CLIENT ALERTS & INSIGHTS

CMS Imposes Nationwide Moratorium on Home Health Agency and Hospice Enrollments

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Featured Practices: Healthcare

Key Takeaways

- CMS has imposed a six-month nationwide moratorium that blocks new Medicare enrollments for certain home health agencies and hospices as part of its CRUSH initiative. Existing enrolled HHAs and hospices may continue to operate and bill Medicare, assuming they remain in compliance with all applicable requirements.
- The moratoria extend to new branch or practice locations, which will not be permitted during this six-month period.
- Parties contemplating transactions structured as asset acquisitions or changes in majority ownership should evaluate whether initial enrollment requirements would be triggered under the 36-month rule, which would also be blocked by the moratorium.
- Prospective HHAs and hospices that submitted enrollment applications to a Medicare Administrative Contractor before May 13, 2026, should retain documentation of submission date to demonstrate eligibility for the grandfathering exception.

CMS Announces Moratoria

On May 13, 2026, the Centers for Medicare & Medicaid Services ("CMS") published two separate Federal Register notices announcing six-month nationwide temporary moratoria on the Medicare enrollment of (1) home health agencies ("HHAs"), including HHA branches and practice locations (Document No. 2026-09717), and (2) hospices and hospice practice locations (Document No. 2026-09718). Both moratoria are effective May 13, 2026. CMS has determined that there is a "significant potential for fraud, waste or abuse" with respect to both HHAs and hospices pursuant to 42 C.F.R. § 424.570(a)(2). The moratoria apply to new enrollments anywhere in the United States, including all states, territories and the District of Columbia.

Similar to February's six-month nationwide temporary moratorium imposed on Durable Medical Equipment, Orthotics, Prosthetics, and Supplies ("DMEPOS") suppliers**,** CMS cited its longstanding concerns about fraud, waste and abuse in both the HHA and hospice sectors.

For HHAs, CMS noted a dramatic increase in new enrollments in Los Angeles County (over 40% between 2019 and 2023), clusters of multiple HHAs operating from single addresses in states like Ohio, and numerous criminal convictions involving home health fraud nationwide.

For hospices, CMS cited significant increases in enrolled hospices in Arizona (105%), California (126%), Nevada (151%), and Texas (51%) between 2019 and 2023, along with extensive criminal enforcement activity. This is the first nationwide moratorium CMS has imposed on hospice enrollments.

Pursuant to 42 C.F.R. § 424.570(b), each moratorium remains in effect for six months and may be extended in additional six-month increments if CMS deems necessary. CMS will publish any extension(s) in the Federal Register. Under 42 C.F.R. § 424.570(d), CMS may lift a moratorium at any time if: (1) the President declares an area a disaster under the Stafford Act; (2) circumstances warranting the moratorium have abated or CMS has implemented program safeguards; (3) the Secretary declares a public health emergency; or (4) the Secretary determines the moratorium is no longer needed.

Once a moratorium is lifted, providers or suppliers that were unable to enroll due to the applicable moratorium will be assigned to the "high" screening level under 42 C.F.R. §§ 424.518(c)(3)(iii) and 455.450(e)(2) if they apply to enroll within six months from the date the moratorium is lifted. The "high" screening level subjects applicants to site visits and fingerprint-based criminal background checks for owners with 5% or greater ownership interests.

CMS first imposed HHA enrollment moratoria in 2013, initially targeting specific counties in Florida, Illinois and Texas. This moratorium was later expanded statewide in Florida, Illinois, Michigan and Texas. These prior HHA moratoria were extended multiple times and expired on January 30, 2019.

These home health and hospice temporary moratoria do not apply to:[1]

- Changes in practice location (except if the location is changing from a location outside the moratorium area to a location inside the moratorium area). However, as these moratoria are nationwide, a change in practice location from one location within the United States to another location within the United States may be subject to the moratoria if it would otherwise constitute a new enrollment. It remains unclear whether any changes in practice location will not be subject of the moratoria.
- Changes in provider or supplier information, such as phone number or address (that do not constitute a change in practice location requiring new enrollment).
- Changes in ownership, except changes in ownership of HHAs, hospices and suppliers that would require an initial enrollment. Notably, under 42 C.F.R. § 424.550(b), an HHA or hospice undergoing a change in majority ownership ("CIMO") within 36 months of its initial enrollment (or within 36 months of its most recent CIMO) must enroll as a new provider and undergo state survey or accreditation. Such CIMOs would be blocked by the moratoria because they constitute initial enrollments.

Importantly, pursuant to 42 C.F.R. § 424.570(a)(1)(iv), the moratoria do not apply to an enrollment application that was received by a Medicare Administrative Contractor prior to May 13, 2026, the effective date of the moratoria.

Similar to the DMEPOS Moratorium, CMS has noted each state will be able to decide whether either the HHA or Hospice moratorium is appropriate for their Medicaid and CHIP programs. CMS has encouraged each state to implement, as appropriate, moratoria structured to the needs of the state, taking into account specific supplier types and geographic considerations.

Conclusion

Benesch is closely monitoring all developments from CMS-as well as ongoing communications and policy updates from state Medicaid agencies and CHIP programs-to ensure that stakeholders have a clear and comprehensive understanding of the rapidly evolving regulatory landscape. As CMS continues to issue guidance, engage in rulemaking and increase oversight related to the nationwide moratorium and broader Medicare enrollment reforms, we will provide timely, in-depth analysis to help organizations understand how those changes may affect day-to-day operations, long-term strategic planning and compliance obligations.

As CMS announced these two additional temporary moratoria due to concerns of fraud, waste and abuse contemporaneously with the federal government intensifying pressure on State Attorneys General to pursue more aggressive enforcement of healthcare fraud statutes, stakeholders across the post-acute care continuum-including home health agencies and hospices-should prepare for a sustained period of heightened regulatory scrutiny and enforcement activity.

Our team is prepared to support suppliers with readiness planning, risk assessments, evaluation of transactional impacts and review of current enrollment information to address compliance questions arising from the nationwide moratorium or other Medicare enrollment requirements.

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[1] 42 C.F.R. § 424.570(a)(1)(iii)