

CMS Imposes Moratorium on Home Health and Hospice Enrollment

On May 13, 2026, the Centers for Medicare & Medicaid Services (CMS) announced a six-month, nationwide moratorium on new Medicare enrollment for home health agencies (HHAs) and hospice providers, effective immediately.¹ The moratorium, implemented in coordination with Vice President JD Vance's Anti-Fraud Task Force, reflects the Trump Administration's continuing effort to address what it characterizes as systemic fraud in the home-based care sector. It is the third nationwide Medicare enrollment moratorium imposed by the current administration and the second in 2026. This Health Capital Topics article examines the scope and legal mechanics of the moratorium, its implications for healthcare transactions, and the industry reaction to the action.

Background

CMS has broad statutory authority to impose enrollment moratoria when it determines there is a significant potential for fraud, waste, and abuse with respect to a particular provider type or geographic area.² Moratoria may be implemented for six-month periods and subsequently extended.³

CMS used this authority on a targeted, state-specific basis between 2013 and 2018, applying moratoria to HHAs and ground ambulance suppliers in states such as Florida, Michigan, New Jersey, and Texas; those moratoria expired in 2019.⁴ The current administration revived the mechanism in February 2026, imposing a nationwide moratorium on durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) suppliers.⁵ The May 2026 action extends this approach to HHAs and hospices simultaneously, a broader application than any prior moratorium, and covers the entire U.S. and its territories.

The hospice sector in particular has drawn sustained attention. The number of hospice providers grew an average of 7.8% per year between 2019 and 2023.⁶ Over 1.8 million Medicare beneficiaries received hospice services in 2024, with expenditures reaching \$28.3 billion.⁷ CMS Administrator Mehmet Oz has focused considerable public attention on perceived fraud in the Los Angeles area, conducting site visits and filming on-the-ground videos of purportedly non-compliant providers.⁸

Scope and Exceptions

The moratorium applies to all applications for initial Medicare enrollment submitted on or after May 13, 2026, and is initially set to run through approximately November 13, 2026.⁹ It also extends to certain changes in majority ownership (CIMO).¹⁰

CMS may lift the moratorium before the six-month term expires if: (1) a presidential disaster declaration is issued; (2) the circumstances warranting the moratorium have abated or adequate program safeguards have been implemented; (3) the Secretary of Health and Human Services (HHS) declares a public health emergency; or (4) the Secretary otherwise determines the moratorium is no longer needed.¹¹

The moratorium does not affect: applications received by the Medicare contractor prior to May 13, 2026; changes in practice location; changes to enrollment information such as phone number or address; and changes in ownership that do not trigger the new-enrollment requirement.¹² Existing enrolled providers may continue to participate in Medicare, submit claims for covered services, and comply with standard revalidation and reporting obligations.

While the moratorium applies only to Medicare enrollment, CMS has stated that it is encouraging, but not requiring, states to consider implementing parallel moratoria for their respective Medicaid and CHIP programs.¹³

Concurrent Anti-Fraud Actions

CMS announced several complementary enforcement measures alongside the moratorium. During the six-month period, the agency will intensify targeted investigations, deploy advanced data analytics, and accelerate removal of HHAs and hospices suspected of fraud.¹⁴ The nationwide scope is specifically designed to prevent bad actors from evading detection by shifting operations across state lines.¹⁵

Prior actions cited by CMS to reduce fraud and waste in the HHA and hospice sectors include: suspension of payments to 773 hospices and 23 HHAs in Los Angeles representing \$70 million in suspended funds; revocation or deactivation of hundreds of HHAs and hospices engaged in improper activity; heightened oversight of newly enrolled hospice providers in Arizona, California, Georgia, Nevada, Ohio, and Texas; implementation of a publicly available hospice scoring system; enhanced

enrollment screening for high-risk HHAs, including fingerprinting-based background checks; and expansion of a pre- and post-payment review demonstration project for HHA claims in Florida, Illinois, North Carolina, Ohio, Oklahoma, and Texas.¹⁶

The moratorium was announced the same day the administration deferred \$1.3 billion in Medicaid payments to California over separate fraud allegations, and as the HHS Office of Inspector General (OIG) sent letters to state attorneys general regarding stepped-up oversight of Medicaid Fraud Control Units.¹⁷

Implications for Healthcare Transactions

The moratorium has significant implications for pending and prospective merger and acquisition activity involving HHAs and hospices. Its practical impact turns largely on transaction structure and the ownership history of the target provider. Under the “36-month rule,” an HHA or hospice that undergoes a change in majority ownership within 36 months of its initial enrollment or most recent CIMO must enroll as a new provider – a process the moratorium now blocks.¹⁸ Asset purchase transactions, in which a buyer acquires operating assets from the seller’s legal entity, almost always require new enrollment or trigger the CIMO rule, effectively freezing such deals during the moratorium period unless the buyer can operate without Medicare revenue until the moratorium lifts.¹⁹

Legal analysts note that stock and equity purchase transactions present a different calculus. Where the buyer acquires the existing legal entity holding the Medicare enrollment, provider agreement, and CMS Certification Number (CCN), the transaction is generally reportable as a change of information rather than a new initial enrollment – provided the acquisition does not trigger the 36-month CIMO rule.²⁰ A 100% stock purchase of an HHA or hospice whose last enrollment or CIMO occurred over 36 months ago can often proceed without new enrollment; partial acquisitions below the 50% direct-ownership threshold, on a rolling 36-month basis, may similarly proceed as enrollment updates. Legal analysts caution, however, that stock deals carry full successor liability that an asset structure would otherwise disclaim.²¹

Market analysts have surmised that the scarcity of newly enrollable providers is likely to drive up valuations of existing HHAs and hospices with clean enrollment histories, intensifying competition for acquisition targets.²² For buyers, this dynamic may mean accepting heightened successor-liability risk in order to preserve uninterrupted Medicare billing privileges – reinforcing the importance of rigorous pre-transaction due diligence, detailed ownership history analysis, and robust indemnification provisions.

