Department of Health and Human Services
Office of Inspector General
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September 2026 | A-04-24-08105

CMS Could Improve Oversight of States' Use of Contract Surveyors for Nursing Home Surveys

REPORT HIGHLIGHTS

September 2026 | A-04-24-08105

CMS Could Improve Oversight of States' Use of Contract Surveyors for Nursing Home Surveys

Why OIG Did This Audit

- CMS oversees the certification and regulation of approximately 15,000 nursing homes nationwide. Federal law requires nursing homes to protect residents and comply with Medicare and Medicaid rules. CMS relies on States to monitor and enforce compliance.
- Because of staffing shortages and survey backlogs—exacerbated by the COVID-19 pandemic—many States and CMS increasingly have come to rely on contract surveyors to conduct nursing home surveys.
- This audit assessed whether CMS adequately oversees State survey agencies' (SAs') use of contract surveyors to conduct these surveys in accordance with Federal requirements.

What OIG Found

- CMS did not provide adequate oversight of States' use of contract surveyors to conduct nursing home surveys.
- During our audit period, CMS issued a memo to SAs outlining contracting practices SAs could use to ensure that contract surveyors meet Federal requirements, but CMS did not monitor whether SAs implemented practices that achieved the memo's underlying objectives.
- Our survey of 14 States that used contract surveyors found that all 14 could have improved their policies and procedures to ensure that the CMS guidelines were met.

In the absence of CMS monitoring and oversight, there is an increased risk that SAs have not implemented sufficient controls to ensure that contract surveyors meet Federal requirements when performing nursing home surveys.

What OIG Recommends

We made two recommendations to CMS, including that it add worker classification (i.e., employee or contract surveyor) as a required entry in its quality improvement and evaluation system and confirm that SAs have policies and procedures in place to ensure that contract surveyors performing nursing home surveys meet Federal requirements. The full recommendations are in the report.

CMS concurred with both recommendations.

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INTRODUCTION

WHY WE DID THIS AUDIT

The Centers for Medicare and Medicaid Services (CMS) is responsible for the certification and oversight of most of the Nation's approximately 15,000 nursing homes, which house roughly 1.2 million residents. Federal law requires that these nursing homes comply with Medicare and Medicaid participation requirements and protect the health, safety, welfare, and rights of nursing home residents. CMS relies on State survey agencies (SAs) to monitor compliance with Federal requirements. As part of this oversight, SAs must conduct on-site surveys of nursing homes at least every 15 months, while ensuring that the statewide average interval between surveys does not exceed 12 months. CMS provides training, funding, and other assistance to States for nursing home oversight and assesses their performance. Oversight and monitoring of nursing homes are crucial for the safety of their residents.

To complete the required survey work in a timely manner, many States engage contract surveyors.[1] The COVID-19 pandemic—along with the introduction of Focused Infection Control surveys—led to rapid growth in both the number of States using contract surveyors and the volume of survey work they outsourced.

A prior Office of Inspector General (OIG) review of nursing homes identified issues with SAs meeting CMS performance standards because of a backlog of required surveys and staffing shortages within SAs.[2] To reduce these challenges, SAs increasingly relied on third-party contractors to conduct surveys. CMS also relies on some of these same third-party contractors to conduct comparative Federal Monitoring Surveys (FMSs, also known as validation surveys) to verify State compliance, which raises the risk of potential conflicts of interest.

OBJECTIVE

Our objective was to determine whether CMS provided adequate oversight of States' use of contract surveyors to conduct nursing home surveys.

BACKGROUND

CMS and State Responsibilities for Nursing Home Surveys

Medicare and Medicaid programs cover care in nursing homes for eligible enrollees. Sections 1819 and 1919 of the Social Security Act (the Act) establish requirements for CMS and States to

[1] In this report, the term "contract surveyors" includes: (1) individual surveyors engaged directly by an SA as independent contractors; and (2) individuals employed or engaged by another entity who conduct surveys for an SA under a contract between the SA and that entity.

