

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Parts 405, 414, 424, 455, 484, and 498

[CMS–1828–F]

RIN 0938–AV53

Medicare and Medicaid Programs; Calendar Year 2026 Home Health Prospective Payment System (HH PPS) Rate Update; Requirements for the HH Quality Reporting Program and the HH Value-Based Purchasing Expanded Model; Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program Updates; DMEPOS Accreditation Requirements; Provider Enrollment; and Other Medicare and Medicaid Policies

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Final rule.

SUMMARY: This final rule sets forth routine updates to the Medicare home health payment rates in accordance with existing statutory and regulatory requirements. In addition, this final rule finalizes permanent and temporary behavior adjustments and recalibrates the case-mix weights and update the functional impairment levels; comorbidity subgroups; and low-utilization payment adjustment (LUPA) thresholds for CY 2026. This final rule also finalizes changes to the face-to-face encounter policy and changes to the Home Health Quality Reporting Program (HH QRP) and the expanded Health Value-Based Purchasing (HHVBP) Model requirements. In addition, it updates the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP). Lastly it finalizes: a technical change to the HH conditions of participation; updates to DMEPOS supplier conditions of payment; updates to provider and supplier enrollment requirements; and changes to DMEPOS accreditation requirements.

DATES: These regulations are effective on January 1, 2026.

FOR FURTHER INFORMATION CONTACT: For general information about the Home Health Prospective Payment System (HH PPS), send your inquiry via email to HomeHealthPolicy@cms.hhs.gov.

For information about the Home Health Quality Reporting Program (HH

QRP), send your inquiry via email to HHQRPquestions@cms.hhs.gov.

For more information about the expanded Home Health Value-Based Purchasing Model (HHVBP), please visit the Expanded HHVBP Model web page at <https://www.cms.gov/priorities/innovation/innovation-models/expanded-home-health-value-based-purchasing-model> or send your inquiry via email to HHVBPquestions@cms.hhs.gov.

Frank Whelan (410) 786–1302, for Medicare provider and supplier enrollment and DMEPOS accreditation inquiries.

Katie Parker (410) 786–0537, Emily Calvert (410) 786–4277, or Jessica Martindale (410) 786–1558 for DMEPOS Prior Authorization inquiries.

Alexander Ullman at (410) 786–9671 or DMEPOS@cms.hhs.gov, for DMEPOS Competitive Bidding Program inquiries.

For information about the Home Health Conditions of Participation, send your inquiry via email to healthandsafetyinquiries@cms.hhs.gov.

SUPPLEMENTARY INFORMATION:

Table of Contents

- I. Executive Summary
 - A. Purpose and Legal Authority
 - B. Summary of the Provisions of This Final Rule
 - C. Summary of the Regulatory Impact Analysis
- II. Home Health Prospective Payment System
 - A. Overview of the Home Health Prospective Payment System
 - B. Monitoring the Effects of the Implementation of the PDGM
 - C. Final CY 2026 Payment Adjustments Under the HH PPS
 - D. Final CY 2026 Home Health Low Utilization Payment Adjustment (LUPA) Thresholds, Functional Impairment Levels, Comorbidity Sub-Groups, and Case-Mix Weights
 - E. Final CY 2026 Home Health Payment Rate Updates
 - F. Final Regulation Change to Face-to-Face Encounter
- III. Home Health Quality Reporting Program (HH QRP)
 - A. Background and Statutory Authority
 - B. Summary of the Provisions
 - C. Quality Measures Currently Adopted for the CY 2026 HH QRP
 - D. Removal of the COVID–19 Vaccine: Percent of Patients/Residents Who Are Up to Date (Patient/Resident COVID–19 Vaccine) Measure Beginning With the CY 2026 HH QRP
 - E. Removal of Four Standardized Patient Assessment Data Elements Beginning With the CY 2026 HH QRP
 - F. Amending the Data Non-Compliance Reconsideration Request Policy and Process Beginning With the CY 2026 HH QRP
 - G. Updates to Requirements for OASIS All-Payer Data Submission
 - H. HHCAPPS Survey Updates

- I. HH QRP Quality Measure Concepts Under Consideration for Future Years—Request for Information
- J. Potential Revision of the Final Data Submission Deadline Period From 4.5 Months to 45 Days—Request for Information (RFI)
- K. Advancing Digital Quality Measurement in the HH QRP—Request for Information
- L. Form, Manner, and Timing of Data Submission Under the HH QRP
- M. Policies Regarding Public Display of Measure Data for the HH QRP
- IV. The Expanded Home Health Value-Based Purchasing (HHVBP) Model
 - A. Background
 - B. Finalized Changes to HHVBP Measure Removal Factors
 - C. Finalized Changes to the Expanded HHVBP Model's Applicable Measure Set
 - D. HHVBP Quality Measure Concepts Under Consideration for Future Years—Request for Information
- V. Updates to the Home Health Agency Conditions of Participation (CoPs) To Align With the OASIS All-Payer Submission Requirements
 - A. Statutory Authority and Background
 - B. Updates to the Home Health Agency CoPs To Align With the OASIS All-Payer Submission Requirements (§§ 484.45(a) and 484.55(d)(1)(i))
- VI. Provider Enrollment, Certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Accreditation Policies, and DMEPOS Prior Authorization
 - A. Provider Enrollment
 - B. DMEPOS Supplier Accreditation Process
 - C. Finalized Exemption Process for Prior Authorization of Certain DMEPOS Items (§ 414.234(c)(1) and (c)(1)(ii))
- VII. DMEPOS Competitive Bidding Program
 - A. Background
 - B. Determining Payment Amounts and the Number of Contracts Awarded for the DMEPOS CBP
 - C. Adjustments to SPAs
 - D. Bid Limits and Conditions for Awarding Contracts if Savings Are Not Expected
 - E. Revising the Definition of Item Related to Medical Supplies
 - F. Remote Item Delivery (RID) CBP
 - G. Payment for Continuous Glucose Monitors and Insulin Infusion Pumps
 - H. Revising the Submission of Financial Document Requirements for the DMEPOS CBP
 - I. Revising the CDRD Evaluation and Notification Process for the DMEPOS CBP
 - J. Bid Surety Bond Review Process
 - K. Tribal Exemption From Participating in the DMEPOS CBP
 - L. Addition of a Termination Clause for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) Supplier Contracts
 - M. Technical Change to § 414.408(h)(8)
 - N. Definitions of Competition and Adjusted and Unadjusted Fee Schedule Amounts Under § 414.402
- VIII. Collection of Information Requirements
 - A. Statutory Requirement for Solicitation of Comments