Home Health Line™

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Be vigilant about quality, compliance as CMS introduces spending index

Don't wait until the hospice final rule is released to start preparing your operations for CMS' most recent foray into improving program integrity. The measures included in CMS' newly proposed hospice spending index are familiar to providers, but the way they'll impact future audits and compliance scrutiny is new.

Included in the fiscal year 2027 Hospice Wage Index and Payment Rate Update proposed rule, released April 2 (HHL 4/13/26), the new hospice service and spending variation index (SSVI) scores hospice providers based on key quality measures and non-hospice spending. CMS noted in the proposed rule that SSVI data is expected to support program integrity efforts and allow beneficiaries to make more informed health decisions.

CMS notes that SSVI outcomes will not be used as a direct indicator of fraud, but hospices can expect to see action in response to higher scores, says Angela Huff, senior manager of consulting at Forvis Mazars in Springfield, Mo. As with many program integrity efforts, it's likely that a few well-meaning providers will get swept up in the process, she notes.

If the SSVI is finalized as proposed, providers will be judged on nine performance metrics. Hospices will then be assigned a publicly reported score of zero to 16, with a higher score indicating an increased concern. (Access the Home Health Line Fact Sheet with details on scoring for the SSVI)

The measures comprising the SSVI aren't new, but the percentiles that CMS has proposed for scoring are, says Katie Wehri, vice president of regulatory affairs, quality and compliance for the National Alliance for Care at Home. Hospices may be inclined to change how they're providing care, whether appropriate or not, in order to avoid trigging a higher score.

CMS targets non-hospice spending

One of the biggest takeaways from the proposed rule is CMS' focus on non-hospice spending during hospice elections. This portion of the SSVI, which is based on the total spent on non-hospice care for beneficiaries, has raised some concerns, experts note.

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Hospices do not submit claims for the non-hospice spending and are often unaware that a non-hospice provider has delivered services, items or drugs to a patient, Wehri says. The Alliance has previously expressed concerns about how this figure is calculated, she adds.

"Additionally, there is no adjustment for the number of beneficiaries a hospice is serving, or cross-referencing of claims, to ensure that claims billed correctly for non-hospice spending are excluded from the calculation," Wehri explains. "We would expect that hospices serving a large number of beneficiaries would have a greater total spend."

It's also important to note that the SSVI identifies outlier performance, Wehri says. This means that down the line, the percentile targeted for outliers may change as new data is used in the calculation, she notes.

