



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 fourth 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. 116–230, 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) 2024. 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. These funds will be carried over to FY 2025 to continue a portion of the activities required by sections 1890 and 1890A of the Act. The report also provides an overview of the anticipated spending plan for FY 2025.

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 two appropriations. The CAA, 2021 provided \$26 million for FY 2021, \$20 million for FY 2022, and \$20 million for FY 2023. Additionally, the CAA, 2024 (Pub. L. 118-42, enacted March 9, 2024) provides \$9 million for the period beginning on October 1, 2023, and ending on December 31, 2024. 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 FY 2022, CMS expended \$17,426,050 million to the previous CBE contractor, National Quality Forum, and other contracted work to conduct the activities required by sections 1890 and 1890A of the Act. In February 2023, Battelle was awarded the CBE contract to oversee the

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

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

endorsement and maintenance of clinical quality and cost/resource use measures. In FY 2023, CMS expended \$17,172,519 million to Battelle and other contracted work for these activities. Prior reports provide detailed information on the funding amounts and activities in these FYs. The current CBE contract is a five-year contract with a base period and four option years that begin February 27 and end February 26 of the next year.³ 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.

The table below identifies appropriated funding as of April 30, 2024, for quality measurement activities required by and performed under sections 1890 and 1890A of the Act in each FY since FY 2018.

Table 1: Section 1890 funding (in millions) by Public Law (rounded to the ten thousand) as of April 30, 2024.

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	\$21.74	\$4.26	\$21.32
CAA, 2021 for FY 2022	\$20.00	(\$0.57)	\$19.43	\$17.01	\$2.42	\$16.88
CAA, 2021 for FY 2023	\$20.00	(\$1.14)	\$18.86	\$17.51	\$1.35	\$15.16
Consolidated Appropriations Act, 2024, Division G, Title I, Subtitle C, Sec. 301 (Pub. L. 118-42, enacted March 9, 2024)	\$9.00	\$0.00	\$9.00	\$7.79	\$1.21	\$0.35

FY 2024 Obligations

The total amount of funds unobligated during FY 2023, and carried over into FY 2024, is \$11.2 million. This balance is from the CAA, 2021 appropriations. In the CAA, 2024, CMS received

³ Reports to Congress available at <https://www.cms.gov/medicare/quality/measures/report-to-congress>.

\$9 million for the period beginning on October 1, 2023, and ending on December 31, 2024. These funds are available until expended.

As of April 30, 2024, the total amount of funds obligated for FY 2024 is estimated at \$10.97 million. In FY 2024, CMS funded option period one of the base CBE contract without any optional tasks. CMS utilized various efficiencies for FY 2024 in funding the activities required by sections 1890 and 1890A of the Act. These efficiencies include forgoing CBE optional tasks in order to limit certain CBE activities, using other funding resources for activities not required by sections 1890 and 1890A of the Act, and integrating work required by section 1890A into a broader evaluation contract. More specifically, in 2024, CMS did not fund CBE optional tasks to include additional measures to review through the CBE pre-rulemaking review and endorsement processes. Rather, in the interest of efficiency with funding, CMS limited the number of measures being reviewed by the CBE. CMS also re-evaluated work from a Measures Management System (MMS) contract and a Public Reporting contract, which fund activities that are not statutorily required by sections 1890 and 1890A of the Act and determined that this work was able to be funded using other funding resources. Lastly, CMS integrated the work to conduct an 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 2024 Unobligated Balance

CMS estimates that, as of April 30, 2024, the unobligated balance from FY 2024 for sections 1890 and 1890A of the Act activities is \$9.24 million. This unobligated balance will be obligated in FY 2025 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 2024, including the carryover balance from FY 2023, the appropriation from the CAA, 2024, the estimated obligations for FY 2024, and the estimated carryover balance from FY 2024.

Table 2: FY 2024 Funding (in millions) as of April 30, 2024 (rounded to the ten thousand).

Carryover Amount from FY 2023	FY 2024 Appropriation (CAA, 2024, enacted March 9, 2024)	FY 2024 Estimated Total Obligations	Estimated Carryover Amount from FY 2024
\$11.21	\$9.00	\$10.97	\$9.24

FY 2025 Estimated Spending

For FY 2025, CMS estimates spending the following amounts to fund the activities required by sections 1890 and 1890A of the Act:

Duties of the Consensus-Based Entity: \$10.7 million

Dissemination of Quality Measures: \$0.00 million

Program Assessment and Review: \$0.61 million

TOTAL: \$11.31 million*

**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.)*

The 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. Therefore, the estimated spending plan for dissemination of quality measure activities is \$0.00 million because of efficiencies that CMS gained by using a different funding source for work activities that were previously categorized in this area. The funding for activities for program assessment and review have decreased since last year due to efficiencies related to moving the work to conduct an assessment of measures to a broad evaluation contract once every three years. The activities funded by section 1890(d)(2) of the Act under program assessment and review during FY 2025 are for Measures Under Consideration List development and publication.

The FY 2025 estimated spending plan would obligate the remaining estimated carryover amount of \$9.24 million available from FY 2024. The carryover funds from FY 2024 would fund only part of the duties of the consensus-based entity, including the pre-rulemaking process and the endorsement and maintenance process. These carryover funds are insufficient to fund other statutorily required activities of the CBE, such as the measure set review and measure alignment tasks.

Additional funding would need to be appropriated for FY 2025 to perform the activities required by sections 1890 and 1890A 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 2025. 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. CMS estimates an additional \$2.07 million for FY 2025 is necessary. Additional funding has not been appropriated for FY 2025 to support these critical activities as of the date of publication of this report.