



441 G St. N.W.
Washington, DC 20548

B-338432

June 4, 2026

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: Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program*

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 (HHS), Centers for Medicare & Medicaid Services (CMS) entitled "Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program" (RIN: 0938-AV62). We received the rule on May 20, 2026. It was published in the *Federal Register* on May 20, 2026. 91 Fed. Reg. 29526. The effective date of the rule is July 20, 2026.

According to CMS, this rule includes payment parameters and provisions related to the HHS-operated risk adjustment and risk adjustment data validation programs, as well as 2027 user fee rates for issuers offering qualified health plans through federally-facilitated exchanges and state-based exchanges on the federal platform. CMS stated the rule also includes provisions relating to, among other things, civil money penalties for noncompliant issuers and other responsible entities, and amendments to implement certain provisions of the Working Families Tax Cut legislation.

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 me (202) 512-8156.

A handwritten signature in black ink that reads "Shirley A. Jones". The signature is written in a cursive style with a large initial 'S' and 'J'.

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: Christina Kang
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
“PATIENT PROTECTION AND AFFORDABLE CARE ACT, HHS NOTICE OF BENEFIT
AND PAYMENT PARAMETERS FOR 2027; AND BASIC HEALTH PROGRAM”
(RIN: 0938-AV62)

(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 91 Fed. Reg. 29526, 29822–29862 (May 20, 2026). For a period covering program years 2026–2030, CMS estimates the annualized monetized benefits of the rule to be \$25.12 million at a 7 percent discount rate. *Id.* at 29824. For the same period, CMS estimates the annualized monetized costs to be \$25.14 million at a 3 percent discount rate. *Id.*

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

CMS stated that nearly all agents, brokers, and web brokers affected by this rule would be small entities and prepared a Final Regulatory Flexibility Analysis. 91 Fed. Reg. at 29859–29862. CMS further stated it anticipates the rule would not have a significant impact on the operations of a substantial number of small rural hospitals. *Id.* at 29862.

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

CMS stated that it has been unable to quantify all costs but expects this rule would not impose a mandate that would result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of more than \$193 million in any one year. 91 Fed. Reg. at 29862.

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

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

On February 11, 2026, CMS published a proposed rule. 91 Fed. Reg. 6292. CMS summarized and responded to comments in this rule. See 91 Fed. Reg. at 29536–29805.

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

CMS determined that this rule contains information collection requirements under the Act. 91 Fed. Reg. at 29805–29822.

Statutory authorization for the rule

CMS promulgated this rule pursuant to title I of Public Law 111-148.

Executive Order No. 12866 (Regulatory Planning and Review)

CMS stated that this rule is significant under the Order. 91 Fed. Reg. at 29823.

Executive Order No. 13132 (Federalism)

CMS determined that this rule has federalism implications. 91 Fed. Reg. at 29862–29863.