[2] OIG, *CMS Should Take Further Action To Address States With Poor Performance in Conducting Nursing Home Surveys (OEI-06-19-00460)*, Jan. 11, 2022.

perform surveys of nursing homes to determine whether they meet Federal participation requirements.[3]

CMS is responsible for the certification and oversight of most of the Nation's approximately 15,000 nursing homes. The Act requires that these nursing homes comply with Medicare and Medicaid participation requirements and protect the health, safety, welfare, and rights of nursing home residents. To monitor nursing home compliance with the requirements for participation, CMS enters into agreements with States under section 1864 of the Act (1864 Agreements) to conduct nursing home surveys.[4, 5]

States' responsibilities under the 1864 Agreements with CMS include conducting nursing home surveys for each nursing home at least once every 15 months to certify compliance with Federal requirements. In addition, the statewide average interval between surveys must not exceed 12 months.[6] Surveys are conducted by teams of trained surveyors, typically consisting of up to five individuals. Nursing home surveys require these teams to include at least one registered nurse. Other team members may also include pharmacists, social workers, or registered dieticians. Federal laws and regulations require that surveyors undergo extensive training before they are permitted to perform survey activities without supervision.[7] CMS' *State Operations Manual* (*SOM*) details the Federal Minimum Qualification Standards for long-term care facility surveyors.[8]

During our audit period, CMS issued a memorandum to State Survey Agency Directors reminding them of their responsibility to oversee contract surveyors (the "April 2024 SA Memo").[9] In that document, CMS stated that "[c]onsistent with the 1864 Agreements, CMS holds the state survey agencies responsible for assuring that any surveys for Medicare/Medicaid certification that are conducted by contractors meet all Federal requirements, as outlined in the Social Security Act, Federal regulations, and the State Operations Manual and policy memoranda." Accordingly, "CMS holds the SAs responsible for meeting the duties and requirements under the 1864 Agreement, whether the SA uses its own employees or contractors."

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[3] These statutory participation and survey requirements are implemented in Federal regulations at 42 CFR part 483, subpart B, and 42 CFR part 488, subpart E, respectively.

[4] The Act §§ 1864(a) and 1902(a)(33)(B); 42 CFR § 488.330; CMS, *State Operations Manual*, Pub. No. 100-07, chapter 1, sections 1002 and 1004.

[5] The Act §§ 1819(g) and 1919(g).

[6] The Act §§ 1819(g) and 1919(g) and 42 CFR § 488.308.

[7] The Act §§ 1819(g) and 1919(g) and 42 CFR § 488.314.

[8] CMS, *SOM*, Pub. No. 100-07, chapter 4, section 4009.1.

[9] CMS, Directors of Quality, Safety & Oversight Group and Survey & Operations Group "Reminder of State Survey Agencies' Responsibility to Oversee Contract Surveyors," memo to State Survey Agency Directors (Apr. 5, 2024).

CMS acknowledged that it "does not have the authority to direct a state's contracting actions or manage a state contractor's scope of work or functions, under the 1864 agreement and laws." Therefore, the April 2024 SA Memo provided guidance stating that SAs should consider the following when using contract surveyors: public trust, conflict of interest, data use agreements, quality assurance, and training. Specifically, with respect to conflicts of interest, CMS stated that SAs must "ensure that contract surveyors are free from all potential and apparent conflict of interest" and directed them to 42 CFR § 488.314(a)(4) describing specific circumstances that would disqualify a surveyor. CMS also stated that SAs must not only ensure that individuals who conduct survey or certification functions – whether employees or contract surveyors – have completed training requirements before surveying independently onsite but must also monitor and track the completion of training. Before the April 2024 SA Memo, CMS had not issued guidance specifically addressing what States should consider when using contract surveyors to ensure that the SAs comply with the 1864 Agreements and applicable Federal laws and regulations.

