

# PUBLICATION

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## CMS Releases Fiscal Year 2026 State Performance Standards System (SPSS) Guidance

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The Centers for Medicare & Medicaid Services (CMS) released its Fiscal Year 2026 (FY26) State Performance Standards System (SPSS) Guidance on January 13, 2026. This system evaluates State Survey Agencies (SAs) on their effectiveness in overseeing Medicare and Medicaid-certified providers and suppliers. The FY26 guidance reflects operational adjustments due to the federal government shutdown (October 1 – November 12, 2025), ongoing migration to the Internet Quality Improvement and Evaluation System (iQIES), and CMS's commitment to maintaining high standards of care despite resource constraints. In addition to outlining expectations for SAs, the guidance also provides valuable insight for providers into what is driving SA priorities and the areas of survey focus they are likely to emphasize throughout the year. Although the SPSS guidance applies to nursing homes, non-deemed acute and continuing care providers, and acute and continuing care providers, this article focuses solely on the SPSS framework as it relates to nursing homes.

### Key Changes for FY26

- **Retirement of Measures**: Three measures were retired due to sustained high performance by SAs: Immediate Jeopardy (IJ) template use, IJ intakes overdue for investigation, and focused concern surveys.
- **Adjustments for Shutdown Impact**: The FY26 evaluation accounts for approximately 20 percent of the fiscal year affected by the federal shutdown. CMS applied exceptions and reduced thresholds for measures impacted during this period. These adjustments apply only to FY26.
- **Revised Scoring Thresholds**: To reflect operational challenges, CMS lowered thresholds for several measures: Off-hour nursing home surveys (S6) reduced from 10 percent to eight percent; Nursing home recertification frequency (S7) reduced from 100 percent to 80 percent; Tier 1 Acute and Continuing Care surveys (S8) reduced from 100 percent to 80 percent.
- **Focus on Statutory and High-Priority Work**: With funding levels unchanged since FY15, FY26 emphasizes statutory mandates and high-risk areas to ensure patient safety and quality of care.
- **Consistent Measure Codes**: Beginning in FY26, measure codes (e.g., S5) will remain consistent across years for clarity.
- **Migration to iQIES**: CMS will calculate measures using iQIES for migrated providers and QIES for others, acknowledging challenges during this transition.

## SPSS Domains and Measures

The SPSS measures are organized into three (3) domains: Survey and Intake Process, Survey and Intake Quality, and Noncompliance Resolution. For FY26, CMS has retired three measures from the prior fiscal year—immediate jeopardy (IJ) template use, IJ intakes overdue for investigation, and focused concern surveys—reflecting improved SA performance and a shift toward the highest-priority survey and certification activities. Focused concern surveys were discontinued in FY25, and by the end of that year, nearly all SAs had eliminated or nearly eliminated their backlogs of overdue IJ intakes, rendering those measures less meaningful. SAs also demonstrated sustained high performance on IJ template use in FY24, with more than 90 percent meeting the expectation for nursing home IJ tags and more than 80 percent doing so for acute and continuing care provider IJ tags.

With these measures retired, the FY26 SPSS framework now comprises nine (9) measures across the same three (3) domains, each designed to assess timeliness, quality, and compliance. These remaining measures reflect CMS's ongoing focus on core statutory responsibilities and areas where meaningful variation in state performance continues to exist. They include:

### **Domain 1: Survey and Intake Process**

- ***S1: Nursing Home Special Focus Facilities (SFFs)*** – Assesses whether SAs conduct recertification surveys of SFFs on schedule and promptly replace facilities that graduate or are terminated from the program. Each SA must complete a standard health-recertification survey for every designated SFF at least once every 186 calendar days. When an SFF is removed, either through graduation or termination, the SA must add a replacement within 21 calendar days to ensure all SFF slots remain filled. CMS emphasized that it will evaluate both the frequency of recertification surveys and the timeliness with which SAs add new facilities to the SFF list. CMS also reiterated its expectation that SAs issue graduation letters as soon as possible, and no later than five (5) business days after the SFF returns to substantial compliance, meets graduation criteria, and the SA receives approval from the CMS Location.

The FY26 guidance includes limited exceptions tied to the Federal government shutdown. CMS is granting SAs until March 31, 2026, to complete surveys for SFFs that were due during the first quarter of FY26 (October 1–December 31, 2025). In addition, CMS will not assess compliance with the 21-day replacement requirement for facilities eligible to graduate between September 15 and November 15, 2025.

Providers that have recently graduated from the SFF list may also rely on this updated CMS guidance to encourage SAs to issue graduation letters as quickly as possible.

- ***S4: EMTALA Complaints Prioritized as IJ and Non-IJ High*** – Assesses timeliness in initiating investigations for high-priority EMTALA complaints.
- ***S5: Intakes Prioritized as IJ with Surveys Started Timely*** – Measures whether surveys for IJ-prioritized intakes begin within required timeframes.
- ***S6: Nursing Home Off-Hour Surveys*** – Examines whether surveys occur during weekends, holidays, or off-hours, especially at facilities with staffing concerns.

- **S7: Frequency of Nursing Home Recertification Surveys** – Ensures nursing homes are surveyed at least every 15.9 months.
- **S8: Frequency of Tier 1 Acute and Continuing Care Recertification Surveys** – Tracks timely surveys for non-deemed home health agencies, hospices, and intermediate care facilities.

## **Domain 2: Survey and Intake Quality**

- **Q2: Assessment of Deficiency Identification Using Federal Comparative Surveys** – Compares state survey findings to federal benchmarks for consistency.
- **Q3: Nursing Home Tags Downgraded or Removed by IDR/IIDR and Unresolved Disputes** – Evaluates both the quality and timeliness of the informal dispute resolution (IDR) and independent informal dispute resolution (IIDR) processes by tracking the percentage of deficiency tags that are downgraded or removed, as well as the share of disputes that remain unresolved. CMS notes that it will "assess the percentage of tags that have been downgraded or removed via IDR/IIDR and the percentage of surveys where an IDR/IIDR has been requested but has not been completed." From CMS's perspective, a downgrade or removal of a tag through IDR or IIDR may indicate that the SA did not provide adequate evidence to support the cited scope and severity of a deficiency and that high proportions of downgraded or removed tags therefore reflect a survey quality issue the SA must address – or may point to systemic weaknesses in the IDR/IIDR processes themselves.

To meet this measure, CMS is requiring fewer than 40 percent of all tags reviewed through IDR or IIDR during the fiscal year may be downgraded or removed. This threshold applies to deficiency tags from nursing home health-recertification or complaint surveys, but excludes those from Federal Monitoring Surveys, initial certification surveys, and revisit surveys. In addition, no more than five percent of all surveys with requested IDRs or IIDRs between FY24 and FY26 may remain in "requested" status beyond 60 days. CMS's close monitoring of these outcomes raises a potential concern for providers: emphasizing downgrade and removal rates may inadvertently discourage State Survey Agencies from granting IDR or IIDR requests.

- **Q4: Nursing Home Recertification Survey Composite** – Combines six sub-measures, including deficiency rates, severity levels, and completion of mandatory and triggered tasks.

## **Domain 3: Noncompliance Resolution**

- **N1: Onsite Revisit Timeliness** – Evaluates whether SAs complete onsite revisits within required timeframes – 60 days for nursing homes and 45 days for other providers – after surveys identifying serious deficiencies. CMS will assess the percentage of revisits completed within these deadlines. For nursing homes, onsite revisits must occur within 60 calendar days of the survey exit date when deficiencies at scope and severity level F with substandard quality of care or higher are cited. For non-deemed acute and continuing care providers, revisits must be completed within 45 days following surveys that cite condition-level deficiencies. CMS will apply this measure to home health agencies, hospices, intermediate care facilities for individuals with intellectual disabilities, and nursing homes. Providers concerned about delayed 2567s can point to this measure when engaging with their SA, and the guidance also provides a helpful benchmark for planning timely plan-of-correction submissions.

## Scoring and Compliance

CMS uses four scoring categories: Met, Partially Met, Not Met, and Requires Research (for Q4). States that fail to meet thresholds or repeatedly score Partially Met must submit corrective action plans. CMS will monitor these plans quarterly to ensure progress.

## Implications for State Survey Agencies

The FY26 guidance underscores CMS's commitment to protecting health and safety while recognizing operational challenges. Agencies should prioritize statutory survey requirements and high-risk areas, prepare for adjusted thresholds and exceptions due to the shutdown, ensure accurate and timely data entry in iQIES, and develop robust corrective action plans for measures not met.

Baker Donelson will continue monitoring FY26 SPSS developments. For more information about how this updated guidance impacts your organization, please contact [Howard L. Sollins](#), [Mary Grace Griffin](#), or any member of Baker Donelson's [Health Law](#) team.