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### Proposed Rule Would Require SNFs to Reveal Private Equity Owners; More Screening Is Here

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In a Feb. 15 proposed regulation, CMS said it will revise the Medicare enrollment form to require owning and managing entities of Medicare skilled nursing facilities (SNFs) to disclose whether they are a private equity company or real estate investment trust.<sup>[1]</sup> CMS also would require disclosure of SNF managers and owners on the 855A enrollment form. The requirements dovetail with a provider enrollment provision in the final 2023 Medicare Physician Fee Schedule (MPFS) rule that puts SNF owners through more rigorous screening before opening the gates to Medicare patients.<sup>[2]</sup>

The goal of the proposed regulation, which implements Sec. 6101(a) of the Affordable Care Act, is “to improve care and accountability.”

CMS said concerns are mounting about the quality of care in nursing homes, especially when they’re owned by private equity and other types of investment firms. The regulations point to several reports. For example, the National Bureau of Economic Research in February 2021 published an analysis that concluded private equity (PE) ownership “increases the short-term mortality of Medicare patients by 10%, implying 20,150 lives lost due to PE ownership over our twelve-year sample period. This is accompanied by declines in other measures of patient well-being, such as lower mobility, while taxpayer spending per patient episode increases by 11%,” according to a summary in the February proposed rule.

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