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Client Alert: Centers for Medicare & Medicaid Services Announces Nationwide Six-Month Moratorium on New Hospice and Home Health Agency Enrollments

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On May 13, 2026, the Centers for Medicare & Medicaid Services (CMS) announced a significant escalation in its federal anti-fraud efforts. In coordination with Vice President JD Vance's Anti-Fraud Task Force, CMS is implementing a **six-month, nationwide moratorium** on the enrollment of new hospice providers and home health agencies (HHAs) into the Medicare program.

Effective immediately, this moratorium represents one of the most aggressive regulatory actions in the agency's history, aimed at curbing systemic fraud, waste, and abuse in sectors identified as "high risk."

Key Provisions of the Moratorium

- **Scope:** The moratorium applies to all applications for initial Medicare enrollment for hospices and HHAs.
- **Ownership Changes:** Notably, the freeze also applies to certain changes in majority ownership, a move intended to prevent "bad actors" from acquiring existing provider numbers to obscure their identities.
- **Duration:** The moratorium is set for an initial six-month period, during which CMS will intensify data-driven investigations and site visits.
- **Geographic Reach:** Unlike previous localized moratoria, this action is nationwide to prevent providers from evading detection by moving operations across state lines.

Impact on Existing Providers

The announcement clarifies that the moratorium **does not impact current enrollments.** Existing hospices and HHAs may continue to provide services and bill Medicare. However, CMS Administrator Dr. Mehmet Oz indicated that the agency will use this period to "aggressively identify, investigate, and remove" existing providers suspected of exploitation.

CMS highlighted recent enforcement actions as a precursor to this move, including the suspension of payments to over 700 hospices and HHAs in Los Angeles alone, totaling approximately $70 million in withheld funds.

Broader Enforcement Trends

This action follows a similar moratorium placed on certain durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) companies earlier this year. Providers should note that CMS is increasingly utilizing the following:

- **Advanced Data Analytics:** Real-time monitoring of billing patterns to trigger immediate payment suspensions.
- **Site Verifications:** Unannounced nationwide site visits to verify physical operations.
- **Criminal Oversight:** Fingerprint-based background checks and enhanced screening for HHA leadership.
- **State-Specific Oversight:** Heightened scrutiny remains in effect for providers in Arizona, California, Georgia, Ohio, Nevada, and Texas.

Strategic Recommendations for Providers

1. **Transactional Diligence:** Parties currently engaged in merger and acquisition activity involving hospices or HHAs must immediately evaluate how the moratorium on "changes in majority ownership" impacts their closing timelines and regulatory filings.
2. **Compliance Audits:** Existing providers should conduct internal audits of their utilization and quality metrics, as CMS will be using its new "hospice scoring system" to flag providers for investigation.
3. **Documentation Review:** Ensure all "practice locations" are updated and verifiable, as CMS is prioritizing site-visit verification as a grounds for deactivation.

For More Information

The official notice will be published in the Federal Register. If you have questions regarding how this moratorium impacts your pending enrollment application or upcoming transaction, please contact Grant Dearborn, Daphne Kackloudis, our Health Law Team.

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