Funding for State Survey Agencies

The Federal Government funds 100 percent of reasonable Medicare survey costs and pays for 75 percent of Medicaid survey costs.[10] CMS's survey and certification budget to support these operations remained at about $397 million annually from fiscal years (FYs) 2019 to 2022 and then increased to $407 million in FY 2023.[11, 12, 13] In addition, Congress appropriated approximately $100 million in supplemental funds for COVID-19-related survey and certification activities through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.[14]

CMS's Systems for Nursing Home Survey and Certification

In July 2025, CMS transitioned its nursing home survey and certification data infrastructure to the Internet Quality Improvement and Evaluation System (iQIES). This system consolidated and replaced functionality from QIES, the Certification and Survey Provider Enhanced Reporting System (CASPER), and the Automated Surveyor Processing Environment (ASPEN) legacy

[10] The Act §§ 1864(b) and 1903(a)(2)(D)(iv).

[11] CMS, "HHS FY 2020 Budget in Brief-CMS-Program Management." Accessed on Aug. 12, 2026.

[12] CMS, "HHS FY 2024 Budget in Brief-CMS-Program Management." Accessed on Aug. 12, 2026.

[13] CMS, CARES Act Financial Guidance to State Survey Agencies, Apr. 30, 2020. Accessed on Aug. 12, 2026.

[14] The CARES Act provided $200 million to CMS for "program management" with the condition that not less than $100 million be made available through September 30, 2023, for necessary survey and certification expenses, with priority placed on nursing home facilities in areas experiencing community transmission of coronavirus (CARES Act, P.L. No. 116-136, Division B, Emergency Appropriations for Coronavirus Health Response and Agency Operations, Title VIII (March 27, 2020)).

systems.[15] CMS developed a training and support plan to help SA and CMS staff prepare for the launch and transition to the iQIES platform.

HOW WE CONDUCTED THIS AUDIT

Our audit period was from October 1, 2022, through July 30, 2025. We selected a nonstatistical sample of 14 SAs that used contract surveyors to perform nursing home surveys.[16] We then obtained details on the controls they had in place to ensure their use of contractors complied with Federal requirements. Each SA was provided a written questionnaire about their policies and procedures for using contract surveyors to conduct nursing home surveys. We also obtained CMS contracts with third-party contractors that performed FMSs for FY 2023 and determined whether these contracts contained language that addressed potential conflicts of interest related to services conducted on behalf of CMS.

We also reviewed all 167 CMS FY 2023 FMSs to determine whether the same contract surveyors conducted the standard survey and the corresponding FMS used by CMS to validate the survey.[17]

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology.

FINDINGS

CMS did not provide adequate oversight of States' use of contract surveyors to conduct nursing home surveys. Although CMS issued the April 2024 SA Memo outlining contracting practices that SAs could use to ensure contract surveyors met Federal requirements—including

[15] ASPEN was a comprehensive information system that supported CMS's survey and certification processes. It acted as the primary tool for CMS, including Central and Regional Offices and SAs, to manage various tasks associated with surveys and certification of healthcare providers. This included workload management, task scheduling, and data collection during inspections.

[16] We selected the 14 SAs with the largest number of nursing home residents. This provided coverage of 84 percent of the total nursing home residents in the 25 States that reported using contractors to help complete nursing home surveys.

[17] FMSs must be performed by CMS during each FY to meet the statutory requirement of Section 1819(g)(3)(B) of the Social Security Act, which requires FMSs of "at least 5 percent of the number of nursing facilities surveyed by the State in the year, but in no case less than 5 skilled nursing facilities in the State" including Puerto Rico. Section 1919(g)(3)(B) of the Act requires similar performance of validation surveys for nursing facilities.

requirements regarding conflicts of interest, data use agreements, quality assurance, and training—CMS did not monitor whether SAs implemented practices that achieved the memo's underlying objectives. In addition, CMS could not readily identify which nursing home surveys were conducted by contract surveyors.

