



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 412

[CMS-1829-CN]

RIN 0938-AV48

Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for Federal Fiscal Year 2026 and Updates to the IRF Quality Reporting Program; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Final rule; correction.

SUMMARY: This document corrects typographical and technical errors in the final rule that appeared in the August 5, 2025, **Federal Register** entitled “Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for Federal Fiscal Year 2026 and Updates to the IRF Quality Reporting Program” (hereinafter referred to as the “FY 2026 IRF final rule”). The effective date was October 1, 2025.

DATES: *Effective date:* This correction is effective [Insert date of publication in the **Federal Register**].

Applicability date: This correction is applicable to October 1, 2025.

FOR FURTHER INFORMATION CONTACT: Kimberly Schwartz, (410) 786-2571; Patricia Taft (410) 786-4561.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2025-14780 of August 5, 2025, the FY 2026 IRF final rule (90 FR 37678), there were typographical and technical errors that are identified and corrected in this correcting document.

II. Summary of Errors

A. Summary of Errors in the Preamble

On pages 37678, 37681, 37698, 37699, 37718, 37719, 37720, 37721, and 37724, due to a technical error in the calculation of the final FY 2026 IRF PPS payment rates, we inadvertently excluded a provider from the FY 2026 payment rate analysis and impacts, which required recalculation of the payment rates and impact analysis.

On page 37681, we included an incorrect section reference.

B. Summary of Errors and Corrections Posted on the CMS Website for the IRF Wage Index

After the FY 2026 IRF PPS final rule was published, we identified CMS Certification Numbers (CCNs) with more than 6 characters in the provider-specific file indicating there are providers with multiple records that have different provider characteristics. In the FY 2026 IRF PPS final rule, we inadvertently only included records with 6 character CCNs in our rate setting analysis resulting in one IRF provider being excluded from the rate setting data. Therefore, in this document we include that provider record with more than 6 characters with the most recent effective date. The inclusion of the 236 claims from this provider resulted in a change to the outlier threshold (section VI. of the FY 2026 IRF PPS final rule) and changes to the estimated payment impacts (section VII. of the FY 2026 IRF PPS final rule).

III. Waiver of Proposed Rulemaking and Delay in Effective Date

Section 1871(b)(1) of the Social Security Act (the Act) requires the Secretary to provide for notice of a proposed rule in the Federal Register and provide a period of not less than 60 days for public comment. In addition, section 1871(e)(1)(B)(i) of the Act mandates a 30-day delay in effective date after issuance or publication of a rule. Section 1871(b)(2)(C) of the Act provides an exception from the notice and 60-day comment period and delay in effective date requirements of the Act, under the good cause standard set forth in 5 U.S.C. 553(b)(B). Section 1871(e)(1)(B)(ii) of the Act provides an exception from the delay in effective date requirements of the Act as well. Section 553(b)(B) authorizes an agency to dispense with normal notice and

comment rulemaking procedures for good cause if the agency makes a finding that the notice and comment process is impracticable, unnecessary, or contrary to the public interest, and includes a statement of the finding and the reasons for it in the rule. In addition, section 1871(e)(1)(B)(ii) of the Act allows the agency to avoid the 30-day delay in effective date where the waiver is necessary to comply with statutory requirements or such delay is contrary to the public interest and the agency includes in the rule a statement of the finding and the reasons for it. In our view, this correcting document does not constitute a rulemaking that would be subject to these requirements.

This document merely corrects typographical and technical errors in the FY 2026 IRF final rule. The corrections contained in this document are consistent with, and do not make substantive changes to, the policies and payment methodologies that were proposed, subject to notice and comment procedures, and adopted in the FY 2026 IRF final rule. As a result, the corrections made through this correcting document are intended to resolve inadvertent errors so that the rule accurately reflects the policies adopted in the final rule. Even if this were a rulemaking to which the notice and comment and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the FY 2026 IRF final rule or delaying the effective date of the corrections would be contrary to the public interest because it is in the public interest to ensure that the rule accurately reflects our policies as of the date they take effect. Further, such procedures would be unnecessary because we are not making any substantive revisions to the final rule, but rather, we are simply correcting the Federal Register document to reflect the policies that we previously proposed, received public comment on, and subsequently finalized in the final rule. For these reasons, we believe there is good cause to waive the requirements for notice and comment and delay in effective date.

IV. Correction of Errors

In FR Doc. 2025-14780 of August 5, 2025, make the following corrections:

1. On page 37678, Table 1 titled “Cost and Transfers”, second row, second column, the figure that reads “\$340 million” is corrected to read “\$335 million”.

2. On page 37681, second column,

a. Second bulleted paragraph, the section reference that reads “VI” is corrected to read “VII”.

b. Third bulleted paragraph, the section reference that reads “VI” is corrected to read “VII”.

3. On page 37698, under Table 7, third column, last paragraph, line 9, the figure that reads “\$10,062” is corrected to read “\$10,141”.

4. On page 37699, third column, first full paragraph,

a. Line 5, the figure that reads “2.4” is corrected to read “2.5”.

b. Line 8, the figure that reads “\$10,062” is corrected to read “\$10,141”.

c. Line 17, the figure that reads “\$10,062” is corrected to read “\$10,141”.

5. On page 37718,

a. Second column, first full paragraph, line 10, the figure that reads “\$340 million” is corrected to read “\$335 million”.

b. Third column,

(1) First partial paragraph, line 5, the figure that reads “1,169” is corrected to read “1,170”.

(2) First full paragraph, line 18, the figure that reads “1,169” is corrected to read “1,170”.

