiac - High	Early - Community	1	1.1664	4
1HC31	MMTA - Cardiac - High	Early - Community	2	1.3029	4
2HC11	MMTA - Cardiac - High	Early - Institutional	0	1.3161	4
2HC21	MMTA - Cardiac - High	Early - Institutional	1	1.3728	4
2HC31	MMTA - Cardiac - High	Early - Institutional	2	1.5093	4
3HC11	MMTA - Cardiac - High	Late - Community	0	0.7739	2
3HC21	MMTA - Cardiac - High	Late - Community	1	0.8306	2
3HC31	MMTA - Cardiac - High	Late - Community	2	0.9671	3
4HC11	MMTA - Cardiac - High	Late - Institutional	0	1.2456	3
4HC21	MMTA - Cardiac - High	Late - Institutional	1	1.3024	3
4HC31	MMTA - Cardiac - High	Late - Institutional	2	1.4388	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1HA11	MMTA - Cardiac - Low	Early - Community	0	0.9041	4
1HA21	MMTA - Cardiac - Low	Early - Community	1	0.9608	3
1HA31	MMTA - Cardiac - Low	Early - Community	2	1.0973	4
2HA11	MMTA - Cardiac - Low	Early - Institutional	0	1.1105	4
2HA21	MMTA - Cardiac - Low	Early - Institutional	1	1.1672	4
2HA31	MMTA - Cardiac - Low	Early - Institutional	2	1.3037	4
3HA11	MMTA - Cardiac - Low	Late - Community	0	0.5683	2
3HA21	MMTA - Cardiac - Low	Late - Community	1	0.6250	2
3HA31	MMTA - Cardiac - Low	Late - Community	2	0.7615	2
4HA11	MMTA - Cardiac - Low	Late - Institutional	0	1.0400	3
4HA21	MMTA - Cardiac - Low	Late - Institutional	1	1.0967	3
4HA31	MMTA - Cardiac - Low	Late - Institutional	2	1.2332	3
1HB11	MMTA - Cardiac - Medium	Early - Community	0	1.0023	4
1HB21	MMTA - Cardiac - Medium	Early - Community	1	1.0590	4
1HB31	MMTA - Cardiac - Medium	Early - Community	2	1.1955	4
2HB11	MMTA - Cardiac - Medium	Early - Institutional	0	1.2087	4
2HB21	MMTA - Cardiac - Medium	Early - Institutional	1	1.2654	4
2HB31	MMTA - Cardiac - Medium	Early - Institutional	2	1.4019	4
3HB11	MMTA - Cardiac - Medium	Late - Community	0	0.6665	2
3HB21	MMTA - Cardiac - Medium	Late - Community	1	0.7232	2
3HB31	MMTA - Cardiac - Medium	Late - Community	2	0.8597	2
4HB11	MMTA - Cardiac - Medium	Late - Institutional	0	1.1382	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
4HB21	MMTA - Cardiac - Medium	Late - Institutional	1	1.1949	3
4HB31	MMTA - Cardiac - Medium	Late - Institutional	2	1.3314	4
1IC11	MMTA - Endocrine - High	Early - Community	0	1.3212	4
1IC21	MMTA - Endocrine - High	Early - Community	1	1.3779	4
1IC31	MMTA - Endocrine - High	Early - Community	2	1.5144	4
2IC11	MMTA - Endocrine - High	Early - Institutional	0	1.5276	4
2IC21	MMTA - Endocrine - High	Early - Institutional	1	1.5843	4
2IC31	MMTA - Endocrine - High	Early - Institutional	2	1.7208	4
3IC11	MMTA - Endocrine - High	Late - Community	0	0.9854	3
3IC21	MMTA - Endocrine - High	Late - Community	1	1.0421	3
3IC31	MMTA - Endocrine - High	Late - Community	2	1.1786	3
4IC11	MMTA - Endocrine - High	Late - Institutional	0	1.4571	4
4IC21	MMTA - Endocrine - High	Late - Institutional	1	1.5138	4
4IC31	MMTA - Endocrine - High	Late - Institutional	2	1.6503	4
1IA11	MMTA - Endocrine - Low	Early - Community	0	1.1970	4
1IA21	MMTA - Endocrine - Low	Early - Community	1	1.2538	4
1IA31	MMTA - Endocrine - Low	Early - Community	2	1.3902	4
2IA11	MMTA - Endocrine - Low	Early - Institutional	0	1.4035	3
2IA21	MMTA - Endocrine - Low	Early - Institutional	1	1.4602	4
2IA31	MMTA - Endocrine - Low	Early - Institutional	2	1.5967	4
3IA11	MMTA - Endocrine - Low	Late - Community	0	0.8613	3
3IA21	MMTA - Endocrine - Low	Late - Community	1	0.9180	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3IA31	MMTA - Endocrine - Low	Late - Community	2	1.0544	3
4IA11	MMTA - Endocrine - Low	Late - Institutional	0	1.3330	3
4IA21	MMTA - Endocrine - Low	Late - Institutional	1	1.3897	3
4IA31	MMTA - Endocrine - Low	Late - Institutional	2	1.5262	3
1IB11	MMTA - Endocrine - Medium	Early - Community	0	1.2432	5
1IB21	MMTA - Endocrine - Medium	Early - Community	1	1.2999	5
1IB31	MMTA - Endocrine - Medium	Early - Community	2	1.4364	4
2IB11	MMTA - Endocrine - Medium	Early - Institutional	0	1.4497	4
2IB21	MMTA - Endocrine - Medium	Early - Institutional	1	1.5064	4
2IB31	MMTA - Endocrine - Medium	Early - Institutional	2	1.6428	4
3IB11	MMTA - Endocrine - Medium	Late - Community	0	0.9074	3
3IB21	MMTA - Endocrine - Medium	Late - Community	1	0.9642	3
3IB31	MMTA - Endocrine - Medium	Late - Community	2	1.1006	3
4IB11	MMTA - Endocrine - Medium	Late - Institutional	0	1.3792	4
4IB21	MMTA - Endocrine - Medium	Late - Institutional	1	1.4359	4
4IB31	MMTA - Endocrine - Medium	Late - Institutional	2	1.5724	4
1JC11	MMTA - GI/GU - High	Early - Community	0	1.1116	3
1JC21	MMTA - GI/GU - High	Early - Community	1	1.1683	3
1JC31	MMTA - GI/GU - High	Early - Community	2	1.3048	2
2JC11	MMTA - GI/GU - High	Early - Institutional	0	1.3180	4
2JC21	MMTA - GI/GU - High	Early - Institutional	1	1.3747	3
2JC31	MMTA - GI/GU - High	Early - Institutional	2	1.5112	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3JC11	MMTA - GI/GU - High	Late - Community	0	0.7758	2
3JC21	MMTA - GI/GU - High	Late - Community	1	0.8325	2
3JC31	MMTA - GI/GU - High	Late - Community	2	0.9690	2
4JC11	MMTA - GI/GU - High	Late - Institutional	0	1.2475	3
4JC21	MMTA - GI/GU - High	Late - Institutional	1	1.3042	3
4JC31	MMTA - GI/GU - High	Late - Institutional	2	1.4407	3
1JA11	MMTA - GI/GU - Low	Early - Community	0	0.8976	2
1JA21	MMTA - GI/GU - Low	Early - Community	1	0.9543	2
1JA31	MMTA - GI/GU - Low	Early - Community	2	1.0908	3
2JA11	MMTA - GI/GU - Low	Early - Institutional	0	1.1040	3
2JA21	MMTA - GI/GU - Low	Early - Institutional	1	1.1608	3
2JA31	MMTA - GI/GU - Low	Early - Institutional	2	1.2972	3
3JA11	MMTA - GI/GU - Low	Late - Community	0	0.5618	2
3JA21	MMTA - GI/GU - Low	Late - Community	1	0.6185	2
3JA31	MMTA - GI/GU - Low	Late - Community	2	0.7550	2
4JA11	MMTA - GI/GU - Low	Late - Institutional	0	1.0336	3
4JA21	MMTA - GI/GU - Low	Late - Institutional	1	1.0903	3
4JA31	MMTA - GI/GU - Low	Late - Institutional	2	1.2268	3
1JB11	MMTA - GI/GU - Medium	Early - Community	0	1.0046	3
1JB21	MMTA - GI/GU - Medium	Early - Community	1	1.0613	3
1JB31	MMTA - GI/GU - Medium	Early - Community	2	1.1978	3
2JB11	MMTA - GI/GU - Medium	Early - Institutional	0	1.2110	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
2JB21	MMTA - GI/GU - Medium	Early - Institutional	1	1.2677	3
2JB31	MMTA - GI/GU - Medium	Early - Institutional	2	1.4042	4
3JB11	MMTA - GI/GU - Medium	Late - Community	0	0.6688	2
3JB21	MMTA - GI/GU - Medium	Late - Community	1	0.7255	2
3JB31	MMTA - GI/GU - Medium	Late - Community	2	0.8620	2
4JB11	MMTA - GI/GU - Medium	Late - Institutional	0	1.1405	3
4JB21	MMTA - GI/GU - Medium	Late - Institutional	1	1.1972	3
4JB31	MMTA - GI/GU - Medium	Late - Institutional	2	1.3337	3
1KC11	MMTA - Infectious - High	Early - Community	0	1.1612	2
1KC21	MMTA - Infectious - High	Early - Community	1	1.2179	2
1KC31	MMTA - Infectious - High	Early - Community	2	1.3544	2
2KC11	MMTA - Infectious - High	Early - Institutional	0	1.3676	3
2KC21	MMTA - Infectious - High	Early - Institutional	1	1.4243	3
2KC31	MMTA - Infectious - High	Early - Institutional	2	1.5608	3
3KC11	MMTA - Infectious - High	Late - Community	0	0.8254	2
3KC21	MMTA - Infectious - High	Late - Community	1	0.8821	2
3KC31	MMTA - Infectious - High	Late - Community	2	1.0186	2
4KC11	MMTA - Infectious - High	Late - Institutional	0	1.2971	3
4KC21	MMTA - Infectious - High	Late - Institutional	1	1.3538	3
4KC31	MMTA - Infectious - High	Late - Institutional	2	1.4903	3
1KA11	MMTA - Infectious - Low	Early - Community	0	0.9219	2
1KA21	MMTA - Infectious - Low	Early - Community	1	0.9786	2

