



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2025-N-2247]

Outsourcing Facility Fee Rates for Fiscal Year 2026

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or we) is announcing the fiscal year (FY) 2026 rates for the establishment and reinspection fees related to entities that compound human drugs and elect to register as outsourcing facilities under the Federal Food, Drug, and Cosmetic Act (FD&C Act). The FD&C Act authorizes FDA to assess and collect an annual establishment fee from outsourcing facilities, as well as a reinspection fee for each reinspection of an outsourcing facility. This document establishes the FY 2026 rates for the small business establishment fee (\$6,829), the non-small business establishment fee (\$20,726), and the reinspection fee (\$20,486) for outsourcing facilities; provides information on how the fees for FY 2026 were determined; and describes the payment procedures outsourcing facilities should follow.

DATES: These fee rates are effective October 1, 2025, and will remain in effect through September 30, 2026.

FOR FURTHER INFORMATION CONTACT: For more information on human drug compounding and outsourcing facility fees, visit FDA's website at:

<https://www.fda.gov/drugs/guidance-compliance-regulatory-information/human-drug-compounding>. *For questions relating to this notice:* Olufunmilayo Ariyo, Office of Financial Management, Food and Drug Administration, 10903 New Hampshire Ave., Silver Spring, MD 20993, 240-402-4989; or the User Fees Support Staff at UFSS@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Under section 503B of the FD&C Act (21 U.S.C. 353b), a human drug compounder can register with FDA as an “outsourcing facility.” Outsourcing facilities, as defined in section 503B(d)(4), are, in part, facilities that meet all the conditions described in section 503B(a), including registering with FDA as an outsourcing facility and paying an annual establishment fee. If the conditions of section 503B are met, a drug compounded by or under the direct supervision of a licensed pharmacist in an outsourcing facility is exempt from three sections of the FD&C Act: (1) section 502(f)(1) (21 U.S.C. 352(f)(1)), concerning the labeling of drugs with adequate directions for use; (2) section 505 (21 U.S.C. 355), concerning the approval of human drug products under new drug applications or abbreviated new drug applications; and (3) section 582 (21 U.S.C. 360eee-1), concerning drug supply chain security requirements. Drugs compounded in outsourcing facilities are not exempt from the requirements of section 501(a)(2)(B) of the FD&C Act (21 U.S.C. 351(a)(2)(B)), concerning current good manufacturing practice requirements for drugs.

Section 744K of the FD&C Act (21 U.S.C. 379j-62) authorizes FDA to assess and collect the following fees associated with outsourcing facilities: (1) an annual establishment fee from each outsourcing facility and (2) a reinspection fee from each outsourcing facility subject to a reinspection (see section 744K(a)(1) of the FD&C Act). Under statutorily defined conditions, a qualified applicant may pay a reduced small business establishment fee (see section 744K(c)(4) of the FD&C Act).

FDA announced in the *Federal Register* of November 24, 2014 (79 FR 69856), the availability of a final guidance for industry entitled “Fees for Human Drug Compounding Outsourcing Facilities Under Sections 503B and 744K of the FD&C Act.” The guidance provides additional information on the annual fees for outsourcing facilities and adjustments required by law, reinspection fees, how to submit payment, the effect of failure to pay fees, and

how to qualify as a small business to obtain a reduction of the annual establishment fee. This guidance can be accessed on FDA's website at: <https://www.fda.gov/media/136683/download>.

II. Fees for FY 2026

A. Methodology for Calculating FY 2026 Adjustment Factors

1. Inflation Adjustment Factor

Section 744K(c)(2) of the FD&C Act specifies the annual inflation adjustment for outsourcing facility fees. The inflation adjustment has two components: one based on FDA's payroll costs and one based on FDA's non-payroll costs for the first 3 of the 4 previous fiscal years. The payroll component of the annual inflation adjustment is calculated by taking the average change in FDA's per full-time equivalent (FTE) personnel compensation and benefits (PC&B) in the first 3 of the 4 previous fiscal years (see section 744K(c)(2)(A)(ii) of the FD&C Act). FDA's total annual spending on PC&B is divided by the total number of FTEs per fiscal year to determine the average PC&B per FTE.

Table 1 summarizes the actual cost and FTE data for the specified fiscal years and provides the percent change from the previous fiscal year and the average percent change over the first 3 of the 4 fiscal years preceding FY 2026. The 3-year average is 5.4494 percent.

