

CMS Issues FY2023 Hospice Payment Final Rule

On July 27, 2022, the Centers for Medicare & Medicaid Services (CMS) issued a [final rule \(CMS-1773-F\)](#) that updates Medicare hospice payments and the aggregate cap amount for FY 2023 in accordance with existing statutory and regulatory requirements. This final rule establishes a permanent mitigation policy to smooth the impact of year-to-year changes in hospice payments related to changes in the hospice wage index. CMS is committed to addressing consistent and persistent inequities in health outcomes by improving data collection to measure and analyze disparities across programs and policies that apply to the Hospice Quality Reporting Program (HQRP). This final rule discusses the HQRP, including the Hospice Outcomes and Patient Evaluation (HOPE) tool; provides an update on Quality Measures (QMs) that will be in effect in FY 2023 as well as future QMs; and also provides updates on the Consumer Assessment of Healthcare Providers and Systems, Hospice Survey Mode Experiment. The provisions in the final rule are summarized in a CMS fact sheet: [Hospice Payment Rule Fact Sheet](#).

Under the final rule, hospices will see a 3.8 percent increase for FY 2023 Medicare hospice services starting October 1, 2022, compared to the FY 2022 rates. Since Medicaid hospice payment rates are tied to the Medicare payment rates, this will require modifications to Medicaid hospice payment rates and methodologies. (State Medicaid payments for hospice care are required by federal law to be “in amounts no lower than the amounts, using the same methodology” as in Medicare (Section 1902(a)(13)(B) of the Social Security Act)). CMS annually provides an update to states with information regarding the specific impacts on Medicaid hospice rates in a separate memo.

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