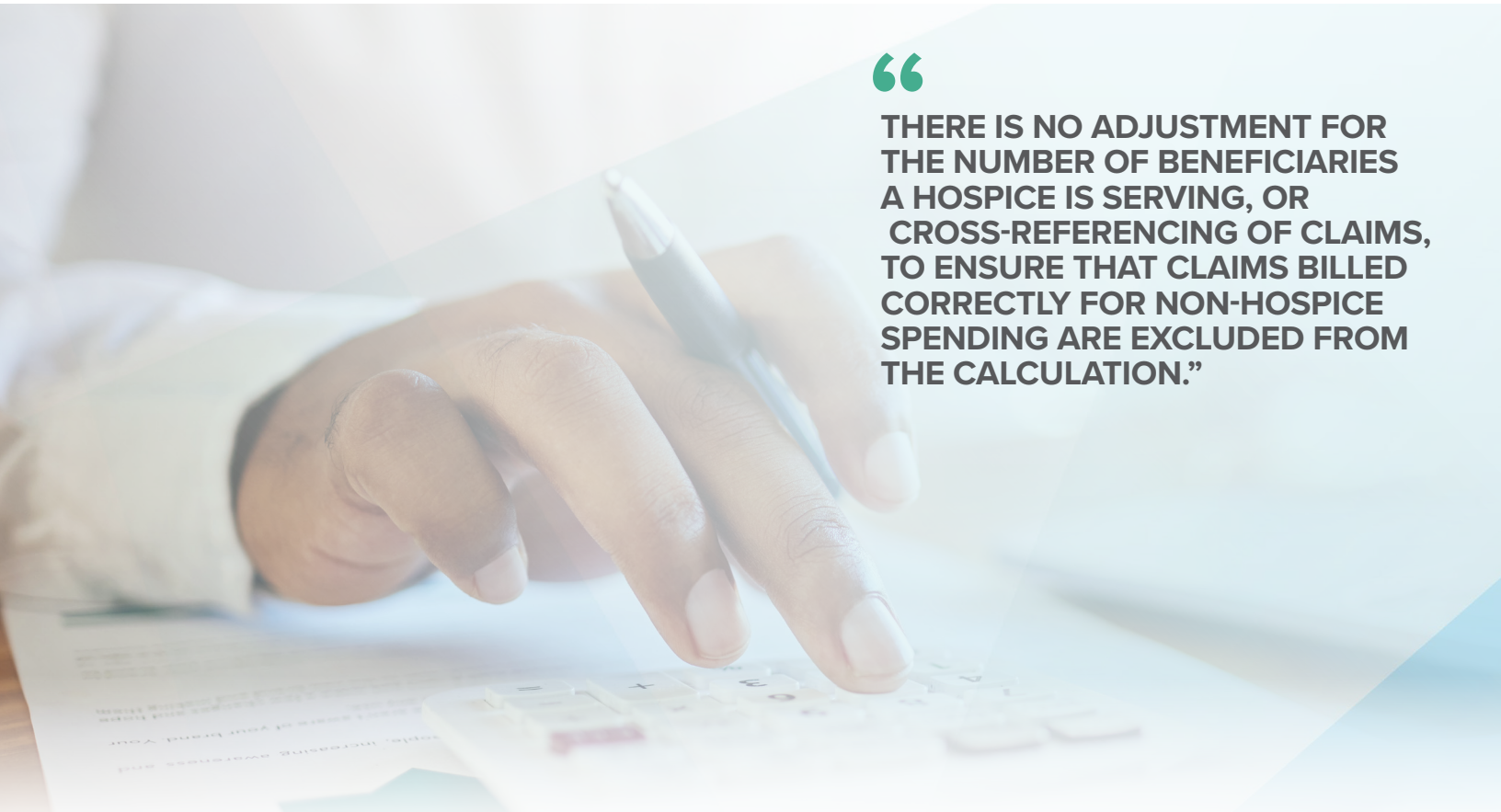
Differences between SSVI and HCI

Providers have likely noticed that there are similarities between the Hospice Care Index (HCI) and SSVI, Huff says. But CMS is looking at overlapping measures differently under each system, she notes.

Consider CMS' efforts to track Continuous Home Care (CHC) and General Inpatient Care (GIP) in hospice, for example.

Under the SSVI, hospices that do not provide CHC or GIP in the year examined would receive a point. Remember that a higher score could flag potential concerns, Huff notes.

Under the HCI, however, providing at least one day of CHC or GIP during the period under review would get your agency a point that benefits your score, Huff says. "Both are looking at CHC and GIP, but in different ways."



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Though the SSVI may be used to indicate potential fraud, it isn't a replacement for CMS' Special Focus Program, which was suspended in February 2025, Huff stresses. Providers should expect a new version of the SFP to emerge in the future, she says. "How it's going to come back is yet to be seen."

Start considering SSVI items now

To prepare for the SSVI, hospices should:

Review claims closely. One of the SSVI metrics, Percentage of Routine Home Care days that are provided in a nursing home or skilled nursing facility, could be skewed based on the way an agency's electronic medical record (EMR) is set up, Huff says. Providers may not realize that their records show care as being provided in a facility, so it's worth looking at each claim and identifying where the incorrect information is and how to fix it, she suggests.

Follow metrics. One benefit of the SSVI is that it provides hospices with a clear area of focus for quality improvements, Huff says. But providers need to actively follow their scores, and she suggests doing so by creating dashboards that track their agency's standing.

Look for opportunities. "If you have a low SSVI score, there are ways to utilize that information to demonstrate what your value is to the community that you serve," Huff says. While beneficiaries may not understand the meaning of your specific SSVI score, agencies can still use the outcomes to communicate their value, she recommends.

Don't wait until the final rule is out to start asking questions about why CMS is focusing on these topics, Huff suggests. If CMS is pointing out an issue, your first step should be to look at your processes related to their concerns, she notes.

SSVI scores for hospices

CMS has published overall results showing how hospices fare in the new Service and Spending Variation Index (SSVI). Below you can see results for fiscal year 2025. In future years, the SSVI will be updated with the publishing of the final rule, typically in late June or early July.

Total score	Number of hospices	Percent of Hospices
0	4	0.1%
1	87	1.3%
2	332	5.0%
3	527	7.9%
4	714	10.7%
5	887	13.4%
6	890	13.4%
7	898	13.5%
8	899	13.5%
9	571	8.6%
10	407	6.1%
11	230	3.5%
12	122	1.8%
13	55	0.8%
14	18	0.3%
15	1	0.0%
16	0	0.0%

More info: See the full FY 2027 hospice payment proposed rule and SSVI scoring information at *https://tinyurl.com/4uk4f8m6.*

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