McKnights Home Care

# In Wake Of Home Health Rule, Some Providers Accuse CMS of Double Standard on Fraud


*Liza Berger, December 04, 2025*

As home health providers digest the 1.3% cut to home health agencies for 2026 in the final rule released last week, many are finding it hard to stomach the Centers for Medicare & Medicaid Services' stance on one particular issue: fraud.

"CMS has stated that it cannot exclude anomalous or fraud-tainted claims from payment calculations, allowing distorted data to continue influencing national payment rates," home health provider AccentCare said in a statement.

AccentCare is referring to CMS' decision not to exclude potentially fraudulent cost reports connected to questionable Los Angeles County home health agencies. Rampant home health fraud in the county is skewing CMS' methodology for determining home health rates, providers argue. CMS disagrees.

"We generally have not excluded providers accused of fraud, waste and abuse from samples before completing the adjudicatory process, and decline to do so for LA County claims," CMS said on page 48 of the 762-page rule. "In addition, excluding all LA County claims might be overinclusive: anomalies have not shown up in the data from all home health providers in LA County, and even for those with anomalous data, investigation might vindicate their claims."

This response left a poor taste for home health advocates who believe CMS says one thing and does another when it comes to fraud. In a LinkedIn post this week, Sheila Clark, president and CEO of the California Hospice and Palliative Care Association, accused CMS of sending conflicting messages on this issue.

She cited a Nov. 25 letter in which CMS Administrator Mehmet Oz, MD, asked governors to partner with CMS to fight healthcare fraud.

"I am not missing the point," Clark said in a LinkedIn post Monday. "The contradiction is real. CMS's public message says fraud is a moral threat requiring unified action. CMS's regulatory message tells providers to keep out and stick to reporting.

"It is inconsistent. It is confusing. And it creates an uneven playing field that burdens providers while sidelining them from the teamwork CMS claims is necessary.

"If CMS wants to call fraud a moral issue, it should act with moral consistency. And if CMS wants teamwork, it should model it, not limit it to the moments that benefit CMS most."

Some providers are urging CMS to reopen the rulemaking.

"We urge CMS to act swiftly against those exploiting the benefit and to reopen rulemaking using its time-and-manner authority to restore beneficiary access and the payment system as Congress intended," AccentCare said. "AccentCare remains committed to working with CMS and Congress to protect older adults' access to high-quality home health services built on value and integrity."

VNS Health in New York agreed. In a statement, the system, which offers a full range of services including home care and hospice, called out CMS for "making the system easier for bad actors to exploit."

"We urge CMS to use its authority to reopen rulemaking, correct distorted data, and address abusive and exploitative behavior impacting the home health payment system," VNS Health said.

***The* McKnight's *family of brands brings the most up-to-date news in home care to industry insiders. The brand covers the segments of in-home personal care, home health, hospice and palliative care. Readers are leaders in their respective organizations, ranging from owners and executives to clinical directors and other stakeholders. Content reaches an estimated audience of 79,000, and focuses on news, trends affecting management decisions, personnel operations, patient care services, legal issues, facility design and resident safety. Features include updates on pharmacy service, legislation affecting the industry and vendor/product news.***