



441 G St. N.W.
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B-337747

August 21, 2025

The Honorable Mike Crapo
Chairman
The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate

The Honorable Brett Guthrie
Chairman
The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce
House of Representatives

The Honorable Jason Smith
Chairman
The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
House of Representatives

Subject: *Department of Health and Human Services, Centers for Medicare & Medicaid Services: Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals (IPPS) and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year (FY) 2026 Rates; Changes to the FY 2025 IPPS Rates Due to Court Decision; Requirements for Quality Programs; and Other Policy Changes; Health Data, Technology, and Interoperability: Electronic Prescribing, Real-Time Prescription Benefit and Electronic Prior Authorization*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS) entitled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals (IPPS) and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year (FY) 2026 Rates; Changes to the FY 2025 IPPS Rates Due to Court Decision; Requirements for Quality Programs; and Other Policy Changes; Health Data, Technology, and Interoperability: Electronic Prescribing, Real-Time Prescription Benefit and Electronic Prior Authorization" (RINs: 0938-AV45, 0938-AV34 & 0955-AA06). We received the rule on August 6, 2025. It was published in the *Federal Register* on August 4, 2025. 90 Fed. Reg. 36536. The stated effective date of the rule is October 1, 2025.

This rule revises the Medicare hospital IPPS for operating and capital-related costs of acute care hospitals; makes changes relating to Medicare graduate medical education for teaching hospitals; updates the payment policies and the annual payment rates for the Medicare prospective payment system for inpatient hospital services provided by long-term care hospitals; updates and makes changes to requirements for certain quality programs; and makes other policy-related changes. 90 Fed. Reg. 36536. The rule also finalizes provisions of the interim final action with comment period regarding changes to the FY 2025 IPPS rates due to a court decision and finalizes certain updates to the Health Information Technology Certification Program. *Id.*

The Congressional Review Act (CRA) requires a 60-day delay in the effective date of a major rule from the date of publication in the *Federal Register* or receipt of the rule by Congress, whichever is later. 5 U.S.C. § 801(a)(3)(A). The rule was published in the *Federal Register* on August 4, 2025. 90 Fed. Reg. 36536. The rule was submitted to the House and the Senate on August 6, 2025. Email from Regulations Coordinator, HHS, to GAO, *Subject: Official Submission – RIN 0938-AV45* (Aug. 6, 2025). The *Congressional Record* reflects that the House of Representatives received the rule on August 6, 2025. 171 Cong. Rec. H3697 (daily ed. Aug. 15, 2025). The *Congressional Record* does not reflect the date of receipt by the Senate. According to documents submitted by CMS, the Senate received the rule on August 6, 2025. Email from CMS to GAO, *Subject: Official Submission – RIN 0938-AV48* (Aug. 6, 2025). The rule has a stated effective date of October 1, 2025. Therefore, the stated effective date is less than 60 days from the date of receipt by Congress.

Enclosed is our assessment of CMS's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Charlie McKiver, Assistant General Counsel, at (202) 512-5992.

A handwritten signature in black ink that reads "Shirley A. Jones". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: Calvin E. Dukes II
Regulations Coordinator
Department of Health and Human Services

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES,
CENTERS FOR MEDICARE & MEDICAID SERVICES
ENTITLED

“MEDICARE PROGRAM; HOSPITAL INPATIENT PROSPECTIVE PAYMENT SYSTEMS
FOR ACUTE CARE HOSPITALS (IPPS) AND THE LONG-TERM CARE HOSPITAL
PROSPECTIVE PAYMENT SYSTEM AND POLICY CHANGES AND FISCAL YEAR (FY) 2026
RATES; CHANGES TO THE FY 2025 IPPS RATES DUE TO COURT DECISION;
REQUIREMENTS FOR QUALITY PROGRAMS; AND OTHER POLICY CHANGES;
HEALTH DATA, TECHNOLOGY, AND INTEROPERABILITY: ELECTRONIC PRESCRIBING,
REAL-TIME PRESCRIPTION BENEFIT AND ELECTRONIC PRIOR AUTHORIZATION”
(RINS: 0938-AV45, 0938-AV34 & 0955-AA06)

(i) Cost-benefit analysis

The Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS) prepared an analysis of the costs and benefits for this rule. See 90 Fed. Reg. 36536, 37252–37304. CMS estimated that the applicable percentage increase to the IPPS rates required by statute, in conjunction with other payment changes in the final rule, will result in an estimated \$5 billion increase in fiscal year (FY) 2026 payments, relative to payments made in FY 2025. *Id.* at 37253. In addition, long-term care hospitals are expected to experience an increase in payments of approximately \$83 million in FY 2026 relative to FY 2025. *Id.*

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

CMS stated that the Secretary of HHS has certified that this rule will have a significant economic impact on a substantial number of small entities, including small rural hospitals, and prepared a Final Regulatory Flexibility Analysis. See 90 Fed. Reg. 37253, 37304–37305.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

CMS determined that this rule will not have an effect on state, local, or tribal governments, in the aggregate, or on the private sector, of \$100 million in 1995 dollars, updated annually for inflation, in any one year. See 90 Fed. Reg. 37305.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On April 30, 2025, CMS published a proposed rule. 90 Fed. Reg. 18002. CMS stated that they received comments from various interested parties. See 90 Fed. Reg. 36548. CMS responded to comments in the rule. *Id.*

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

CMS determined that this rule contains information collection requirements under the Act. 90 Fed. Reg. 37191–37200.

Statutory authorization for the rule

CMS promulgated this rule pursuant to 42 U.S.C. §§ 300jj-11, 300jj-14, 552, 1302, 1315a, and 1395hh.

Executive Order No. 12866 (Regulatory Planning and Review)

CMS stated that this rule is significant under the Order. 90 Fed. Reg. 37253. CMS stated that it submitted the rule to the Office of Management and Budget for review.

Executive Order No. 13132 (Federalism)

CMS determined that this rule does not have federalism implications. See 90 Fed. Reg. 37305.