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1KA31	MMTA - Infectious - Low	Early - Community	2	1.1151	2
2KA11	MMTA - Infectious - Low	Early - Institutional	0	1.1283	3
2KA21	MMTA - Infectious - Low	Early - Institutional	1	1.1851	3
2KA31	MMTA - Infectious - Low	Early - Institutional	2	1.3215	3
3KA11	MMTA - Infectious - Low	Late - Community	0	0.5861	2
3KA21	MMTA - Infectious - Low	Late - Community	1	0.6428	2
3KA31	MMTA - Infectious - Low	Late - Community	2	0.7793	2
4KA11	MMTA - Infectious - Low	Late - Institutional	0	1.0579	3
4KA21	MMTA - Infectious - Low	Late - Institutional	1	1.1146	3
4KA31	MMTA - Infectious - Low	Late - Institutional	2	1.2510	3
1KB11	MMTA - Infectious - Medium	Early - Community	0	1.0114	2
1KB21	MMTA - Infectious - Medium	Early - Community	1	1.0681	2
1KB31	MMTA - Infectious - Medium	Early - Community	2	1.2046	2
2KB11	MMTA - Infectious - Medium	Early - Institutional	0	1.2178	3
2KB21	MMTA - Infectious - Medium	Early - Institutional	1	1.2746	3
2KB31	MMTA - Infectious - Medium	Early - Institutional	2	1.4110	3
3KB11	MMTA - Infectious - Medium	Late - Community	0	0.6756	2
3KB21	MMTA - Infectious - Medium	Late - Community	1	0.7323	2
3KB31	MMTA - Infectious - Medium	Late - Community	2	0.8688	2
4KB11	MMTA - Infectious - Medium	Late - Institutional	0	1.1474	3
4KB21	MMTA - Infectious - Medium	Late - Institutional	1	1.2041	3
4KB31	MMTA - Infectious - Medium	Late - Institutional	2	1.3405	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1AC11	MMTA - Other - High	Early - Community	0	1.1089	4
1AC21	MMTA - Other - High	Early - Community	1	1.1657	3
1AC31	MMTA - Other - High	Early - Community	2	1.3021	3
2AC11	MMTA - Other - High	Early - Institutional	0	1.3154	4
2AC21	MMTA - Other - High	Early - Institutional	1	1.3721	4
2AC31	MMTA - Other - High	Early - Institutional	2	1.5086	4
3AC11	MMTA - Other - High	Late - Community	0	0.7732	2
3AC21	MMTA - Other - High	Late - Community	1	0.8299	2
3AC31	MMTA - Other - High	Late - Community	2	0.9663	2
4AC11	MMTA - Other - High	Late - Institutional	0	1.2449	3
4AC21	MMTA - Other - High	Late - Institutional	1	1.3016	3
4AC31	MMTA - Other - High	Late - Institutional	2	1.4381	3
1AA11	MMTA - Other - Low	Early - Community	0	0.9207	3
1AA21	MMTA - Other - Low	Early - Community	1	0.9774	3
1AA31	MMTA - Other - Low	Early - Community	2	1.1139	3
2AA11	MMTA - Other - Low	Early - Institutional	0	1.1272	3
2AA21	MMTA - Other - Low	Early - Institutional	1	1.1839	3
2AA31	MMTA - Other - Low	Early - Institutional	2	1.3203	3
3AA11	MMTA - Other - Low	Late - Community	0	0.5849	2
3AA21	MMTA - Other - Low	Late - Community	1	0.6417	2
3AA31	MMTA - Other - Low	Late - Community	2	0.7781	2
4AA11	MMTA - Other - Low	Late - Institutional	0	1.0567	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
4AA21	MMTA - Other - Low	Late - Institutional	1	1.1134	3
4AA31	MMTA - Other - Low	Late - Institutional	2	1.2499	3
1AB11	MMTA - Other - Medium	Early - Community	0	1.0098	4
1AB21	MMTA - Other - Medium	Early - Community	1	1.0665	4
1AB31	MMTA - Other - Medium	Early - Community	2	1.2030	4
2AB11	MMTA - Other - Medium	Early - Institutional	0	1.2162	4
2AB21	MMTA - Other - Medium	Early - Institutional	1	1.2730	4
2AB31	MMTA - Other - Medium	Early - Institutional	2	1.4094	4
3AB11	MMTA - Other - Medium	Late - Community	0	0.6740	2
3AB21	MMTA - Other - Medium	Late - Community	1	0.7308	2
3AB31	MMTA - Other - Medium	Late - Community	2	0.8672	2
4AB11	MMTA - Other - Medium	Late - Institutional	0	1.1458	3
4AB21	MMTA - Other - Medium	Late - Institutional	1	1.2025	3
4AB31	MMTA - Other - Medium	Late - Institutional	2	1.3390	3
1LC11	MMTA - Respiratory - High	Early - Community	0	1.1220	3
1LC21	MMTA - Respiratory - High	Early - Community	1	1.1787	3
1LC31	MMTA - Respiratory - High	Early - Community	2	1.3152	3
2LC11	MMTA - Respiratory - High	Early - Institutional	0	1.3284	4
2LC21	MMTA - Respiratory - High	Early - Institutional	1	1.3852	4
2LC31	MMTA - Respiratory - High	Early - Institutional	2	1.5216	4
3LC11	MMTA - Respiratory - High	Late - Community	0	0.7862	2
3LC21	MMTA - Respiratory - High	Late - Community	1	0.8429	2

