



MedPAC Report Summary

March 2026

The Medicare Payment Advisory Commission (MedPAC) released its March 2026 Report to Congress on March 12, 2026, outlining advisory recommendations on Medicare payment policy. These recommendations do not automatically change payment rates, and a second report is expected in June with additional policy analysis.

Home Health

For CY 2027, MedPAC recommends a 7% reduction to the Medicare FFS base rate. The Commission points to reported margins for freestanding agencies—21.2% in 2024 and a projected 19% in 2026—as the basis for its position.

Hospice

For FY 2027, MedPAC advises against any payment updates under the hospice benefit. The report highlights an 8% margin in 2023, a projected 9% in 2026, and continued growth in hospice utilization, with 52.9% of Medicare decedents receiving hospice services in 2024.

PDGM Final Report

MedPAC's final review of the Patient-Driven Groupings Model (PDGM) finds that overall access and quality indicators remained stable, though agencies delivered about 15% fewer visits per stay under the model.

Reductions of this scale raise significant concerns for home-based care providers. A 7% cut to home health payments and a flat update for hospice come at a time when agencies are already managing rising labor costs, workforce shortages, and increasing operational demands. Further downward pressure on reimbursement may limit agencies' ability to promptly accept referrals, maintain adequate staffing, and sustain the level of care patients require.

In addition, MedPAC's own PDGM review notes fewer visits per stay and ongoing access challenges during recent years of payment reductions. Continued cuts risk deepening these trends, potentially leading to longer wait times, reduced service availability, and additional strain on agencies already operating under tight margins.

Implications for Providers

It is important to note that MedPAC's recommendations do not directly translate into payment changes. CMS considers many factors when developing proposed and final rules, and MedPAC is one of several inputs in that process.

At the same time, these recommendations reflect ongoing federal scrutiny of home health and hospice payment levels. Many providers continue to navigate workforce challenges, rising costs, and increasing administrative expectations, which may not be fully captured in national margin estimates.

HCA will continue to monitor federal policy developments closely and remain engaged in efforts to support stable, sustainable payment structures for home-based care.

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