CMS said it did not consider oversight of SAs use of contract surveyors as part of its responsibilities. Accordingly, CMS did not monitor SA's implementation of the contracting practices recommended in the 2024 SA Memo and did not track which States used contract surveyors. In addition, CMS did not include procedures during its annual assessment of SAs to evaluate SAs' use of contract surveyors (e.g., by reviewing SAs' policies and procedures for engaging contract surveyors). CMS said it lacked staff and resources to perform this function and depended on SAs to monitor contracted work.

CMS DID NOT MONITOR STATES' USE OF CONTRACT SURVEYORS TO CONDUCT NURSING HOME SURVEYS

The Federal Managers' Financial Integrity Act of 1982 (FMFIA), Pub. L. No. 97-255, requires executive agencies to establish comprehensive internal control systems. The Government Accountability Office's *Standards for Internal Control in the Federal Government, September 2014,* GAO-14-704G (Green Book) provides standards that Federal agencies must apply to satisfy their FMFIA requirements. According to Green Book standards, Federal entities, such as CMS, should:

- With respect to external parties engaged by a Federal entity, which the Green Book refers to as service organizations, understand the controls each service organization has designed, has implemented, and operates for the assigned operational process and how the service organization's internal control system impacts the entity's internal control system (Overview 4.01)

- Oversee the entity's internal control system (Principle 2.01)

- Identify, analyze, and respond to risks related to achieving the defined objectives (Principle 7.01)

- Identify, analyze, and respond to significant changes that could impact the internal control system (Principle 9.01)

- Obtain or generate relevant, quality information and use it to support the functioning of the internal control system (Principle 13.01)

- Establish and operate monitoring activities to monitor the internal control system and evaluate the results (Principle 16.01)

- Remediate identified internal control deficiencies on a timely basis (Principle 17.01).

CMS is responsible for evaluating whether States fulfill their requirements under the 1864 Agreements. To meet this responsibility, CMS conducts annual assessments of States to identify inadequate performance in conducting nursing home surveys.[18] CMS uses the State Performance Standards System (SPSS) to determine whether SAs meet requirements in the 1864 Agreements and all applicable statutes, regulations, and policies and to identify areas where SAs need to improve the management of their survey and certification programs.[19] For FY 2023, CMS evaluated each SA's performance in the following areas: (1) survey and intake processes, (2) survey and intake quality, and (3) noncompliance resolution (i.e., timeliness of revisits). [20] Each fiscal year, CMS establishes performance standards for every measure in the SPSS and prepares a report on each State's performance. States that fail to meet one or more standards must submit a corrective action plan that identifies each unmet measure, explains its root cause, and provides a plan to address the problem.

Although CMS issued the 2024 SA Memo outlining SAs' responsibility in ensuring compliance with the 1864 Agreements regardless of whether surveys are performed by their own employees or contractors, CMS did not monitor the SAs efforts to ensure that contract surveyors complied with Federal requirements. CMS officials stated that it was not their responsibility to provide oversight or conduct quality assurance activities related to SAs' use of contractors. CMS indicated that any surveyor assigned by an SA to conduct a survey must meet Federal requirements—regardless of whether they are an SA employee or contractor—and it relied on States to ensure surveyors who performed the surveys met all requirements. CMS's lack of oversight of States' use of contract surveyors indicates potential shortcomings in key internal control standards outlined in GAO's Green Book and limits its ability to identify risks or deficiencies.

In addition, CMS did not meet Green Book standards as it lacked a process to easily determine whether SA employees or contractors conducted nursing home surveys. The agency did not track which SAs used contractors or require SAs to report contractor involvement in performing nursing home surveys. Although CMS's ASPEN system, which was used for nursing home surveys during our audit period, could include information specifying whether a surveyor was a contractor in user profiles, it lacked a standardized report to extract this data, requiring a manual review of each survey. As we noted earlier, CMS transitioned to iQIES but indicated that system has similar limitations. CMS said it plans to improve documentation and reporting on organizations that conduct nursing home surveys to help CMS and SAs monitor contractors

[18] 42 CFR § 488.320(a).

[19] CMS, *SOM*, Pub. No. 100-07, chapter 8, Section 8000.

[20] Directors of Quality, Safety & Oversight Group and Survey & Operations Group, CMS "REVISED: Fiscal Year (FY) 2023 State Per (SPSS) Guidance Performance Standards System" memo to SAs Directors (August 11, 2023), Accessed on Feb. 19, 2026.

more effectively. It also intends to evaluate the feasibility of creating standardized reports in iQIES.

We surveyed a nonstatistical sample of 14 SAs that used contract surveyors and found that all the SAs could improve their policies and procedures to more closely conform to contracting practices described in the 2024 SA Memo. The SAs generally had CMS qualification standards in their contracts with contract surveyors. Some of those standards included that the contractors have at least 1 year of survey experience, possess valid professional licenses, and ensure background checks of contract surveyors are completed before they begin work. However, when SAs included those standards in their contracts with contract surveyors, SAs relied on the contractors to perform the verification but did no independent verification.

In the absence of CMS monitoring and oversight, there is an increased risk that SAs have not implemented sufficient controls to ensure that contract surveyors meet Federal requirements when performing nursing home surveys. In addition, CMS is at risk of not meeting its Green Book responsibilities described above. CMS could mitigate these risks during its transition to iQIES by improving its documentation and reporting on contract surveyors that conduct nursing home surveys and by implementing protocols requiring SA and CMS surveyors to specify in iQIES whether any survey team member is a contract surveyor.

RECOMMENDATIONS

- We recommend that CMS add worker classification (i.e., employee or contractor) as a required entry in iQIES and require CMS and SAs to record the status of each individual performing any nursing home survey (including an FMS).

- We recommend that CMS confirm that SAs have policies and procedures in place to ensure that contract surveyors performing nursing home surveys meet Federal requirements. For example, CMS could verify these policies and procedures during its annual assessment of SAs.

CMS COMMENTS

In written comments on our draft report, CMS concurred with both of our recommendations and described actions it plans to take to address them. Specifically, CMS stated that it would work to add the appropriate worker classification fields into iQIES and confirm that SAs have policies and procedures in place to ensure that contract surveyors meet all Federal requirements. CMS also provided technical comments, which we addressed as appropriate.

CMS's comments, excluding its technical comments, are included as Appendix B.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit period for our review of CMS's oversight was from October 1, 2022, through July 30, 2025. We selected a nonstatistical sample of 14 SAs that used contract surveyors to perform nursing home surveys. We surveyed these 14 SAs to gain an understanding of the policies and procedures each had in place to ensure that contract surveyors met Federal requirements.

We obtained CMS contracts for the third-party contractors that performed FMSs for FY 2023 and determined whether the contracts contained language that addressed potential conflicts of interest arising from services conducted on behalf of CMS.

We conducted this audit from January 2024 through June 2026.

METHODOLOGY

To accomplish our objective, we took the following steps:

- Reviewed applicable Federal, regulations and guidance
- Met with CMS officials and reviewed their policies and procedures governing its use of contractors to perform FMSs and States' use of contractors to perform nursing home surveys
- Reviewed all 167 CMS FY 2023 FMSs and analyzed surveyor assignments to determine whether the same contract surveyor conducted the FMS and the applicable standard survey, indicating a potential conflict of interest
- Selected a nonstatistical sample of 14 SAs with the largest nursing home resident populations, all of which used contract surveyors to perform surveys and together accounted for 84 percent of residents in the 25 SAs that reported using contractors
- Surveyed the 14 SAs to determine if they had policies and procedures addressing Federal requirements for surveyor qualifications, including:
    - Professional designations/licenses
    - Experience level
    - Annual training completed
    - Compliance with specific contract requirements (if any) for contracted employees

- Obtained and reviewed 14 contracts the SAs had with contract suppliers to determine if the contracts contained requirements for conflicts of interest, surveyor qualifications, and training

- Discussed the results of our audit with CMS officials

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: CMS COMMENTS

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

DATE: July 21, 2026

TO: Tamara Lilly
Acting Deputy Inspector General for Audit Services

FROM: Dr. Mehmet Oz
Administrator

SUBJECT: Office of Inspector General Draft Report: CMS Could Improve Oversight of States' Use of Contract Surveyors for Nursing Home Surveys (A-04-24-08105)

The Centers for Medicare & Medicaid Services (CMS) appreciates the opportunity to review and comment on the Office of Inspector General's (OIG) draft report.

CMS is charged with developing and enforcing quality and safety standards across the nation's health care system, a responsibility we take seriously. This duty is especially important when it comes to the care provided for people covered by Medicare and Medicaid who live in nursing homes. CMS's approach to oversight is constantly evolving and we continuously look for ways to improve our oversight of Medicare and Medicaid certified nursing homes.

CMS shares management of nursing home oversight with State Survey Agencies (SAs) that conduct onsite surveys to assess compliance with federal requirements and investigate facility complaints. SAs serve as the front-line responders to address health and safety concerns raised by residents, their families, and facility staff. CMS enters into agreements with SAs (1864 Agreements)[1] to carry out surveys of Medicare and Medicaid certified nursing homes for the purpose of certifying compliance or non-compliance with federal requirements.

CMS allocates funding through CMS's Survey and Certification (S&C) budget to each SA for the reasonable costs of performing the functions specified in the 1864 Agreement and for Medicare's fair share of costs related to Medicare facilities.[2] CMS's S&C budget is considered discretionary funding and must be appropriated annually by Congress through the appropriations process. Despite CMS requesting an increase in funding each year since 2015, the S&C budget has been flat funded. Meanwhile, nursing home complaint investigations have increased by over 20 percent.[3] In FY 2021 and FY 2022, the S&C program saw the enforcement action workload

[1] Social Security Act §1864
[2] CMS, QSO-22-12-All, State Obligations to Survey to the Entirety of Medicare and Medicaid Health and Safety Requirements under the 1864 Agreement, Feb 9, 2022
[3] CMS, QSO-25-20-NH Revised, Revised: Updates to Nursing Home Care Compare, June 18, 2025, Revised Sept 10, 2025.

increase to a staggering 20,000 cases over historical norms of about 5,000 annually.[4] The increase in the number of enforcement actions was in direct correlation to the increase in infection control surveys, with more complaints and serious findings.[5]

To address the extreme case load, CMS allocated $10 million from other Medicare Operations in FY 2023 and FY 2024 to help fund the backlog of surveys, nursing home oversight priorities, and post-COVID survey resumption efforts.[6] CMS was also able to use $100 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act[7] funding to perform additional surveys of all facility types, prioritizing nursing homes in localities with community transmission of COVID-19, including complaints alleging infection control concerns and responding to the backlog of other types of complaints, recertification surveys, and revisit survey workload. The CARES Act funding has since expired on September 30, 2023. With the help of the additional funds, the FY 2023 and 2024 enforcement action workload decreased.[8] Further, nearly all SAs eliminated or nearly eliminated backlogs of the most serious complaint investigations in FY 2025.[9]

Complaint investigations are the most common oversight mechanism for nursing homes, with each case representing a vulnerable resident seeking help for negligence or poor care quality. The most serious of complaints are generally investigated onsite within three days, while less serious complaints are investigated within 15 to 45 days. When nursing homes have serious noncompliance deficiencies, CMS uses progressive enforcement strategies to protect residents and ensure prompt compliance, requiring immediate correction plans for removal of life-threatening conditions. These incoming complaints cause abrupt workload shifts and increase the financial burden. To fund the rising complaint investigations, CMS has reduced support for standard surveys, resulting in fewer recertification and validation surveys year-over-year.[10]

It is important to note that while limited-time supplemental funding helped to address the survey backlog, the current S&C budget does not support long-term SA staffing increases. As a result, many SAs use contract surveyors to help meet their 1864 Agreement requirements. All surveyors, whether on SA staff or under contract, must meet all surveyor qualifications. In accordance with the 1864 Agreement, CMS conducts a yearly formal assessment of performance on whether SAs fulfil their responsibilities under the agreement related to all statutes, regulations, and policies. This annual review is known as the State Performance Standards System (SPSS).[11]

