



## Overcoming Challenges of the SNF Special Focus Facility List and Moving Up the Star Ranks

Skilled Nursing Facilities (SNF) are most often mission-focused organizations striving to do their best for their residents, family members, and staff. With regulations increasing faster than reimbursement and ongoing staffing challenges, it is no surprise that the number of nursing homes has dramatically decreased. In 1985, there were an estimated 19,068 nursing homes. In 2024, that number fell to an estimated 14,827. This is despite an aging population.

### **Navigating the Special Focus Facility Program**

While achieving a five-star rating remains the ultimate objective, for some facilities moving off the Special Focus Facility (SFF) list or the SFF Candidate List is the first hurdle. Adherence to plans of correction, training, and constant vigilance of commonly cited issues are key. While difficult, a SNF can improve patient outcomes and move up the star ranks with consistent effort.

Compliance with regulations and plans of correction frequently requires access to capital. And access to capital is very difficult when a facility is a SFF or a SFF Candidate. For example, SNFs on the SFF list typically receive a hard “No” from the U.S. Department of Housing and Urban Development (HUD) lenders. Without access to capital, it is hard to make the improvements that are needed to meet standards of compliance.



## **The Impact of Geography on SNF Ratings and SFF Designation**

SNFs are especially important in States that have few facilities – often seen in states with big geography but relatively few people. Paradoxically, the fewer SNF facilities in a State, the harder it is to move off those lists. That is intrinsic in the SFF program design.

State Survey data is a critical component to star rating as well as inclusion of the SFF Candidate List that the Centers for Medicare & Medicaid Services (CMS) maintains. The methodology for identifying facilities for the SFF program is based on the same methodology used in the health inspection domain of the Five-Star Quality Rating System.

The facilities with the most points in a state are named to the Candidates List for the SFF program. Regulations call for a minimum of one Special Focus Facility and a minimum of five facilities to be named to the SFF Candidate list within a State. The maximum number of SFF Candidates is 30 per State.

The State Agency conducts a full onsite inspection every six months until the SNF either graduates from the SFF program or is terminated from the Medicare and/or Medicaid program(s). The facility “graduates” from the SFF program once it has completed two consecutive surveys with 12 or fewer low-level deficiencies on each survey. Based on this process, it takes a minimum of 12 months to “graduate” from the program.



## Comparing State Data

In considering the SFF Candidate List, it is important to consider the program design. Nevada has 66 SNFs according to a search of Nevada Department of Health and Human Services, Nevada Division of Public and Behavioral Health (DPBH). This includes stand-alone facilities as well as SNFs that are a distinct part of a hospital. In Nevada there is one SFF facility, which is the minimum allowable for each State. (DPBH)

In comparison, California has 1,195 SNFs, with a total of six SFF slots for the State. That is 199 SNFs per SFF slot vs. 66 SNFs per slot in Nevada. By math alone, a SNF in Nevada is more than three times as likely to be named a SFF as a SNF in CA.

Nevada has five SFF Candidates while CA has 30. (Cal Health Find Database)

The news is even worse in Wyoming where there are only 36 SNFs in the State. The minimum of one SFF and five candidates still apply. A facility has a 17% possibility of being the SFF or an SFF candidate. (Facility Directory 2025)

SNFs located in states that are disadvantaged by program design must work even harder to improve quality as measured by the Star System metrics. State Surveys, Staffing and Quality Measures are important components. Administrators should carefully evaluate opportunities to make use of the Informal Dispute Resolution (IDR) and Independent Informal Dispute (IIDR) options when appropriate.



## The Role of Consultants in SNF Improvement

For SNF's to improve survey results, a fresh look from an external third-party can be most helpful. Innovative SNFs are tackling the staffing challenges in multiple ways including recruiting overseas candidates and prioritizing retention of existing staff. Careful attention to onboarding of new staff can be very effective in improving retention rates. Pairing staff with mentors who are bonused on their retention provides a real incentive to improve on the job training.

Mock surveys and focused mock surveys can identify priority areas needing remediation. Care Plans merit consistent review to be sure that they are continually updated. Psychotropic and wound audits should be conducted ongoing. Food and dietary compliance also deserve a fresh look. For example, are resident food items consistently labeled and dated? Are enhanced barrier precautions understood and used as necessary? While consultant support requires investment, in the longer term, access to capital -- or not -- can mean the very survival of the organization -- and it's mission.

## **LW Consulting, Inc. and Senior Living**

LW Consulting, Inc. (LWCI) consultants possess an in-depth understanding of the regulations and issues that impact compliance, performance and organizational success at skilled nursing facilities. Our engagements with skilled nursing facilities include assisting with improving star ratings, assisting facilities in clearing Immediate Jeopardy tags prior to near closure, conducting mock surveys and special focus surveys, and assisting with plan of correction development and implementation. We have served numerous senior living organizations in the capacity of an Independent Review Organization (IRO) for organizations with reporting obligations under a Corporate Integrity Agreement (CIA). We have also served as an Independent Monitor for the implementation of plans of correction.



## **Sources**

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