

What Hospice Claims Data Reveals About Your Hospice





Chris Gallarneau

Senior Director of Partnerships





In 2024, more than **1.8 million Medicare Beneficiaries** received hospice services from approximately **6,700 Providers**, and Medicare hospice expenditures totaled **\$28.3 billion**.



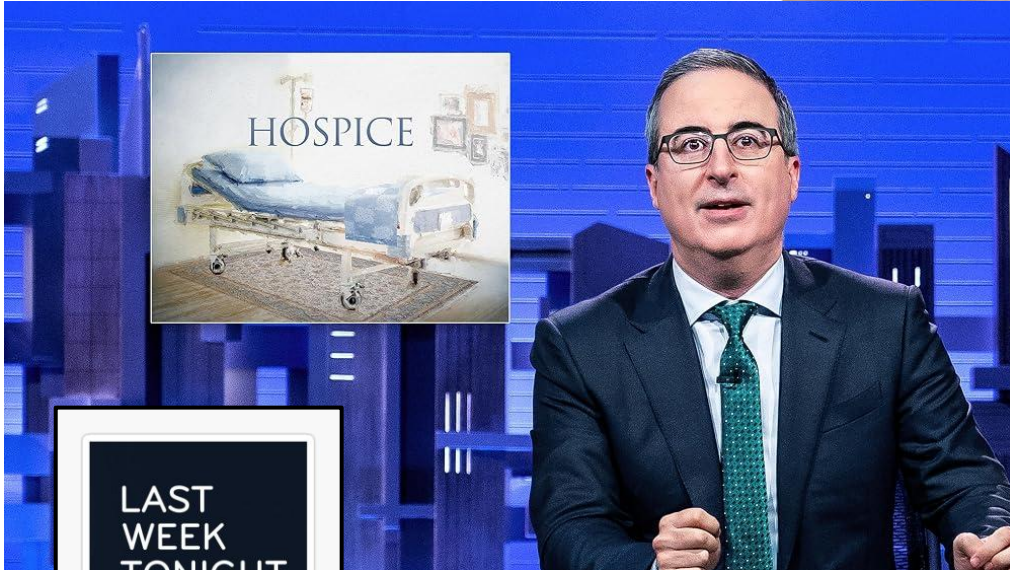
Hospice Fraud, Waste & Abuse

FIRST OPINION

The hospice industry needs major reforms. It should start with apologies

By Ira Byock Aug. 22, 2023

[Reprints](#)

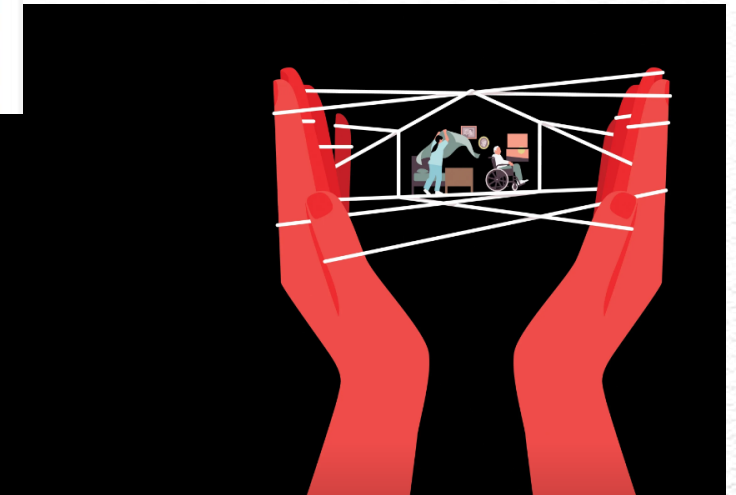


A REPORTER AT LARGE

HOW HOSPICE BECAME A FOR-PROFIT HUSTLE

It began as a visionary notion—that patients could die with dignity at home. Now it's a twenty-two-billion-dollar industry plagued by exploitation.

By Ava Kofman
November 28, 2022



ACHCU is a brand of Accreditation Commission for Health Care

Hospice Fraud, Waste & Abuse

“Right now, my main focus without any question is to wage a war on fraud, waste and abuse because that’s what’s required - all hands-on deck.”



CMS Administrator

Dr. Oz

4.25.25

Hospice Payment Reform



R E C O M M E N D A T I O N

- 10** For fiscal year 2027, the Congress should eliminate the update to the 2026 Medicare base payment rates for hospice.

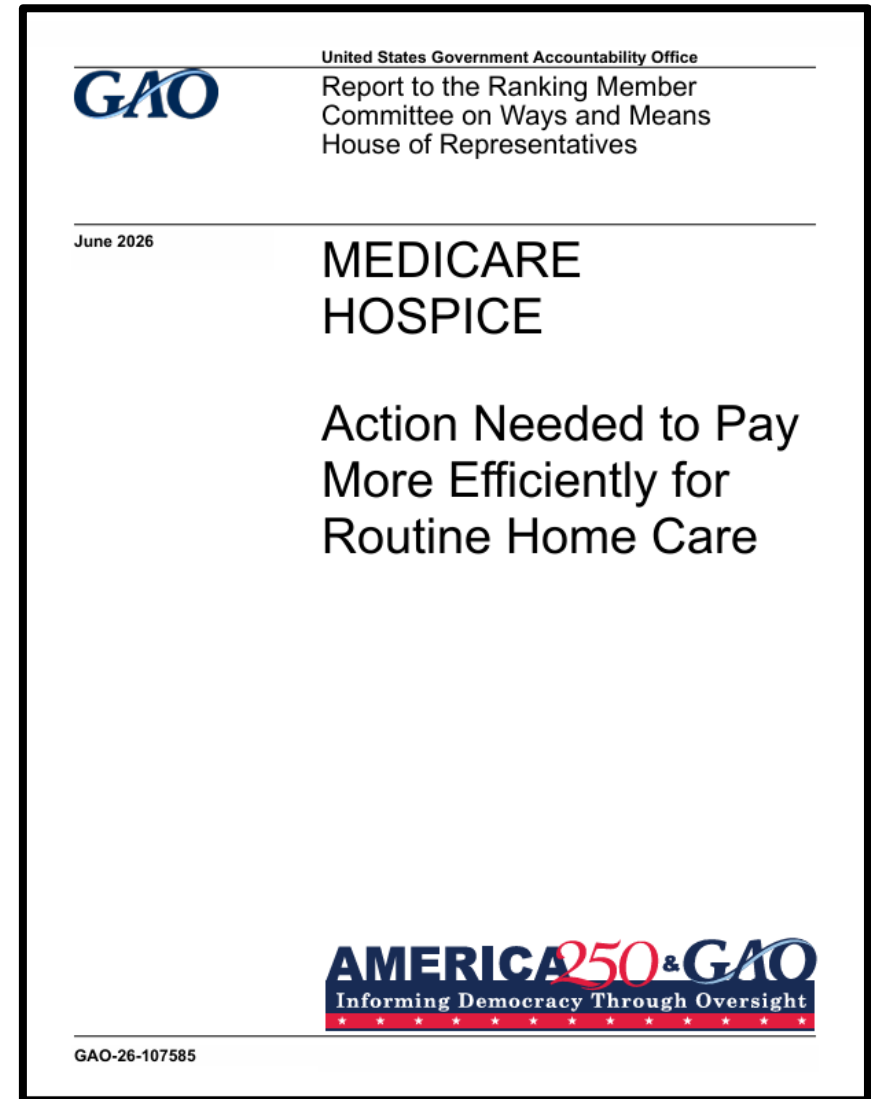
COMMISSIONER VOTES: YES 17 • NO 0 • NOT VOTING 0 • ABSENT 0

Source: MedPAC Annual Report to Congress, Chapter 10, Hospice Services, March 2026

Hospice Payment Reform

GAO recommends that Congress consider directing the Secretary of the Department of Health and Human Services (HHS) to revise the hospice payment system for routine home care services to better promote payment efficiency and realize savings for the Medicare program.

Source: www.gao.gov/assets/gao-26-107585.pdf



Fiscal Year (FY) 2027 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements Final Rule (CMS-1851-F)

Effective 10.01.2026

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 418

[CMS-1851-F]

RIN 0938-AV78

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

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

SUMMARY: This final rule updates the hospice wage index, payment rates, and aggregate cap amount for fiscal year 2027. This final rule also includes an analysis of Medicare non-hospice spending, including details regarding a hospice service and spending variation index, and finalizes the requirement that hospices provide the hospice election statement addendum to all Medicare beneficiaries at the time of hospice election. Additionally, this rule finalizes conforming changes to discharge from hospice care regulations and changes to the face-to-face encounter regulations. This final rule also includes a summary of comments received on our requests for information regarding community-based palliative care; the construction of a hospice specific wage index; and the overlap between hospice and medical aid in dying laws. Finally, this rule finalizes changes to the Hospice Quality Reporting Program.