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3LC31	MMTA - Respiratory - High	Late - Community	2	0.9794	2
4LC11	MMTA - Respiratory - High	Late - Institutional	0	1.2580	3
4LC21	MMTA - Respiratory - High	Late - Institutional	1	1.3147	3
4LC31	MMTA - Respiratory - High	Late - Institutional	2	1.4512	3
1LA11	MMTA - Respiratory - Low	Early - Community	0	0.9125	3
1LA21	MMTA - Respiratory - Low	Early - Community	1	0.9692	3
1LA31	MMTA - Respiratory - Low	Early - Community	2	1.1057	3
2LA11	MMTA - Respiratory - Low	Early - Institutional	0	1.1189	3
2LA21	MMTA - Respiratory - Low	Early - Institutional	1	1.1756	3
2LA31	MMTA - Respiratory - Low	Early - Institutional	2	1.3121	4
3LA11	MMTA - Respiratory - Low	Late - Community	0	0.5767	2
3LA21	MMTA - Respiratory - Low	Late - Community	1	0.6334	2
3LA31	MMTA - Respiratory - Low	Late - Community	2	0.7699	2
4LA11	MMTA - Respiratory - Low	Late - Institutional	0	1.0484	3
4LA21	MMTA - Respiratory - Low	Late - Institutional	1	1.1051	3
4LA31	MMTA - Respiratory - Low	Late - Institutional	2	1.2416	3
1LB11	MMTA - Respiratory - Medium	Early - Community	0	1.0147	3
1LB21	MMTA - Respiratory - Medium	Early - Community	1	1.0714	3
1LB31	MMTA - Respiratory - Medium	Early - Community	2	1.2079	3
2LB11	MMTA - Respiratory - Medium	Early - Institutional	0	1.2211	4
2LB21	MMTA - Respiratory - Medium	Early - Institutional	1	1.2779	4
2LB31	MMTA - Respiratory - Medium	Early - Institutional	2	1.4143	4

