

## CHART: PROMISING PRACTICES FOR EVALUATING NURSING HOME OWNERS

This chart displays the promising practices identified in our report on nursing home ownership, *Meaningful Safeguards: Promising Practices & Recommendations for Evaluating Nursing Home Owners*. LTCCC believes these state practices have the potential to make it more difficult for bad actors to operate nursing homes. However, as our report indicates, poor enforcement of these practices may have adverse consequences in the states identified below. For more information about these practices, potential concerns, and how federal and state policymakers can expand on these requirements, please access the report: <https://nursinghome411.org/evaluating-nursing-home-owners/>.

STATE	PROMISING PRACTICE(S)
<b>Alabama (AL)</b>	<ul style="list-style-type: none"> <li>• Applicants may be denied a license if they do not have adequate resources, ability, or intent to comply with the state’s health care requirements.</li> <li>• Applicants may be denied if they have been convicted of fraud or a felony relating to abuse, misappropriation of property, or financial abuse.</li> <li>• A license may be revoked if the owner engages in activities that the state determines to be detrimental to the welfare of residents.</li> <li>• A new license is required when there has been a change of ownership, including the sale of the facility’s title or the lease of the facility’s real estate.</li> </ul>
<b>California (CA)</b>	<ul style="list-style-type: none"> <li>• Applicants must submit satisfactory evidence of their reputable and responsible character. Entities must likewise submit evidence as it relates to the members and shareholders, as well as the person in charge of the nursing home. The state must consider past patterns or practices of violating state and federal laws and regulations.</li> <li>• Applicants must submit evidence showing that they possess financial resources sufficient to operate the nursing home for at least 45 days.</li> <li>• Applicants may be denied licensure if they have been convicted of a crime or knowingly made a false statement of fact.</li> </ul>
<b>Delaware (DE)</b>	<ul style="list-style-type: none"> <li>• Applicants must disclose any substandard surveys or the imposition of any temporary management, immediate jeopardy violations, civil money penalties, or ban on admissions in the preceding five years.</li> <li>• Applicants must disclose a list of all facilities they previously or currently manage, own, or control.</li> <li>• Applicants must disclose any information regarding bankruptcy proceedings, civil action relating to a facility’s debt, and names of facilities under state review for potential financial incapacity.</li> </ul>

