


**TO:** 3HC Board of Directors

**FROM:** Jennifer Whitley 

**DATE:** April 30, 2025

**SUBJECT:** April 2025 President's Report

Hello 3HC Board,

I hope you are enjoying the longer days and green landscapes that are leading us into the summer season! I would personally like to thank Vince Watson for attending and facilitating a session specific to our leadership team in our monthly meeting in March. The team expressed the session was very beneficial and specific to the challenges we face at 3HC. I may be reaching out to others to attend one of our meetings as I feel it was very valuable for them to hear directly from our board.

**Strategic Plan Update**

The quarterly (January – March) scorecard update will be available on the portal in May.

**Proposed Hospice Rule**

The *Proposed* 2026 Hospice Rule was released in early April. This rule includes base rate increases ranging from 2.3% to 2.9%, as well as adjustments to the wage index rates (these can be positive or negative depending on the county of service). We applied all proposed changes to the hospice activity for the first 6 months of FY 2025 which would translate to a positive \$350,000 impact for fiscal year 2026. The final rule should be published by the end of July. I have attached a related article for your reference.

**HOPE Assessment**

The HOPE (Hospice Outcome and Patient Evaluation) assessment for hospice is set for implementation October 2025. This is a standardized tool like the OASIS (Outcomes and Assessment Information Set) assessment we have been using in home health for many years. We applied for and were fortunate to participate in the beta testing for the development of this assessment in 2022 – 2023. We will be educating you more on this in our June meeting. This is also referenced in the article attached.

**CCHH Update**

Kristy Grady and I attended the Foundation Board meeting earlier this month. We provided education regarding the hospice benefit specifically related to the operation of the inpatient centers. The board seemed very engaged and asked appropriate questions. Due to time constraints, we were not able to discuss fundraising specifically, however I feel the presentation will open the door to more discussions regarding philanthropy and fundraising in that area.

**NAHC and NHPCO Merger – National Alliance for Home Care**

The National Association for Home Care and Hospice (NAHC) and the National Hospice and Palliative Care Organization (NHPCO) have partnered and will now be the combined organization known as the National Alliance for Care at Home. They have not identified an acronym yet. We have been members of both organizations for many years, and we will continue to rely on this new partnership for guidance and education for our business. See attached article for more information.

**Employee Appreciation Events**

The annual employee appreciation events will begin in June. We will provide the schedule via the portal when dates are finalized. Please join us at any location if you are able.

**Next Full Board Meeting** – Monday June 9, 2025, 6:00pm – Corporate Board Room (or virtually, if needed).

**Other Committee Meetings** – calendar invitations have been sent

- Executive Committee – Wednesday, May 28<sup>th</sup> 12:00noon (Corporate Boardroom)
- HR Committee – Tuesday, May 27<sup>th</sup> 4:00pm (virtual)
- Quality/Compliance Committee – Monday, May 12<sup>th</sup> 5:30pm (virtual)
- Finance Committee – Thursday, May 22<sup>nd</sup> 4:00pm (virtual)

**Please refer to the portal for information on the following:**

- Spring Soiree Fundraiser Update

**Attachments**

- Celebration of Life Event flyer – May 31<sup>st</sup> 12:00noon – 2:00pm – we would love for you to attend if you are able
- CMS Proposed 2026 Hospice Payment Rule article
- National Alliance for Home Care article
- Financial performance reports and graphs for March 2025 and YTD

cc: Darrell Brown, Corporate Attorney



Join us to celebrate!

# Celebration of Life

Join us for a cookout, family activities,  
memorial, and butterfly release to celebrate  
the lives of those whose memories we cherish.



Saturday, May 31, 2025

~ 12:00-2:00 pm ~

3HC Corporate Office  
2402 Wayne Memorial Drive  
Goldsboro, NC 27524



RSVP:



984-263-3262



[bereavement@3HC.org](mailto:bereavement@3HC.org)



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| REGULATION |

# CMS Proposes 2026 Hospice Payment Rule with Potential 'Unimaginable' Consequences

By Holly Vossel | April 11, 2025

jackleberry

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The U.S. Centers for Medicare & Medicaid Services (CMS) on Friday announced its proposed 2026 hospice payment rule, which includes a 2.4% base rate increase alongside changes to quality reporting measures.

The increase represents an estimated \$695 million rise in total hospice payments for Fiscal Year (FY) 2026. It is also lower than the 2.9% hike CMS approved in its 2025 final rule.

The proposed hospice cap amount for FY 2026 is \$35,292.51, slightly up from \$34,465.34 this year.