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3LB11	MMTA - Respiratory - Medium	Late - Community	0	0.6789	2
3LB21	MMTA - Respiratory - Medium	Late - Community	1	0.7356	2
3LB31	MMTA - Respiratory - Medium	Late - Community	2	0.8721	2
4LB11	MMTA - Respiratory - Medium	Late - Institutional	0	1.1507	3
4LB21	MMTA - Respiratory - Medium	Late - Institutional	1	1.2074	3
4LB31	MMTA - Respiratory - Medium	Late - Institutional	2	1.3439	3
1GC11	MMTA - Surgical Aftercare - High	Early - Community	0	1.1541	3
1GC21	MMTA - Surgical Aftercare - High	Early - Community	1	1.2108	3
1GC31	MMTA - Surgical Aftercare - High	Early - Community	2	1.3473	2
2GC11	MMTA - Surgical Aftercare - High	Early - Institutional	0	1.3605	4
2GC21	MMTA - Surgical Aftercare - High	Early - Institutional	1	1.4172	4
2GC31	MMTA - Surgical Aftercare - High	Early - Institutional	2	1.5537	4
3GC11	MMTA - Surgical Aftercare - High	Late - Community	0	0.8183	2
3GC21	MMTA - Surgical Aftercare - High	Late - Community	1	0.8750	2
3GC31	MMTA - Surgical Aftercare - High	Late - Community	2	1.0115	2
4GC11	MMTA - Surgical Aftercare - High	Late - Institutional	0	1.2900	3
4GC21	MMTA - Surgical Aftercare - High	Late - Institutional	1	1.3467	3
4GC31	MMTA - Surgical Aftercare - High	Late - Institutional	2	1.4832	4
1GA11	MMTA - Surgical Aftercare - Low	Early - Community	0	0.9133	3
1GA21	MMTA - Surgical Aftercare - Low	Early - Community	1	0.9700	2
1GA31	MMTA - Surgical Aftercare - Low	Early - Community	2	1.1065	2
2GA11	MMTA - Surgical Aftercare - Low	Early - Institutional	0	1.1197	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
2GA21	MMTA - Surgical Aftercare - Low	Early - Institutional	1	1.1764	3
2GA31	MMTA - Surgical Aftercare - Low	Early - Institutional	2	1.3129	3
3GA11	MMTA - Surgical Aftercare - Low	Late - Community	0	0.5775	2
3GA21	MMTA - Surgical Aftercare - Low	Late - Community	1	0.6342	2
3GA31	MMTA - Surgical Aftercare - Low	Late - Community	2	0.7707	2
4GA11	MMTA - Surgical Aftercare - Low	Late - Institutional	0	1.0492	3
4GA21	MMTA - Surgical Aftercare - Low	Late - Institutional	1	1.1059	3
4GA31	MMTA - Surgical Aftercare - Low	Late - Institutional	2	1.2424	3
1GB11	MMTA - Surgical Aftercare - Medium	Early - Community	0	1.0167	3
1GB21	MMTA - Surgical Aftercare - Medium	Early - Community	1	1.0735	3
1GB31	MMTA - Surgical Aftercare - Medium	Early - Community	2	1.2099	3
2GB11	MMTA - Surgical Aftercare - Medium	Early - Institutional	0	1.2232	3
2GB21	MMTA - Surgical Aftercare - Medium	Early - Institutional	1	1.2799	4
2GB31	MMTA - Surgical Aftercare - Medium	Early - Institutional	2	1.4164	4
3GB11	MMTA - Surgical Aftercare - Medium	Late - Community	0	0.6809	2
3GB21	MMTA - Surgical Aftercare - Medium	Late - Community	1	0.7377	2
3GB31	MMTA - Surgical Aftercare - Medium	Late - Community	2	0.8741	2
4GB11	MMTA - Surgical Aftercare - Medium	Late - Institutional	0	1.1527	3
4GB21	MMTA - Surgical Aftercare - Medium	Late - Institutional	1	1.2094	3
4GB31	MMTA - Surgical Aftercare - Medium	Late - Institutional	2	1.3459	4
1EC11	MS Rehab – High	Early - Community	0	1.1667	5
1EC21	MS Rehab – High	Early - Community	1	1.2234	4

