



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 418

[CMS-1851-CN]

RIN 0938-AV78

Medicare Program; FY 2027 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Final rule; correction.

SUMMARY: This document corrects technical errors in the final rule that appeared in the August 3, 2026 **Federal Register** titled “Medicare Program; FY 2027 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements”.

DATES: This correction is effective October 1, 2026.

FOR FURTHER INFORMATION CONTACT:

For questions regarding the hospice wage index, contact Chantelle Caldwell, (410) 786-8743.

For general questions about hospice payment policy, send your inquiry via email to:

hospicepolicy@cms.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2026-15686 of August 3, 2026 (91 FR 49118), there were a number of technical errors that are identified and corrected in this correcting document. The provisions in this correction document are effective as if they had been included in the final rule that appeared in the August 3, 2026 **Federal Register**. Accordingly, the corrections are effective October 1, 2026.

II. Summary of Errors

A. Summary of Errors in the Preamble

As discussed in the fiscal year (FY) 2027 hospice final rule (91 FR 49122 through 49123), in developing the hospice wage index, we used the FY 2027 Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals (IPPS) pre-floor, pre-reclassified wage index for hospital cost reporting periods beginning on or after October 1, 2022 and before October 1, 2023 (FY 2023 cost report data).

We made an inadvertent technical error when calculating the FY 2027 pre-floor, pre-reclassified IPPS wage index. Under our methodologies as finalized in the FY 2027 IPPS/Long Term Care Hospitals (LTCH) PPS final rule, we exclude rural emergency hospitals (REHs), including hospitals that subsequently became REHs after the period from which the data were taken, from certain data and calculations used in the IPPS rate setting, including the development of the Medicare Severity Diagnosis-Related Group (MS-DRG) relative weights for FY 2027 (91 FR 49672) and the calculation of the standardized amount (91 FR 50370). In addition, we stated that any hospital that is designated as an REH by 7 days prior to the publication of the preliminary wage index public use file is excluded from the calculation of the wage index (91 FR 49791). We inadvertently treated a current IPPS hospital (CMS Certification Number 250078) 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, we restored the applicable data for this hospital and recalculated the FY 2027 IPPS pre-floor, pre-reclassified hospital wage index.

As the result of this technical error that affected the FY 2027 IPPS pre-floor, pre-reclassified wage index, we have 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 as well as our impact analysis. Therefore, we made conforming changes to the following:

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.

B. Summary of Errors and Corrections Posted on the CMS Website

As discussed in section II.A. of this document, a hospital was inadvertently omitted from the FY 2027 IPPS pre-floor, pre-reclassified hospital wage index which necessitated the recalculation of the FY 2027 hospice wage index. That error was subsequently included in the FY 2027 Hospice Wage Index file exclusively on the CMS website. Given the error, we have recalculated the FY 2027 final hospice wage index and are 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> and <https://www.cms.gov/medicare/payment/fee-for-service-providers/hospice/hospice-regulations-and-notice/cms-1851-f>.

III. Waiver of Proposed Rulemaking and Delay in Effective Date

Section 1871(b)(1) of the Social Security Act (the Act) requires the Secretary to provide for notice of a proposed rule in the **Federal Register** and provide a period of not less than 60 days for public comment. In addition, section 1871(e)(1)(B)(i) of the Act mandates a 30-day delay in effective date after issuance or publication of a rule. Section 1871(b)(2)(C) of the Act provides an exception from the notice and 60-day comment period and delay in effective date requirements of the Act, under the good cause standard set forth in 5 U.S.C. 553(b)(B). Section

1871(e)(1)(B)(ii) of the Act provides an exception from the delay in effective date requirements of the Act as well. Section 553(b)(B) authorizes an agency to dispense with normal notice and comment rulemaking procedures for good cause if the agency makes a finding that the notice and comment process is impracticable, unnecessary, or contrary to the public interest, and includes a statement of the finding and the reasons for it in the rule. In addition, section 1871(e)(1)(B)(ii) of the Act allows the agency to avoid the 30-day delay in effective date where the waiver is necessary to comply with statutory requirements or such delay is contrary to the public interest and the agency includes in the rule a statement of the finding and the reasons for it.

In our view, this correcting document does not constitute a rulemaking that would be subject to these requirements. This document merely corrects technical errors in the FY 2027 hospice wage index that required updates to the preamble, payment rates, and tables included or referenced in the FY 2027 Hospice final rule. The corrections contained in this document are consistent with, and do not make substantive changes to, the policies and payment methodologies that were proposed, subject to notice and comment procedures, and adopted in the FY 2027 Hospice final rule. As a result, the corrections made through this document are intended to resolve inadvertent errors so that the FY 2027 Hospice final rule accurately reflects the policies adopted therein.

In addition, even if this were a rule to which the notice and comment procedures and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest for providers to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2027 Hospice final rule accurately reflects our policies. Furthermore, such procedures would be unnecessary, as we are not altering our payment methodologies or policies, but rather, we are simply implementing correctly the methodologies and policies that we previously proposed, requested comment on, and

subsequently finalized. This final rule correction is intended solely to ensure that the FY 2027 Hospice final rule accurately reflects these payment methodologies and policies. Therefore, we believe we have good cause to waive the notice and comment and effective date requirements.

