



National Alliance
for Care at Home

One Voice for Care at Home | Advocacy

Protect Home Health Care

Oppose Payment Cuts in the CY 2026 Medicare Home Health Proposed Rule

THE ASK:

- **Congress must:** Oppose the CY 2026 Home Health proposed rule and urge the Centers for Medicare & Medicaid Services (CMS) to rescind cuts and preserve critical access to care for patients and families that need it.
- **Cosponsor H.R. 5142, the Home Health Stabilization Act of 2025, introduced by Representatives Kevin Hern (R-OK) and Terri Sewell (D-AL),** which would pause CMS' cuts for two years.

TOPLINE:

- CMS' proposed 9% cut will further destabilize access to home health. Providers are already straining under negative margins, rising costs, and staffing challenges.
- Patients who go without home health experience significantly worse outcomes than those who do receive care.
- Home Health is a proven lifeline for older adults— it leads to better outcomes, supports patient preference to age in place, and reduces unnecessary healthcare spending.

RATIONALE:

The Access Crisis is Already Putting Patients at Risk

- **Half of all U.S. counties lost at least one home health agency between 2020-2024, and in 80%+ of counties,** home health agencies (HHAs) are treating fewer traditional Medicare patients.¹
- **Over one third of patients referred for home health care never receive it,** often due to capacity constraints and workforce shortages exacerbated by underfunding. For those who do receive care, delays in access have increased by a full day since 2019. **Currently, 10% of referrals wait at least 5 days to receive a visit,** with longer wait times more likely in rural areas.²
- As home health agencies lose capacity, acute care hospitals lose their ability to discharge patients to care, forcing them to board patients ready for discharge, driving up hospital costs and minimizing capacity to admit new patients. – *American Hospital Association*
- Rural hospital issues compound when there are difficulties discharging patients to post-acute care. Over 700 rural hospitals (one-third of all rural hospitals) are at risk of closing in the near future— a problem that will be compounded by a lack of discharge partners. – *Center for Healthcare Quality and Payment Reform*

The CY 2026 Proposed Rule Undermines Value-Based, Patient-Centered Care

- Home is where patients want to heal— and it's more cost-effective. – *AARP*
- A rollback in home health access contradicts Medicare's value-based goals that rely on a stable home-based care infrastructure to reduce hospitalizations and other unnecessary, higher-cost care.
- For patients who were referred but did not receive home health care after hospitalization:³ Readmissions **35% higher**, Emergency department use **16% higher**, Mortality rates **43% higher**, Total spending **5.4% higher**.

Exacerbates Existing Patient Access Problems

- Home health agencies cannot sustain an additional **\$1.1 billion** in proposed payment reductions for 2026.
- Since 2019, **over 1,000 home health agencies** have closed, and thousands of additional agencies will be at heightened risk of closing or scaling back due to insufficient reimbursement across payers and workforce strain.
- The proposed cuts harm ethical providers while failing to target fraud, waste, and abuse.

1. CMS Market Saturation Data and Trelle Health

2. CareJourney and KNG Health

3. CareJourney



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CMS' Approach is Technically Flawed and Not Aligned with Congressional Intent

- CMS failed to uphold the law's budget neutrality requirement and has not followed the intent or instructions of the Bipartisan Budget Act of 2018.
- The rate-setting methods used to justify these cuts are based on flawed assumptions, not real-world data.
- Cuts ignore actual expenditure trends and fail to ensure adequate payment.

BACKGROUND:

The CY 2026 Medicare Home Health proposed rule would cut the home health payment rate by 9% and reduce payments by over \$1.1 billion to HHAs, threatening access to essential home-based services for older adults and people with disabilities. CMS' proposed cuts will severely impact access to lifesaving care, while failing to take any meaningful action to address real problems in the system, like fraud, waste, and abuse.

The proposed cuts would add to the significant challenges home health agencies have navigated in recent years. CMS' implementation of a new payment system (the Patient Driven Groupings Model) in 2020 along with the nearly 9% payment cuts since CY 2023, has resulted in the closure of over 1,000 home health agencies in the past five years. Fewer patients are able to access home health care as a result. This has increased emergency room (ER) visits and hospital readmissions, both more costly forms of care and increasing mortality rates.

BOTTOM LINE:

Congress must act now to protect access to critical home health services by opposing the CY 2026 Proposed Rule and co-sponsoring the Home Health Stabilization Act of 2025 (H.R. 5142).

FOR MORE INFORMATION, CONTACT

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