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1EC31	MS Rehab – High	Early - Community	2	1.3599	4
2EC11	MS Rehab – High	Early - Institutional	0	1.3731	5
2EC21	MS Rehab – High	Early - Institutional	1	1.4299	5
2EC31	MS Rehab – High	Early - Institutional	2	1.5663	5
3EC11	MS Rehab – High	Late - Community	0	0.8309	2
3EC21	MS Rehab – High	Late - Community	1	0.8876	2
3EC31	MS Rehab – High	Late - Community	2	1.0241	3
4EC11	MS Rehab – High	Late - Institutional	0	1.3027	4
4EC21	MS Rehab – High	Late - Institutional	1	1.3594	4
4EC31	MS Rehab – High	Late - Institutional	2	1.4959	4
1EA11	MS Rehab – Low	Early - Community	0	0.9457	4
1EA21	MS Rehab – Low	Early - Community	1	1.0024	4
1EA31	MS Rehab – Low	Early - Community	2	1.1389	4
2EA11	MS Rehab – Low	Early - Institutional	0	1.1521	4
2EA21	MS Rehab – Low	Early - Institutional	1	1.2088	5
2EA31	MS Rehab – Low	Early - Institutional	2	1.3453	5
3EA11	MS Rehab – Low	Late - Community	0	0.6099	2
3EA21	MS Rehab – Low	Late - Community	1	0.6666	2
3EA31	MS Rehab – Low	Late - Community	2	0.8031	2
4EA11	MS Rehab – Low	Late - Institutional	0	1.0816	4
4EA21	MS Rehab – Low	Late - Institutional	1	1.1383	4
4EA31	MS Rehab - Low	Late - Institutional	2	1.2748	4

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1EB11	MS Rehab - Medium	Early - Community	0	1.0327	5
1EB21	MS Rehab - Medium	Early - Community	1	1.0895	4
1EB31	MS Rehab - Medium	Early - Community	2	1.2259	4
2EB11	MS Rehab - Medium	Early - Institutional	0	1.2392	5
2EB21	MS Rehab - Medium	Early - Institutional	1	1.2959	5
2EB31	MS Rehab - Medium	Early - Institutional	2	1.4324	5
3EB11	MS Rehab - Medium	Late - Community	0	0.6970	2
3EB21	MS Rehab - Medium	Late - Community	1	0.7537	2
3EB31	MS Rehab - Medium	Late - Community	2	0.8902	2
4EB11	MS Rehab - Medium	Late - Institutional	0	1.1687	4
4EB21	MS Rehab - Medium	Late - Institutional	1	1.2254	4
4EB31	MS Rehab - Medium	Late - Institutional	2	1.3619	4
1BC11	Neuro - High	Early - Community	0	1.2820	4
1BC21	Neuro - High	Early - Community	1	1.3387	4
1BC31	Neuro - High	Early - Community	2	1.4752	4
2BC11	Neuro - High	Early - Institutional	0	1.4884	5
2BC21	Neuro - High	Early - Institutional	1	1.5451	4
2BC31	Neuro - High	Early - Institutional	2	1.6816	4
3BC11	Neuro - High	Late - Community	0	0.9462	2
3BC21	Neuro - High	Late - Community	1	1.0029	3
3BC31	Neuro - High	Late - Community	2	1.1394	3
4BC11	Neuro - High	Late - Institutional	0	1.4179	4

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
4BC21	Neuro - High	Late - Institutional	1	1.4746	4
4BC31	Neuro - High	Late - Institutional	2	1.6111	4
1BA11	Neuro - Low	Early - Community	0	1.0363	4
1BA21	Neuro - Low	Early - Community	1	1.0931	4
1BA31	Neuro - Low	Early - Community	2	1.2295	4
2BA11	Neuro - Low	Early - Institutional	0	1.2428	4
2BA21	Neuro - Low	Early - Institutional	1	1.2995	4
2BA31	Neuro - Low	Early - Institutional	2	1.4360	4
3BA11	Neuro - Low	Late - Community	0	0.7005	2
3BA21	Neuro - Low	Late - Community	1	0.7573	2
3BA31	Neuro - Low	Late - Community	2	0.8937	2
4BA11	Neuro - Low	Late - Institutional	0	1.1723	4
4BA21	Neuro - Low	Late - Institutional	1	1.2290	3
4BA31	Neuro - Low	Late - Institutional	2	1.3655	3
1BB11	Neuro - Medium	Early - Community	0	1.1425	4
1BB21	Neuro - Medium	Early - Community	1	1.1992	4
1BB31	Neuro - Medium	Early - Community	2	1.3357	4
2BB11	Neuro - Medium	Early - Institutional	0	1.3489	5
2BB21	Neuro - Medium	Early - Institutional	1	1.4057	5
2BB31	Neuro - Medium	Early - Institutional	2	1.5421	5
3BB11	Neuro - Medium	Late - Community	0	0.8067	2
3BB21	Neuro - Medium	Late - Community	1	0.8634	2