DATES: These regulations are effective on October 1, 2026.

FOR FURTHER INFORMATION CONTACT:

For general questions about hospice payment policy, send your inquiry via email to: hospicepolicy@cms.hhs.gov.

For questions regarding the CAHPS® Hospice Survey, contact Lauren Fuentes at (410) 786-2290.

For questions regarding the hospice quality reporting program, contact Jermama Keys at (410) 786-7778.

SUPPLEMENTARY INFORMATION:

I. Executive Summary

A. Purpose

This final rule updates the hospice wage index, payment rates, and cap amount for Fiscal Year (FY) 2027 as required under section 1814(i) of the Social Security Act (the Act). This final rule also includes an analysis of

Medicare non-hospice spending under a hospice election, including details regarding a hospice spending variation index (SSVI). The SSVI includes a scoring system that monitors nine claims-based metrics in order to comprehensively assess hospice services and yield a provider ranking that can be utilized by beneficiaries to make more informed health decisions and support program integrity efforts. This rule also finalizes the requirement that hospices provide the hospice election statement addendum to all Medicare beneficiaries at the time of hospice election. Additionally, this rule finalizes conforming regulation text changes to allow a physician designee or physician member of the interdisciplinary group (IDG), in addition to the hospice medical director, to discharge a patient from hospice care. This final rule also finalizes conforming regulation text changes to the hospice telehealth face-to-face policy for the sole purpose of hospice recertification codified at § 418.22(a)(4)(ii) to align with the end date and new requirement to include modifiers or codes for such encounters as set forth in statute at section 1814(a)(7)(D)(i)(II) of the Act, as well as a subclause that prohibits the use of telehealth to conduct the face-to-face encounter in specific situations related to moratoriums (section 1866(j)(7) of the Act), enhanced oversight (section 1866(j)(3) of the Act), or enrollment status (section 1866(j) of the Act). This final rule also includes summaries of comments received on the RFIs regarding community-based palliative care; the construction of a hospice specific wage index; and the overlap between hospice and Medical Aid in Dying (MAID) laws. Finally, this rule finalizes the addition of an icon to the *Medicare.gov* Compare Tool as part of the Hospice Quality Reporting Program (HQRP).

B. Summary of the Major Provisions

Section III.A.1. of this final rule includes updates to the hospice wage index and makes the application of the updated wage data budget neutral for all four levels of hospice care.

Section III.A.2. of this final rule includes the FY 2027 hospice payment update percentage.

Section III.A.3. of this final rule includes the FY 2027 hospice payment rates.

Section III.A.4. of this final rule updates the hospice cap amount for FY 2027 by the hospice payment update percentage.

Section III.B.1. of this final rule includes analysis of Medicare non-

hospice spending under a hospice election.

Section III.B.2. of this final rule includes details regarding a hospice SSVI.

Section III.C. of this final rule makes the hospice election statement addendum mandatory for all hospice elections.

Section III.D.1. of this final rule clarifies a regulation text change at § 418.26(b) that aligns the Conditions of Participation (CoPs) and payment regulations regarding who may discharge a patient from hospice care.

Section III.D.2. of this final rule includes technical regulation text changes at § 418.22(a)(4)(ii) to extend the end date of the telehealth allowance for the face-to-face encounter until December 31, 2027, as set forth at section 1814(a)(7)(D)(i)(II) of the Act, and to include a new requirement to include modifiers or codes for such encounters, and prohibit the use of telehealth to conduct the face-to-face encounter in specific situations related to moratoriums (section 1866(j)(7) of the Act), enhanced oversight (section 1866(j)(3) of the Act), or enrollment status (section 1866(j) of the Act).

Section III.E.1. of this final rule includes a summary of comments on our RFI on ways to enhance the provision of community-based palliative care outside of hospice care.

Section III.E.2. of this final rule includes a summary of comments on our RFI regarding the construction of a hospice specific wage index.

Section III.E.3. of this final rule includes a summary of comments on our RFI on Medical Aid in Dying laws.

Section III.F. of this final rule provides updates to the HQRP to include public reporting timeframes, future measures and adds a data submission icon to the Care Compare tool.

C. Summary of Impacts

The overall economic impact of this final rule is estimated to be \$755 million in increased payments to hospices in FY 2027.

II. Background

A. Hospice Care

Hospice care is a comprehensive, holistic approach to treatment that recognizes the impending death of a terminally ill individual and warrants a change in the focus from curative care to palliative care for relief of pain and for symptom management. Medicare regulations define “palliative care” as patient and family-centered care that optimizes quality of life by anticipating,

Medicare Non-Hospice Spending

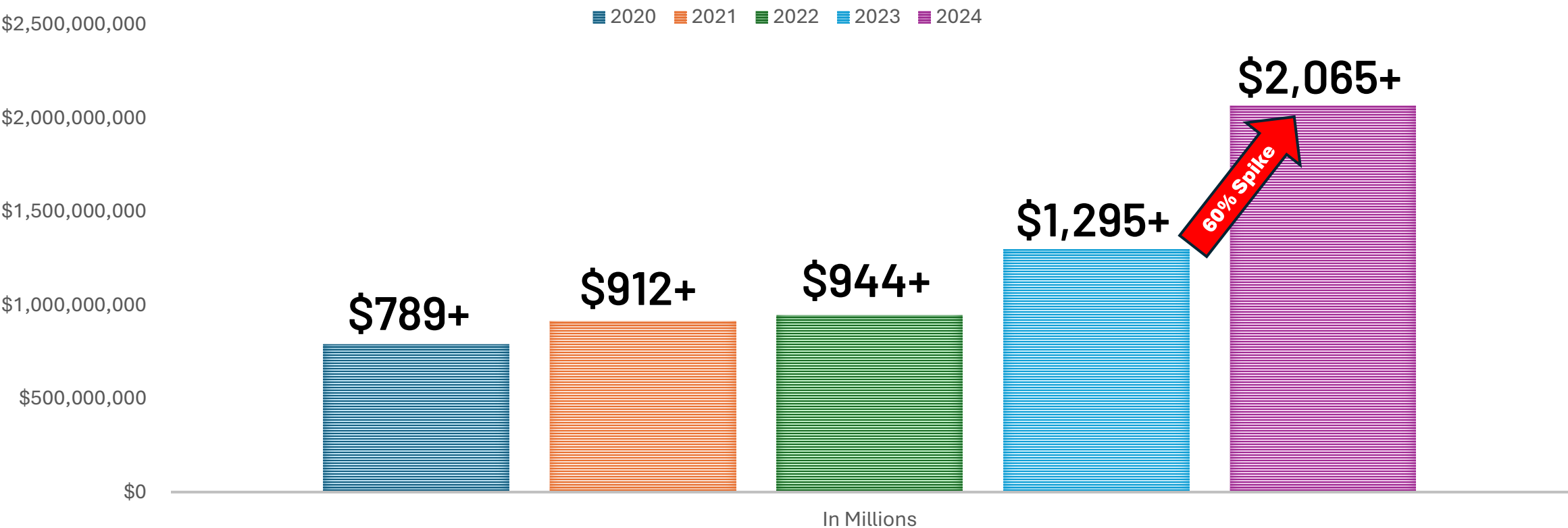
CMS has an increased focus on spending for Beneficiaries who are enrolled in the hospice benefit.

