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Things to Know About

CMS' Final CY2026 End-Stage Renal Disease Payment Rule

- 1** **CMS finalized a 2.2% pay boost** for end-stage renal disease (ESRD) facilities by increasing the ESRD Prospective Payment System (PPS) base rate by \$7.89. CMS says hospital-based facilities will see a pay increase of 1.5%, and freestanding facilities will see an increase of 2.2%. The final bump is higher than the 1.9% proposed earlier this year.
- 2** **Facilities in Alaska, Hawaii, and U.S. Pacific Territories** will receive a new facility-level payment adjustment: an increase in the non-labor portion of the ESRD PPS base rate, up to 25%. For Hawaii, the adjustment will be 21%, and for Alaska and the U.S. Pacific Territories, 25%.
- 3** **CMS removed three measures** from the ESRD Quality Incentive Program (QIP) related to social determinants of health and health equity, starting for Performance Year 2027.
- 4** **The ESRD Treatment Choices (ETC) Model** will be terminated as of December 31, 2025, 18 months earlier than originally scheduled, but aligning with CMS' proposal earlier this year. CMS says the mandatory model "was not showing the quality results around home dialysis and transplant waitlisting or the expenditure savings that were initially projected."
- 5** **The final rule will take effect on January 1, 2026**, despite being released on November 20. CMS says the government shutdown "significantly delayed work" on the rule, and citing negative consequences of delaying the effective date, explained it would waive the statutorily-required 60-day delay in effective date for this rule.