

Texas Can't Take Any More Cuts to Home Health



Texas Association for Home Care & Hospice
Leading ★ Advancing ★ Advocating

CMS made some progress in CY 2026—but the final rule still threatens access, closures, and patient care in Texas.

We Appreciate CMS Progress—But More Work Is Needed

- The Centers for Medicare & Medicaid Services (CMS) made important adjustments in the CY 2026 Home Health Prospective Payment System (HH PPS) Final Rule in response to community concerns about patient access and data integrity.
- However, the rule still moves forward with cuts (-\$4.7B in temporary adjustments) that will harm the program and undermine access for millions of beneficiaries who depend on home health.

Texas Is Losing Agencies at an Alarming Rate

24%

decline in beneficiaries receiving home health since 2019

36%

decline in agencies providing care

200

rural areas disproportionately impacted in Texas

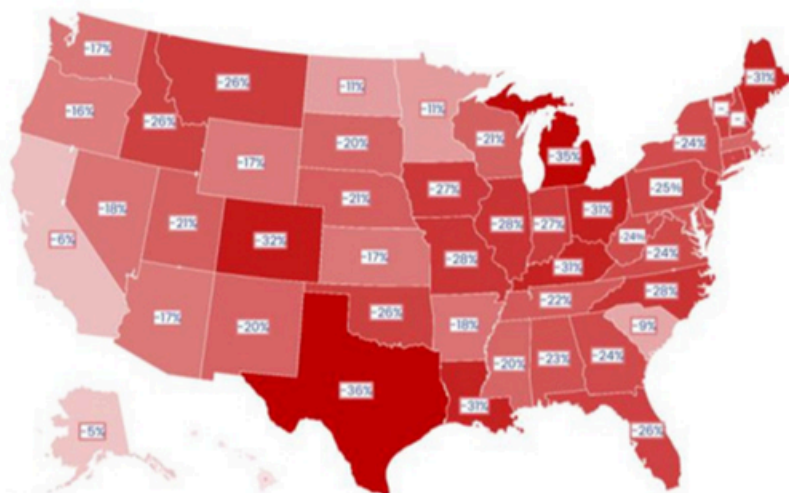
TX

can't take more cuts

Every state had lower home health utilization under PDGM rate reductions

Texas is highlighted at -36%, underscoring Texas' state-level access erosion.

EVERY STATE HAD LOWER HOME HEALTH UTILIZATION UNDER PDGM RATE REDUCTIONS



CMS 2019 Final Rule:
"We will continue to monitor the payment system as we have done since the inception of the benefit. We will closely monitor patterns related to utilization..."

Key Message:
Lower utilization is not isolated to one market—declines are broad-based across states under PDGM rate reductions



Source: CMS, Market Saturation and Utilization State and County Level Data Tool, 2018–2024, updated May 21, 2025; CMS 2019 HH PPS Final Rule, 83 Fed. Reg. at 56,448 (2018).



Bad Data, Deepening Cuts, & the Need for Immediate Action



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The current rule compounds damage, relies on flawed data, and leaves home health worse off than other post-acute settings.

Cumulative Impact of Cuts

- Medicare has reduced home health payments four consecutive years, limiting access, accelerating closures, and straining hospitals.
- CMS extends a -\$4.7 billion temporary adjustment year after year, compounding damage and reducing access.
- Access to care continues to decline, with over one-third of patients referred to home health care unable to receive services.

Flawed Data Undermines Care

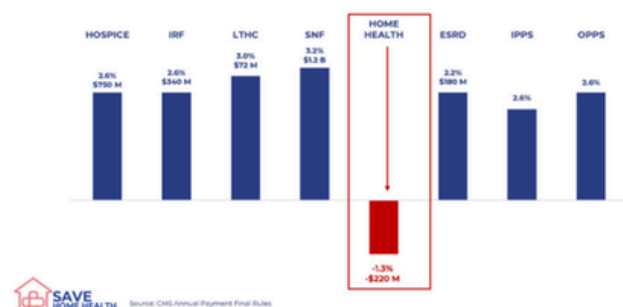
- The final rule relies on a flawed methodology that includes fraudulent data, failing to distinguish legitimate providers from fraudulent actors.
- Los Angeles County alone accounts for 10% of Medicare Home Health Spend; the entire State of Texas accounts for 9%.
- These concerns were reinforced by CMS Administrator Dr. Oz and by a joint letter from House Ways and Means and Energy and Commerce leadership.

TWO MILLION FEWER MEDICARE BENEFICIARIES RECEIVING HOME HEALTH SERVICES SINCE 2018



Fewer Medicare beneficiaries are receiving home health services since PDGM implementation.

2026 ANNUAL PAYMENT UPDATES



Home health is singled out for a -1.3% reduction while other post-acute settings increase.

What can you do? Weigh in with CMS.

- 1** Request that CMS reset national rates using fraud-adjusted data sets and anomaly-robust methods so tainted claims and cost reports no longer drive payment policy.
- 2** Exercise existing authority to implement an immediate statewide moratorium in California.
- 3** Concurrently with the Moratorium, implement additional program integrity measures such as Review Choice Demonstration and enhanced claims payment monitoring.

