

Final 2023 Hospice Rates +3.8%

Healthy Rates, No Major Policy Shifts

The Centers for Medicare and Medicaid Services (CMS) released the Final FY 2023 Hospice Payment Rate Update this evening ([here](#)) New polices and pay start Oct 1, the beginning of FY 2023.

- **Hospice will receive a +3.8% (\$825 M) update for FY 2023.** For FY 2023, the Hospice payment update percentage of 3.8% is based on the 4.1% inpatient hospital update, reduced by a 0.3% point productivity adjustment. CMS states that the overall hospice payments for 2023 would increase by +3.8% (or \$825 M) relative to payments in FY 2022.
- **For Profit Hospice will receive a +3.9% update for FY 2023.** Rural Freestanding/For-Profit Hospice will receive a +3.9% update and Urban Freestanding/For-profit hospice will receive a +3.9% update. Rural Facility/HHA Based/For-Profit Hospice will receive a +3.2% update, while Urban Facility/HHA Based/For-Profit Hospice will receive a +3.7% update.
- **Non-Profit Hospice will receive a +3.7% update for FY 2023.** Rural Freestanding/Non-Profit Hospice will receive a +3.7% update and Urban Freestanding/Non-profit hospice will receive a +3.7% update. Rural Facility/HHA Based/Non-Profit Hospice will receive a +3.6% update, while Urban Facility/HHA Based/Non-Profit Hospice will receive a +3.6% update.
- **This final rule establishes, for FY 2023 and subsequent year, a permanent, budget neutral 5% cap on any decrease to a geographic area's wage index.** No other policy updates in the FY 2023 Hospice Payment Rate Update Final Rule.
- **OUR TAKE / NEXT UP:** The new rates are effective Oct 1, 2022, the start of the Gov FY23. This is good news for hospices.