42 CFR § 418.64

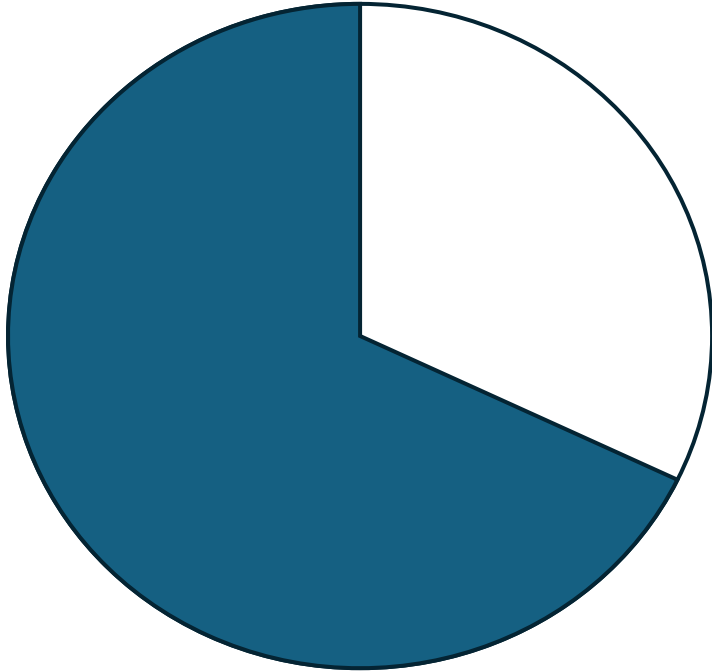
A hospice must routinely provide substantially all core services directly by hospice employees. These services must be provided in a manner consistent with acceptable standards of practice.

Medicare Non-Hospice Spending

2020-2024



Medicare Non-Hospice Spending



Election Timing

CMS reports that **67%** of non-hospice spending occurs after the 60th day of hospice services.

Objectives

THE DATA

- HCI, SSVI, & PEPPER

THE DETAILS

- Evaluating The Data

THE DECISIONS

- Strategies For Success

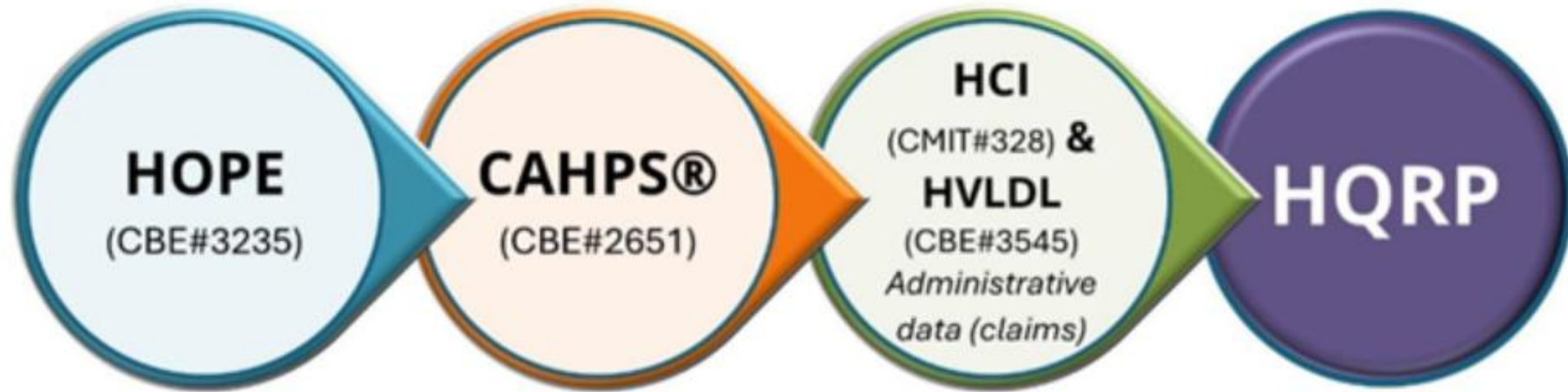
1

THE DATA

HCI, SSVI, and PEPPER



Hospice Quality Reporting Program



Hospice Care Index (HCI)

The purpose of the HCI, according to CMS, is to convey a broad overview of the quality of the provision of hospice care, throughout the hospice stay.

Single comprehensive metric comprised of ten individual broad, holistic set of claims-based quality indicators of care.

Publicly reported on Care Compare.

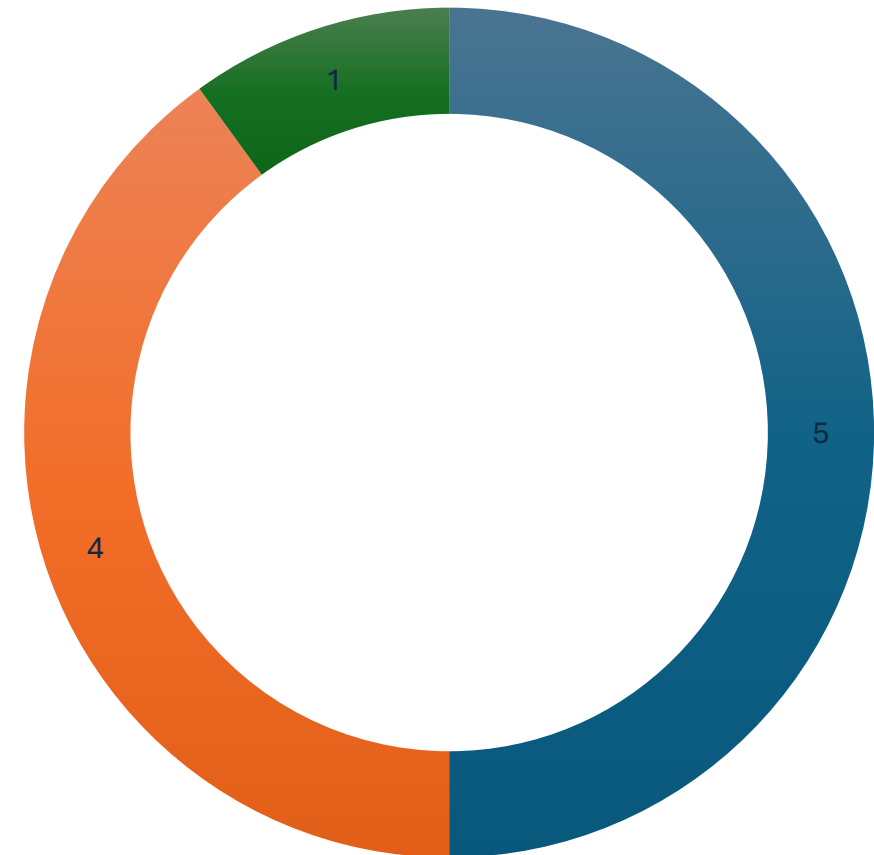
Source: CMS HQRP | www.cms.gov/medicare/quality/hospice

Hospice Care Index (HCI)

10 Indicators of Care:

- CHC or GIP provided
- Gaps in SN visits
- SN care minutes per RHC day
- SN minutes on the weekend
- Visits near death
- Burdensome transitions (type 1)
- Burdensome transitions (type 2)
- Early live discharges
- Late live discharges
- Per-beneficiary spending

Source: CMS HQRP | www.cms.gov/medicare/quality/hospice



■ Provision of Care ■ Care Transitions ■ Appropriate Use of Care

Hospice Care Index (HCI)

CMS is exploring Re-Specification of the HCI.

Indicators under consideration:

- **Indicator:** Overall Live Discharge Rate
- **Indicator:** Hospice Stays Over 180 Days
- **Indicator:** Aide and Nurse Minutes Per Routine Home Care (RHC) Day
- **Indicator:** Spending on Non-Hospice Services

Source: www.cms.gov/files/document/2024hqrptepsummaryreport.pdf

Service & Spending Variance Index



Service & Spending Variance Index

The SSVI has two components:

- **Non-Hospice Spending Score (0–8):** Captures Medicare spending occurring outside the hospice benefit for an agency's enrolled beneficiaries.
- **Utilization Score (0–8):** Flags outlier patterns across eight service-delivery indicators.

