



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

B-338654

August 20, 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: Medicare Program; FY 2027 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements*

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) titled "Medicare Program; FY 2027 Hospice Wage Index and Payment Rate Update and Hospice Quality Reporting Program Requirements" (RIN: 0938-AV78). We received the rule on August 5, 2026. It was published in the *Federal Register* on August 3, 2026. 91 Fed. Reg. 49118. The stated effective date of the rule is October 1, 2026.

According to CMS, this rule updates the hospice wage index, payment rates, and aggregate cap amount for fiscal year 2027. CMS stated that the rule also includes an analysis of Medicare non-hospice spending, including details regarding a hospice service and spending variation index, and finalizes the requirement that hospices provide the hospice election statement addendum to all Medicare beneficiaries at the time of hospice election. CMS also stated that the rule finalizes conforming changes to discharge from hospice care regulations and changes to the face-to-face encounter regulations. CMS stated further that the rule includes a summary of comments received on its requests for information regarding community-based palliative care; the construction of a hospice-specific wage index; and the overlap between hospice and

medical aid in dying laws. Finally, CMS noted that the rule finalizes changes to the Hospice Quality Reporting Program.

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). This rule was published in the *Federal Register* on August 3, 2026. 91 Fed. Reg. 49118. Both houses of Congress received the rule on August 5, 2026. 172 Cong. Rec. H5520 (Aug. 6, 2026); 172 Cong. Rec. S4563 (daily ed. Aug. 7, 2026). The stated effective date of the rule is October 1, 2026. Therefore, the rule does not have the required 60-day delay in its effective date.

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 at (202) 512-8156.

A handwritten signature in black ink that reads "Shirley A. Jones". The signature is written in a cursive, flowing style.

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
TITLED
“MEDICARE PROGRAM; FY 2027 HOSPICE WAGE INDEX AND PAYMENT RATE UPDATE
AND HOSPICE QUALITY REPORTING PROGRAM REQUIREMENTS”
(RIN: 0938-AV78)

(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. 91 Fed. Reg. 49118, 49168–49169 (Aug. 3, 2026). CMS estimated that the rule will increase aggregate Medicare payments to hospices by \$755 million in fiscal year (FY) 2027, resulting from the 2.3 percent hospice payment update. *Id.* CMS also estimated \$20.8 million in annualized cost savings to providers from changes to the hospice election statement addendum requirements beginning in FY 2027. *Id.* CMS stated that changes to the hospice wage index are budget neutral in the aggregate, although they may have distributional effects among providers. *Id.*

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

The Secretary of HHS determined that this rule will not have a significant economic impact on a substantial number of small entities. 91 Fed. Reg. at 49174. The Secretary also determined that the rule will not have a significant impact on the operations of a substantial number of small rural hospitals. 91 Fed. Reg. at 49175.

(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 that exceeds the applicable threshold in any one year. 91 Fed. Reg. at 49175.

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

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

On April 6, 2026, CMS issued a proposed rule. 91 Fed. Reg. 17338. CMS stated that it summarized and responded to comments on the proposal in this rule. 91 Fed. Reg. at 49123.

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 49162.

Statutory authorization for the rule

CMS promulgated this rule pursuant to sections 1302 and 1395hh of title 42, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

CMS stated that the Office of Information and Regulatory Affairs has determined this rule is significant under the Order. 91 Fed. Reg. at 49168.

Executive Order No. 13132 (Federalism)

CMS determined that this rule will not impose substantial direct costs on state or local governments. 91 Fed. Reg. at 49175.