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CMS Releases Proposed Medicare 2026 Inpatient Payment Rule

On April 11, the Centers for Medicare & Medicaid Services (CMS) introduced its 2026 proposed inpatient prospective payment system (IPPS) rule. WHA will analyze the full more-than 1,300-page rule in the coming weeks and prepare comments in advance of the June 10 comment deadline.



Among the notable items included in the proposal are:

- A 2.4% net pay bump that includes a 3.2% market basket update offset by a 0.8% productivity cut.
- In response to a court ruling, CMS is ending its low-wage index hospital policy it began in 2020, with the intention of bringing up low wage index hospitals at the expense of high wage index hospitals.
- CMS is shortening its Hospital Readmission Reduction Program's performance period from three to two years and incorporating Medicare Advantage data into all six readmissions measures.
- Removing four measures from the Inpatient Quality Reporting (IQR) Program: Hospital Commitment to Health Equity, COVID-19 Vaccination Coverage among Health Care Personnel measure and the Screening for Social Drivers of Health and Screen Positive Rate for Social Drivers of Health measures
- Including Medicare Advantage patients in the calculation of multiple claims-based measures across several programs.

In addition to these proposals, the rule also includes a request for information on how to advance its commitment to Making America Healthy Again a key initiative of HHS Secretary Robert F. Kennedy Jr. CMS does not plan to respond to the comments in the final rule but will use them for future rulemaking.

Items they are requesting comments on include:

- Well-being and nutrition quality measures assessing overall health happiness, life satisfaction, emotional well-being, social connections, purpose and fulfillment.
- Tools and measures for optimal preventive care, encompassing strategies, guidelines and practices promoting healthy eating habits and ensuring necessary nutrient intake for maintaining health, growth and overall well-being.
- Considering how to measure the impact of physical activity and sleep on overall health and well-being.

Contact WHA Vice President of Federal and State Relations Jon Hoelter with questions or comments.