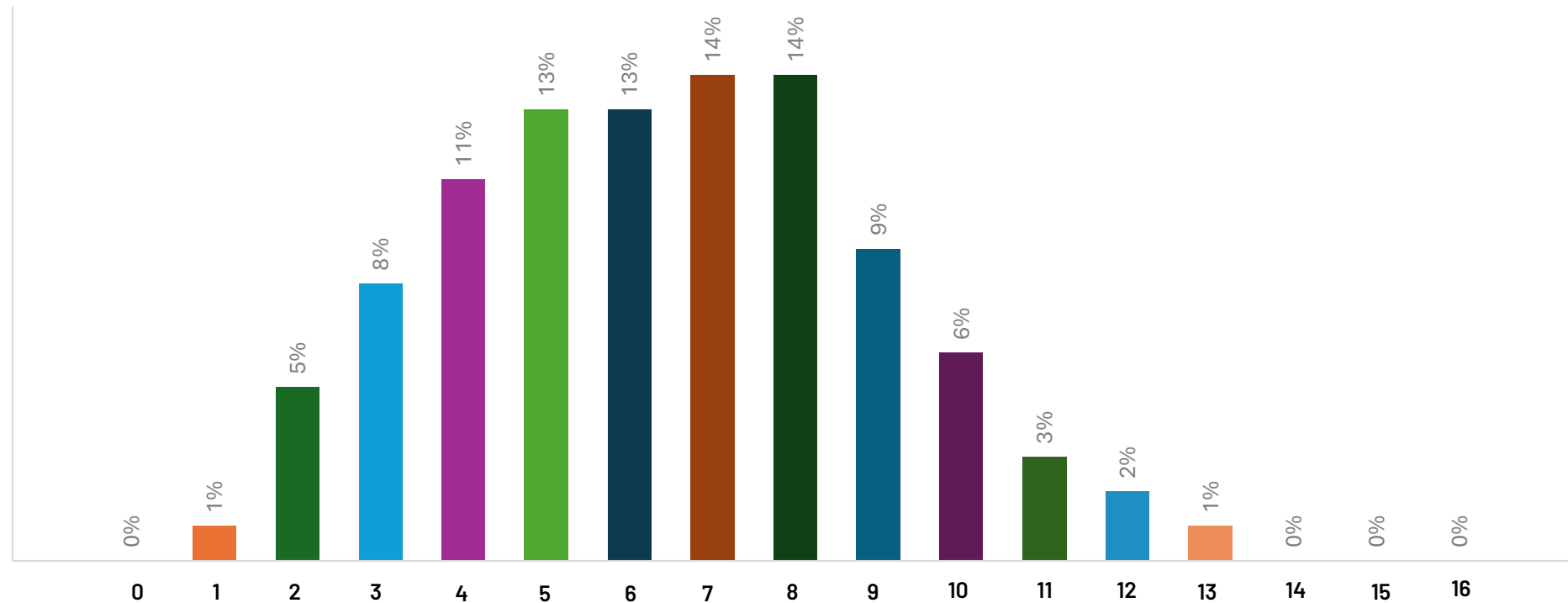
The two scores combine into a total **SSVI of 0–16**, with higher scores indicating greater deviation from expected norms.

Source: www.cms.gov/files/document/ssvi-overview.pdf

Service & Spending Variance Index

Where do hospices fall?

SSVI Total Score - Nation



Service & Spending Variance Index

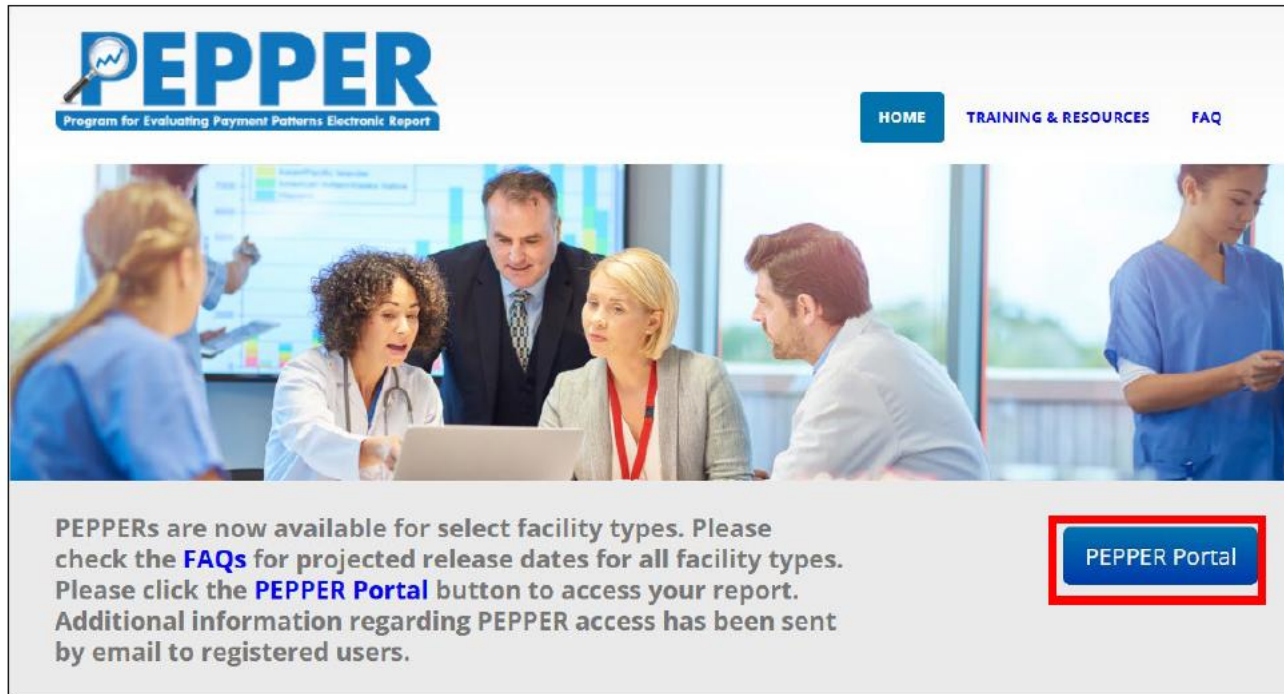
The objective of the SSVI is not to evaluate hospices based on a single metric, but to identify hospices that are outliers across multiple independent metrics.

A higher the SSVI score, the potential higher level of concern and may signal inappropriate hospice utilization, quality of care concerns, or other compliance concerns.

Source: www.cms.gov/files/document/ssvi-overview.pdf

Hospice PEPPER

Program for Evaluating Payment Patterns Electronic Report (PEPPER) provides agency specific Medicare utilization data to help identify areas at risk for improper payments.



The screenshot shows the PEPPER website. At the top left is the PEPPER logo with the text "Program for Evaluating Payment Patterns Electronic Report" below it. To the right of the logo are three navigation buttons: "HOME", "TRAINING & RESOURCES", and "FAQ". Below the navigation bar is a large image of a group of healthcare professionals in a meeting, looking at a laptop. Below the image is a text block that reads: "PEPPERS are now available for select facility types. Please check the [FAQs](#) for projected release dates for all facility types. Please click the [PEPPER Portal](#) button to access your report. Additional information regarding PEPPER access has been sent by email to registered users." To the right of this text block is a blue button with a red border labeled "PEPPER Portal".

PEPPER
Program for Evaluating Payment Patterns Electronic Report

[HOME](#) [TRAINING & RESOURCES](#) [FAQ](#)

PEPPERS are now available for select facility types. Please check the [FAQs](#) for projected release dates for all facility types. Please click the [PEPPER Portal](#) button to access your report. Additional information regarding PEPPER access has been sent by email to registered users.

[PEPPER Portal](#)

Hospice PEPPER

Program for Evaluating Payment Patterns Electronic Report

- FY2023 through FY2025 released on June 3, 2026.

- Target areas encompass:

- Live Discharges
- Length of Stay
- Site of Service
- Level of Care
- Diagnosis Coding
- Part D Non-Hospice Spending