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"We are also proposing that if more recent data become available after the publication of this proposed rule and before the publication of the final rule (for example, a more recent estimate of the inpatient hospital market percentage increase or productivity adjustment), we would use such data, if appropriate, to determine the hospice payment update percentage in the FY 2026 final rule," CMS stated in the proposed rule. "We continue to believe it is appropriate to routinely update the hospice payment system so that it reflects the best available data regarding differences in patient resource use and costs among hospices as required by the statute."

## Financial impacts

The proposed reimbursement update is based on a proposed 3.2% inpatient hospital market percentage increase for FY 2026, reduced by a proposed 0.8% in point productivity adjustment, the agency indicated.

In addition to payment rate changes, CMS held its previously instilled 5% cap on any year-over-year wage increase to reflect compensation differences across different regional locations. The capitated amount was finalized in the FY 2020 final hospice rule, which prevents a geographic area's wage index from falling below 95% of its wage index calculated in the prior fiscal year.

The proposed payment increases fall short of the financial need, according to Dr. Steven Landers, CEO of the National Alliance for Care at Home. Given escalating operational costs driven by inflation, workforce shortage and rising expenses for supplies and services, the update threatens hospices' ability to sustainably provide quality care, according to Landers.

"The proposed payment update for FY 2026 falls short of what is needed to sustain high-quality hospice care," Landers said in a statement shared with Hospice News. "Without meaningful adjustments, hospices across the country will face serious challenges — jeopardizing access to care for terminally ill patients and placing added strain on families already facing

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April 25, 2025

The proposed rule also included provisions to patient admission regulations and face-to-face recertification requirements, as well as updates to the Hospice Quality Reporting Program (HQRP).

According to the language proposal, the regulatory changes around admission included clarification that only a hospice medical director or physician member of the interdisciplinary group can recertify a patient for services within a subsequent 90- or 60-day period of care. This proposed update sought to provide clarity to reconcile differences between the agency's Conditions of Participation (CoPs) and its Conditions of Payment.

The proposed rule also included updates around face-to-face hospice admission and recertification visits. Amendments featured clarification that the physician or nurse practitioner who conducted the face-to-face visit must attest to the encounter in a written statement. The attestation, its accompanying signature and the date signed must be clearly titled and a separate and distinct section of (or an addendum to) the recertification form.

The clarifying regulatory changes are aimed at resolving current ambiguities, improving documentation standards and promoting greater consistent implementation, the agency stated. The lack of clarity regarding the full attestation requirements has complicated documentation standards and audit processes, and led to confusion about the expectations, according to CMS. It has also led to reimbursement clawbacks.

The proposed rule did not specify whether hospices can conduct face-to-face recertification visits via telehealth in the long term. Telehealth flexibilities that were implemented during the pandemic are set to expire in September, and have allowed hospices to expand clinical capacity amid widespread staffing shortages and rising demand.

Quality reporting updates included in the rule proposes to "correct an error in the regulations text" regarding implementation of the Hospice Outcomes & Patient Evaluation (HOPE) tool, CMS stated. The agency proposed to retain key items from the previous Hospice Item Set (HIS) and continue to collect data to inform the Comprehensive Assessment at Admission. The assessment list includes:

1. Patients Treated with an Opioid who are Given a Bowel Regimen

2. Pain Screening
3. Pain Assessment
4. Dyspnea Treatment
5. Dyspnea Screening
6. Treatment Preferences
7. Beliefs/Values Addressed (if desired by the patient)

The HOPE updates fail to address mounting concerns that providers lack clarity into the new quality data collection tool, slated to take effect October 2025, according to the Alliance. Hospice providers need a longer window of time and more details to be prepared for a new reporting system, the organization indicated.

“The Alliance is concerned by CMS’ failure to acknowledge the need for additional information and clarifications needed for the HOPE data collection instrument,” the organization wrote. “Hospices and vendors need adequate time to integrate and operationalize the complex requirements of the transition to HOPE to ensure a smooth transition — without compromising patient care.”

The proposed rule also addressed rising program integrity and quality concerns that have led to increasing regulatory oversight in recent years. Auditing activity has ramped up as more providers undergo multiple audits simultaneously each year.

The issues are rooted in a number of fraudulent operators that have increasingly stepped into four specific states of Arizona, California, Nevada and Texas.

Through audits, CMS identified “several areas of weakness” in the hospice benefit, primarily in the area of hospice eligibility, the agency stated.

