

Conclusion

Direct Care Minimum Spending laws, which require nursing home providers to spend a set percentage of their revenue, largely taxpayer dollars, on resident care, are a critically needed, reasonable, and carefully targeted solution to address the failure of too many nursing home operators to provide sufficient staffing and supplies to meet the basic needs of their residents. The reporting and auditing requirements in these laws will help provide basic transparency that has been sorely missing, and the enforcement authority provided to regulators will help ensure accountability. Provisions for public reporting of compliance in an easily accessible and consumer-friendly fashion will further strengthen these laws.

Setting a required baseline spending amount has established precedents for health care providers throughout the country. Minimum Loss Ratios have been required of Medicare Supplement plans since 1990, of small and large group plans by the ACA since 2010, and of State Medicaid Managed plans since 2019. Regulators are familiar with these concepts and are experienced in their enforcement. Statutes that require facility reporting that responds specifically to the provisions of the law will make enforcement more efficient and effective.

With facilities receiving millions of dollars for COVID relief, and with the nursing home industry currently seeking further increases in reimbursement to meet the challenges of staff shortages and other COVID-related expenditures, now is the optimum time to ensure transparency and accountability for this funding. The Biden Administration's recent nursing home proposals have shed further light on the urgent need for swift action to ensure taxpayer dollars go for quality care for nursing home residents. **Direct care minimum spending legislation provides policymakers with an important tool to ensure that a reasonable amount of the money taxpayers provide to nursing homes are actually used to meet the needs of nursing home residents.**

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