

# HHS Proposes Medicare Pay Bump for Hospices, More Transparency

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- The Trump administration proposed new transparency measures for hospices under Medicare to focus on fraud.
- The proposed rule includes updates to the hospice wage index and requires hospices to list services not covered under Medicare's hospice benefit.
- The proposal would increase payment rates in fiscal year 2027 and seeks comment on developing a hospice-specific wage index and improving palliative care.

The Trump administration proposed new transparency measures for hospices under Medicare amid a focus on fraud led by Centers for Medicare & Medicaid Services Administrator Mehmet Oz.

The proposed rule ([RIN 0938-AV78](#)), released Thursday by the CMS, also includes updates to the hospice wage index, which adjusts daily Medicare hospice payments based on differences in labor costs across geographic regions.

The measure proposes a new analysis of non-hospice spending in an effort to better identify fraud and overutilization, as well as to require hospices to list for patients what services are not covered under Medicare's hospice benefit.

"Hospices exist to help Americans die peaceful, dignified deaths, not to line the pockets of fraudsters," Oz said in a statement. "These new transparency measures will make it easier for CMS and others to identify hospice providers that misuse Medicare dollars, cut off their funding, and refer them to law enforcement for criminal prosecution."

The proposal would also increase payment rates in fiscal year 2027 by 2.4%, or \$785 million, and seeks comment on developing a hospice-specific wage index.

The agency also sought public comment on how to improve palliative care in community settings outside of hospice facilities, as well as the overlap that hospice care has with assisted suicide, known as medical aid in dying.

Medicare's hospice benefit covers end-of-life care and services for beneficiaries who are terminally ill with a life expectancy of six months or less if the illness runs its normal course. Beneficiaries who enroll in the hospice benefit agree to forgo Medicare coverage for conventional treatment of their terminal illness.

Major hospice organizations include Empath Health; Pennant Group Inc.; VITAS Healthcare, a subsidiary of Chemed Corp.; and Amedisys Inc.

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