“In response to concerns raised by the Operation Restore Trust (ORT) regarding beneficiaries who had been receiving hospice care for more than 210 days but who were later determined to have not been eligible for hospice and to reduce Medicare exposure to abusive practices, the FY 2006 Medicare Program Hospice Care Amendments final rule added a new [regulation for] ‘admission to hospice care,’ which established specific

reviews and outcomes, alongside heavy operational and compliance burdens for some hospice providers, according to the Alliance.

CMS in the proposed rule solicited comments regarding requests for information (RFIs) surrounding “future measure concepts” around hospice quality reporting.

“The Alliance appreciates CMS’s solicitation of stakeholder feedback to reduce provider burdens in alignment with the objectives outlined in Executive Order 14094, which seeks to reduce administrative complexity and streamline regulations to facilitate more efficient and effective patient care,” the organization indicated.

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#### **Companies featured in this article:**

[National Alliance for Care at Home](#), [U.S. Centers for Medicare & Medicaid Services](#)



#### **Holly Vossel**

Holly Vossel, senior reporter for Hospice News and Palliative Care News, is a word nerd and a hunter of facts with reporting roots sprouting in 2006. She is passionate about writing with an impactful purpose, and developed an interest in health care coverage in 2015. A layered onion of multifaceted traits, her interests include book reading, hiking with her dogs, roller skating, camping, kayaking and creative writing.







**National Alliance**  
for Care at Home

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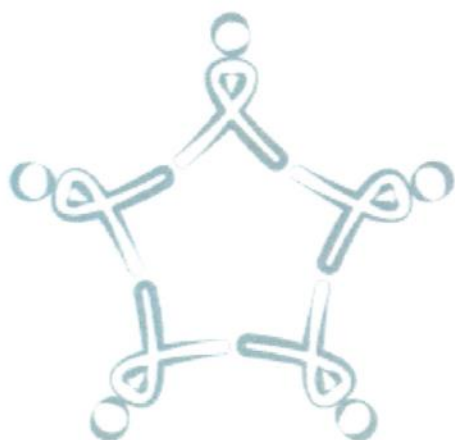
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# About the National Alliance for Care at Home

The National Association for Home Care & Hospice (NAHC) and the National Hospice and Palliative Care Organization (NHPCO) are forming a new, combined organization to become a stronger and more efficient partner so you can achieve your goals now and in the future.



## **Our Mission**

We're the leading authority in transforming care in the home. We are an inclusive thought leader, advocate, educator, and convener and the unifying voice for those providing and receiving healthcare through all stages of life.

## **Our Vision**

We envision an America where everyone has access to the highest quality, person-centered healthcare wherever they call home.

## **About The Alliance**

The National Association for Home Care & Hospice (NAHC) and the National Hospice and Palliative Care Organization (NHPCO) are the two largest organizations representing, advocating for, educating, and connecting providers of care in the home for

millions of disabled, elderly, and dying Americans who depend on that care.

The combined boards, leadership, and staff of NAHC and NHPCO partnered together to form a new, joint organization, the National Alliance for Care at Home.

This historic alliance will create the most powerful voice our community has seen fighting for our membership.