Table 1.--FDA PC&Bs Each Year and Percent Change

	FY 2022	FY 2023	FY 2024	3-Year Average
Total PC&B	\$3,165,477,000	\$3,436,513,000	\$3,791,729,000	
Total FTE	18,474	18,729	19,687	
PC&B per FTE	\$171,348	\$183,486	\$192,601	
Percent Change From Previous Year	4.2967%	7.0838%	4.9677%	5.4494%

Section 744K(c)(2)(A)(ii) of the FD&C Act specifies that this 5.4494 percent should be multiplied by the proportion of PC&B to total costs of an average FDA FTE for the same 3 fiscal years.

Table 2.--FDA PC&Bs as a Percent of FDA Total Costs of an Average FTE

	FY 2022	FY 2023	FY 2024	3-Year Average
Total PC&B (proportion of costs)	\$3,165,477,000	\$3,436,513,000	\$3,791,729,000	
Total Costs	\$6,251,981,000	\$6,654,058,000	\$6,976,495,000	

PC&B percent	50.6316%	51.6454%	54.3501%	52.2090%
--------------	----------	----------	----------	----------

The payroll adjustment is 5.4494 percent multiplied by 52.2090 percent, or 2.8451 percent.

Section 744K(c)(2)(A)(iii) of the FD&C Act specifies that the portion of the inflation adjustment for non-payroll costs for FY 2026 is equal to the average annual percent change in the Consumer Price Index (CPI) for urban consumers (U.S. City Average; Not Seasonally Adjusted; All items; Annual Index) for the first 3 years of the preceding 4 years of available data, multiplied by the proportion of all non-PC&B costs to total costs of an average FDA FTE for the same period.

Table 3 provides the summary data for the percent change in the specified CPI for U.S. cities. These data are published by the Bureau of Labor Statistics and can be found on its website: <https://data.bls.gov/cgi-bin/surveymost?cu>. The data can be viewed by checking the box marked “U.S. city average, All items--CUUR0000SA0” and then selecting “Retrieve Data.”

Table 3.--Annual and 3-Year Average Percent Change in U.S. City Average CPI

	2022	2023	2024	3-Year Average
Annual CPI	292.655	304.702	313.689	
Annual Percent Change	8.0027%	4.1165%	2.9494%	5.0229%

Section 744K(c)(2)(A)(iii) of the FD&C Act specifies that this 5.0229 percent should be multiplied by the proportion of all non-PC&B costs to total costs of an average FTE for the same 3 fiscal years. The proportion of all non-PC&B costs to total costs of an average FDA FTE for FYs 2022 to 2024 is 47.7910 percent (100 percent minus 52.2090 percent equals 47.7910 percent). Therefore, the non-pay adjustment is 5.0229 percent times 47.7910 percent, or 2.4005 percent.

The PC&B component (2.8451 percent) is added to the non-PC&B component (2.4005 percent), for a total inflation adjustment of 5.2456 percent (rounded). Section 744K(c)(2)(A)(i) of the FD&C Act specifies that one is added to that figure, making the inflation adjustment 1.052456.

Section 744K(c)(2)(B) of the FD&C Act provides for this inflation adjustment to be compounded after FY 2015. This factor for FY 2026 (5.2456 percent) is compounded by adding one to it, and then multiplying it by one plus the inflation adjustment factor for FY 2025 (29.7679 percent), as published in the *Federal Register* on July 31, 2024 (89 FR 61470). The result of this multiplication of the inflation factors for the 11 years since FY 2015 (1.052456×1.297679) becomes the inflation adjustment for FY 2026. For FY 2026, the inflation adjustment is 36.5750 percent (rounded). We then add one, making the FY 2026 inflation adjustment factor 1.365750.

2. Small Business Adjustment Factor

Section 744K(c)(3) of the FD&C Act specifies that in addition to the inflation adjustment factor, the establishment fee for non-small businesses is to be further adjusted for a small business adjustment factor. Section 744K(c)(3)(B) of the FD&C Act provides that the small business adjustment factor is the adjustment to the establishment fee for non-small businesses that is necessary to achieve total fees equaling the amount that FDA would have collected if no entity qualified for the small business exception in section 744K(c)(4) of the FD&C Act. Additionally, section 744K(c)(5)(A) states that in establishing the small business adjustment factor for a fiscal year, FDA shall provide for the crediting of fees from the previous year to the next year if FDA overestimated the amount of the small business adjustment factor for such previous fiscal year.

Therefore, to calculate the small business adjustment to the establishment fee for non-small businesses for FY 2026, FDA must estimate: (1) the number of outsourcing facilities that will pay the reduced fee for small businesses for FY 2026 and (2) the total fee revenue it would have collected if no entity had qualified for the small business exception (i.e., if each entity that registers as an outsourcing facility for FY 2026 were to pay the inflation-adjusted fee amount of \$20,486).

