Report to Congress:

Report on Unobligated Balances for Appropriations Relating to Quality Measurement

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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 sixth 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 activities required by sections 1890 and 1890A of the Act. The activities funded through this appropriation include work required by a consensus-based entity (CBE) under contract with the Department of Health and Human Services and other work 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) 2026. Unobligated balances are defined as those funds remaining for which there is no legal liability for disbursement, due to a series of actions, such as a contract award. **CMS estimates that as of April 30, 2026, almost all funding is obligated and the unobligated balance from FY 2026 for activities related to sections 1890 and 1890A of the Act, is approximately $770.** These funds carry over to FY 2027 to continue the activities required by sections 1890 and 1890A of the Act.

The report also provides an overview of the anticipated spending plan for FY 2027.

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.

Through FY 2026, the most recent funding source for the activities required by sections 1890 and 1890A of the Act derives from five appropriations. The CAA, 2021 provided $26M for FY 2021, $20M for FY 2022, and $20M for FY 2023; the CAA, 2024 (Pub. L. 118-42, enacted March 9, 2024) provided $9M for FY 2024; 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; and finally, the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (Pub. L. 119-37, enacted November 12, 2025) provided $13.3M for FY 2026. 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 Memorial Institute (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 periods that begins February 27 and ends February 26 of the next year. Under contract terms and conditions, CMS must

[1] https://www.cms.gov/medicare/quality/measures/report-to-congress
[2] https://www.cms.gov/medicare/quality/measures/report-to-congress

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 2027 performance period, this notification date is December 26, 2026. In FY 2024 and FY 2025, CMS obligated $10,927,241 and $14,265,662, respectively, to Battelle and other contractors for these activities. Prior reports provide detailed information on the funding amounts and activities in these FYs.[3] Table 1 below identifies appropriated funding as of April 30, 2026, for quality measurement activities authorized by the Act in each FY since 2018.

Table 1: Section 1890 funding (in millions) listed chronologically by Public Law number (rounded to the nearest ten thousand) as of April 30, 2026.

Public Law Amending Section 1890 of the Act	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	$15.00
Coronavirus Aid, Relief, and Economic Security Act, Title III, Part IV, Subtitle E, Part I, Sec. 3802 (Pub. L.116-136, enacted March 27, 2020)	$20.00	$0.00	$20.00	$20.00	$0.00	$19.86
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	$25.98
CAA, 2021 for FY 2022	$20.00	($0.57)	$19.43	$19.43	$0.00	$19.43
CAA, 2021 for FY 2023	$20.00	($1.14)	$18.86	$18.86	$0.00	$18.73
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	$8.95
American Relief Act, 2025 (Pub L. 118-158, enacted December 21, 2024)	$2.03	$0.00	$2.03	$2.03	$0.00	$2.03
Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. 119-4, enacted March 15, 2025)	$3.00	$0.00	$3.00	$3.00	$0.00*	$2.71
Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (Pub. L. 119-37, enacted November 12, 2025)	$13.30	$0.00	$13.30	$13.30	$0.00*	$1.61

*Please note that the amounts in this table are as of April 30, 2026; however, the Unobligated column also includes estimated funds that will be obligated beyond April 30, 2026, but prior to September 30, 2026.

NOTE: FY 2027 funds in the amount of $15.1M were appropriated via CAA, 2026 (Public L 119-75 enacted February 3, 2026), but are not included in Table 1.

[3] https://www.cms.gov/medicare/quality/measures/report-to-congress

FY 2026 Obligations

The total amount of unobligated funds during FY 2025, and carried over into FY 2026, was $2.13M. This balance is primarily due to recovered funding from de-obligations, identified in July 2025, to completed contracts containing 1890 and 1890A funding as well as some carryover funding from FY 2025.

In the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, CMS received $13.3M for FY 2026, which is available until expended.

As of April 30, 2026, the total amount of funds obligated for FY 2026 is estimated at $14.37M (an additional $1,052,799 to be obligated after April 30, 2026, by the end of FY 2026). In FY 2026, CMS funded Option Period three of the CBE contract.

FY 2026 Unobligated Balance

CMS estimates that the unobligated balance from FY 2026 for activities related to sections 1890 and 1890A of the Act is $770, which will remain after the funding of three future actions: the CBE Hybrid Cloud Tool, the National Impact Assessment Report, and the Measures Management System pre-rulemaking activities including development of the Measures Under Consideration (MUC) List. This unobligated balance along with future appropriations will be obligated in FY 2027 to continue the activities required by sections 1890 and 1890A of the Act.

Table 2 outlines the related funding amounts for FY 2026, including the carryover balance from FY 2025.

Table 2: FY 2026 Estimated Funding (in millions)

Carryover Amount from FY 2025	FY 2026 Appropriation (American Relief Act, 2026 and Full-Year Continuing Appropriations and Extensions Act, 2026)	FY 2026 Estimated Total Obligations	Estimated Carryover Amount and De-obligations from FY 2026
$2.13	$13.30	$15.43	$0.0008

FY 2027 Estimated Spending[4]

For FY 2027, CMS estimates spending the following amounts to fund the activities required by sections 1890 and 1890A of the Act:

Duties of the CBE: $14.79M
Dissemination of Quality Measures: $0.31M
Program Assessment and Review: $0.00M
TOTAL: $15.10M*
*Includes $40K in administrative costs *(In prior years, administrative costs were higher because two relevant full-time equivalents were funded using this funding source.)*

[4] The FY 2027 spend plan remains under development and is subject to change. For example, CMS makes necessary adjustments due to sequestration and/or de-obligation amounts that are identified after April 30, 2026.

The majority of statutorily required activities for dissemination of quality measures have been included in the duties of the CBE, such as publicly sharing the measures submitted for endorsement and maintenance as well as for pre-rulemaking reviews. There was a slight increase since last year in funds allocated in the duties of the CBE due to routine, annual increases.

The annual work related to development and publication of a finalized MUC List, for potential measure inclusion in Medicare quality programs, constitutes dissemination of quality measures and will be funded separately from the CBE again in FY 2026. Therefore, the estimated spending plan for dissemination of quality measure activities is $0.31M. Program assessment and review estimated spending has decreased due to the anticipated completion of the next statutorily required triennial National Impact Assessment report for 2027.

CMS estimates the obligation of $15.1M for FY 2027, which was appropriated through the CAA, 2026 (Pub. L. 119-75, enacted February 3, 2026), will allow the CBE to perform the statutorily required endorsement and maintenance of quality measures, pre-rulemaking measure review and measure set review processes. This funding will ensure that the base CBE contract and other statutorily required contracted work is fully funded through the end of FY 2027.

CMS actively supports additional activities such as enhancing measure review processes focused on digital measures and use of artificial intelligence, when funding is available, and that are necessary to drive improvements in quality, value, and health outcomes for all individuals.