



Report to Congress:

**Report on Unobligated Balances for
Appropriations Relating to Quality
Measurement**

A Report Required by Section 1890(f) of the Social Security Act

United States Department of Health and Human Services

Centers for Medicare & Medicaid Services

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INTRODUCTION

This is the fifth report on the amount of the unobligated balances for appropriations related to quality measurement published in accordance with section 1890(f) of the Social Security Act (the Act), as amended by section 102(b)(2) of Division CC of the Consolidated Appropriations Act (CAA), 2021 (Pub. L. 116–260, enacted December 27, 2020). This report describes quality measurement funding associated with implementing the activities required by sections 1890 and 1890A of the Act. The activities funded through this appropriation include work required to be undertaken by a consensus-based entity (CBE) under contract with the Department of Health and Human Services (HHS) and other activities pursuant to the quality and efficiency measurement provisions of sections 1890 and 1890A of the Act. More information on these activities can be found in the *Annual Update: Identification of Quality Measurement Priorities and Associated Funding for the Consensus-Based Entity and Other Entities* reports to Congress.¹

This report describes the estimated balance of funds that are unobligated at the end of fiscal year (FY) 2025. Unobligated balances are defined as those funds remaining for which there is not a legal liability for disbursement as a result of a series of actions, such as a contract award. **CMS estimates that the unobligated balance from FY 2025 for activities related to sections 1890 and 1890A of the Act, is \$2.14M.** These funds carry over to FY 2026 to continue a portion of the activities required by sections 1890 and 1890A of the Act. Please note that this report excludes the \$13.3M appropriations for FY 2026 in section 6203 of Public Law 119-37.

The report also provides an overview of the anticipated spending plan for FY 2026.

BACKGROUND

Congress appropriates funding for CMS to contract with a CBE and conduct activities required by sections 1890 and 1890A of the Act. The budget authority for sections 1890 and 1890A of the Act is a “no-year” appropriation, which means that funds designated in section 1890(d)(2) of the Act are available until expended.

The most recent funding source for the activities required by sections 1890 and 1890A of the Act derives from four appropriations. The CAA, 2021 provided \$26M for FY 2021; \$20M for FY 2022; \$20M for FY 2023; and the CAA, 2024 (Pub. L. 118-42, enacted March 9, 2024) provided \$9M for FY 2024. Additionally, the American Relief Act, 2025 (Pub. L. 118-158, enacted December 21, 2024) and the Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. 119-4, enacted March 15, 2025) provided \$2.03M and \$3M, respectively, for FY 2025. These funds are available until expended. The funds previously appropriated for the purpose of implementing sections 1890 and 1890A of Act, unless otherwise specified, have been exhausted. A full accounting of these funds can be viewed in previous reports to Congress on *Unobligated Balances for Appropriations Relating to Quality Measurement*.²

In February 2023, Battelle was awarded the CBE contract to oversee the consensus-based performance measurement work, including endorsement and maintenance of clinical quality and cost/resource use measures, pre-rulemaking measure review, and measure set review.

The current CBE contract is a five-year contract with a base period and four option years that begin

¹ <https://www.cms.gov/medicare/quality/measures/report-to-congress>

² <https://www.cms.gov/medicare/quality/measures/report-to-congress>

February 27 and end February 26 of the next year. Under contract terms and conditions, CMS must notify the CBE, Battelle, at least 60 days prior to the start date of the option year performance period of the contract if CMS will not fund the upcoming performance period. For the FY 2026 performance period, this notification date is December 26, 2025. In FY 2023 and FY 2024, CMS expended \$17,172,519 and \$10,927,241, respectively, to Battelle and other contractors for these activities. Prior reports provide detailed information on the funding amounts and activities in these FYs. Table 1 below identifies appropriated funding as of April 30, 2025, for quality measurement activities required by and performed under sections 1890 and 1890A of the Act in each FY since 2018.

Table 1: Section 1890 funding (in millions) by Public Law (rounded to the ten thousand) as of April 30, 2025.

Public Law Amending Section 1890 of the SSA	Appropriation	Sequester	Adjusted Amount	Obligations	Unobligated Amount*	Expended Amount
Bipartisan Budget Act of 2018, Sec. 50206 (Pub. L. 115-123, enacted February 8, 2018)	\$15.00	\$0.00	\$15.00	\$15.00	\$0.00	\$14.96
Coronavirus Aid, Relief, and Economic Security Act, Title III, Part IV, Subtitle E, Part I, Sec. 3802 (CARES Act) (Pub. L. 116-136, enacted March 27, 2020)	\$20.00	\$0.00	\$20.00	\$20.00	\$0.00	\$18.96
Consolidated Appropriations Act (CAA), 2021, Division CC, Title I, Subtitle A, Sec. 102 (Pub. L. 116-260, enacted December 27, 2020) for FY 2021	\$26.00	\$0.00	\$26.00	\$26.00	\$0.00	\$21.55
CAA, 2021 for FY 2022	\$20.00	(\$0.57)	\$19.43	\$19.43	\$0.00	\$16.97
CAA, 2021 for FY 2023	\$20.00	(\$1.14)	\$18.86	\$18.86	\$0.00	\$15.16
CAA, 2024, Division G, Title I, Subtitle C, Sec. 301 (Pub. L. 118-42, enacted March 9, 2024)	\$9.00	\$0.00	\$9.00	\$9.00	\$0.00	\$0.19
American Relief Act, 2025 (Pub L. 118-158, enacted December 21, 2024)	\$2.03	\$0.00	\$2.03	\$2.01	\$0.02	\$0.51
Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. 119-4, enacted March 15, 2025)	\$3.00	\$0.00	\$3.00	\$0.00	\$3.00*	\$0.00

*Please note that the amounts in this table are as of April 30, 2025; specifically, the unobligated totals have been adjusted for the publication of the unobligated balance total later in this report (as of July 2025 and after contract awards were completed, the updated unobligated balance is \$2.14M).

