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CMS Myth vs. Fact: What Hospice and Home Health Providers Need to Know about the New Medicare Enrollment Moratoria

Key Takeaways

- CMS imposed nationwide six-month moratoria effective May 13, 2026, barring new Medicare enrollments for hospice and home health agencies as part of a broader program integrity initiative. The restrictions extend beyond new providers to certain ownership changes, branch additions and other expansion activity requiring initial enrollment applications.
- The moratoria create substantial operational and transactional risk for hospice and home health providers because routine business changes may now trigger prohibited enrollment activity. CMS also signaled heightened scrutiny of ownership structures, relocations and operational growth tied to alleged fraud and abuse concerns.
- Providers should carefully evaluate pending transactions, expansion plans and enrollment updates to determine whether they could trigger new Medicare enrollment activity during the moratoria period. Organizations also should monitor evolving state Medicaid responses and assess whether additional state-level restrictions could affect planned operations or ownership changes.

The Centers for Medicare & Medicaid Services (CMS) announced two nationwide six-month moratoria barring new Medicare enrollments for hospice and home health agencies (HHAs), effective May 13. CMS described this action as part of a broader fraud, waste and abuse crackdown intended to temporarily halt new hospice and home health agency entrants, which CMS views as high-risk for program integrity concerns. Any actions that trigger an initial Medicare enrollment are prohibited during the moratoria. This can include changes in ownership, new practice locations, additions of provider types, or other transactions requiring a new enrollment application.

In this alert, we address common myths surrounding the moratoria and key considerations for providers during the six-month period.

Background: CMS's Program Integrity Concerns

CMS tied the moratoria to a much broader range of program integrity concerns, including alleged billing and organizational schemes within the hospice and home health industries.

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CMS also cited rapid increases in hospice enrollments in several states, including Arizona, California, Nevada and Texas, as well as alleged “churn and burn” schemes in which hospice operators purportedly open a new agency, bill Medicare until reaching the annual hospice cap or attracting scrutiny under audit, close operations, and then reopen under a different entity or ownership structure while transferring patients to the new provider. CMS also pointed to concerns regarding the operation of multiple HHAs from the same address. According to CMS, these trends demonstrate increasing program integrity risks and contribute to the agency’s determination that nationwide enrollment moratoria and tighter controls were necessary.

Considering CMS’s increasing focus on program integrity, ownership changes and expansion activity within the hospice and home health sectors, providers should carefully evaluate these myths and the corresponding realities moving forward. Proactively assessing how the moratoria may affect planned business activities can help providers avoid disruptions and unintended Medicare enrollment consequences during the moratoria.

Common Myths About the CMS Hospice and Home Health Enrollment Moratoria

1. Myth: All hospice and HHA transactions are prohibited during the moratoria.

Fact: Change of ownership transactions may proceed if they do not trigger a new Medicare enrollment.

Change of ownership (CHOW) transactions that permit assignment of an existing Medicare provider agreement are generally not subject to Medicare Enrollment moratoria. Examples include: indirect ownership transactions, transactions occurring outside the applicable 36-month rule window and transactions that otherwise qualify for a regulatory exception to the 36-month rule. Recall that transactions in the hospice and home health industries are unique because of the imposition of the 36-month rule. Fortunately, in releasing the hospice and home health moratoria, CMS clarified that any transaction that is exempt from the 36-month rule is permitted to move forward because they do not trigger a new enrollment. In contrast, transactions that trigger a new Medicare enrollment remain prohibited during the moratoria. Accordingly, providers contemplating ownership changes should carefully evaluate the proposed transaction structure to ensure it does not require a new Medicare enrollment.

2. Myth: Applications for new enrollments already in process will be denied.

Fact: CMS stated that enrollment applications received by the applicable Medicare Administrative Contractor (MAC) before May 13 will continue to be processed.

The moratoria apply prospectively, meaning providers that submitted enrollment-related applications that were received by the MAC before the May 13 effective date may continue through the normal Medicare enrollment process. Providers should take care to closely monitor the status of any pending applications for development requests and be sure to respond on a timely basis. Any application received by the MAC prior to the effective date but later rejected or denied will be subject to the moratoria, unless overturned on rebuttal. Any post-submission changes of information should be carefully considered, as they could trigger additional enrollment implications.

3. Myth: Applications for changes of information will not be processed.

Fact: The moratoria do not prohibit changes of information for currently enrolled providers

such as name changes, personnel updates, revalidations, etc.

CMS clarified that the moratoria do not apply to changes of provider information, such as contact information, or changes in practice location where the provider is relocating "within the community." Currently enrolled hospice and home health agencies generally may continue submitting routine change of information filings, personnel updates, revalidation applications and similar enrollment maintenance updates during the moratorium period so long as the update does not trigger a new Medicare enrollment application. Hospice and home health agencies contemplating a relocation should do what they can to ensure in advance the relocation will be permitted and not denied and considered a new enrollment.

4. Myth: Existing hospice and HHA providers can continue opening branches and additional practice locations to serve Medicare patients during the moratoria.

Fact: The moratoria cover new enrollments for both branch and practice locations.

Current Medicare providers adding new practice locations as either branches (HHA) or additional practice locations (HOS) will be treated by CMS as initial enrollments, which will be barred under the moratoria. Providers seeking to expand during the moratoria may consider expanding their existing geographic service areas and/or adding "drop sites" where permitted under state law and when done in compliance with existing Medicare requirements.

