U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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November 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: Calendar Year 2027 Home Health Prospective Payment System (HH PPS) Rate Update; Requirements for the HH Quality Reporting Program and the Expanded HH Value-Based Purchasing Model; Medicare Provider Enrollment, Durable Medical Equipment (DME), and DME, Prosthetics, Orthotics, and Supplies (DMEPOS) Policies*

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 "Calendar Year 2027 Home Health Prospective Payment System (HH PPS) Rate Update; Requirements for the HH Quality Reporting Program and the Expanded HH Value-Based Purchasing Model; Medicare Provider Enrollment, Durable Medical Equipment (DME), and DME, Prosthetics, Orthotics, and Supplies (DMEPOS) Policies" (RIN: 0938-AV80). We received the rule on November 9, 2026. It was published in the *Federal Register* on November 9, 2026. 91 Fed. Reg. 72022. With the exception of the HH PPS and Home Health Quality Reporting Program (HH QRP) provisions specified in sections II. and III. of this final rule and the regulatory changes at 42 C.F.R. § 484.245, these regulations are effective on January 4, 2027.[1] The HH PPS and HH QRP provisions specified in sections II. and III. of this final rule and the regulatory changes at 42 C.F.R. § 484.245 are effective January 1, 2027.

[1] The rule states the effective date is January 4, 2026; however, this appears to be an error.

According to CMS, this rule sets forth routine updates to the Medicare home health payment rates in accordance with existing statutory and regulatory requirements. Additionally, CMS stated this rule discusses the behavior adjustments and finalizes a temporary behavior adjustment, and it also finalizes the recalibrated case-mix weights and updated functional impairment levels; comorbidity subgroups; and low-utilization payment adjustment thresholds for calendar year 2027. CMS also states the rule discusses and responds to comments on the provision of home health palliative care services and includes a summary of comments received on the request for information on a home health specific wage index included in the proposed rule. CMS further stated this rule also finalizes changes to the HH QRP and summarizes potential initiatives to improve alignment between the HH QRP and expanded Home Health Value-Based Purchasing Model. Finally, CMS stated the rule clarifies the application of the DMEPOS face-to-face encounter requirements for the replacement of DMEPOS items; makes changes to the provider and supplier enrollment requirements; makes changes to implement a DME benefit expansion for infusion pumps and drugs; and discusses collection of information requirement changes regarding the DMEPOS Competitive Bidding Program country of origin.

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 November 9, 2026. 91 Fed. Reg. 72022. The Senate and House of Representatives received the rule on November 9, 2026. 172 Cong. Rec. S5722 (daily ed. Nov. 17, 2026); 172 Cong. Rec. H6145 (daily ed. Nov. 10, 2026). With the exception of the HH PPS and HH QRP provisions specified in sections II. and III. of this final rule and the regulatory changes at 42 C.F.R. § 484.245, these regulations are effective on January 4, 2027. The HH PPS and HH QRP provisions specified in sections II. and III. of this final rule and the regulatory changes at 42 C.F.R. § 484.245 are effective January 1, 2027. Therefore, both effective dates are less than 60 days from the date of publication in the *Federal Register* and less than 60 days from the date of receipt by Congress.[2]

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.



Shirley A. Jones
Managing Associate General Counsel

[2] CMS stated it found good cause to waive the 60-day delay in effective date to allow it to meet the statutory deadline of February 1, 2027, for publication of the selected drug list. 91 Fed. Reg. 72166. The exception in section 808(2) only applies when the agency has found good cause to waive notice and public procedure requirements when promulgating the rule and incorporates the finding and a brief statement in the rule. 5 U.S.C. § 808(2). Here, CMS's good cause finding relates to waiving the delay in effective date, not to waiving the notice and public procedure requirements. Further, CMS published a notice of proposed rulemaking on July 6, 2026, 91 Fed. Reg. 41216, on which it solicited comments. Therefore, this exception does not apply.

Enclosure

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

ENCLOSURE

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
"CALENDAR YEAR 2027 HOME HEALTH PROSPECTIVE PAYMENT SYSTEM (HH PPS) RATE UPDATE; REQUIREMENTS FOR THE HH QUALITY REPORTING PROGRAM AND THE EXPANDED HH VALUE-BASED PURCHASING MODEL; MEDICARE PROVIDER ENROLLMENT, DURABLE MEDICAL EQUIPMENT (DME), AND DME, PROSTHETICS, ORTHOTICS, AND SUPPLIES (DMEPOS) POLICIES"
(RIN: 0938-AV80)

(i) Cost-benefit analysis

The Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS) prepared a cost-benefit analysis of this rule. 91 Fed. Reg. 72022, 72163 (Nov. 9, 2026). CMS estimated that the rule would lead to $415 million in transfers from the federal government to Medicare home health agencies. *Id.* CMS also estimated there would be a reduction of $82 million in transfers from the federal government to Medicare providers and suppliers but an increase of $1.4 million in transfers from Hospices to State Survey Agencies or Accrediting Organizations. *Id.* Additionally, CMS estimated an increase of signage requirement costs for providers and suppliers in the amount of $13.9 million at the three percent discount rate and $12.4 million at the seven percent discount rate. *Id.* CMS further estimated a reduction of $1.9 million in transfers from the federal government to beneficiaries at the three percent discount rate and $2.1 million at the seven percent discount rate. *Id.* Finally, CMS estimated an increase in transfers from beneficiaries to durable medical equipment and home infusion supplies in the amount of $1.22 million at the three percent discount rate and $12.4 million at the seven percent discount rate. *Id.*

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

CMS conducted a regulatory flexibility analysis as required by the RFA. 91 Fed. Reg. at 72163. CMS stated the Secretary has determined that the payment policies in this rule will have a significant positive economic impact on a substantial number of small entities. *Id.* at 72164. CMS stated the Secretary certified the rule would not have a significant economic impact on a substantial number of small rural hospitals. *Id.* at 72165.

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

CMS stated the rule will not impose a mandate that will 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 72166.

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

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

On July 6, 2026, CMS published a proposed rule. 91 Fed. Reg. 41216. CMS received approximately 375 comments on the proposed rule. *Id.* at 72090.

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

CMS stated it sought comments on information collection requirements contained in the rule. 91 Fed. Reg. at 72146. CMS stated it would proceed with the information collection requirement revision through the standard PRA process. *Id. at* 72150.

Statutory authorization for the rule

CMS promulgated the final rule pursuant to sections 1302, 1230a-7j, and 1395hh of title 42, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

CMS stated that based on its estimates, the Office of Management and Budget has determined the rule is significant per the order. 91 Fed. Reg. at 72151.

Executive Order No. 13132 (Federalism)

CMS determined the rule does not impose substantial direct costs on state or local governments. 91 Fed. Reg. at 72166.