MEDICARE ENROLLMENT MORATORIA | **CMS.GOV/FRAUD**

Fast Facts

Overview

Fraud schemes in home health, hospice, and durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) continue to target the Medicare program, resulting in **millions of dollars in improper payments**. In response, CMS is cracking down on fraud by **imposing nationwide Medicare enrollment moratoria** for high-risk service areas, including **home health and hospice**. CMS previously froze Medicare enrollments for DMEPOS medical supply companies through a six-month nationwide enrollment moratorium.

Collaboration with Law Enforcement

This crackdown includes a **series of recent law enforcement actions** targeting home health and hospice providers. For example, a hospice owner in Anaheim, California, was charged in a scheme involving more than **$9.1 million in fraudulent Medicare hospice claims**. According to federal prosecutors, the owner enrolled beneficiaries who were not terminally ill.[1] Investigators allege that 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 **exposes 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 may indicate that the hospice beneficiary was not terminally ill, and therefore, may have been improperly enrolled in hospice services. When beneficiaries are enrolled in hospice without their knowledge or consent, they may experience barriers to accessing needed care, particularly when seeking curative treatment or other health care services that may be affected by the hospice election. Recent law enforcement actions illustrate the types of fraud schemes driving enrollment moratoria and other oversight efforts aimed at preventing fraudulent providers from exploiting vulnerable patients and diverting taxpayer dollars from legitimate care.

CMS Responds with New Moratoria

In response to fraud risks like these, CMS announced **nationwide six-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 that are frequently used by bad actors to conceal operational control or re-enter the Medicare program after enforcement actions.

End of DMEPOS Moratorium

On February 27, 2026, CMS implemented a **six-month nationwide moratorium** on Medicare enrollment for **certain types of DMEPOS suppliers**. The moratorium applied to initial enrollment applications and non-exempt changes in majority ownership. The six-month moratorium ended on August 27, 2026. Through its current and planned future actions, CMS intends to ensure that only qualified and legitimate DMEPOS suppliers enroll with the Medicare program, while strengthening program integrity and **reducing fraud, waste, and abuse**.

Actions CMS is Taking

CMS has also expanded oversight efforts through payment suspensions, site visits, fingerprint-based background checks, enhanced enrollment screening, pre- and post-claim review programs, and revocations. Recent CMS action, undertaken in coordination with Vice President JD Vance's Anti-Fraud Task Force, includes the **suspension of Medicare payments to more than 800 hospices and home health agencies** suspected of fraud in Los Angeles County alone. These providers were responsible for **$1.4 billion** in Medicare spending last year, with **$70 million in suspended funds** thus far.[3] Additionally, so far in 2026, CMS has revoked Medicare billing privileges for more than 300 California hospice and home agencies.

In FY 2025, CMS suspended payment to 167 DMEPOS suppliers and revoked billing privileges from 1,195 DMEPOS suppliers as part of ongoing program integrity efforts. These suspensions and revocations resulted in **combined savings of over $22 billion**. So far in FY 2026, program integrity actions have led to 135 DMEPOS supplier payment suspensions and 1,282 DMEPOS supplier revocations, contributing to more than **$4.5 billion in estimated savings**. CMS' enrollment moratorium worked. By closing the door on new DMEPOS suppliers in high-risk categories, it shrunk the supplier pool and kept fraudsters out from the start. Fewer suppliers billing Medicare means fewer suppliers left to catch. That's exactly why FY 2026 savings look lower than FY 2025: there is simply less risk to root out.

[1] 8 Arrested in Health Care Fraud Takedown, Including Owners of Hospices that Billed Taxpayers Millions of Dollars to Serve the 'Dying'

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

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

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