Hospice PEPPER

Reported as a Percent

1. Live Discharges
No Longer
Terminally Ill

2. Live
Discharges -
Revocations

3. Live
Discharges with
LOS 61-179
Days

4. Long Length of
Stay

5. Routine Home
Care Provided
in an Assisted
Living Facility
(ALF)

6. Routine Home
Care Provided
in a Nursing
Facility (NF)

7. Routine Home
Care Provided
in a Skilled
Nursing Facility
(SNF)

8. Claims With
Single
Diagnosis
Coded

9. No General
Inpatient Care
(GIP) or
Continuous
Home Care
(CHC)

10. Long GIP Care
Stays

Reported as a Rate

11. Average
Number of Part
D Claims
Residing at
Home

12. Average
Number of Part
D Claims
Residing in an
ALF

13. Average
Number of Part
D Claims
Residing in a
Nursing Facility

14. Average
Number of Part
B Claims
Residing at
Home

15. Average
Number of Part
B Claims
Residing in an
ALF, NF, or SNF

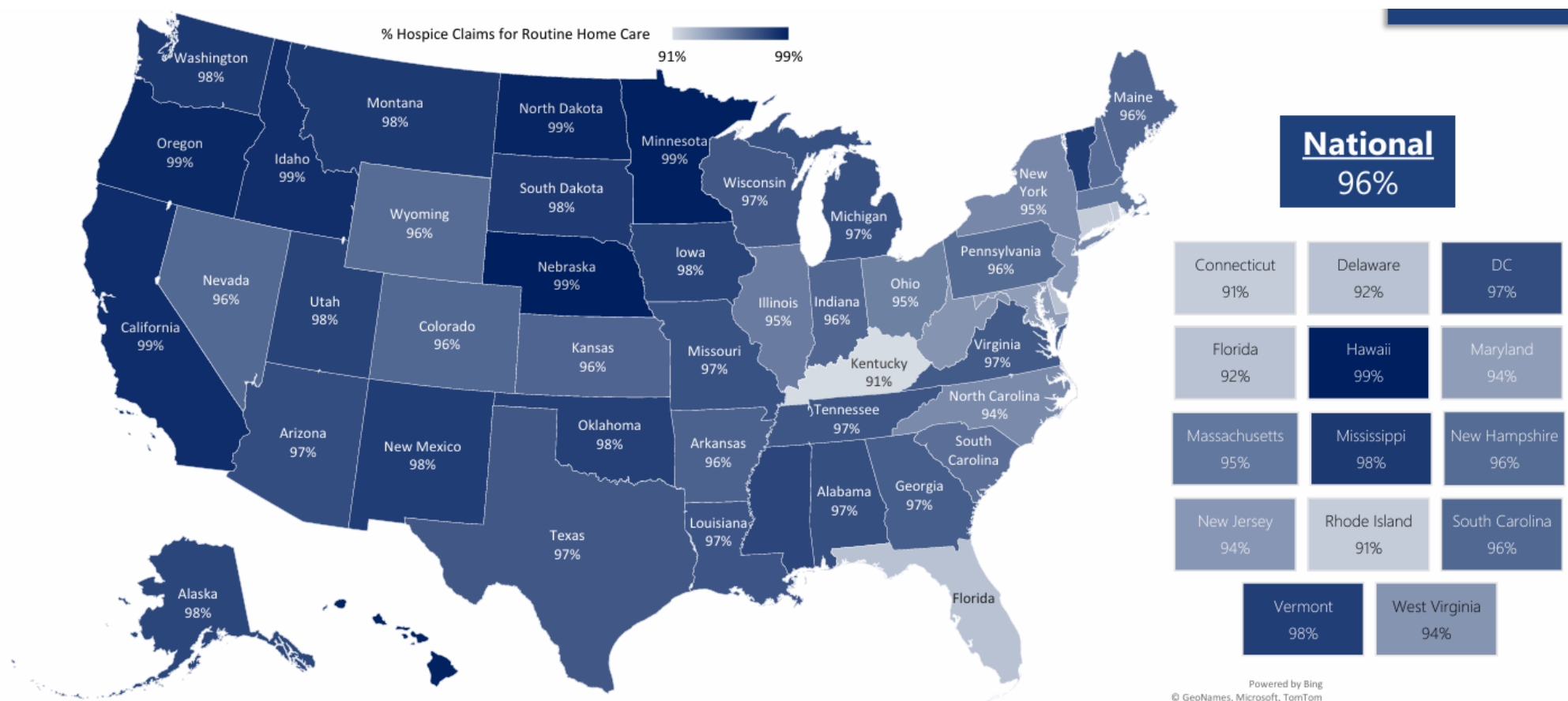
2

THE DETAILS

Evaluating The Data

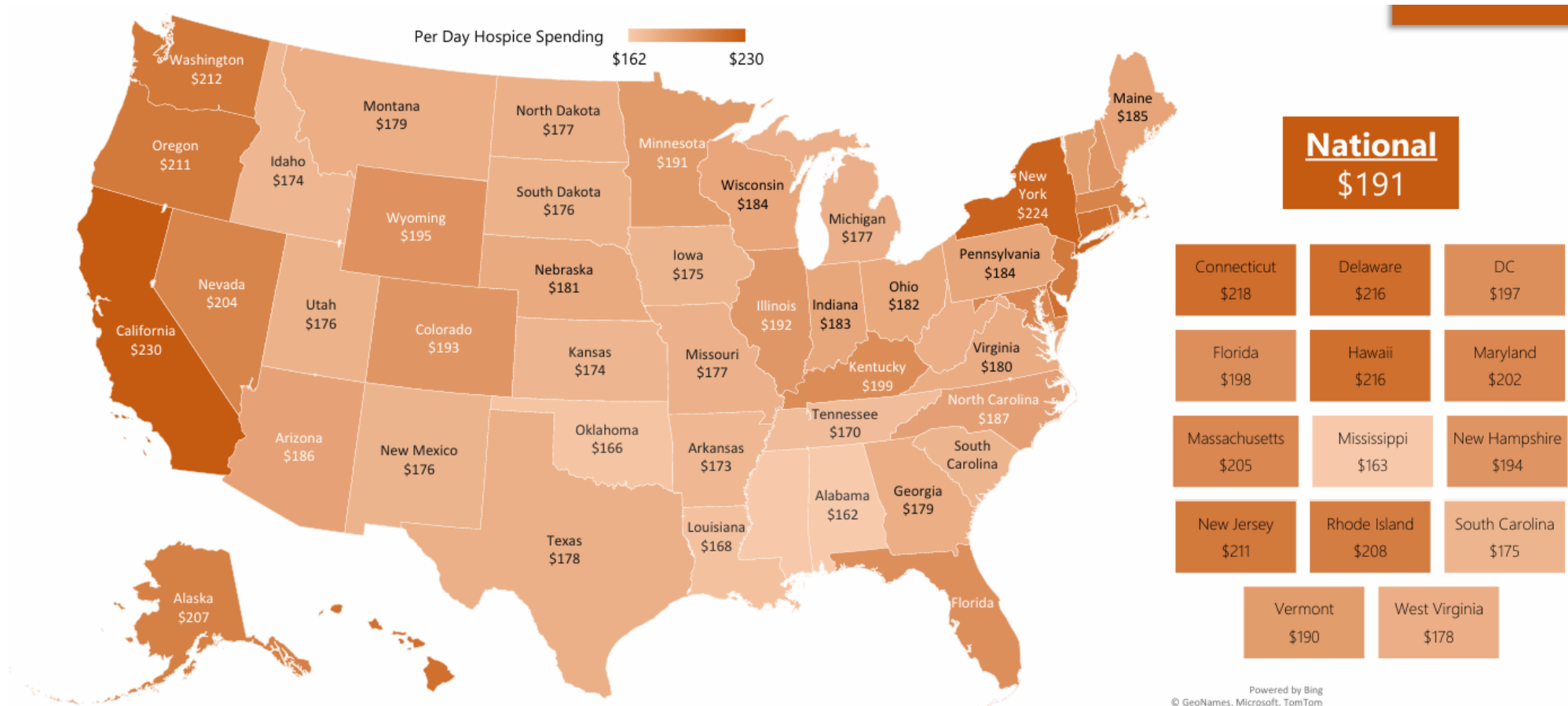


Hospice Claims for RHC, By State



Source: researchinstituteforhomecare.org/wp-content/uploads/2025-RIHC-Hospice-Care-Chartbook-12182025-1.pdf

Per Day Hospice Spending, By State



Source: researchinstituteforhomecare.org/wp-content/uploads/2025-RIHC-Hospice-Care-Chartbook-12182025-1.pdf

Hospice Care Index

- **Most hospices score between 8 to 10 points on the HCI**
 - Average score is 8.8
 - 37.9% of hospices are 10
 - 15% of hospices score 7 and less
-
- **There is a correlation between a higher HCI score and a higher percentage of caregivers reporting they would recommend the hospice.**

Source: www.cms.gov/files/document/hospice-care-index-hci-technical-reportrevised-may-2023.pdf

Service & Spending Variance Index

CMS stated purpose of the SSVI:

- **Program Integrity:** Identify individual hospice vulnerabilities to help focus program integrity efforts, including medical review, provider education, and investigations, that may lead to payment suspension or hospice revocation for fraudulent activity.
- **Transparency:** Enhanced transparency in allowing beneficiaries and their families the ability to make more informed choices regarding care at the end of life.