With respect to (1), FDA estimates that 9 entities will qualify for small business exceptions and will pay the reduced fee for FY 2026. With respect to (2), to estimate the total number of entities that will register as outsourcing facilities for FY 2026, FDA used data submitted by outsourcing facilities through the voluntary registration process, which began in December 2013. Accordingly, FDA estimates that 84 outsourcing facilities, including 9 small businesses, will be registered with FDA in FY 2026.

If the projected 84 outsourcing facilities paid the full inflation-adjusted fee of \$20,486, this would result in total revenue of \$1,720,824 in FY 2026 ($\$20,486 \times 84$). However, 9 of the entities that are expected to register as outsourcing facilities for FY 2026 are projected to qualify for the small business exception and to pay one-third of the full fee ($\$6,829 \times 9$), totaling \$61,461 instead of paying the full fee ($\$20,486 \times 9$), which would total \$184,374. This would leave a potential shortfall of \$122,913 ($\$184,374$ minus $\$61,461$).

Additionally, section 744K(c)(5)(A) of the FD&C Act states that in establishing the small business adjustment factor for a fiscal year, FDA shall provide for the crediting of fees from the previous year to the next year if FDA overestimated the amount of the small business adjustment factor for such previous fiscal year. FDA has determined that it is appropriate to credit excess fees collected from the last completed fiscal year, due to the inability to conclusively determine the amount of excess fees from the fiscal year that is in progress at the time this calculation is made. This crediting is done by comparing the small business adjustment factor for the last completed fiscal year, FY 2024 (\$1,796), to what would have been the small business adjustment factor for FY 2024 (\$576) if FDA had estimated perfectly.

The calculation for what the small business adjustment would have been if FDA had estimated perfectly begins by determining the total target collections ($15,000 \times [\text{inflation adjustment factor}] \times [\text{number of registrants}]$). For the most recent complete fiscal year, FY 2024, this was \$1,672,920 ($\$18,588 \times 90$). The actual FY 2024 revenue from the 90 total registrants (i.e., 86 registrants paying FY 2024 non-small business establishment fee and 4 small business

registrants) paying establishment fees is \$1,623,352. \$1,623,352 is calculated as follows: (FY 2024 Non-Small Business Establishment Fee adjusted for inflation only) \times (total number of registrants in FY 2024 paying Non-Small Business Establishment Fee) + (FY 2024 Small Business Establishment Fee) \times (total number of small business registrants in FY 2024 paying Small Business Establishment Fee). $\$18,588 \times 86 + \$6,196 \times 4 = \$1,623,352$. This left a shortfall of \$49,568 from the estimated total target collection amount (\$1,672,920 minus \$1,623,352). This amount (\$49,568) divided by the total number of registrants in FY 2024 paying Standard Establishment Fee (86) equals \$576.

The difference between the small business adjustment factor used in FY 2024 and the small business adjustment factor that would have been used had FDA estimated perfectly is \$1,220 (\$1,796 minus \$576). The \$1,220 (rounded to the nearest dollar) is then multiplied by the number of actual registrants who paid the standard fee for FY 2024 (86), which provides us a total excess collection of \$104,883 in FY 2024.

Therefore, to calculate the small business adjustment factor for FY 2026, FDA subtracts \$104,883 from the projected shortfall of \$122,913 for FY 2026 to arrive at the numerator for the small business adjustment amount, which equals \$18,030. This number divided by 75 (the number of expected non-small businesses for FY 2026), is the small business adjustment amount for FY 2026, which is \$240 (rounded to the nearest dollar).

B. FY 2026 Rates for Small Business Establishment Fee, Non-Small Business Establishment Fee, and Reinspection Fee

1. Establishment Fee for Qualified Small Businesses¹

¹ To qualify for a small business reduction of the FY 2026 establishment fee, entities had to submit their exception requests by April 30, 2025. See section 744K(c)(4)(B) of the FD&C Act. The time for requesting a small business exception for FY 2026 has now passed. An entity that wishes to request a small business exception for FY 2027 should consult section 744K(c)(4) of the FD&C Act and section III.D of FDA's guidance for industry entitled "Fees for Human Drug Compounding Outsourcing Facilities Under Sections 503B and 744K of the FD&C Act," which can be accessed on FDA's website at <https://www.fda.gov/media/136683/download>.