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3BB31	Neuro - Medium	Late - Community	2	0.9999	2
4BB11	Neuro - Medium	Late - Institutional	0	1.2785	4
4BB21	Neuro - Medium	Late - Institutional	1	1.3352	4
4BB31	Neuro - Medium	Late - Institutional	2	1.4716	4
1CC11	Wound - High	Early - Community	0	1.5596	4
1CC21	Wound - High	Early - Community	1	1.6163	4
1CC31	Wound - High	Early - Community	2	1.7528	4
2CC11	Wound - High	Early - Institutional	0	1.7660	5
2CC21	Wound - High	Early - Institutional	1	1.8228	4
2CC31	Wound - High	Early - Institutional	2	1.9592	4
3CC11	Wound - High	Late - Community	0	1.2238	3
3CC21	Wound - High	Late - Community	1	1.2805	3
3CC31	Wound - High	Late - Community	2	1.4170	3
4CC11	Wound - High	Late - Institutional	0	1.6956	4
4CC21	Wound - High	Late - Institutional	1	1.7523	4
4CC31	Wound - High	Late - Institutional	2	1.8887	4
1CA11	Wound - Low	Early - Community	0	1.3450	4
1CA21	Wound - Low	Early - Community	1	1.4017	4
1CA31	Wound - Low	Early - Community	2	1.5382	4
2CA11	Wound - Low	Early - Institutional	0	1.5514	4
2CA21	Wound - Low	Early - Institutional	1	1.6082	4
2CA31	Wound - Low	Early - Institutional	2	1.7446	4

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity, 2 = interaction)	Recalibrated : Weight for 2026	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3CA11	Wound - Low	Late - Community	0	1.0092	3
3CA21	Wound - Low	Late - Community	1	1.0659	3
3CA31	Wound - Low	Late - Community	2	1.2024	3
4CA11	Wound - Low	Late - Institutional	0	1.4810	4
4CA21	Wound - Low	Late - Institutional	1	1.5377	4
4CA31	Wound - Low	Late - Institutional	2	1.6742	4
1CB11	Wound - Medium	Early - Community	0	1.4260	4
1CB21	Wound - Medium	Early - Community	1	1.4828	4
1CB31	Wound - Medium	Early - Community	2	1.6192	4
2CB11	Wound - Medium	Early - Institutional	0	1.6325	4
2CB21	Wound - Medium	Early - Institutional	1	1.6892	5
2CB31	Wound - Medium	Early - Institutional	2	1.8257	4
3CB11	Wound - Medium	Late - Community	0	1.0903	3
3CB21	Wound - Medium	Late - Community	1	1.1470	3
3CB31	Wound - Medium	Late - Community	2	1.2835	3
4CB11	Wound - Medium	Late - Institutional	0	1.5620	4
4CB21	Wound - Medium	Late - Institutional	1	1.6187	4
4CB31	Wound - Medium	Late - Institutional	2	1.7552	4

Proposed CY 2026 Home Health Payment Rate Updates (Page 91)

The proposed home health update percentage for CY 2026 is based on the estimated home health market basket percentage increase, specified at section 1895(b)(3)(B)(iii) of the Social Security Act. Based on IHS Global Inc.'s first quarter 2025 forecast with historical data through fourth quarter 2024, the estimated CY 2026 proposed home health market basket percentage increase is **3.2 percent.** The

3.2 percent is reduced by a productivity adjustment currently estimated to be **0.8** percentage point for CY 2026. The result is an update of **2.4 percent.**

The home health percentage update is decreased by 2.0 percentage points for those HHAs that do not submit quality data as required by the Secretary. For HHAs that do not submit the required quality data for CY 2026, the proposed home health payment update percentage is **0.4 percent** (2.4 percent minus 2 percentage points).

HH Wage index and Five Percent Cap on Wage Index Decreases (Page 95)

The proposed HH PPS wage index file applicable for CY 2026 (January 1, 2026, through December 31, 2026) is available on the CMS website at:

https://www.cms.gov/medicare/enrollment-renewal/providers-suppliers/home-health-agencycenter.

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For CY 2026, the 5.0 percent cap on a HHAs wage index decreases will continue to be calculated at the county level as well as the CBSA and statewide rural area level.

Proposed CY 2026 National, Standardized 30-Day Period Payment Amount (Page 101)

The proposed case-mix weight budget neutrality factor for CY 2026 is 1.0051.

CY 2026 National, Standardized 30-Day Period Payment Amount (Page 103)

CY 2025 National Standardized 30-Day Period Payment	Permanent Adjustment Factor	CY 2026 Case-Mix Weights Recalibration Neutrality Factor	CY 2026 Wage Index Budget Neutrality Factor	CY 2026 HH Payment Update Factor	CY 2026 National, Standardized 30-Day Period Payment (Without Temporary Adjustment)	Temporary Adjustment Factor	CY 2026 National, Standardized 30-Day Period Payment (With Temporary Adjustment)
$2,057.35	0.95941	1.0051	1.0019	1.024	$2,035.38	0.95000	$1,933.61

The Proposed CY 2026 standardized amount is **$1,933.61**. The current CY 2025 National Rate is **$2,057.35.** This is a decrease of **$123.74** per 30-day payment period.

Proposed CY 2026 National Per-Visit Rates for 30-day Periods of Care (Page 104)

The national per-visit rates are used to pay LUPAs and are also used to compute imputed costs in outlier calculations. The per-visit rates are paid by type of visit or home health discipline. The six home health disciplines are as follows:

- Home health aide (HH aide).
- Medical Social Services (MSS).
- Occupational therapy (OT).
- Physical therapy (PT).
- Skilled nursing (SN).
- Speech-language pathology (SLP).