Source: www.cms.gov/files/document/ssvi-overview.pdf

Service & Spending Variance Index

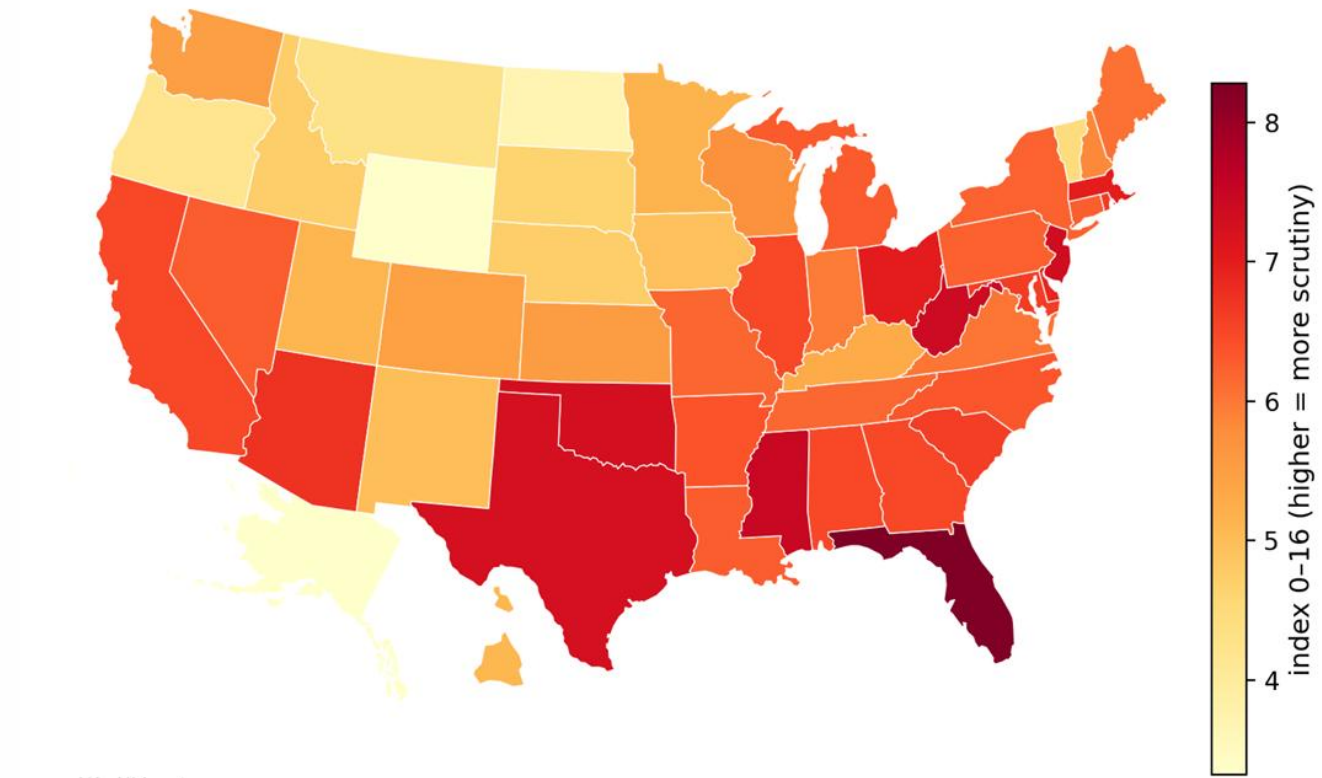
Score Distribution FY2025

Score Range	# of Hospices	% of Total
0-4 (Low)	1,664	25.1%
5-9 (Middle)	4,145	62.4%
10-16 (High)	833	12.5%

Source: www.cms.gov/files/document/ssvi-overview.pdf

Service & Spending Variance Index

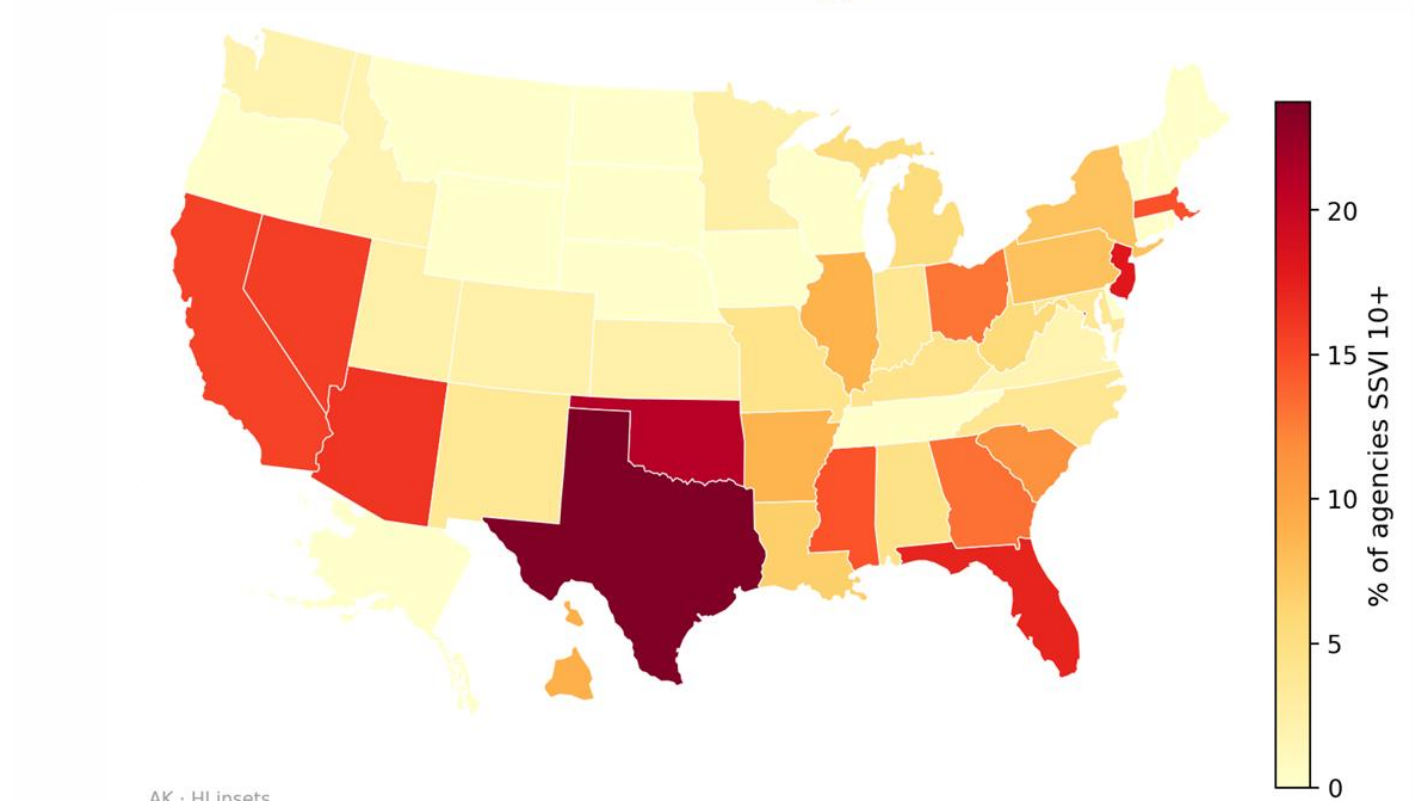
Mean SSVI Score



Source: The Alliance HHFMA Benchmark of the Month: Using SSVI (Beau Sorenson/Visionbound) 8.19.26