5. Myth: State licensure approvals automatically allow providers to proceed with expanding their home health or hospice agency's Medicare enrollment.

Fact: State licensure and Medicare enrollment remain separate requirements.

Even if a provider is able to obtain a state license or certificate of need (CON) approval, where applicable, the provider will still be unable to enroll in Medicare if the expansion requires a new Medicare enrollment. Providers should evaluate federal Medicare enrollment implications alongside applicable state licensing and approval requirements before proceeding with expansion initiatives, operational changes or transaction plans. Providers should also confirm with their state licensing agencies and CON offices whether the Medicare moratoria will have any impact on the issuance of state licenses and/or CONs, where applicable.

6. Myth: State Medicaid programs are unlikely to follow CMS's lead.

Fact: Recent CMS moratoria have prompted similar state Medicaid responses.

While state Medicaid programs have not yet announced whether they will issue similar moratoria barring new hospice or home health enrollments, CMS's recent durable medical equipment (DME) provider moratorium triggered some state Medicaid agencies, including in Florida and Nevada, to implement similar enrollment restrictions within their own programs. This recent history suggests that states may again look to CMS's hospice and HHA moratoria as a basis for adopting parallel limitations affecting Medicaid participation and enrollment activity.

We have already begun to hear reports of potential Medicaid moratoria under consideration in other states that mirror this action and may even be more restrictive. In states like Texas, for example, a prohibition on new Medicaid hospice contracts would also prohibit changes of ownership because the buyer receives a new provisional Medicaid enrollment following a transaction. Hospice and HHA providers should remain alert to evolving state-level regulatory developments and carefully evaluate how potential

state Medicaid restrictions could affect new and existing enrollments.

7. Myth: Administrative offices or "drop sites" are unaffected by the moratoria

Fact: Additional administrative operational sites may still implicate the moratoria depending on how the site is structured and reported under CMS enrollment rules.

CMS's announcement broadly targets new enrollment activity and operational growth that the agency views as presenting heightened program integrity risks. As a result, certain administrative or operational sites may raise questions regarding whether the location could be considered a branch or additional practice location that triggers practice location reporting obligations and require a new Medicare enrollment subject to the moratoria restrictions. Providers considering new administrative locations or similar operational sites during the moratorium period should carefully evaluate whether the proposed site could constitute a new practice location or branch requiring Medicare enrollment action under CMS rules, and they should carefully evaluate state law as needed.

8. Myth: Providers can skirt the moratorium by relocating an agency from one city to another.

Fact: Relocations may still trigger new Medicare enrollment consequences if the move effectively creates a new operational footprint under CMS enrollment rules.

While changes of address are allowed by the moratoria, home health and hospice agencies are still limited by the Medicare rules that limit relocations to an address that is within the same community and geographic service area; maintains the same patient population; utilizes the same personnel as the previous location; and provides the same services. Moving far enough away that those elements are impacted could result in Medicare determining that the agency "ceased operating" and voluntarily terminated its Medicare enrollment, thereby triggering a new enrollment from the new location subject to the moratoria. We have seen increasing willingness from CMS to take this action in recent years. As a result, any proposed change in location should be carefully evaluated, and where possible, providers should try to seek informal approval from CMS before moving forward.

9. Myth (maybe): The moratorium is only going to last 6 months.

Fact: While CMS may extend the moratoria beyond the initial six-month period, it is too early to tell how long the moratoria will last. However, providers should be prepared for them to last longer than the initial 6 months and potentially for years, depending on the agency's program integrity concerns and enforcement priorities.

Although the moratoria are initially limited to six months, CMS has authority to extend temporary enrollment moratoria in additional six-month increments. During the HHA moratorium CMS imposed in 2013, the initial six-month pause was extended numerous times, resulting in a moratorium lasting six years (until January 30, 2019). Currently, CMS has not given any indication whether it anticipates the moratoria to extend beyond the initial six months. However, past experience would suggest that providers should plan and prepare for at least one — if not more — extensions while CMS continues to vet the current population of providers using its new and existing data analytics tools and while CMS determines when it meets its goals for establishing the moratoria. In the interim, providers should monitor the Federal Register and CMS for announcements pertaining to the moratoria.

10. Myth: Hospice agencies will be unable to utilize telehealth to conduct face-to-

face recertification encounters during the enrollment moratorium.

Fact: CMS has indicated in the initial FAQs released with the moratoria announcements that hospice agencies already enrolled in Medicare will be able to continue to utilize telehealth for face-to-face recertification encounters.

One of the concerns raised by the hospice provider community with the announcement of the moratoria was whether hospice agencies would continue to be able to utilize telehealth for face-to-face recertifications. The concerns arose from language included in the Consolidated Appropriations Act of 2026 ("CAA") indicating, in part, that hospice agencies were not permitted to utilize telehealth for recertifications on or after January 31, 2026, if the patient is located in an area that is subject to an enrollment moratorium. Despite the express language in the CAA CMS clarified in FAQs and in response to questions posed to the agency that hospice agencies currently enrolled in the Medicare program can continue to utilize telehealth to conduct face-to-face recertifications. Even with these clarifications, providers should continue to monitor CMS for any additional announcements regarding use of telehealth during the moratoria.

What Providers Should Do Now

Hospice and HHA providers contemplating opening new practice locations, new branches, or entering into transactions should carefully evaluate whether such actions would be barred from Medicare enrollment under the new moratoria. To discuss how these moratoria may impact your business, contact a member of Polsinelli's Licensure, Enrollment & Certification team or your preferred Polsinelli attorney.