CY 2026 National Per-Visit Payment Amounts

HH Discipline	CY 2025 Per-Visit Payment Amount	CY 2026 Wage Index Budget Neutrality Factor	CY 2026 HH Payment Update Factor	CY 2026 Per-Visit Payment Amount
Home Health Aide	$78.20	1.0004	1.024	$80.11
Medical Social Services	$276.85	1.0004	1.024	$283.61
Occupational Therapy	$190.08	1.0004	1.024	$194.72
Physical Therapy	$188.79	1.0004	1.024	$193.40
Skilled Nursing	$172.73	1.0004	1.024	$176.95
Speech-Language Pathology	$205.22	1.0004	1.024	$210.23

Payments for High-Cost Outliers under the HH PPS (Page 109)

CMS is proposing an Fixed Dollar Loss (FDL) ratio of 0.46 for CY 2026. CMS would update the FDL, if needed, in the final rule once it has more complete CY 2024 claims data.

Proposed Regulation Change to Face-to-Face Encounter (Page 109)

CMS is proposing to revise § 424.22(a)(1)(v)(A) to state that the face-to-face encounter must be performed by one of the following: a physician, a nurse practitioner, a clinical nurse specialist, or a physician assistant as defined at 42 CFR 484.2; or a certified nurse-midwife as defined in section 1861(gg)) of the Act as authorized by State law. CMS also proposes to remove § 424.22(a)(1)(v)(C), which limits the face-to-face encounter to the certifying physician or allowed practitioner unless the encounter is performed by either of the following:

- A certified nurse midwife as described in paragraph (a)(1)(v)(A)(4).
- A physician, physician assistant, nurse practitioner, or clinical nurse specialist with

  privileges who cared for the patient in the acute or post-acute facility from which the patient was directly admitted to home health and who is different from the certifying practitioner.

III. Home Health Quality Reporting Program (HH QRP) (Page 118)

CMS is proposing to remove the "COVID-19 Vaccine: Percent of Patients Who Are Up to Date" measure and the item related to the measure and corresponding data element.

CMS is proposing the removal of four assessment items: Living Situation (R0310), Food (R0320A and R0320B), and Utilities (R0330) beginning with patients discharged on or after April 1, 2026.

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CMS is also proposing to revise the policy to allow for providers that fail to provide complete, timely data to CMS to submit a request for reconsideration if they can demonstrate full compliance. In very limited circumstances, CMS would permit the HHA to request an extension to file a reconsideration request if the HHA was affected by an extraordinary circumstance beyond the control of the HHA (that is, a natural disaster such as a hurricane tornado or earthquake) during the 30-day reconsideration period. (Page 124)

CMS is also proposing to implement a revised HHCAHPS Survey beginning with the April 2026 sample month. This rule also includes a proposal to update regulatory text to account for all-payer data submission of OASIS data. (Page 130)

CMS is seeking feedback on a potential change to the final data submission deadline from 4.5 months to 45 days after the close of the period. CMS is also seeking feedback on the digital quality measurement (DQM) transition for HHAs.

Proposed HHCAHPS Survey Updates (Page 131)

CMS launched an effort to update and shorten the Home Health Consumer Assessment of Healthcare Providers and Systems (HHCAHPS) survey.

Specifically, changes to the survey and the quality measures derived from testing include the following:

- Addition of three new questions to assess new topics of importance to patients:

  ++ 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."

- Removal of questions or topics of less importance to patients (that is, six questions about medications were reduced to two questions).
- The following 4 questions were removed:

  ++ 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.

- Removal of questions not currently used in public reporting composites (that is, three questions on which type of staff served the patient—nurse, physical or occupational therapist, and home care aide).
- Removal of one question which did not perform well in testing to stand alone or fit into one of the revised composite measures:
- Whether the patient got information about what care and services they would get when they first started getting home health care.

The rule's Table 31 provides a comparison of the current and proposed HHCAHPS Survey measures. (Page 133)

Potential Revision of the Final Data Submission Deadline Period from 4.5 Months to 45 Days—Request for Information (RFI) (Page 140)

CMS is requesting feedback on the potential future reduction of the HH QRP data submission deadline from 4.5 months to 45 days. Specifically, CMS is requesting comment on the

following:

- How this potential change could improve the timeliness and actionability of HH QRP quality measures.
- How this potential change could improve public display of quality information.
- How this potential change could impact HHA workflows or require updates to Systems.

Form, Manner, and Timing of Data Submission Under the HH QRP (Page 147)

CMS did not propose any new policies regarding Form, Manner, and Timing of Data Submission Under the HH QRP in this proposed rule.

IV. The Expanded Home Health Value-Based Purchasing (HHVBP) Model (Page 149)

Beginning April 2026, CMS is proposing changes to the HHCAHPS survey. These changes affect the survey questions used to calculate three measures that are currently used in the expanded HHVBP Model. Due to the proposed changes to the HHCAHPS survey, CMS is proposing to remove three measures:

- Care of Patients,
- Communications between Providers and Patients, and
- Specific Care Issues.

CMS is also proposing the addition of four measures to the applicable measure set. This includes three OASIS-based measures related to bathing and dressing, and one claims-based measure, the Medicare Spending per Beneficiary for the Post-Acute Care (PAC) setting measure.

Due to the changes to the Model's applicable measure set, CMS is proposing to alter the current weights of individual measures and measure categories.

Additionally, CMS is proposing to add and codify an additional measure removal factor at § 484.358, Factor 9: "It is not feasible to implement the measure specifications."

V. Updates to the Home Health Agency Conditions of Participation (CoPs) to Align with the OASIS All-Payer Submission Requirements (Page 165)

To align with the transition to OASIS all-payer submission requirements as outlined in the CY 2023 HH PPS final rule, CMS is proposing at § 484.45(a) to remove the term "beneficiary" and replace it with the term "patient."