Service & Spending Variance Index

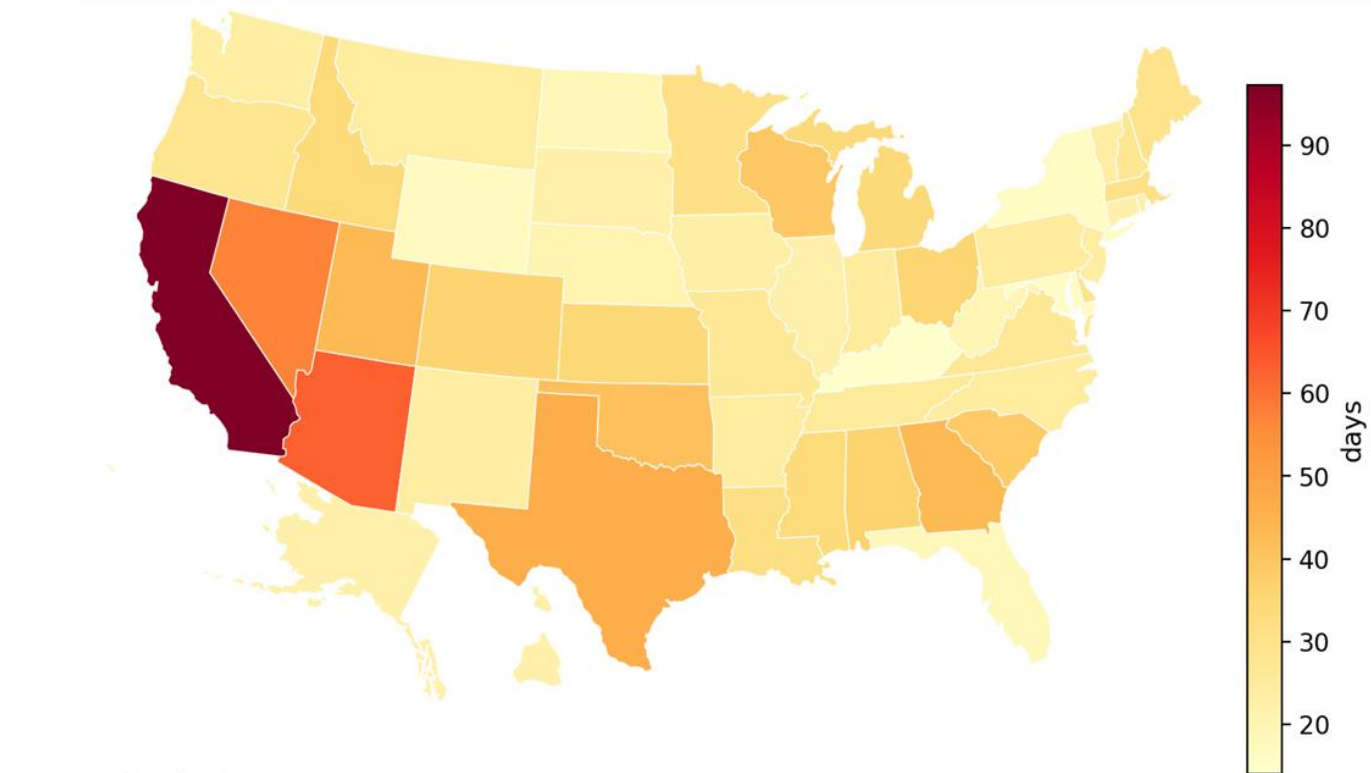
SSVI Outlier Percentage



Source: The Alliance HHFMA Benchmark of the Month: Using SSVI (Beau Sorenson/Visionbound) 8.19.26

Service & Spending Variance Index

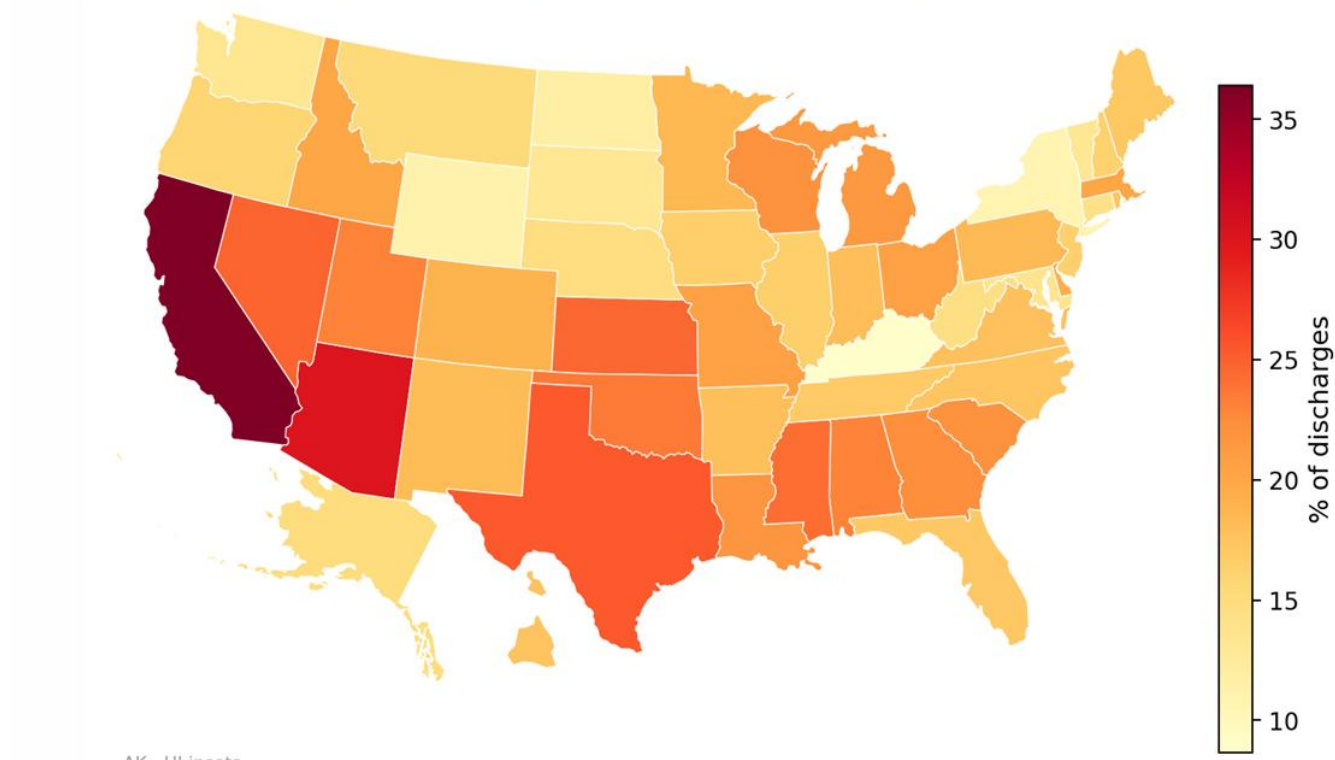
Median Length of Stay



Source: The Alliance HHFMA Benchmark of the Month: Using SSVI (Beau Sorenson/Visionbound) 8.19.26

Service & Spending Variance Index

180+ Day Lengths of Stay



Source: The Alliance HHFMA Benchmark of the Month: Using SSVI (Beau Sorenson/Visionbound) 8.19.26

Service & Spending Variance Index

Non-Hospice Spending:

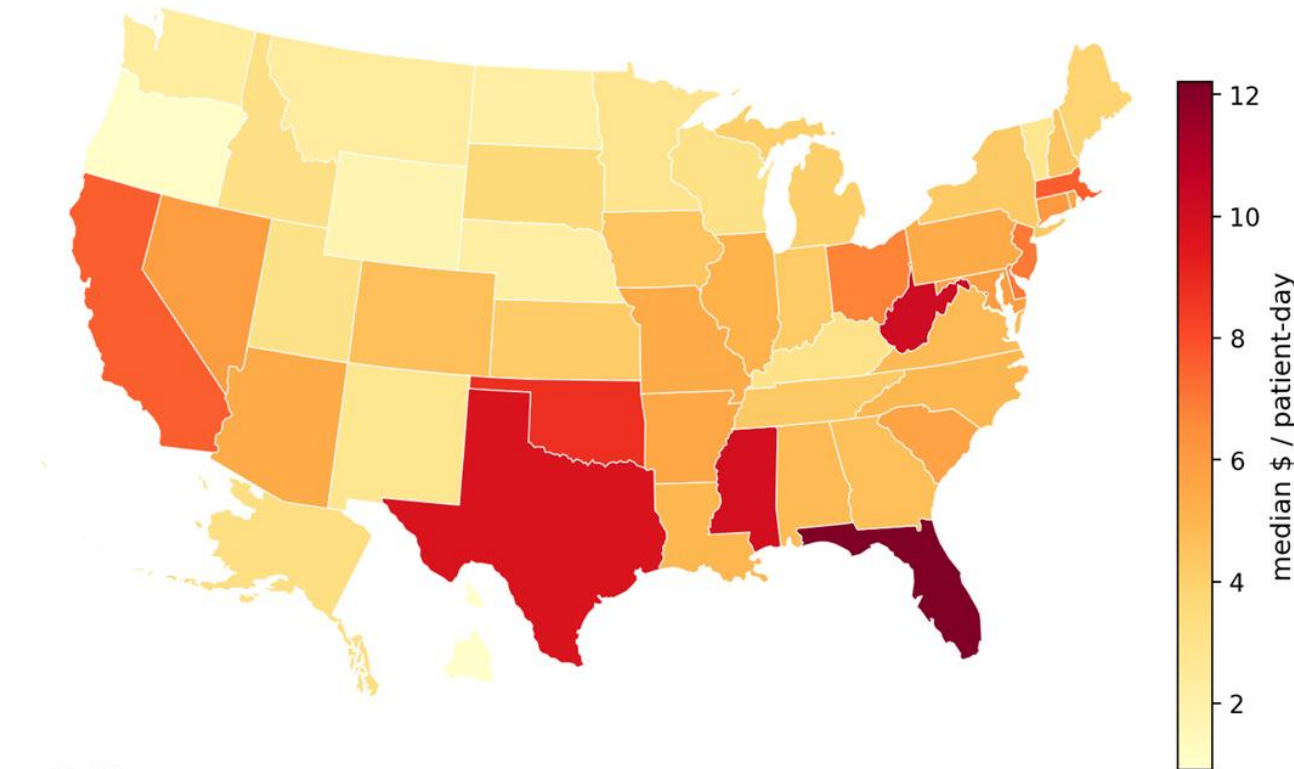
- **Fee-for-service Part A and Part B claims:** Hospital, facility, physician, outpatient services, DME, and other healthcare service claims.
- **Part D prescription drug claims:** Medications filled through a patient's prescription drug plan while receiving hospice service.