6. On page 37719,

a. First column, first paragraph under the heading “1. Impact on IRFs”, line 4, the figure that reads “\$340 million” is corrected to read “\$335 million”.

b. Second column,

(1) First full paragraph, line 13, the figure that reads “\$340 million” is corrected to read “\$335 million”.

(2) Second full paragraph, line 14, the figure that reads “\$340 million” is corrected to read “\$335 million”.

c. Third column, under the heading “2. Description of Table 14”,

(1) Line 2, the figure that reads “1,169” is corrected to read “1,170”.

(2) Line 15, the figure that reads “1,024” is corrected to read “1,025”.

(3) Line 17, the figure that reads “646” is corrected to read “647”.

(4) Line 29, the figure that reads “465” is corrected to read “466”.

7. On pages 37720 and 37721, Table 14 titled “IRF Impact for FY 2026 (Columns 4 through 7 in percentages)”, is corrected to read as follows:

TABLE 14: IRF Impact for FY 2026 (Columns 4 through 7 in percentages)

Facility Classification	Number of IRFs	Number of Cases	Outlier	FY 2026 CBSA & FY2026 Wage Index	CMG Weights	Total Percent Change ¹
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total	1,170	447,256	0.6	0.0	0.0	3.2
Urban unit	647	144,310	1.1	-0.2	0.0	3.6
Rural unit	131	18,147	0.9	-0.1	0.1	3.5
Urban hospital	378	277,797	0.2	0.1	0.0	2.9
Rural hospital	14	7,002	0.0	0.4	0.0	3.0
Urban For-Profit	482	276,263	0.3	0.1	0.0	2.9
Rural For-Profit	39	10,714	0.3	0.3	0.0	3.2
Urban Non-Profit	466	127,753	1.0	-0.1	0.0	3.6
Rural Non-Profit	87	12,573	0.9	-0.1	0.1	3.5
Urban Government	77	18,091	1.2	-0.1	0.1	3.8
Rural Government	19	1,862	0.6	-0.6	0.1	2.8
Urban	1,025	422,107	0.6	0.0	0.0	3.2
Rural	145	25,149	0.6	0.1	0.1	3.4
Urban by region						
Urban New England	30	15,484	0.3	1.6	0.1	4.7
Urban Middle Atlantic	113	42,826	0.7	0.3	0.0	3.6
Urban South Atlantic	190	100,441	0.5	0.5	0.0	3.6
Urban East North Central	165	50,402	0.6	0.3	0.0	3.5
Urban East South Central	56	29,048	0.2	0.7	0.0	3.5
Urban West North Central	80	25,558	0.6	0.2	0.0	3.5
Urban West South Central	210	95,608	0.3	-0.7	0.0	2.1
Urban Mountain	81	35,924	0.4	-0.5	0.0	2.4
Urban Pacific	100	26,816	1.5	-1.0	0.0	3.1
Rural by region						
Rural New England	5	1,104	0.9	1.0	0.1	4.6
Rural Middle Atlantic	11	1,408	0.4	-1.4	0.1	1.6

Facility Classification	Number of IRFs	Number of Cases	Outlier	FY 2026 CBSA & FY2026 Wage Index	CMG Weights	Total Percent Change ¹
Rural South Atlantic	17	6,383	0.2	0.1	0.0	2.9
Rural East North Central	23	3,022	1.2	0.3	0.0	4.1
Rural East South Central	19	3,284	0.5	-1.2	0.1	1.9
Rural West North Central	19	2,310	1.1	0.2	0.1	4.0
Rural West South Central	44	7,042	0.5	0.4	0.1	3.6
Rural Mountain	5	322	0.9	3.8	0.1	7.5
Rural Pacific	2	274	3.0	0.4	0.3	6.3
Teaching status						
Non-teaching	1,064	398,566	0.5	0.0	0.0	3.1
Resident to ADC less than 10%	59	33,458	0.6	0.0	0.0	3.2
Resident to ADC 10%-19%	34	12,761	1.5	-0.3	0.0	3.8
Resident to ADC greater than 19%	13	2,471	0.9	0.2	0.1	3.8
Disproportionate share patient percentage (DSH PP)						
DSH PP = 0%	52	12,309	0.6	-0.6	0.0	2.7
DSH PP <5%	194	98,674	0.4	0.3	0.0	3.3
DSH PP 5%-10%	252	110,048	0.4	-0.1	0.0	3.0
DSH PP 10%-20%	404	150,145	0.6	0.0	0.0	3.2
DSH PP greater than 20%	268	76,080	0.9	-0.2	0.0	3.4

¹This column includes the impact of the updates in columns (4), (5), and (6) above, and of the IRF market basket update for FY 2026 of 3.3 percent, reduced by 0.7 percentage point for the productivity adjustment as required by section 1886(j)(3)(C)(ii)(I) of the Act. Note, the products of these impacts may be different from the percentage changes shown here due to rounding effects.

8. On page 37721, under the heading “3. Impact of the Update to the Outlier Threshold Amount”, first column, second paragraph,

- a. Line 6, the figure that reads “2.4” is corrected to read “2.5”.
- b. Line 10, the figure that reads “\$10,062” is corrected to read “\$10,141”.
- c. Line 19, the figure that reads “2.4” is corrected to read “2.5”.

9. On page 37724,

a. Table 19 titled “Accounting Statement – Classification of Estimated Expenditure”, third column, the figure that reads “\$340 million” is corrected to read “\$335 million”.

b. Under the heading, “G. Conclusion”, first column, third paragraph, line 5, the figure that reads “7.6” is corrected to read “7.5”.

Liesl I. Fowler,

Executive Secretary to the Department,

Department of Health and Human Services.

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