SENIOR CARE POLICY BRIEF

August 17, 2026

NEWSFLASH

- The Centers for Medicare & Medicaid Services has finalized a 2.4% increase in Medicare payments for skilled nursing facilities (SNFs) for fiscal year 2027. The agency estimates the update will increase Medicare payments to SNFs by approximately $883 million.
  - ⇒ As LTCCC noted in our comments on this proposed rule in May, CMS should strengthen financial accountability before increasing payments to nursing homes. Far too many operators tunnel taxpayer funds away from care into substantial hidden profits. In the absence of financial integrity, government payment increases make the nursing home sector even more attractive to predatory investors.
  - ⇒ This payment increase is the opposite of MedPAC's recommendation that Medicare payments should be reduced due to the fact that Medicare FFS profits were a whopping 24% in 2024, capping 25 years of double-digit profits.
  - ⇒ As Medicare payments continue to rise, it is incumbent on state and federal policymakers to ensure that increased funding translates to improved staffing, care, and quality – not simply higher profits.

SENIOR HOUSING DELIVERS FOR INVESTORS

Major nursing home and senior living companies report continued growth and acquisition. This continued investment by major REITs stands in contrast to persistent industry claims that nursing homes are financially unsustainable.

- CareTrust REIT announced a record $900 million in second-quarter investments, driven largely by acquisitions in the skilled nursing sector. Company executives cited a strong pipeline of additional opportunities and said they expect continued growth as they expand their skilled nursing portfolio.
- Welltower Inc., a REIT, completed $6.2 billion across 30 transactions in the second quarter, primarily through off-market deals, as it continues an aggressive expansion of its senior housing portfolio. Overall, Welltower has completed or contracted $15.5 billion in investments so far this year. Its senior housing operating portfolio now includes nearly 2,000 properties and generates approximately 70% of the company's net operating income.
- Sabra Health Care REIT announced it has completed more than $100 million in skilled nursing investments this year, reflecting continued investor confidence in the sector.
- Ventas, one of the nation's largest healthcare REITs, has increased its planned senior living investments for the second time this year, raising its 2026 acquisition target to $4.5 billion.
- American Healthcare REIT reported its 10th consecutive quarter of double-digit same-store net operating income growth and said its investment pipeline exceeds $800 million. CEO Jeff Hanson said the company is working to "generate even greater value for shareholders."

THE BOTTOM LINE

Demand is up. Occupancy is up. Investment is surging. Medicare payments are rising. Significant resources continue flowing into senior care.
Policymakers should scrutinize claims that stronger staffing, safety, and resident protections are unaffordable – and ensure that financial growth ultimately benefits the people receiving care.