

2026

HOSPICE QUALITY INCENTIVE PROGRAM

Technical Guide



IE  **HP**
Inland Empire Health Plan

TABLE OF CONTENTS

Program Overview	1
Participation Requirements	2
Program Terms and Conditions	3
Financial Overview & Performance Targets	4
Financial Calculations & Example	5
Payment Schedule	7
Measure Definitions	9

PROGRAM OVERVIEW

The Inland Empire Health Plan (IEHP) Hospice Quality Incentive Program highlights IEHP's commitment and support for our partners by offering financial incentives to in-network hospice providers who meet quality performance targets and demonstrate the delivery of high-quality care to IEHP members.

The 2026 Hospice Quality Incentive Program includes two (2) individual measures:

1. Acute Hospital Admission Rate
2. Emergency Department Utilization Rate

The 2026 Quality Incentive Program Measures include **reducing acute hospital admissions** and **emergency room utilization** for members concurrently enrolled in hospice. Your hospice agency's success is tied to delivering exceptional, patient-centered care that reduces unnecessary visits to inpatient or the emergency department for condition and symptom management.

These measures will specifically drive:

- 1) **Enhancing Patient Experience:** Keeping patients comfortably at home aligns with the hospice philosophy for end-of-life wishes. Each avoidable trip to the hospital or emergency department represents a success in delivering on this promise.
- 2) **Value Efficiency:** Unnecessary hospitalizations and visits to the emergency department are a significant cost burden on the health care system. By appropriately managing our members' care in their home, your agency directly contributes to system-wide savings, making you a valuable partner for payers and health care networks.
- 3) **Demonstrated Quality of Care:** Low admission rates are a testament to the effectiveness of your care teams. It showcases your ability to proactively manage symptoms, provide 24/7 on-call support, ensure robust patient and caregiver education, and seamless interdisciplinary care coordination that prevents crises that might otherwise lead to an emergency department visit or inpatient stay.
- 4) **Strategic Partnerships:** As health care organizations increasingly prioritize value, hospices with a proven track record of reducing hospitalizations and emergency department visits become preferred partners for hospitals and health systems. This opens doors for new referrals and collaborative opportunities.

Participation Requirements

- Hospice providers within Riverside and San Bernardino counties or other identified areas with emerging needs for IEHP members must have an active IEHP hospice contract at the beginning of the measurement year (2026) and be eligible for inclusion in the Quality Hospice Network (QHN). Requirements for network inclusion can be found in the current published Provider Manual.
- Hospice agency must be In Good Standing with IEHP. ‘In Good Standing’ is defined as a Hospice currently contracted with the Plan for the delivery of services, not pursuing any litigation or arbitration or has a pending claim pursuant to the California Government Tort Claim Act (Cal. Gov. Code Sections 810, et seq.) filed against Plan at the time of the program performance period, and has demonstrated the intent, in Plan’s sole determination, to continue to work together with Plan on addressing community and member issues. Additionally, at the direction of the CEO or their designee, Plan may determine that a Hospice is not in good standing based on relevant quality, payment or other business concerns.
- Hospice providers must have a signed Incentive Program contract amendment before the start of the Hospice Quality Incentive performance period to be eligible to receive incentive dollars.



Program Terms and Conditions

- Incentive payments under the Hospice Quality Incentive Program are contingent upon the availability of funding, including but not limited to IEHP meeting the underwriting margin set by DHCS and the absence of negative impacts to IEHP's capitation rates due to changes in the California State Budget. In the event that funding is unavailable or must be reduced, IEHP shall notify the provider as soon as practicable, and incentive payments may be reduced or eliminated accordingly.
- There is no guarantee of future funding for, or payment under, any IEHP provider incentive program. The Hospice Quality Incentive Program and its terms and conditions may be modified or terminated at any time, with or without notice, at IEHP's sole discretion.
- In consideration of IEHP's offering of the Hospice Quality Incentive Program, participants agree to fully and forever release and discharge IEHP from all claims, demands, causes of action, and suits, of any nature, pertaining to or arising from the offering by IEHP of the Hospice Quality Incentive Program.
- As a condition of receiving payment under the Hospice Quality Incentive Program, providers must be active and contracted with IEHP at the time of payment.
- Providers will not charge IEHP for medical records for HEDIS, Risk Adjustment, and other health plan operational activities.
- Participation in the Hospice Quality Incentive Program, as well as acceptance of incentive payments, does not modify or supersede any terms or conditions of any agreement between IEHP and providers, whether that agreement is entered before or after the date of this communication.
- The determination of IEHP regarding performance scoring and payments under the Hospice Quality Incentive Program is final. Criteria for calculating incentive payments are subject to change at any time, with or without notice, at IEHP's sole discretion. If a potential discrepancy in performance scoring is identified, the provider will be responsible for demonstrating measure compliance.
- Validation: Hospice Incentive Program data is subject to retrospective validation and must pass all quality assurance checks. Recoupment of incentive payments may occur if the retrospective review of submitted claims fails medical record validation.

NOTE: If you disagree with your hospice's performance report, you may submit a request for dispute research by submitting dispute inquiries to QualityPrograms@iehp.org. All disputes for research must be submitted within 90 days of the distributed performance report.



Financial Overview & Performance Targets

For the 2026 program year, each participating hospice provider is eligible for up to the equivalent of 5% incentive payment of all paid hospice claims for the below-listed hospice revenue codes (*excluding Room and Board claims*).

