



## 2026 Regulatory Considerations for Transformation Managers

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As priorities for 2026 take shape, our provider and health system clients are faced with several regulatory changes that may impact reimbursement, quality reporting, and care delivery models. For Transformation Offices (TOs) and others leading current or planned transformation efforts, these shifts may provide additional opportunities where organizations can capture value, reduce risk, and accelerate their modernization and innovation efforts. Here are five regulatory priorities that we encourage Transformation Managers (TMs) to consider in their 2026 planning cycle.

### 1. Payment Model Revisions: Outpatient, ASC, and Home Health Expansion

CMS is continuing to prioritize shifting care to lower-cost, patient-friendly settings. Updates to the Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) payment rules will expand the scope of procedures that will be reimbursed outside of traditional hospital settings. At the same time, the Home Health Prospective Payment System includes new adjustments for case-mix, productivity and digital reporting.

**Why it matters to TMs:** Anticipating revenue migration, staffing realignment, and investments in outpatient and home health infrastructure to capture growth.

### 2. Digital Quality Measures (dQMs) and Real-Time Reporting

CMS is moving quickly towards digital-first reporting standards, including the adoption of digital quality measures tied to Fast Healthcare Interoperability Resources (FHIR)-based data exchange. This shift requires providers to modernize data pipelines, strengthen interoperability and enable near-real-time visibility into outcomes.

**Why it matters to TMs:** Early adopters can unlock more accurate insights, streamline compliance and enhance performance monitoring.

### 3. Medicare Advantage (MA) & Value-Based Care (VBC) Expansion

MA enrollment continues to grow, and with it comes heightened oversight of risk adjustment, utilization management and patient experience measures. Concurrently, CMS is incentivizing VBC arrangement across provider networks.

**Why it matters to TMs** - Prioritizing payer-provider alignment, data-driven population health strategies, and contract-management capabilities to perform under shared-risk models.

### 4. Equity, Social Determinants, and Patient Well-Being Requirements

Embedding equity, social determinants of health (SDOH), and patient well-being metrics are becoming larger parts of reimbursement programs. Hospitals and health systems face new requirements for reporting on nutrition, mental health, housing stability and other factors influencing outcomes.

**Why it matters to TMs** - Partnerships with community organizations, optimizing care navigation and integrating SDOH screening tools are becoming strategic imperatives.

## 5. Cybersecurity and Compliance Enforcement

Interoperability expansion and digital exchange acceleration will escalate cybersecurity risks. Regulators are tightening expectations around incident reporting, breach response and vendor security standards.

**Why it matters to TMs:** Ensure cybersecurity is embedded into every digital initiative, balancing innovation with resilience. Compliance failures continue to bring reputational harm, financial penalties and loss of patient and community trust.

A simple checklist for TMs as they finalize their 2026 transformation portfolios vs. emerging regulatory requirements:

- Mapping revenue and volume shifts tied to OPPS, ASC, and home health initiatives
- Building FHIR-enabled data infrastructure to meet dQM reporting requirements
- Stress-testing and scenario plan MA and VBC strategies
- Integrating SDOH metrics into patient engagement and care pathway efforts
- Ensuring that cybersecurity is a core pillar of digital transformation projects

**A Final Word** - 2026 may not be just “another year” of regulatory change - it may represent a tipping point. TOs enabled by executive leaders to treat these shifts as opportunities can position their organizations to lead in a more digital, patient-centered and value-driven healthcare system.

To learn more about how we are coming alongside our provider and health system clients to prepare and optimize their 2026 priorities, visit us at [www.sunstonemanagementadvisors.com](http://www.sunstonemanagementadvisors.com).

### About the Author



**Joe Rolewicz** is a Founding Partner of Sunstone Management Advisors, a growth advisory firm focused on helping healthcare and insurance companies identify and unlock their full enterprise value. With over 25 years of experience leading complex transformation initiatives for healthcare and insurance businesses, he leads our Transformation Consulting Practice, leveraging experiences gained from over 50 different clients as well as Senior Manager roles with national consulting practices. He is also the former SVP of Planning and Project Management for a national managed behavioral health organization. Joe received his Bachelor's of Business Administration in Finance from James Madison University and a Master's in Business Administration from Loyola University in Maryland. **Questions or comments?** Feel free to contact Joe directly at [jrolewicz@sunstonemanagementadvisors.com](mailto:jrolewicz@sunstonemanagementadvisors.com) or connect with him on LinkedIn at [www.linkedin.com/in/josephmrolewicz](http://www.linkedin.com/in/josephmrolewicz)