Stakeholder Reaction

Industry reaction was mixed. The American Hospital Association (AHA) expressed support for CMS’s fraud-fighting goals while raising concerns about the breadth of the measure.²³ Ashley Thompson, AHA senior vice president of public policy analysis and development, anticipates that applying restrictions to entire provider categories will make it harder for hospitals to find appropriate discharge destinations, particularly in rural and underserved areas where HHAs and hospices are essential to timely and safe transitions of care.²⁴ The AHA called on CMS to consider a more targeted, data-driven approach that distinguishes bad actors from quality providers.²⁵

The National Alliance for Care at Home similarly acknowledged the need to address fraud while cautioning that an enrollment moratorium “raises serious access-to-care concerns in areas where patient demand is growing or existing capacity is already strained.”²⁶ CEO Jennifer Sheets called on CMS to rely on risk-based program integrity measures and enforcement of existing oversight mechanisms rather than broad enrollment restrictions.²⁷

Conclusion

The May 2026 home health and hospice enrollment moratorium is the most expansive of the three Medicare moratoria the Trump Administration has imposed to date, covering two provider categories simultaneously across the entire U.S. While the moratorium does not disturb existing enrollments, it will effectively close the door on new market entrants – including potentially legitimate providers – for at least six months, with the possibility of extension. Its effects will linger beyond the nominal end date, given the elevated post-lift screening requirements that apply to new applicants for six months after the moratorium is lifted. In the transactional space, the moratorium reshapes deal structuring for HHA and hospice transactions, placing a premium on existing providers with clean enrollment histories and pushing buyers toward equity structures that preserve Medicare billing continuity. The moratorium’s longer-term consequences – for provider valuations, transaction structures, and patient access in underserved markets – will likely come into sharper focus as the November 2026 expiration approaches and the administration decides whether to extend, modify, or lift it.

- 1 “CMS Announces Aggressive Nationwide Crackdown on Fraud with Six-Month Hospice and Home Health Agency Enrollment Moratoria” Centers for Medicare & Medicaid Services, Press Release, May 13, 2026, <https://www.cms.gov/newsroom/press-releases/cms-announces-aggressive-nationwide-crackdown-fraud-six-month-hospice-home-health-agency-enrollment> (Accessed 5/14/26).
- 2 “Home Health and Hospice Nationwide Moratorium Q&As” Centers for Medicare & Medicaid Services, May 2026, <https://www.cms.gov/files/document/hh-hospice-moratorium-faqs.pdf> (Accessed 5/14/26), p. 1.
- 3 *Ibid.*, p. 2.
- 4 *Ibid.*, p. 1.
- 5 “Medicare and Medicaid Programs; Announcement of Nationwide Temporary Enrollment Moratorium for Certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Suppliers” Federal Register, Vol. 91 (February 27, 2026), p. 9855.
- 6 “Report to the Congress: Medicare Payment Policy” Medicare Payment Advisory Commission, March 2026, https://www.medpac.gov/wp-content/uploads/2026/03/Mar26_MedPAC_Report_To_Congress_SEC.pdf (Accessed 5/14/26).
- 7 *Ibid.*
- 8 “Medicare halts enrollment of new hospice and home health providers” By O. Rose Broderick, STAT News, May 13, 2026, <https://www.statnews.com/2026/05/13/medicare-halts-enrollment-of-new-hospice-home-health-providers/> (Accessed 5/25/26).
- 9 Centers for Medicare & Medicaid Services, May 2026, p. 2.
- 10 “Prohibitions on the sale or transfer of billing privileges” 42 C.F.R. § 424.550(b).
- 11 “Enrollment of Providers and Suppliers” 42 C.F.R. § 424.570(d).
- 12 Centers for Medicare & Medicaid Services, May 2026, p. 2.
- 13 *Ibid.*, p. 3.
- 14 Centers for Medicare & Medicaid Services, Press Release, May 13, 2026.
- 15 *Ibid.*
- 16 *Ibid.*
- 17 “CMS pauses home health, hospice enrollment for 6 months” By Bridget Early, Modern Healthcare, May 13, 2026, <https://www.modernhealthcare.com/politics-regulation/mh-cms-home-health-hospice-medicare-enrollment/> (Accessed 5/14/26).
- 18 42 C.F.R. § 424.550(b).
- 19 *Ibid.*
- 20 *Ibid.*
- 21 “CMS Hospice and Home Health Agency Moratorium: Impact on M&A and Ownership Changes” By Harsh Parikh, et al., Nixon Peabody LLP, Client Alert, May 14, 2026, <https://www.nixonpeabody.com/insights/alerts/2026/05/14/cms-hospice-and-home-health-agency-moratorium-impact-on-ma-and-ownership-changes> (Accessed 5/26/26).
- 22 Centers for Medicare & Medicaid Services, Press Release, May 13, 2026.
- 23 “CMS announces 6-month enrollment moratorium for home health and hospice providers” American Hospital Association, Statement, May 13, 2026, <https://www.aha.org/news/headline/2026-05-13-cms-announces-6-month-enrollment-moratorium-home-health-and-hospice-providers> (Accessed 5/14/26).
- 24 *Ibid.*
- 25 *Ibid.*
- 26 Early, Modern Healthcare, May 13, 2026.
- 27 *Ibid.*

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