REVENUE CODES	
Description	State Program Codes (Medi-Cal)
Continuous Home Care Days (CHC)	652
General Inpatient Level of Care (GIP)	656
Physicians Services	657
Respite Care	655
Routine Home Care (high rate) 60 days of care	650
Routine Home Care (low rate) 61+ days of care	659
Routine Home Care, SIA (last 7 days of life)	552

The chart below summarizes the Hospice Incentive Program measures, data sources, performance targets, and distribution of incentives for each measure.

Hospice providers are eligible for incentives only for quarters when the performance targets are met. Provider who qualifies for Tier II incentives will receive the combined percentage of both Tier I and Tier II.

2026 MEASURE PERFORMANCE TARGETS						
Quality Measure	Data Source	Quarterly Performance Targets	Distribution of Incentive	Measure Incentive Distribution	Total Distribution of Incentive	
1	Acute Hospital Admission Rate	IEHP Claims	Tier I: 10 % reduction from agency baseline met or maintained*	1%	2.5%	5%
			Tier II: Met or maintained 0%	1.5%		
2	Emergency Department Utilization Rate	IEHP Claims	Tier I: 10% reduction from agency baseline met or maintained*	1%	2.5%	5%
			Tier II: Met or maintained 0%	1.5%		

*The reduction amount is at least 10 percentage points which is subtracted directly from the initial percentage.

Financial Calculations

Performance target attainment for each measure will be determined quarterly. Incentive amounts will be calculated on the following (per hospice):

- Total claims for eligible revenue codes for IEHP members in hospice for each quarter.

Quarterly total claims = Sum of paid eligible hospice claims at 100% Prevailing Medi-Cal, itemized by quarter (Q1-Q4 2026)

QUARTERLY BREAKDOWN	
Quarter	Months Included
Q1	January, February, March
Q2	April, May, June
Q3	July, August, September
Q4	October, November, December

- Claims for members with a hospice service length of stay greater than 12 months will be excluded from the value-based incentive calculation. Note: Length of stay begins on **the** initial day of hospice admission, regardless of **the** servicing provider.

Step 1: Determine the eligible combined distribution percentage per measure for each quarter:

Add the distribution percentage for the metrics that met the performance target during each quarterly performance measurement period.

[quarterly distribution % measure 1 + quarterly distribution % measure 2] = combined quarterly distribution %

Step 2: Determine quarterly incentive payout amount:

[quarterly total claims X quarterly distribution %] = quarterly incentive payout amount

Step 3: Determine annual incentive payout amount:

Sum of quarterly incentive payout amounts [Q1+Q2+Q3+Q4] = total annual incentive payout

EXAMPLE: Hospice X

For CY26

- Hospice X maintained a 0% Acute Hospital Admission rate, meeting the Tier II performance target for measure 1 for Q1, Q2, Q3. Hospice X did not maintain 0% Acute Hospital Admission rate for Q4.
- Hospice X achieved a 10% reduction in emergency department utilization in Q2, meeting the Tier I performance target for measure 2, and maintained the 10% reduction in Q3. Hospice X did not maintain the 10% reduction in Q4.
- Total quarterly eligible paid claims for Hospice X¹

Quarter	Q1	Q2	Q3	Q4
Total claims	\$100,000	\$105,000	\$123,000	\$110,000

Step 1: Determine the eligible combined distribution percentage² per measure for each quarter:

Measure	Distribution%	Q1	Q2	Q3	Q4
Acute Admissions	Distribution %	2.5% (Tier II)	2.5% (Tier II)	2.5% (Tier II)	0% (N/A)
Emergency Department utilization	Distribution %	0% (N/A)	1% (Tier I)	1% (Tier I)	0% (N/A)
Combined quarterly distribution %		2.5%	3.5%	3.5%	0%

Step 2: Determine quarterly incentive payout amount:

[quarterly total claims X combined quarterly distribution %]

Quarter	Q1	Q2	Q3	Q4
Incentive \$ earned	\$2,500	\$3,675	\$4,305	\$0

¹ Eligible hospice claims exclude room and board costs.

² Eligible distribution percentage for each measure will be dependent on whether the hospice provider meets the performance target.

Payment Schedule

The chart below summarizes the 2026 Hospice Quality Incentive Program payment schedule. There is one (1) annual payment issued by June 2027, inclusive of four (4) independent quarterly performance-based payouts.

REPORTING & PAYMENT SCHEDULE				
				2026 Incentive Payout
Payment Distribution <i>Payment will be distributed by this month and year.</i>				June 2027
Performance Period <i>Incentive payment will be based on the total eligible claim value with a date of service during this period.</i>				2026
				Q1 Q2 Q3 Q4
Deadline for Claims Submission <i>Claims eligible for incentive calculation will be submitted no later than this date.</i>				March 31, 2027
Measures <i>Data from these time periods will be used to calculate the payment.</i>				
Acute Hospice Admission Rate				2026
				Q1 Q2 Q3 Q4
Emergency Department Utilization Rate				2026
				Q1 Q2 Q3 Q4



2026 HOSPICE QUALITY INCENTIVE PROGRAM MEASURES

Measures

Measure #1: Acute Hospital Admission Rate

Methodology: IEHP-Defined

Measure Description: The percentage of members who were admitted to an acute care hospital while receiving hospice care.

Numerator: Total count of acute care admissions for members receiving hospice care.

Denominator: Total count of members receiving hospice care.

Measure #2: Emergency Department Utilization Rate

Methodology: IEHP-Defined

Description: The percentage of members who were seen in an emergency department while receiving hospice care.

Numerator: Total count of visits to the emergency department for members receiving hospice care.

Denominator: Total count of members receiving hospice care.



iehp.org

**HOSPITAL AND
ANCILLARY RELATIONS TEAM**

AncillaryRelationsServiceTeam@iehp.org

Published: October 24, 2025

Follow us:

