dazie.ai

2026 INDUSTRY REPORT

The 2026 State of Home Health Operations

Where capacity, margin, and control are being won and lost between the EMR and the billing system.

INSIDE THIS BRIEFING

Operational intelligence for home health leadership
Updated June 2026 · dazie.ai · Home health, v1 · Hospice edition to follow

Home health leadership has never had more data and less operating clarity. Agencies run on capable electronic medical records and, increasingly, on business intelligence dashboards. Yet the signals leaders actually steer by week to week, who is close to leaving, where referrals are quietly lost, which documentation is slipping, where margin is eroding, rarely live in either tool.

This briefing pulls together what the public record says about those pressures heading into 2026. The numbers come from federal rulemaking and published industry research, not from any single vendor's marketing. Dazie did not generate or commission this data. Sources are listed at the end so leadership teams can take any figure to their own board.

01 THE MACRO PICTURE

Why 2026 is different

1.3%	**~$220M**	**Jul 1, 2025**
Net Medicare home health payment cut for 2026[1]	Less in aggregate Medicare payments than 2025[1]	All-payer OASIS data collection begins[2]

CMS finalized the calendar year 2026 Home Health Prospective Payment System rule effective January 1, 2026. The headline is a net 1.3 percent aggregate payment decrease, roughly $220 million below 2025. That figure is the sum of a market basket increase working against permanent and temporary behavior adjustments, so the squeeze is structural, not a one-time event.[1]

Two operating demands land alongside the rate. All-payer OASIS data collection began July 1, 2025, extending the assessment burden to patients whose payers never required it before.[2] And the acceptance-to-service Condition of Participation now requires agencies to apply a consistent, documented policy for how they accept patients to service.[2] Both raise the operational bar in a year when the payment bar is dropping.

WHAT TO MEASURE

Your true cost to serve per episode under the 2026 rates, and the operational levers that move it: referral conversion, documentation cycle time, and clinician turnover.

02 CAPACITY

Capacity strain and the turnover engine

~79%	~$60K	~83 days
Annual home care caregiver turnover, up about 12 points since 2022[3]	Recognized cost to replace one staff RN[4]	Average time to recruit an experienced RN[4]

Turnover in home-based care runs near 79 percent a year and has climbed roughly 12 points since 2022.[3] The most widely cited clinical replacement benchmark, from the NSI National Health Care Retention and RN Staffing Report, places the cost of replacing one staff RN near $60,000, with experienced hires taking around 83 days to recruit.[4] Roughly a third of nurses leave within their first year, which means a large share of that cost is concentrated in the earliest, most preventable window of tenure.[4]

For leadership, turnover is not an HR line item. It is a capacity problem that shows up downstream as referrals turned away, episodes delayed, and surviving clinicians carrying heavier loads, which feeds the next round of departures.

WHAT TO MEASURE

Early-tenure attrition and leading operational signals such as after-hours charting and rising caseload pressure, which move weeks before a resignation reaches HR.

03 REVENUE

Referral leakage and lost revenue

76%	54%	77%
Of home health referrals not accepted by late 2022[5]	The comparable non-acceptance figure in 2019[5]	Of post-acute providers turned away referrals on staffing alone[6]

Analysis from WellSky, drawn from more than 2,000 hospitals and over 130,000 post-acute providers, found that non-acceptance of home health referrals reached about 76 percent by the end of 2022, up from 54 percent in 2019.[5] Most providers report those rates have held flat or worsened since, and a 2023 survey found 77 percent of post-acute providers turning away referrals because of staffing alone.[6]

Every declined referral is revenue that walks to a competitor and a referral relationship that erodes a little further. Because the cause is usually operational rather than commercial, leakage is recoverable, but only if an agency can see where and why it is happening in time to act.

WHAT TO MEASURE

Referral conversion by source, and the dollar value of leakage broken out by reason: staffing unavailability, slow response, payer issues, and intake friction.

04 COMPLIANCE LOAD

The documentation and QA tax

OASIS-E1	All-payer	Direct link
Among the most complex admission documents in post-acute care[7]	OASIS required beyond Medicare and Medicaid since July 2025[2]	Documentation drag ties to both burnout and delayed billing[7]

The OASIS assessment is described across the industry as one of the most complex admission documents in post-acute care, and accuracy directly drives both payment and public quality scores.[7] The July 2025 all-payer expansion widened that burden to patient populations that never carried it, increasing the number of assessments clinicians complete.[2]

That documentation drag does not stay contained. It feeds clinician fatigue, and when assessments need rework, it delays clean claims and slows the revenue cycle. The same paperwork pressure that burns out a nurse also holds up the agency's cash.

WHAT TO MEASURE

Documentation cycle time and QA rework rate, read as both a margin signal and an early burnout signal rather than as a compliance afterthought.

05 THE PAYMENT MODEL

The value-based squeeze

±5%	2024 → 2026	4 new
Medicare payment swing under the expanded HHVBP model[8]	Performance year sets the payment year, on a two-year lag[8]	Measures added to the HHVBP set for 2026[1]

The expanded Home Health Value-Based Purchasing model now adjusts Medicare fee-for-service payment by up to 5 percent in either direction, based on each agency's performance on OASIS, claims, and patient experience measures, applied on a two-year lag so that 2024 performance sets 2026 payment.[8] For 2026, CMS added four measures to the set, including a post-acute spending measure and additional OASIS-based functional measures.[1]

The original nine-state model produced an average 4.6 percent improvement in quality scores and roughly $141 million in annual Medicare savings, which is why the design went nationwide.[8] The practical effect for leadership is simple: quality is now cash, and the bill arrives two years after the performance that earned it.

WHAT TO MEASURE

Your projected HHVBP adjustment from current OASIS and outcome patterns, modeled forward rather than discovered when the annual report lands.

The data exists. The operating picture does not.

Across all five pressures the pattern is the same. The signals live in systems built for other jobs. EMRs capture encounters and billing. Dashboards chart last quarter. Neither surfaces the weekly operating picture leadership runs the agency on, and that gap is where capacity, margin, and control are quietly lost.

Dazie does not chart, schedule, or bill. Dazie identifies where documentation burden, scheduling pressure, and revenue cycle bottlenecks are eroding performance, then provides clear actions to recover capacity, margin, and control.

Join the General Availability waitlist at dazie.ai. General availability launches August 2026.

Sources

All figures are drawn from public federal rulemaking and published industry research. Dazie did not generate or commission this data. Figures are presented as reported by the original sources and are current as of June 2026.

1. Centers for Medicare & Medicaid Services. CY 2026 Home Health Prospective Payment System final rule, Federal Register, December 2025.
2. Centers for Medicare & Medicaid Services. Home Health Quality Reporting Requirements and OASIS all-payer collection schedule, 2025.
3. Home Health Care News reporting on home care turnover trends, 2024, summarizing industry survey data.
4. NSI Nursing Solutions. National Health Care Retention & RN Staffing Report, 2026 edition, as summarized by Becker's Hospital Review.
5. WellSky. Evolution of Care Report referral-acceptance analysis, as reported by Home Health Care News.
6. Post-acute provider staffing and referral survey, 2023, as reported across home health trade coverage.
7. Home Health Care News reporting on OASIS-E1 complexity and documentation burden, 2025.
8. Centers for Medicare & Medicaid Services. Expanded Home Health Value-Based Purchasing Model, with 2026 measure updates per the CY 2026 final rule.