



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

B-338650

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; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities; Updates to the Quality Reporting Program for Federal Fiscal Year 2027*

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; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities; Updates to the Quality Reporting Program for Federal Fiscal Year 2027" (RIN: 0938-AV75). We received the rule on August 5, 2026. It was published in the *Federal Register* on July 31, 2026. 91 Fed. Reg. 48588. The stated effective date of the rule is October 1, 2026.

According to CMS, this rule finalizes changes and updates to the policies and payment rates used under the Skilled Nursing Facility Prospective Payment System for fiscal year 2027. CMS stated that the rule also updates the requirements for the Skilled Nursing Facility Quality Reporting Program and the Skilled Nursing Facility Value-Based Purchasing 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

July 31, 2026. 91 Fed. Reg. 48588. The House of Representatives and Senate received the rule on August 5, 2026. 172 Cong. Rec. H5220 (daily ed. 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 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 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
ENTITLED
“MEDICARE PROGRAM; PROSPECTIVE PAYMENT SYSTEM AND CONSOLIDATED
BILLING FOR SKILLED NURSING FACILITIES; UPDATES TO THE QUALITY REPORTING
PROGRAM FOR FEDERAL FISCAL YEAR 2027”
(RIN: 0938-AV75)

(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 of this rule. 91 Fed. Reg. 48588, 48645–53 (July 31, 2026). CMS estimated that the rule would increase payments under the Skilled Nursing Facility Prospective Payment System for fiscal year (FY) 2027 by approximately \$882.74 million while reducing payments under the Skilled Nursing Facility Value-Based Purchasing Program for FY 2027 by approximately \$203.60 million. *Id.* at 48645. CMS further estimated that certain changes made by the rule would reduce the annual burden associated with the Skilled Nursing Facility Quality Reporting Program by \$8.41 million beginning in FY 2028, and that other changes in the rule would increase the program’s annual burden by \$88.05 million beginning in FY 2031. *Id.* at 48646–47.

(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 not have a significant impact on a substantial number of small entities for FY 2027 and that the Secretary has determined the rule will not have a significant impact on the operations of a substantial number of small rural hospitals for FY 2027. 91 Fed. Reg. at 48653.

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

CMS noted that the Act requires an assessment of the anticipated costs and benefits of a rule mandating spending by 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. 91 Fed. Reg. at 48653–54. CMS stated that this rule would not impose mandates on state, local, or tribal governments or on the private sector. *Id.* at 48654.

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

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

On April 7, 2026, CMS published a proposed rule. 91 Fed. Reg. 17678. CMS stated that they received comments from interested parties. *See, e.g.,* 91 Fed. Reg. at 48590. CMS responded to comments throughout the rule.

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 48639–44.

Statutory authorization for the rule

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

Executive Order No. 12866 (Regulatory Planning and Review)

CMS stated that the rule is significant under the Order. 91 Fed. Reg. at 48645.

Executive Order No. 13132 (Federalism)

CMS determined that this rule does not have federalism implications. 91 Fed. Reg. at 48654.