

## **CMS Finalizes 2026 ESRD Rates Slightly Higher Than Expected**

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(Inside Health Policy)

CMS finalized Thursday (Nov. 20) a 2.2% pay bump for renal dialysis services starting, slightly higher than the 1.9% increase the agency proposed in the draft end-stage renal disease pay rule.

According to a fact sheet, Medicare expects to pay about \$6 billion to 7,600 ESRD facilities furnishing dialyses services in 2026. The base rate 2026 will be \$281.71, slightly higher than the proposed \$281.06 rate, and \$7.89 more than the current base rate of \$243.82. The rate for services for people with acute kidney injury (AKI) is also \$281.71.

The rate reflects a wage-index budget-neutrality adjustment of 1.00905, the 2026 ESRD bundled market update of 2.5% and a 0.99869% budget neutrality factor to account the for non-contiguous areas. For hospital-based ESRD facilities, CMS projects an increase in total payments of 1.5%, and for freestanding facilities, CMS projects an increase in total payments of 2.2%.

The agency finalized a new facility-level pay adjustment for facilities in Alaska, Hawaii and the U.S. Pacific Territories that increases the non-labor portion of the ESRD base rate and will be capped at 25%. A cost analysis found that facilities in certain remote, non-contiguous areas have higher non-labor costs compared to the contiguous U.S., CMS explains.

Under the final rule, Alaska and the territories will receive the maximin 25% adjustment while facilities in Hawaii will receive an increase of 21%. The ESRD base rate will be lowered by about 0.1%, or 40 cents, to maintain budget neutrality, CMS says.

“We believe that this new payment adjustment will better align payment with resource use in those non-contiguous geographic areas,” the agency says.

The rule finalizes changes to the ESRD Quality Improvement Program, including the removal of three reporting measures: the Facility Committee to Health Equity, Screening for Social Drivers of Health and Screen Positive Rate for Social Drivers of Health. CMS says since those measures were finalized 2024, “we have concluded that the costs of the continued use of these measures in the ESRD QIP outweigh the benefits to providers and patients.”

“CMS is also shortening the In-Center Hemodialysis Consumer Assessment of Healthcare Providers and Systems (ICH CAHPS) survey to 39 questions, removing 23 questions,” the agency says.