

Jeff Landry
GOVERNOR



Bruce D. Greenstein
SECRETARY

State of Louisiana

Louisiana Department of Health Office of the Secretary

November 5, 2025

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Oz:

Thank you for your leadership and continued commitment to ensuring that seniors and people with disabilities receive the high-quality care they deserve. Your leadership has underscored how innovative, person-centered approaches can improve outcomes while also focusing on safeguarding taxpayer dollars. On behalf of Governor Jeff Landry and all of Louisiana's leaders, we have been proud to partner with the Trump administration on policies that strengthen our healthcare system.

It is in that spirit of partnership that I write to express my concern with the proposed payment cuts contained in the CY 2026 Home Health Prospective Payment System (HH PPS) rule. Over 150 organizations across our nation representing patients, providers, and advocates have written to Congress regarding their concerns about these cuts and urging them not to be finalized. As Secretary of the Louisiana Department of Health and a member of Governor Landry's cabinet, I echo their concern and respectfully ask that you not finalize this proposal.

Governor Landry and I were with the leaders of the industry this past weekend as the National Alliance for Care at Home hosted its national conference in New Orleans. They shared the incredible workforce challenges they face to fulfill the demand for home health care. Some of these leaders have already closed agencies in parts of the country. When Governor Landry delivered the opening keynote, he talked about the overwhelming pride he has in Louisiana being the birthplace of the modern-day home health care movement and its importance to our state. He knows the value of these services firsthand, after seeing the care provided to his parents in their most pressing time of need. We want to see this benefit protected, so that it can flourish in the future and care for people in the most effective setting – the home.

Home health care provides skilled nursing, therapy, aide and social worker services to older adults and people with disabilities, allowing them to recover safely at home. Home

health also helps hospitals discharge patients safely and more efficiently, reduces costly readmissions, and saves taxpayers money.

CMS's own estimates have shown that the home health value-based purchasing model will save the Medicare program \$3.4 billion between 2023 and 2027 by reducing avoidable hospitalizations and nursing-facility stays. Yet instead of strengthening this essential benefit, the Biden Administration imposed a nearly 9% payment cut between 2023 and 2025. Now, CMS is continuing its flawed approach by proposing another 9% cut for 2026, reducing home health payments by an estimated \$1.135 billion and further destabilizing a benefit that Louisianans rely on. These reductions are neither budget neutral nor consistent with Congressional intent and have already forced home health agencies in Louisiana and across the country to shrink their service areas or close entirely. According to CMS's own market saturation and utilization data, over 1,000 home health agencies have closed nationwide between 2019 and 2024, and home health utilization has dropped by 20%.

Louisianans cannot absorb another round of home health cuts. As Louisiana Attorney General in 2022, Governor Landry led a coalition of state Attorneys General to warn the Biden Administration that sweeping home health cuts would drive nearly half of Louisiana's providers into negative margins and force vulnerable seniors back into hospitals for conditions that could be better managed at home. In 2023, he hosted the winter meeting of the Republican Association of Attorneys General (RAGA) in New Orleans, and they reviewed and discussed options for putting an end to the Biden cuts. Sadly, the Governor's fears for home health care with these cuts have been borne out. Since 2019, 14 home health agencies in our state have shut their doors. Industry estimates project that over 34,000 Louisianans have lost access to home health services, and that nearly half of patients referred to home health care after a hospitalization never received it due to agency workforce and capacity constraints. Rural communities, which comprise much of our state, are especially vulnerable. When home health agencies close, patients are left with no choice but to seek care in hospital emergency departments or nursing homes, driving up costs and mortality.

As RAGA determined in 2023, when Congress enacted the Bipartisan Budget Act of 2018, it required CMS to revise its payment methodology in a budget-neutral manner. *See* 42 U.S.C. § 1395ffff(b)(3)(D)(i). Instead, CMS has repeatedly implemented payment cuts, reducing aggregate home health spending by more than \$2 billion since 2019. CMS now proposes to reduce spending by over \$1 billion in 2026 with plans to recoup an additional \$4.5 billion in alleged overpayments in the next several years. The proposed reductions rely on the same legally unsustainable factors unrelated to the adoption of the new payment system in 2020 that I wrote to CMS about in 2022.

As you are likely aware, the CY 2026 Home Health Final Rule is pending review before the Office of Management and Budget. The home health industry has been vital to Louisiana's healthcare landscape and to our residents. The industry has been on the precipice of decline for the past several years due to the Biden Administration's failed implementation of the new Patient-Driven Grouping Model (PDGM). The industry has

presented compelling data showing that timely access to home health care benefits patients, families, taxpayers, and the broader healthcare system. We know that nearly 40% of patients referred to home health care are not receiving timely access to home health services, and over 1,000 home health agencies have closed since 2019 throughout the country. CMS's own data specifically shows that when a patient is referred to home health from the hospital and does not receive timely access to care, the 90-day hospital data is staggering. When patients cannot access home health care, the following results occur:

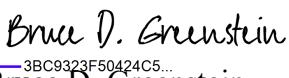
- Hospital readmissions go up by 35%
- Emergency department use goes up by 16%
- Mortality rates increase by 43%
- Total spending increases by 5.4%

Cutting home health payments today doesn't just impact home health care; these cuts will raise costs elsewhere, destabilize the health care system, and worsen health outcomes for patients. Home health is a lifeline for tens of thousands of Louisiana families and millions of Americans. On behalf of Governor Landry and the people of Louisiana, we respectfully urge you not to finalize the proposed cuts, refrain from finalizing any permanent or temporary downward payment adjustments and establish a more fair and lawful approach that provides a path forward to a sustainable home health system.

Thank you for your continued support to the State of Louisiana, and for your commitment to strengthening Medicare and Medicaid through innovation, transparency, and accountability.

For Louisiana,

Signed by:


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Bruce D. Greenstein
Secretary, Louisiana Department of Health