FY 2025 Obligations (as of July 31, 2025)

The total amount of unobligated funds during FY 2024, and carried over into FY 2025, was \$9.24M. This balance is from the CAA, 2021 and CAA, 2024 appropriations. In the American Relief Act, 2025

and the Full-Year Continuing Appropriations and Extensions Act, 2025, CMS received \$2.03M and \$3M, respectively, for FY 2025, which are available until expended.

As of July 31, 2025, the total amount of funds obligated for FY 2025 is estimated at \$14.27M. CMS maintained various efficiencies for FY 2025 in funding the activities required by sections 1890 and 1890A of the Act, including integration of the assessment of quality and efficiency measures at least once every three years, as required by section 1890A(a)(6), into a broad monitoring and evaluation contract, thereby streamlining and reducing costs for this assessment.

FY 2025 Unobligated Balance

CMS estimates that the unobligated balance from FY 2025 for activities related to sections 1890 and 1890A of the Act, is \$2.14M, which includes \$8K in FY 2025 carryover funds as well as \$2.13M in recovered funding as a result of de-obligations. In July 2025, additional funds were identified in two completed contracts containing 1890 and 1890A funding. The federal contract close-out process includes several steps to ensure compliance with regulations and the recovery of unobligated funds. This process, although thorough and essential, can sometimes be lengthy. This unobligated balance will be obligated in FY 2026 to continue a portion of the activities required by sections 1890 and 1890A of the Act.

Table 2 outlines the related funding amounts for FY 2025, including the carryover balance from FY 2024, the appropriation from the American Relief Act, 2025, and Full-Year Continuing Appropriations and Extensions Act, 2025, the estimated obligations for FY 2025, and the estimated carryover balance from FY 2025.

Table 2: FY 2025 Funding (in millions) as of July 31, 2025 (rounded to the ten thousand).

Carryover Amount from FY 2024	FY 2025 Appropriation (American Relief Act, 2025 and Full- Year Continuing Appropriations and Extensions Act, 2025)	FY 2025 Estimated Total Obligations	Estimated Carryover from FY 2025
\$9.24	\$5.03	\$14.27	\$2.14

FY 2026 Estimated Spending³

For FY 2026, CMS estimates spending the following amounts to fund the activities required by sections 1890 and 1890A of the Act:

Duties of the CBE: \$10.93M

Dissemination of Quality Measures: \$0.11M

Program Assessment and Review: \$0.71M

TOTAL: \$11.79M*

**Includes \$40K in administrative costs (In prior years, administrative costs were higher because two relevant Full Time Equivalents (FTEs) had been funded using this funding source.)*

³ The FY 2026 spend plan remains under development and is subject to change.

The majority of statutorily required activities for dissemination of quality measures have been included in the duties of the CBE, such as sharing publicly the measures submitted for endorsement and maintenance as well for pre-rulemaking reviews. There has been a slight increase since last year of the funds allocated in the duties of the CBE due to routine, annual increases. However, the annual work related to development and publication of a finalized Measures Under Consideration list for potential inclusion in Medicare quality programs constitutes dissemination of quality measures and will be funded separately from the CBE in FY 2026. Therefore, the estimated spending plan for dissemination of quality measure activities is \$0.11M. The funding necessary for activities for program assessment and review has decreased since years prior due to efficiencies related to moving the work to conduct an assessment of measures to a broad evaluation contract once every three years. Program assessment and review estimated spending has increased since FY 2025 due to a substantial increase in activities to plan and develop the next triennial National Impact Assessment report for 2027.

The FY 2026 estimated spending plan would obligate the remaining estimated carryover amount of \$8.0K plus the \$2.13M in de-obligated funds available from FY 2025. The carryover funds from FY 2025 are not sufficient to fund the duties of the consensus-based entity, including the pre-rulemaking process and the endorsement and maintenance process.

In order to perform the activities required by sections 1890 and 1890A of the Act, additional funding would need to be appropriated for FY 2026. CMS estimates an additional \$9.65M for FY 2026 is necessary for CMS to fund all statutorily required activities. The funding will allow the CBE to perform the statutorily required endorsement and maintenance of quality measures, pre-rulemaking measure review and measure set review processes as well as support program assessment and review activities, including the development of the triennial CMS National Impact Assessment report as required by section 1890A(a)(6) of the Act. This additional funding would ensure that the base CBE contract and other statutorily required contracted work is fully funded through the end of FY 2026. CMS also funds additional activities, when funding is available, that are necessary to meet the goals of a well-developed, aligned, measures strategy that supports improved quality and safety for all individuals. Funding for these additional activities is in addition to the funding estimated for statutorily required work and is estimated at \$3.65M in FY 2026. We note that funding has not been appropriated for FY 2026 to support these critical activities as of the publication date of this report.