Some spending is appropriate; however, a significant portion involves items and services that should have been covered under hospice's per-diem that were billed to Medicare.

Source: www.cms.gov/files/document/ssvi-overview.pdf

Service & Spending Variance Index

Non-Hospice Spending per day



Source: The Alliance HHFMA Benchmark of the Month: Using SSVI (Beau Sorenson/Visionbound) 8.19.26

Service & Spending Variance Index

Average Daily Census	Average Utilization Score
<25	2.79
26-50	2.93
51-100	2.59
101 - 250	1.92
250+	1.03

Average Daily Census	Average Non-Hospice Spend Score
<25	2.33
26-50	3.14
51-100	4.00
101 - 250	4.75
250+	6.19

Source: www.cms.gov/files/document/ssvi-overview.pdf

Service & Spending Variance Index

Measure	For-Profit	Non-Profit
Median Length of Stay	91.6 Days	23 Days
Live Discharge Rate	38.3%	11.7%
Discharges at 180+ Days	28.4%	13.9%
Non-Hospice Spend/Day	\$24.39	\$4.69
SSVI Score of 10+	15.4%	2.5%

Source: www.cms.gov/files/document/ssvi-overview.pdf

Service & Spending Variance Index

Measure	Pre-2019	Post-2019
Non-Hospice Spend/Day (mean)	\$13.60	\$34.00
Non-Hospice Spend/Day (median)	\$5.25	\$6.42
Median Length of Stay	31 Days	71 Days
Live Discharge Rate	22.1%	54.7%
Discharges at 180+ Days	21.3%	31.8%
SSVI Score of 10+	9.6%	16.6%

Source: www.cms.gov/files/document/ssvi-overview.pdf

Service & Spending Variance Index

100% Live Discharge Rate:

- 160 For-Profit Agencies
 - 22 Pre-2019
 - 138 Post-2019
- 0 Non-Profit Agencies

Source: www.cms.gov/files/document/ssvi-overview.pdf

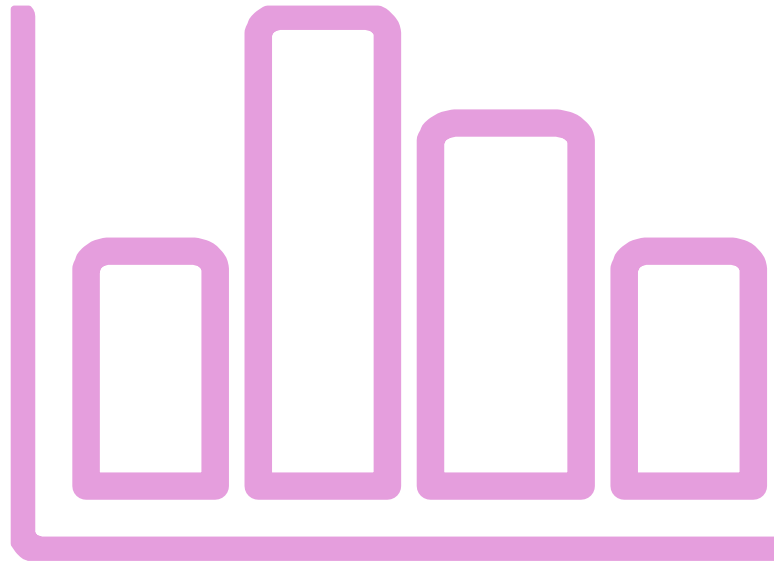
3

THE DECISIONS

Strategies For Success



Quick Poll



Strategies For Success

Gather Your Agency's Data

- **Visit [Medicare.gov](https://www.medicare.gov) to review your HCI score**
- **Review your SSVI score for FY2024 and FY2025**
- **Download and review your Hospice PEPPER**

Strategies For Success

Hospice Care Index

- **Monitor updates to the HCI metrics on the CMS website**
- **Evaluate your score to the ten HCI metrics to determine area of focus**
- **Develop a plan to improve in the areas not awarded a point**
- **Provide team education and/or update policies and procedures to address focus areas**

Strategies For Success

SSVI Metrics and Scoring

- **Monitor updates on the Hospice Center webpage on the CMS website**
- **Analyze your hospice's utilization data and non-hospice spending score against each of the nine SSVI metrics**
- **Pay focused attention to the non-hospice spending metric as this carries the most weight in the SSVI scoring structure**
- **Develop and follow a response protocol to reduce your SSVI score**

Strategies For Success

Hospice PEPPER

- **Analyze recurring outlier trends from FY2023 to FY2024**
- **Complete detailed medical review audit of outlier cases**
- **Complete staff education to enforce proper documentation practices and understanding of hospice eligibility requirements**
- **Strengthen IDT communication and documentation to reflect decision making to patient and family needs**

Strategies For Success

Non-Hospice Spending

- **Conduct an internal audit of the types of services your enrolled hospice patients are utilizing outside of the hospice benefit**
- **Review your IDT process for covering palliative needs that may be driving patients or caregivers to seek services elsewhere**
- **Assess your organization's non-hospice spending profile compared to regional or national norms**

Strategies For Success

External Vendors / Providers

- **Examine your relationships with external providers to identify situations where costs may be inappropriately shifting away from covered hospice costs**
- **Focus attention on vetting wound care / skin substitute products, durable medical equipment, and specialist consultations seeking to bill Medicare Parts A, B, or D.**
- **Seek legal counsel if uncertain**

Strategies For Success

Patient Care Areas To Focus

- **Examine your weekend visit patterns to ensure hospice services are consistent across all days of the service week**
- **Assess your organization's CHC and GIP utilization; Ensure higher levels of care are available and utilized when clinically appropriate**
- **Reinforce expectations for increased clinical contact for patients in final days of life**

Strategies For Success

Quality Care Areas To Focus

- **Review your live discharge rates**
- **Analyze your re-admission patterns**
- **Monitor continued eligibility of long-length-of-stay patients closely**
- **Invest in a robust internal compliance infrastructure**

Summary

Key Take Aways



Key Take Aways



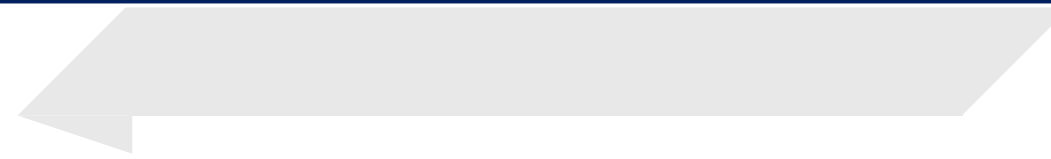
Know where you are an outlier; Have a response plan.

Audit and control your Non-Hospice Spending.

Strengthen overall quality, services and documentation.

Educate your team on your agency's performance.

Protect your agency's reputation.



What story is your hospice data telling?





Thank you!

✈️ Chris.Gallarneau@mac-legacy.com



References:

- FY 2027 Hospice Wage Index and Payment Rate Update, Hospice Conditions of Participation Updates, and Hospice Quality Reporting Program Requirements
 - [CMS-1851-F | CMS](#)
- CMS Hospice Quality Reporting Program (HQRP) webpage
 - [Hospice Quality Reporting Program | CMS](#)
- CMS Service and Spending Variance Index (SSVI)
 - [Services Service and Spending Variation Index \(SSVI\) Overview](#)
- Program for Evaluating Payment Patterns Electronic Report (PEPPER)
 - [Hospice PEPPER User's Guide, Eleventh Edition](#)
 - [PEPPER](#)