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<b>Illinois (IL)</b>	<ul style="list-style-type: none"> <li>• The inclusion of false or misleading information in the license application is considered a crime.</li> <li>• Applicants must submit financial statements to provide evidence of their financial condition.</li> <li>• Applicants/licensees must include lease and management agreements between the nursing home owner and the real estate owner in the application. Applicants must notify the state of any change within 30 days.</li> <li>• The license cannot be transferred and automatically becomes void if the facility is sold or leased.</li> </ul>
<b>Kansas (KS)</b>	<ul style="list-style-type: none"> <li>• Applicants must submit information detailing the projected budget for the first 12 months of operations, including evidence of access to sufficient working capital (cash on deposit, line of credit, equity, or a combination thereof) required to operate the nursing home in accordance with the budget.</li> <li>• Applicants must list each current or previously owned facility in which the applicant has or had any percentage of ownership in the operations or real estate.</li> </ul>
<b>Massachusetts (MA)</b>	<ul style="list-style-type: none"> <li>• Applicants must publish notice of their intent to establish a nursing home, which, among other information, must contain information about requesting a public hearing upon petition by any group of 10 adults and submitting written comments. The notice must be provided to ombudsmen and certain government officials. For transfers of ownership, the notice of public hearings must be given to those same individuals, plus nursing home residents, representatives and others.</li> <li>• Applicants' responsibility and suitability is based on their criminal history, financial capacity, and history of compliance with the nursing home requirements.</li> <li>• Applicants must submit documentation regarding three years of projected profit and losses (with assumptions of payer mix, patient days, and daily rates), and projected three years' capital budget.</li> <li>• The Commissioner may order a limit or complete prohibition on new resident admissions for failure to comply with the requirements.</li> <li>• Operating a nursing home without a license is a violation of law and punishable by a fine for the first offense and a fine or up to two years imprisonment for the second offense.</li> </ul>
<b>Missouri (MO)</b>	<ul style="list-style-type: none"> <li>• Applicants must disclose all long-term facilities they own or operate.</li> <li>• Applicants must provide a copy of management contracts.</li> <li>• Applicants must provide a copy of any lease, sublease, rental agreements, or deeds.</li> <li>• Applicants must disclose the name and nature of any other businesses operating on the facility's premises.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Applicants must submit documentation demonstrating financial capacity to operate the facility.</li> <li>• Applicants and licensees that appear insolvent may be required to submit additional financial information.</li> <li>• Financial information is open to inspection and can be released in any judicial or administrative proceeding brought under the federal Nursing Home Reform Law, and as ordered by court.</li> </ul>
<b>New Hampshire (NH)</b>	<ul style="list-style-type: none"> <li>• The state must deny licenses to applicants who have been convicted of a felony, fraud, exploitation, sexual assault, abuse and neglect, or any other violent crime.</li> <li>• The state must deny licenses to applicants if there has been a finding of assault, fraud, abuse, neglect, or exploitation.</li> <li>• The state must deny licenses to applicants who pose a threat to the health, safety, or well-being of residents.</li> <li>• The nursing home must submit a new application and obtain a new or revised license before operating a facility in cases where there has been a change of ownership.</li> </ul>
<b>New Mexico (NM)</b>	<ul style="list-style-type: none"> <li>• Applicants must provide information on the identities of all persons or businesses having either direct or indirect authority over the management or policies of the facility.</li> <li>• Applicants must provide information regarding the identities of all persons or business with a direct or indirect five percent ownership interest in the facility, including profits, land, or building.</li> <li>• Applicants must identify creditors who hold a security interest.</li> <li>• When there is a change of ownership, applicants must disclose any direct or indirect relationship between an old licensee and the new licensee, as well as between any owner and operator of the new licensee.</li> <li>• New applicants must submit evidence establishing that they have sufficient resources to operate the facility for a period of six months.</li> </ul>
<b>New York (NY)</b>	<ul style="list-style-type: none"> <li>• Applicants must provide information and data with reference to their character, experience, competency, and standing in the community.</li> <li>• Applicants must provide information regarding the financial resources and the sources of future revenue of the facility.</li> <li>• Applicants must disclose whether any person has a direct or indirect interest in the land on which the facility sits or building in which the facility is located.</li> <li>• Applicants must disclose whether any person has a direct or indirect interest in a mortgage, note, deed of trust, or other obligation secured by the facility's real estate.</li> </ul>

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	<ul style="list-style-type: none"> <li>Applicants must disclose whether any person has a direct or indirect interest as a lessor or lessee in any lease or sublease of the facility's land or building.</li> </ul>
<b>Ohio (OH)</b>	<ul style="list-style-type: none"> <li>Applicants must submit a statement of financial solvency that demonstrates a financial ability to staff, equip, and operate the nursing home, and must demonstrate that there is sufficient capital or financial reserves to cover at least four months' operation.</li> </ul>
<b>Oklahoma (OK)</b>	<ul style="list-style-type: none"> <li>The owner of the facility must be a co-applicant if he or she retains some rights in the operations of the facility.</li> </ul>
<b>Utah (UT)</b>	<ul style="list-style-type: none"> <li>Applicants must not have had a previous interest in a facility that has been in receivership, closed as a result of a settlement agreement from a decertification action or license revocation, or involuntarily terminated from the Medicare and Medicaid programs within the past five years.</li> <li>Applicants must not have been convicted of patient abuse, neglect or exploitation.</li> </ul>
<b>Washington (WA)</b>	<ul style="list-style-type: none"> <li>A licensee cannot give away responsibilities over a facility so extensively that he or she no longer has responsibilities over daily operations and services.</li> </ul>
<b>Wisconsin (WI)</b>	<ul style="list-style-type: none"> <li>Applicants must disclose direct or indirect involvement in any financial failures that resulted in a debt consolidation, restructuring, mortgage foreclosure, bankruptcy, receivership, assignment, or closure.</li> <li>Applicants must provide information demonstrating that individuals directly managing a facility have the education, training, or experience to provide for the health, safety, and welfare of residents.</li> <li>Applicants must demonstrate that they have sufficient resources to operate a facility for at least six months.</li> <li>Applicants must be determined to be fit and qualified to be a licensee.</li> </ul>

### ABOUT THE LONG TERM CARE COMMUNITY COALITION

The Long Term Care Community Coalition (LTCCC) is a non-profit, non-partisan organization dedicated to improving care in nursing homes and other residential care settings. Please visit our website, [www.NursingHome411.org](http://www.NursingHome411.org), for information on nursing home quality, staffing and safety, as well as for a range of resources.