IV. Correction of Errors

In FR Doc. 2026-15686 of August 3, 2026 (91 FR 49118), make the following corrections:

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”.
2. On page 49127, middle of the page,
 - a. Table 1 titled “Final FY 2027 Hospice RHC Payment Rates” is corrected to read as follows:

TABLE 1: Final FY 2027 Hospice RHC Payment Rates

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	1.0009	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	1.023	\$1,726.16 (\$71.92 per hour)
655	Inpatient Respite Care	\$532.48	1.0022	1.023	\$545.93
656	General Inpatient Care	\$1,199.86	1.0033	1.023	\$1,231.51

3. On page 49128, middle of the page,

a. Table 3 titled “Final FY 2027 Hospice RHC Payment Rates for Hospices That *DO*

NOT Submit the Required Quality Data” is corrected to read as follows:

TABLE 3: 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	1.0009	0.983	\$227.09
651	Routine Home Care (days 61+)	\$181.94	0.9999	1.0012	0.983	\$179.04

b. Table 4 titled “Final FY 2027 Hospice, CHC, IRC, and GIP Payment Rates for

Hospices That *DO NOT* Submit the Required Quality Data” is corrected to read as follows:

TABLE 4: 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	1.0078	0.983	\$1,658.66 \$69.11 per hour

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
655	Inpatient Respite Care	\$532.48	1.0022	0.983	\$524.58
656	General Inpatient Care	\$1,199.86	1.0033	0.983	\$1,183.35

4. On page 49170, Table 22 titled “Impact to Hospices for FY 2027” is corrected to read as follows:

TABLE 22: Impact to Hospices for FY 2027

Hospice Subgroup	Hospices	FY 2027 Updated Wage Data	FY 2027 Hospice Payment Update (%)	Overall Total Impact for FY 2027
All Hospices	6,673	0.0%	2.3%	2.3%
Hospice Type and Control				
Freestanding/Non-Profit	782	0.0%	2.3%	2.3%
Freestanding/For-Profit	4,856	0.0%	2.3%	2.3%
Freestanding/Government	34	0.6%	2.3%	2.9%
Freestanding/Other	0	0.0%	2.3%	2.3%
Facility/HHA Based/Non-Profit	258	0.0%	2.3%	2.3%
Facility/HHA Based/For-Profit	3	1.2%	2.3%	3.5%
Facility/HHA Based/Government	94	1.0%	2.3%	3.3%
Facility/HHA Based/Other	0	0.0%	2.3%	2.3%
Subtotal: Freestanding Facility Type	5,672	0.0%	2.3%	2.3%
Subtotal: Facility/HHA Based Facility Type	355	0.2%	2.3%	2.5%
Subtotal: Non-Profit	1,050	0.0%	2.3%	2.3%
Subtotal: For Profit	5,172	0.0%	2.3%	2.3%
Subtotal: Government	128	0.9%	2.3%	3.2%
Subtotal: Other	6	0.7%	2.3%	3.0%
Hospice Type and Control: Rural				
Freestanding/Non-Profit	203	0.9%	2.3%	3.2%
Freestanding/For-Profit	408	0.4%	2.3%	2.7%
Freestanding/Government	22	0.6%	2.3%	2.9%
Freestanding/Other	0	0.0%	2.3%	2.3%
Facility/HHA Based/Non-Profit	108	0.7%	2.3%	3.0%
Facility/HHA Based/For-Profit	0	0.0%	2.3%	2.3%

Hospice Subgroup	Hospices	FY 2027 Updated Wage Data	FY 2027 Hospice Payment Update (%)	Overall Total Impact for FY 2027
Facility/HHA Based/Government	68	1.1%	2.3%	3.4%
Facility/HHA Based/Other	0	0.0%	2.3%	2.3%
Hospice Type and Control: Urban				
Freestanding/Non-Profit	579	-0.1%	2.3%	2.2%
Freestanding/For-Profit	4,448	-0.1%	2.3%	2.2%
Freestanding/Government	12	0.7%	2.3%	3.0%
Freestanding/Other	0	0.0%	2.3%	2.3%
Facility/HHA Based/Non-Profit	150	-0.1%	2.3%	2.2%
Facility/HHA Based/For-Profit	3	1.2%	2.3%	3.5%
Facility/HHA Based/Government	26	1.0%	2.3%	3.3%
Facility/HHA Based/Other	0	0.0%	2.3%	2.3%
Hospice Location: Urban or Rural				
Rural	857	0.6%	2.3%	2.9%
Urban	5,816	-0.1%	2.3%	2.2%
Hospice Location: Region of the Country (Census Division)				
New England	162	0.8%	2.3%	3.1%
Middle Atlantic	282	0.6%	2.3%	2.9%
South Atlantic	653	-0.1%	2.3%	2.2%
East North Central	661	-0.2%	2.3%	2.1%
East South Central	252	-0.3%	2.3%	2.0%
West North Central	446	0.4%	2.3%	2.7%
West South Central	1,302	-0.4%	2.3%	1.9%
Mountain	697	-0.2%	2.3%	2.1%
Pacific	2,137	0.2%	2.3%	2.5%
Outlying	81	1.1%	2.3%	3.4%
Hospice Size				
0 - 3,499 RHC Days (Small)	1,611	0.2%	2.3%	2.5%
3,500-19,999 RHC Days (Medium)	2,984	0.2%	2.3%	2.5%
20,000+ RHC Days (Large)	2,078	-0.1%	2.3%	2.2%

5. On page 49175, first column, first paragraph, line 17, the figure “2.3 percent” is corrected to read “2.2 percent”.

Liesl I. Fowler,

Executive Secretary to the Department,

Department of Health and Human Services.

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