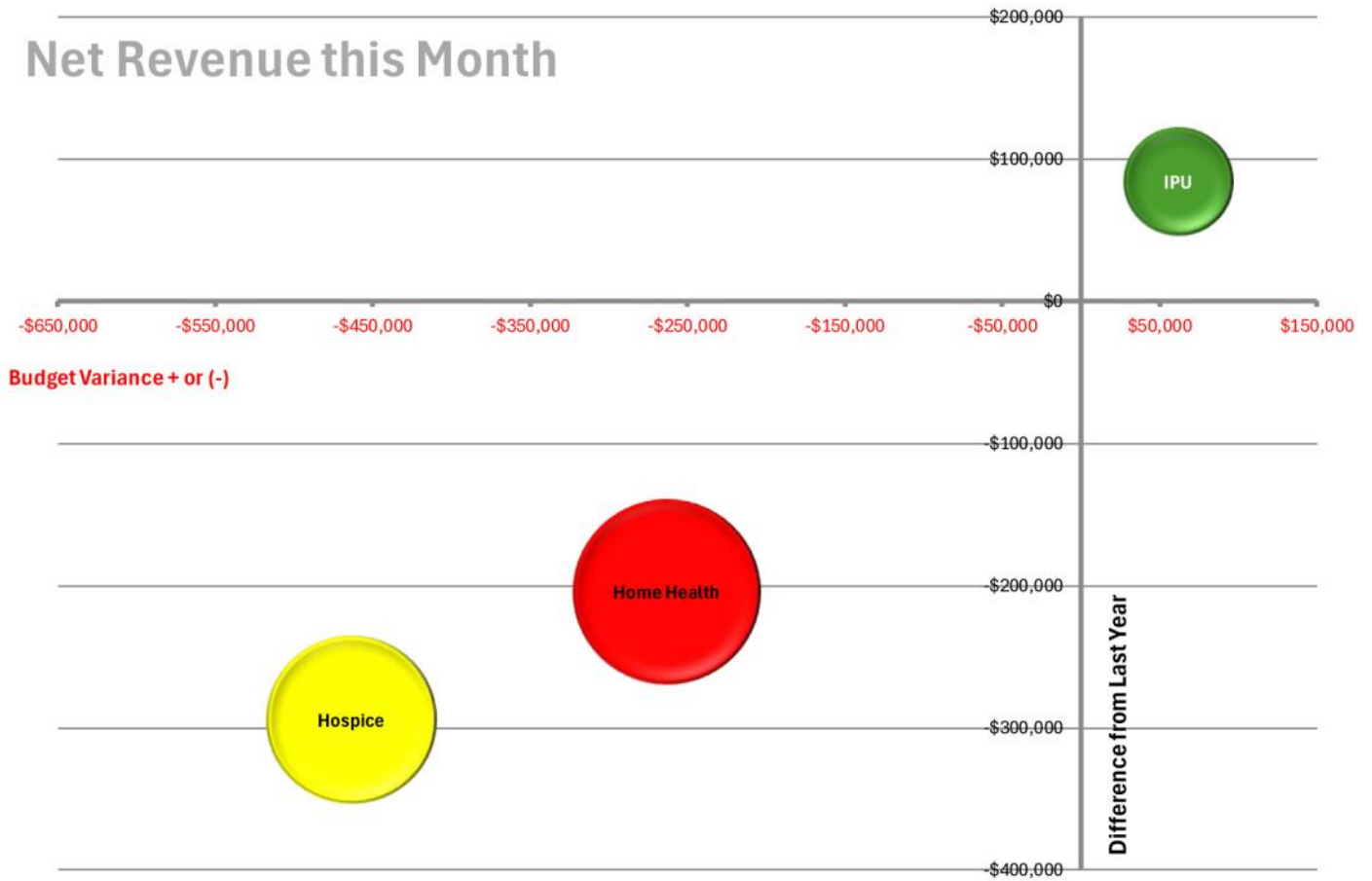
Thank you for your continued support of our critical work to unify and elevate the voice of the care-at-home community. We will continue to be your advocate, resource, and network, but now, we have more strength than ever before to help you achieve your goals now and in the future.

