



Medicare Enrollment Moratoria Target Home Health, Hospice, and DMEPOS Suppliers Amid Rising Fraud Risks

Home health, hospice, and durable medical equipment fraud schemes continue to show how bad actors attempt to exploit Medicare programs for millions of dollars in improper payments. In response, the Centers for Medicare & Medicaid Services (CMS) is continuing its broader crackdown on fraud by imposing nationwide Medicare enrollment moratoria focused on high-risk providers, including home health agencies, hospices, and certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers.

Collaboration with Law Enforcement

This crackdown has also included a series of recent law enforcement takedowns targeting home health and hospice providers and DMEPOS suppliers. For example, a hospice operator in Anaheim, California, was charged in a scheme involving more than \$9.1 million in fraudulent hospice claims submitted to Medicare. According to federal prosecutors, the operator enrolled beneficiaries who were not terminally ill.¹

Investigators alleged the scheme relied on kickbacks, recruiter networks, and cash payments to beneficiaries. Patients were reportedly promised free services and monthly cash payments despite not qualifying for hospice care.

The case also exposed a major hospice fraud red flag: the provider reportedly maintained a live discharge rate of approximately 85%—nearly five times the national average. A live discharge often indicates that the hospice beneficiaries were not terminally ill and therefore may have been improperly enrolled in hospice services.

CMS Responds with New Moratoria

In response to fraud risks like these, CMS announced nationwide 6-month enrollment moratoria on new Medicare enrollments for home health agencies and hospices beginning May 13, 2026.²

The moratoria apply to initial enrollments and certain ownership changes frequently used by bad actors to conceal operational control or re-enter the Medicare program after enforcement actions.

¹ <https://www.justice.gov/usao-cdca/pr/8-arrested-health-care-fraud-takedown-including-owners-hospices-billed-taxpayers>

² <https://www.cms.gov/medicare/enrollment-renewal/providers-suppliers/chain-ownership-system-pecos/provider-enrollment-moratoria>

CMS has also expanded oversight efforts through payment suspensions, site visits, fingerprint-based background checks, enhanced enrollment screening, and pre- and post-claim review programs. Recent CMS action, undertaken in coordination with Vice President JD Vance’s Anti-Fraud Task Force, has included the suspension of Medicare payments to approximately 800 hospices and home health agencies suspected of fraud in Los Angeles alone that were responsible for \$1.4 billion in Medicare spending last year, with \$70 million in suspended funds thus far.³

The new home health and hospice moratoria follow a similar nationwide 6-month enrollment moratorium CMS implemented on February 27, 2026, targeting high-risk DMEPOS medical supply companies.

Recent law enforcement cases reflect the types of fraud schemes driving expanded enrollment moratoria and other oversight efforts designed to keep fraudulent providers from exploiting vulnerable patients and diverting taxpayer dollars from legitimate care.



³ <https://www.cms.gov/newsroom/press-releases/cms-announces-aggressive-nationwide-crackdown-fraud-six-month-hospice-home-health-agency-enrollment>