Despite resource constraints, CMS has continuously looked for opportunities to improve oversight of SA performance. For example, CMS has made several updates to the SPSS. In 2006, CMS redesigned the SPSS to emphasize that the value of the survey program stems not only

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[4] HHS, CMS, Justification of Estimates for Appropriations Committees, FY 2027
[5] Id.
[6] The 2023 Consolidated Appropriations Act, General Provisions Section 227 specifically authorized additional discretionary funding for CMS Medicare Operations
[7] P.L. 116-136
[8] HHS, CMS, Justification of Estimates for Appropriations Committees, FY 2027
[9] CMS, Admin Info: 26-02-All, FY 2026 State Performance Standards System (SPSS) Guidance, Jan. 13, 2026
[10] HHS, CMS, Justification of Estimates for Appropriations Committees, FY 2027
[11] CMS, Admin Info: 26-02-All, FY 2026 State Performance Standards System (SPSS) Guidance, Jan. 13, 2026

from completing surveys timely, but also from the quality of the surveys themselves, with an emphasis on the proper identification of deficiencies, and the enforcement and remedy of identified problems. In 2017, CMS assessed whether revisions were needed to improve the performance metrics and implemented a new long-term care survey process. Then, in 2018, CMS launched an initiative to evaluate the SPSS process and identify ways to improve how the agency monitors and evaluates SA performance. The changes reflected recommendations from both CMS and SAs and have allowed CMS to collect more robust data that can be used to monitor and improve performance.

Currently, the SPSS includes nine measures that evaluate the SA's survey and intake process, survey and intake quality, and non-compliance resolution.[12] For any measures scored as not meeting the requirements at the end of the fiscal year, the SA must develop and implement an action plan that addresses identified problems. The CMS Location reviews the plan and then follows up to ensure the SA is progressing toward making corrections.[13]

Additionally, and separate from the SPSS, CMS conducts Federal Monitoring Surveys throughout the year. These are comprised of Comparative Surveys and Resource and Support Surveys. Comparative Surveys are surveys conducted by Federal Surveyors in the same nursing home, after a standard survey or complaint investigation is conducted by the SA. Resource and Support Surveys are surveys where the Federal Surveyor(s) accompany SA Surveyors on an initial, standard, revisit, or complaint survey to observe and assess overall SA Surveyor team performance and provide real-time guidance, training, and technical assistance to address identified performance needs. The focus of this survey is specific to the SA oversight needs for that state.

Despite extreme resource limitations, CMS works closely with SAs through ongoing discussions, case reviews, and analysis of interim performance throughout the year.[14] CMS appreciates each SA's efforts to improve the health, safety, and quality of life of all who access care in CMS certified nursing homes.

CMS thanks OIG for their efforts on this issue and looks forward to working with OIG on this and other issues in the future.

OIG's recommendations and CMS's responses are below.

OIG Recommendation

We recommend that CMS add worker classification (i.e., employee or contractor) as a required entry in iQIES and require CMS and SAs to record the status of each individual performing any nursing home survey.

CMS Response

[12] CMS, Admin Info: 26-02-All, FY 2026 State Performance Standards System (SPSS) Guidance, Jan. 13, 2026
[13] Id.
[14] Id.

CMS concurs with OIG's recommendation. We highlight that the OIG did not identify surveyor conflict of interests in its review of surveys; however, CMS will work to add the appropriate fields into iQIES.

OIG Recommendation

We recommend that CMS confirm that SA's have policies and procedures in place to ensure that contract surveyors performing nursing home surveys meet Federal requirements. For example, CMS could verify these policies and procedures during its annual assessment of SAs.

CMS Response

CMS concurs with OIG's recommendation. CMS will confirm that SAs have appropriate policies and procedures to ensure that contract surveyors performing nursing home surveys meet federal requirements as expected.

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