Read between the lines: workforce implications of the CY 2026 Home Health Proposed Rule

Impacts of the CY 2026 Home Health Proposed Rule on staffing, recruitment, and retention in the home health industry and how Viventium supports workforce stability.

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The CY 2026 Home Health Proposed Rule, issued by the Centers for Medicare & Medicaid Services (CMS), includes a net 6.4% reduction for home health payments. This represents one of the most significant single-year reductions. If finalized, the proposal could have a profound impact on staffing, workforce management, recruitment, and retention efforts across the home health industry.

At Viventium, we understand that people are at the heart of care delivery. Workforce stability directly affects the quality of home health services, which is why these proposed changes require close attention.

The impact of payment cuts on staffing

Cuts of this magnitude create immediate pressure on agencies' ability to recruit and retain staff. As outlined in the Alliance for Care at Home's analysis, a $187.88 reduction per 30-day episode of care could reduce workforce budgets, limiting agencies' ability to maintain current staffing levels. Many providers may face difficult decisions such as freezing hiring, cutting staff hours, or scaling back service areas, all of which can affect patient care.

A workforce already in crisis

The home health industry is already experiencing a workforce crisis. Rising labor costs, widespread clinician shortages, and growing demand for care strain the limited resources providers have access to. Agencies report that the proposed cuts would intensify these challenges, making it even harder to compete for talent with hospitals, outpatient care settings, and other industries offering higher wages.

For rural agencies, the situation is even more critical. Despite lower reimbursement rates due to wage index adjustments, they still need to pay competitive, urban-level wages to attract nurses and therapists who might otherwise take jobs in better-paying areas. Similarly, urban agencies must compete with high-cost health systems for a limited pool of qualified workers.

Recruitment and retention struggles

With these financial pressures, home health providers often struggle to fill open positions resulting in clinician shortages. Many agencies are forced to offer sign-on bonuses, travel pay, or other incentives to attract talent. However, the proposed payment cuts make these strategies increasingly unsustainable.

Agencies have shared stories of exceptional clinicians leaving for higher-paying roles in other care settings. This leaves behind a gap in care delivery that directly affects patients and families. Without a strong workforce, patient admissions may be limited, and agencies could face closures.

Why workforce matters more than ever

The home health industry thrives on the dedication of its clinicians, caregivers, and staff. Workforce management is not just about hiring. It's about retaining experienced professionals who form trusted relationships with patients and deliver consistent, high-quality care. The proposed rule puts this at risk, making it vital for agencies to advocate for fair reimbursement policies that support sustainable staffing models.

Public comment period

CMS is accepting public comments on the CY 2026 Home Health Proposed Rule through August 29, 2025. To submit a comment, visit regulations.gov, search CMS-2025-0242, and click "Comment" to share your perspective.

Viventium's commitment

At Viventium, we believe that workforce empowerment and innovative payroll and HR solutions are essential to overcoming these challenges. Our platform is designed to help home health providers simplify staffing processes, improve retention through data-driven insights, better control labor costs, and stay agile in a constantly shifting regulatory landscape.

As the home health industry navigates the uncertainty of the CY 2026 Proposed Rule, Viventium stands ready to support you in managing your greatest asset – your people.

Want to see how Viventium can help you attract and retain top talent despite regulatory and reimbursement challenges? Contact us today.

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