

Congress of the United States

Washington, DC 20515

October 8, 2025

Administrator Mehmet Oz, MD
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Administrator Oz,

We write to convey our deep concerns with the proposed changes to Medicare home health 30-day payment rates announced on June 30, 2025. The rule's aggregate 6.4% reduction scheduled for Calendar Year 2026, on top of nearly 9% in cuts made over the last three years, would severely undermine the ability of agencies to provide care to patients where they want it most—at home.

All the more cause for concern, CMS is weighing additional cuts beyond the 6.4% aggregate reduction to recover what it considers overpayments made during the COVID-19 pandemic. These include: a permanent 4.1% reduction to the standard payment rate aimed at preventing future overpayments; a temporary, but indefinite, 5.0% reduction to recoup past overpayments; and a 0.5% reduction tied to high-cost outlier payments.¹

More than 3 million Medicare beneficiaries rely on home health each year, often following hospital discharge or major illness.² For these patients, in-home services are not only more comfortable but frequently prevent costly readmissions and nursing facility placements. Yet despite this proven value, access to home health benefits have been eroding. According to CMS data, between 2020 and 2024, over 70% of counties served fewer Traditional Medicare patients, and many communities have seen home health facilities close altogether.³ In states like Delaware and New Jersey, thousands of patients have lost access to these vital services since 2019, and many of those referred to home health after hospitalization never received it.

The proposed rule would accelerate this trend. Home health agencies already face severe workforce shortages, struggling to compete for nurses, clinical professionals, and administrative staff. Further reductions in the 30-day episode payment rate will make it exceedingly difficult for providers to recruit and retain skilled professionals, particularly in rural and underserved regions. This decline in capacity will delay and deny services to patients and increase reliance on more expensive settings of care such as emergency departments, inpatient hospitals, and skilled nursing facilities.

CMS has emphasized its goal of advancing high-quality, community-based care and reducing avoidable hospitalizations. However, the current proposal risks producing the opposite effect. Decreasing payment rates to this degree will limit agency operations, drive up overall Medicare Part A costs, and ultimately harm patient health outcomes. We strongly urge CMS to pause implementation of any further reductions in Medicare home health payment rates and revisit their approach to calculations.

¹ <https://www.aha.org/news/headline/2025-06-30-cms-proposes-64-decrease-home-health-payments-cy-2026-updates-quality-and-value-based-purchasing>

² <https://www.cms.gov/medicare/quality/home-health#:~:text=Home%20Health%20Services,beneficiaries%20utilized%20home%20health%20care>

³ <https://allianceforcareathome.org/the-alliance-responds-to-cy-2026-home-health-proposed-Rule/>

Thank you for your attention to this issue. We remain committed to working with you to strengthen and expand the Medicare home health benefit so that seniors and individuals with disabilities can continue to receive the care they deserve in the setting they prefer.

Sincerely,



Sarah McBride
Member of Congress



Jefferson Van Drew
Member of Congress