**Alliance Speakers Bureau**

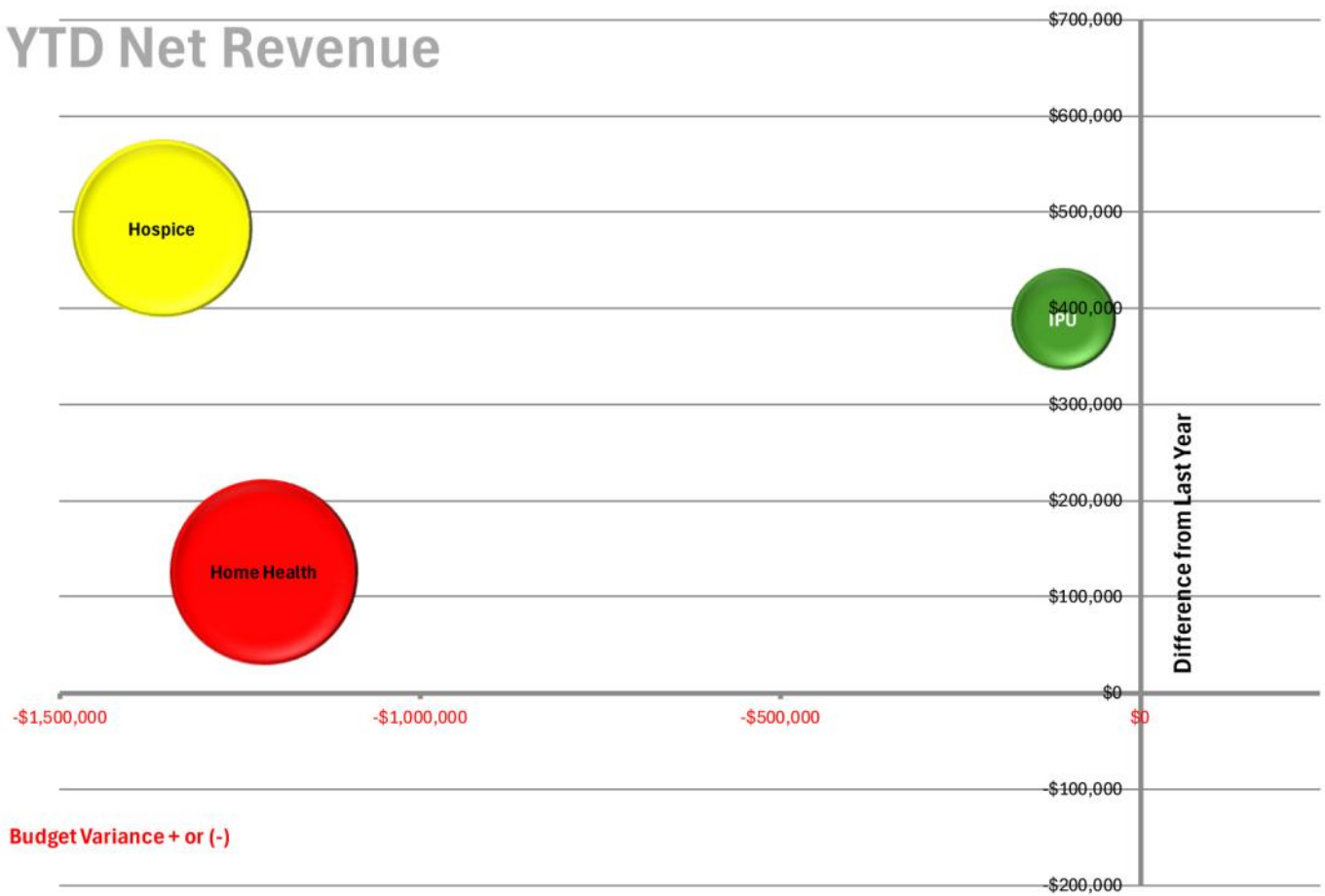
**Alliance Staff**

**We are stronger together.**

## Net Revenue this Month

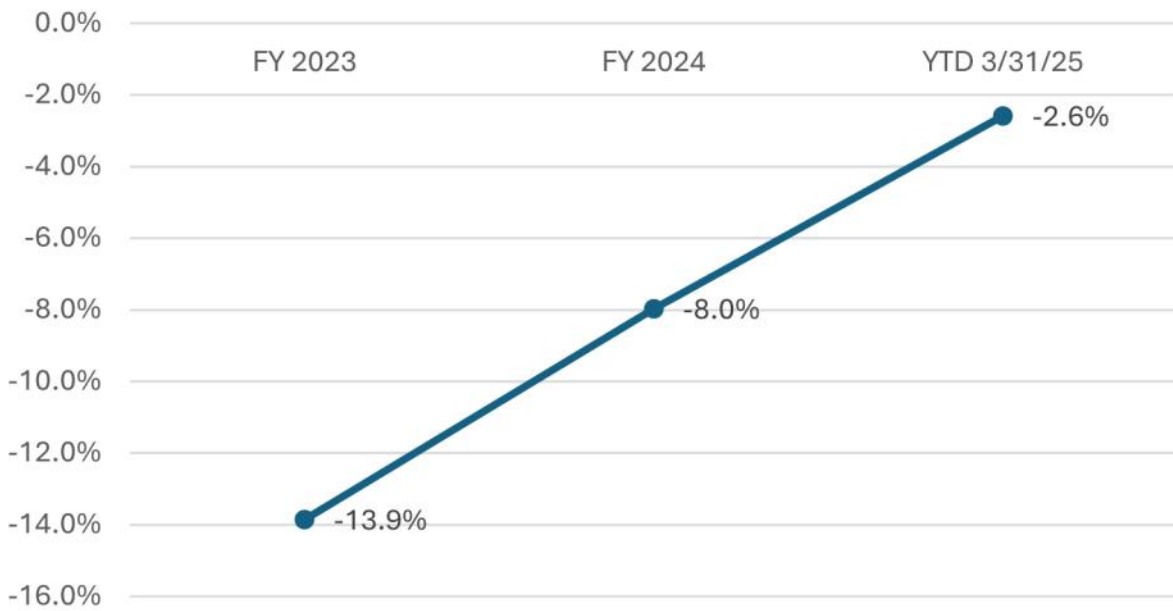


## YTD Net Revenue





## Operating Margin - Trend



## Total Revenues vs. Total Expenses by Month