The amount of the establishment fee for a qualified small business is equal to \$15,000 multiplied by the inflation adjustment factor for that fiscal year, divided by 3 (see section 744K(c)(4)(A) and (c)(1)(A) of the FD&C Act). The inflation adjustment factor for FY 2026 is 1.365750. See section II.A.1 of this document for the methodology used to calculate the FY 2026 inflation adjustment factor. Therefore, the establishment fee for a qualified small business for FY 2026 is one third of \$20,486, which equals \$6,829 (rounded to the nearest dollar).

2. Establishment Fee for Non-Small Businesses

Under section 744K(c) of the FD&C Act, the amount of the establishment fee for a non-small business is equal to \$15,000 multiplied by the inflation adjustment factor for that fiscal year, plus the small business adjustment factor for that fiscal year, and plus or minus an adjustment factor to account for over or under collections due to the small business adjustment factor in the prior year. The inflation adjustment factor for FY 2026 is 1.365750. The small business adjustment amount for FY 2026 is \$240. See section II.A.2 of this document for the methodology used to calculate the small business adjustment factor for FY 2026. Therefore, the establishment fee for a non-small business for FY 2026 is \$15,000 multiplied by 1.365750 plus \$240, which equals \$20,726 (rounded to the nearest dollar).

3. Reinspection Fee

Section 744K(c)(1)(B) of the FD&C Act provides that the amount of the FY 2026 reinspection fee is equal to \$15,000, multiplied by the inflation adjustment factor for that fiscal year. The inflation adjustment factor for FY 2026 is 1.365750. Therefore, the reinspection fee for FY 2026 is \$15,000 multiplied by 1.365750, which equals \$20,486 (rounded to the nearest dollar). There is no reduction in this fee for small businesses.

C. Summary of FY 2026 Fee Rates

Table 4.--Outsourcing Facility Fees

Fee Category	Fee Rates for FY 2026
Qualified Small Business Establishment Fee	\$6,829
Non-Small Business Establishment Fee	\$20,726
Reinspection Fee	\$20,486

III. Fee Payment Options and Procedures

A. Establishment Fee

Once an entity submits registration information and FDA has determined that the information is complete, the entity will incur the annual establishment fee. FDA will send an invoice to the entity, via email to the email address indicated in the registration file. The invoice will contain information regarding the obligation incurred, the amount owed, and payment procedures. A facility will not be registered as an outsourcing facility until it has paid the annual establishment fee under section 744K of the FD&C Act. Accordingly, it is important that facilities seeking to operate as outsourcing facilities pay all fees immediately upon receiving an invoice. If an entity does not pay the full invoiced amount within 15 calendar days after FDA issues the invoice, FDA will consider the submission of registration information to have been withdrawn and adjust the invoice to reflect that no fee is due.

Outsourcing facilities that registered in FY 2025 and wish to maintain their status as an outsourcing facility in FY 2026 must register during the annual registration period that lasts from October 1, 2025, to December 31, 2025. Failure to register and complete payment by December 31, 2025, will result in a loss of status as an outsourcing facility on January 1, 2026. Entities should submit their registration information no later than December 10, 2025, to allow enough time for review of the registration information, invoicing, and payment of fees before the end of the registration period.

B. Reinspection Fee

FDA will issue invoices for each reinspection after the conclusion of the reinspection, via email to the email address indicated in the registration file. Payments must be made within 30 days of the invoice date.

C. Fee Payment Procedures

1. The preferred payment method is online using electronic check (Automated Clearing House (ACH) also known as eCheck) or credit card (Discover, VISA, MasterCard, American Express). Secure electronic payments can be submitted using the User Fees Payment Portal at <https://userfees.fda.gov/pay>. (Note: only full payments are accepted. No partial payments can be made online.) Once you search for your invoice, click “Pay Now” to be redirected to Pay.gov. Electronic payment options are based on the balance due. Payment by credit card is available for balances less than \$25,000. If the balance exceeds this amount, only the ACH option is available. Payments must be made using U.S. bank accounts as well as U.S. credit cards.

2. For payments made by wire transfer, the invoice number must be included. Without the invoice number, the payment may not be applied. Regarding reinspection fees, if the payment amount is not applied, the invoice amount will be referred to collections. The originating financial institution may charge a wire transfer fee. If the financial institution charges a wire transfer fee, it is required that the outsourcing facility add that amount to the payment to ensure that the invoice is paid in full. Use the following account information when sending a wire transfer: U.S. Dept of the Treasury, TREAS NYC, 33 Liberty St., New York, NY 10045, Acct. No. 75060099, Routing No. 021030004, SWIFT: FRNYUS33. If needed, FDA’s tax identification number is 53-0196965.

Dated: July 25, 2025.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2025-14410 Filed: 7/29/2025 8:45 am; Publication Date: 7/30/2025]