

## **NURSING HOME SAFETY & PROFITS SEPARATING FACT FROM FICTION**

The nursing home industry promotes increased reimbursement rates, rollbacks of nursing home standards of care, and cuts to government oversight. However, nursing home residents are some of our nation's most vulnerable individuals. Without the strong leadership of state and federal officials, residents will continue being harmed by policy changes that weaken their rights and protections. To help separate fact from fiction, this issue brief counters some of the most often cited industry claims and highlights facts that undermine those claims.

### **Finances.**

#### **Industry Claims**

**VS**

#### **Facts**

1. Nursing homes do not get enough money to provide residents with quality care and life with dignity.
2. Nursing homes have experienced years of Medicaid rate cuts or stagnation.
3. Nursing homes operate at or close to a loss

- [MedPAC](#) reports that the aggregate Medicare profit margin for nursing homes has been in the double digits for 18 consecutive years.
- The National Investment Center for Seniors Housing & Care finds that Medicaid rates have been steadily increasing since 2011. MedPAC also notes that the majority of states increased their Medicaid rates in 2018 and expects even more states to do so in 2019.
- Reporting by [The New York Times](#) suggests that the majority of nursing home operators siphon money out of nursing homes and hide profits through related party transactions in which operators contract goods, services, and even rental of the nursing home property to outside companies that they have an interest in or own outright. Given the complexity of the industry's financial dealings, the industry's claim of a low overall profit margin is highly misleading.

## Requirements & Oversight.

### Industry Claims

VS

### Facts

1. Nursing homes are “burdened” by regulations.

→ The federal requirements are based on recognized standards of practice for quality care. They are prescriptive to the extent they relate to repeated failures by nursing homes to meet basic expectations for resident health, safety, and well-being.

Ultimately, the federal requirements made positive changes for residents and are the reason why professional nurses must oversee resident care, fewer staff physically restrain residents for convenience, nursing homes smell better, and staff are required to treat residents with dignity.

2. CMS overly penalizes nursing homes for violations.

→ State surveyors identify the overwhelming majority of violations (more than 95 percent) as causing “[no harm](#)” to residents, despite any pain, suffering, or humiliation a resident may have experienced. In the absence of violation’s classification as harm or immediate jeopardy, CMS rarely imposes any financial penalties against a nursing home.

## Improvements in Quality of Care.

### Industry Claims

VS

### Facts

1. Nursing homes are good places to live and get care – and are getting better.

→ Despite longstanding prohibitions against the use of chemical restraints, close to [20 percent](#) of residents are still administered dangerous antipsychotic drugs.

Although pressure ulcers are usually preventable or treatable, over [87,000](#) residents continue to suffer from this serious health issue.

The HHS Office of the Inspector General ([OIG](#)) has found that an astounding one-third of Medicare beneficiaries experience harm within two weeks of entering a nursing home and that 59 percent of the harm could have been prevented.