



August 26, 2025

The Honorable Mehmet Oz, MD, MBA
Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue, S.W.
Washington, DC 20201

Re: CMS–1828–P - CY 2026 Home Health Prospective Payment System Proposed Rule

Dear Administrator Oz,

On behalf of Iowa’s 123 hospitals, the Iowa Hospital Association appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services’ Calendar Year 2026 Home Health Prospective Payment System Proposed Rule. We write to express our deep concern regarding the proposed payment update and its potential to significantly reduce access to care and further strain hospitals’ ability to discharge patients to appropriate post-acute settings.

While we recognize and support CMS’s commitment to program integrity and fiscal responsibility, the proposed 6.4% aggregate cut to home health payments—totaling \$1.135 billion—poses a serious threat to the care continuum in Iowa. These reductions risk destabilizing home health agencies and directly impair hospitals’ ability to transition patients safely and efficiently to lower levels of care.

Growing Barriers to Timely Hospital Discharges

Hospitals across Iowa are increasingly encountering delays in discharging patients due to the limited availability of home health services. This challenge is particularly acute in rural communities, where home health agencies are already operating with constrained resources. The proposed payment reductions will exacerbate these issues, leading to longer inpatient stays, delayed transitions, and increased pressure on hospital capacity.

National data show that home health referral rejections are at an all-time high, driven by staffing shortages and financial instability. In Iowa, hospitals report growing difficulty in securing timely home health placements, resulting in discharge bottlenecks and preventable hospital days. These delays not only increase costs but also compromise patient outcomes, exposing individuals to unnecessary risks such as hospital-acquired infections and avoidable readmissions.

Home Health Closures Disrupt the Entire Care Continuum

The proposed rule’s methodology—relying on data that may include fraudulent provider behavior—risks penalizing legitimate agencies and accelerating closures. Iowa has already experienced significant disruption in home health services, with agencies reducing service areas or shutting down entirely due to economic pressures and regulatory burdens.

Hospitals depend on a robust and reliable network of home health providers to ensure safe and timely discharges. When these agencies close or scale back operations, hospitals are left with fewer options, often forcing patients into higher-cost institutional settings or delaying care transitions altogether.

Iowa hospitals are committed to delivering high-quality, efficient care. However, we cannot fulfill this mission without a stable and accessible post-acute care infrastructure. Home health is a critical component of that system, and its erosion threatens the health and safety of patients across our state.

We stand ready to collaborate with CMS to ensure that payment policies reflect the realities of care delivery and support the long-term viability of home health services and hospital operations in Iowa.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Mitchell". The signature is fluid and cursive, with a prominent initial "C" and "M".

Chris Mitchell
President/CEO
Iowa Hospital Association