VI. Provider Enrollment, Certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Accreditation Policies, and DMEPOS Prior Authorization (Page 168)

Comment

CMS is piggy backing a different rule on the HHA proposal. This material pertains to DMEPOS items. The extent of DME is more than 300 pages. As such, we are using the rule's fact sheet in summarizing CMS' changes.

Provider Enrollment

"As part of CMS' longstanding and ongoing efforts to address DMEPOS fraud, waste, and abuse, DMEPOS suppliers must be accredited by a CMS-approved accrediting organization (AO) to enroll in and bill Medicare. The purpose of accreditation is to confirm that the supplier meets the DMEPOS quality standards. However, the CMS DMEPOS accreditation regulations have not been updated since their original promulgation in 2006, and we believe that program integrity vulnerabilities have risen substantially in the DMEPOS accreditation program over the years.

"We are particularly concerned that there may be instances where: (1) AOs are accrediting DMEPOS suppliers that do not meet the DMEPOS quality standards; and (2) DMEPOS suppliers are falling out of compliance with the quality standards (sometimes for extended periods) after becoming accredited. As a result, we are concerned for beneficiaries' health and safety when they utilize such suppliers, as well as for the many millions of Medicare dollars that may have been paid to noncompliant suppliers since 2006. Therefore, we are proposing to update and enhance our regulations so we can exercise greater scrutiny over DMEPOS suppliers and the AOs."

"Our specific proposals center around two general principles:

- "More Frequent DMEPOS Supplier Surveys and Reaccreditations – Currently, DMEPOS suppliers are resurveyed and reaccredited every three years. We are proposing to require DMEPOS suppliers to be resurveyed and reaccredited annually.
- "Stricter Requirements for Becoming and Remaining a DMEPOS AO – CMS proposed provisions regarding stronger oversight of the AOs include, but are not limited to:

- Increasing the amount, specificity, and frequency of data that AOs must submit to CMS;
- Expanding CMS' ability to closely monitor and review AOs' operations; and
- Strengthening CMS' ability to act against poorly performing AOs.

"We believe that these and other DMEPOS accreditation provisions we are proposing would help protect Medicare beneficiaries and the taxpayers from unqualified DMEPOS suppliers."

Medicare Provider Enrollment Provisions (Page 170)

"In its ongoing efforts to prevent fraud, waste, and abuse, CMS is proposing several new and revised provider enrollment provisions. We believe these changes would help reduce improper Medicare payments and protect beneficiaries. Our principal proposals include, but are not limited to, the following:

- ***"Retroactive Revocations*** – Under current regulations, certain Medicare enrollment revocations become effective prospectively – specifically, 30 days after the date that CMS or the CMS contractor mails notice of the revocation to the affected provider or supplier (hereafter "provider"). However, there are several grounds for which CMS can revoke a provider's enrollment retroactively to the date the provider's noncompliance began. Retroactive revocation allows CMS to collect monies that have been paid to the provider since the beginning of its noncompliance. For this reason, we are proposing to increase the number of grounds for which CMS can revoke a provider retroactively. We believe this proposal would help ensure taxpayer money is paid only to legitimate, compliant providers.
- ***"Adding Bases for Revocation or Deactivation*** – CMS has seen situations where: (1) beneficiaries attest that a provider did not furnish them the service(s) they claimed; and (2) enrolled physicians and practitioners have not ordered or certified services for 12 consecutive months, leaving their billing numbers vulnerable to use by bad actors. Therefore, CMS is proposing to amend its regulations to revoke providers in the first situation and deactivate their Medicare billing privileges in the second."

Proposed Exemption Process for Prior Authorization of Certain DMEPOS Items (Page 298)

"CMS is proposing additional specificity for the DMEPOS prior authorization exemption process. Modeled on a similar exemption process in the hospital outpatient department prior authorization program (§419.83(c)), CMS proposes that suppliers achieving a target approval rate of 90 percent be offered an exemption from required prior authorization. To determine supplier eligibility for continued exemption, the DME Medicare Administrative Contractors (MACs) would complete a post payment medical review sample. From this claim sample, suppliers must again meet a claim approval rate of 90 percent or greater to continue their exemption. Suppliers who did not meet the compliance rate threshold must continue submitting prior authorization requests as required. By achieving the compliance rate percentage, the supplier has demonstrated an understanding of the requirements for submitting

accurate claims. The DME MACs would provide suppliers notice of an exemption or withdrawal of an exemption at least 60 days prior to the effective date."

VII. DMEPOS Competitive Bidding Program (Page 302)

"CMS is proposing improvements to the DMEPOS Competitive Bidding Program so that we can protect the Medicare trust fund and beneficiaries can have lower copays. Currently, we are not announcing what product categories we are bidding, nor are we announcing the specific timeframe for the next competition. A future announcement will provide those details. In addition, CMS is proposing that all continuous glucose monitors (CGMs) and insulin infusion pumps be reclassified under the frequent and substantial servicing payment category, giving beneficiaries access to current, fully supported technology that meets evolving safety and performance standards, rather than having to wait five years."

Final Comments

The material relating to Home Health organizations is basically straight forward and understandable, except for the adjustments to account for assumed versus actual behavioral changes. To say the least, the amount of the payment reduction for CY 2026 is unbelievable huge.

While the adjustment is mandated, one must question why CMS has not made adjustments in prior years to lessen reductions as proposed in this rule and to suggest more than $5.3 billion will still be needed.