

Publications

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CMS Issues a Proposed Rule Impacting Quality Reporting, Care Compare and MDS Requirements for Skilled Nursing Facilities

Key Takeaways:

- CMS has proposed FY 2027 SNF PPS updates, including a 2.4% payment increase and changes to quality reporting and data submission. The proposal also removes certain COVID-19 measures and updates Care Compare reporting.
- The proposed changes would expand reporting obligations and accelerate submission timelines for skilled nursing facilities, potentially increasing administrative burden and compliance risk.
- Providers should assess the impact on operations and reporting processes and consider submitting comments before the June 1, 2026 deadline.

The Centers for Medicare & Medicaid Services (CMS) has released a proposed rule updating the Skilled Nursing Facility (SNF) Prospective Payment System (PPS) for FY 2027. The proposed rule signals CMS' continued shift toward tighter reporting timelines, broader data collection and reduced reliance on pandemic-era quality measures for skilled nursing facilities. With comments due by June 1, 2026, providers have a limited window to assess the proposals and consider submitting feedback to CMS. In this alert, we outline the proposed changes to payment, quality reporting and data submission requirements.

Summary of CMS' Proposed SNF PPS Changes for FY 2027

The rule proposes a routine payment update and continued changes to reimbursement, SNF Quality Reporting Program (QRP) and public transparency requirements for SNFs. Key proposals include:

- Increasing SNF PPS payments by approximately 2.4%, for an estimated overall increase in payments totaling approximately \$888 million;
- Removing two COVID-19 vaccination measures from the SNF QRP;
- Ending public display of COVID-19 vaccination data on Care Compare after the October 2026 refresh;
- Shortening SNF QRP data submission deadlines from approximately 4.5 months to the 15th day of the second month following each quarter;
- Expanding Minimum Data Set (MDS) reporting requirements to include all residents

Related People

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Related Capabilities

- Senior Housing & Long Term Care
- Health Care Reimbursement
- Health Care

- receiving covered skilled care, regardless of payer; and
- Requesting public stakeholder information on case-mix creep under the Patient Driven Payment Model (PDPM) model, and on the applicability of quality measures related to advanced care planning.

Removal of COVID-19 Vaccination Measures

CMS proposes to remove two COVID-19 vaccination measures from the SNF QRP beginning with the FY 2028 program year, including:

- COVID-19 Vaccination Coverage Among Healthcare Personnel; and
- COVID-19 Vaccine: Percent of Patients/Residents Who Are Up to Date.

CMS cites evolving clinical guidance and reduced utility of these measures as the basis for removal. If finalized, SNFs would no longer be required to report these measures.

Accelerated QRP Data Submission Deadlines

CMS proposes to significantly shorten SNF QRP data submission timelines. Beginning with the FY 2029 QRP, SNFs would be required to submit MDS data and corrections by the 15th day of the second month following each calendar quarter, replacing the current approximately 4.5-month deadline.

Expansion of MDS Reporting to All Skilled Residents

One of the most consequential proposals would expand MDS reporting requirements beyond Medicare fee-for-service residents. CMS proposes that, beginning with the FY 2031 QRP, SNFs would be required to submit MDS data for all residents receiving covered skilled care¹, regardless of payer source, starting with residents admitted on or after Oct. 1, 2026.

This proposal, if adopted, would significantly expand the scope of MDS reporting obligations, particularly for facilities with substantial Medicaid-only or private-pay residents.

Requests for Information

Based on CMS observing increases in certain SNF case-mix indexes which may not be fully explained by changes in patient characteristics, CMS is seeking public input on potential methodologies to evaluate and, if appropriate, adjust the PDPM, to ensure better alignment between payments and resident needs in future rulemaking.

CMS also seeks public input on the importance and relevance of QRP reporting measures related to advanced care planning. Specifically, CMS seeks input as to the aspects and measures that are relevant to promoting person-centered care practices within the SNF setting.

Next Steps for Providers Ahead of June 1 Comment Deadline

With the comment period open through June 1, 2026, providers may wish to evaluate the potential impact of these proposals and consider submitting comments to CMS. Should you have questions regarding the information discussed, please reach out to Sara Avakian, Ellie Tucker, Simran Nijjar, a member of the Senior Housing & Long Term Care team or your preferred Polsinelli attorney.

[1] This will includes residents meeting four criteria, including: 1) the resident is admitted to the SNF for covered skilled nursing services or skilled rehabilitation services and those services are ordered by a physician; 2) the resident requires these skilled services on a daily basis; 3) the daily skilled services can be provided only on an inpatient basis in a SNF; and 4) the services delivered are reasonable and necessary for the treatment of a resident's illness or injury, that is, are consistent with the nature and severity of the individual's illness or injury, the individual's particular medical needs, and accepted standards of medical practice, and are reasonable in terms of duration and quantity.