



Nursing Homes by the Numbers





President's Initiative to Improve Safety & Quality of Care in Nursing Homes

Stated Goals

- **Establish a minimum NH staffing requirement –**
 - CMS proposed Regs Sept 2023 – **shockingly low** standards (3.0 to 3.48 total nursing hppd) – must meet acuity needs of residents
- **Strengthen payment incentives to improve staffing and turnover –**
 - Left to states
- **Increase ownership transparency –**
 - CMS released more ownership data in 2023
- **Increase financial transparency –**
 - CMS released Medicare cost reports online in 2023

NH Associations Lobbied Against Minimum Staffing:

- Government payment rates are inadequate
- Nursing Shortages make it impossible for NHs to hire nurses
- Over half of NHs are facing bankruptcy and may close
- Rural NHs are going to close

Barriers to Policy Change

- **Lobbying Expenditures and Political Contributions In 2022**
 - **Total for Hospitals/NHs: \$125 million**
 - **Total Number of Clients Reported: 465**
 - **Total Number of Lobbyists Reported: 945**
 - **3 Provider magazines**
- <https://www.opensecrets.org/industries/lobbying.php?cycle=All&ind=H02>



JELLO

LIMITED EDITION

Pumpkin Spice
Cheesecake

ARTIFICIAL FLAVOR

CHEESECAKE SNACKS NET WT 13 OZ (368g)



PER SNACK

130 CALORIES	2g SAT FAT 10% DV	135mg SODIUM 6% DV	19g SUGARS
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K_D

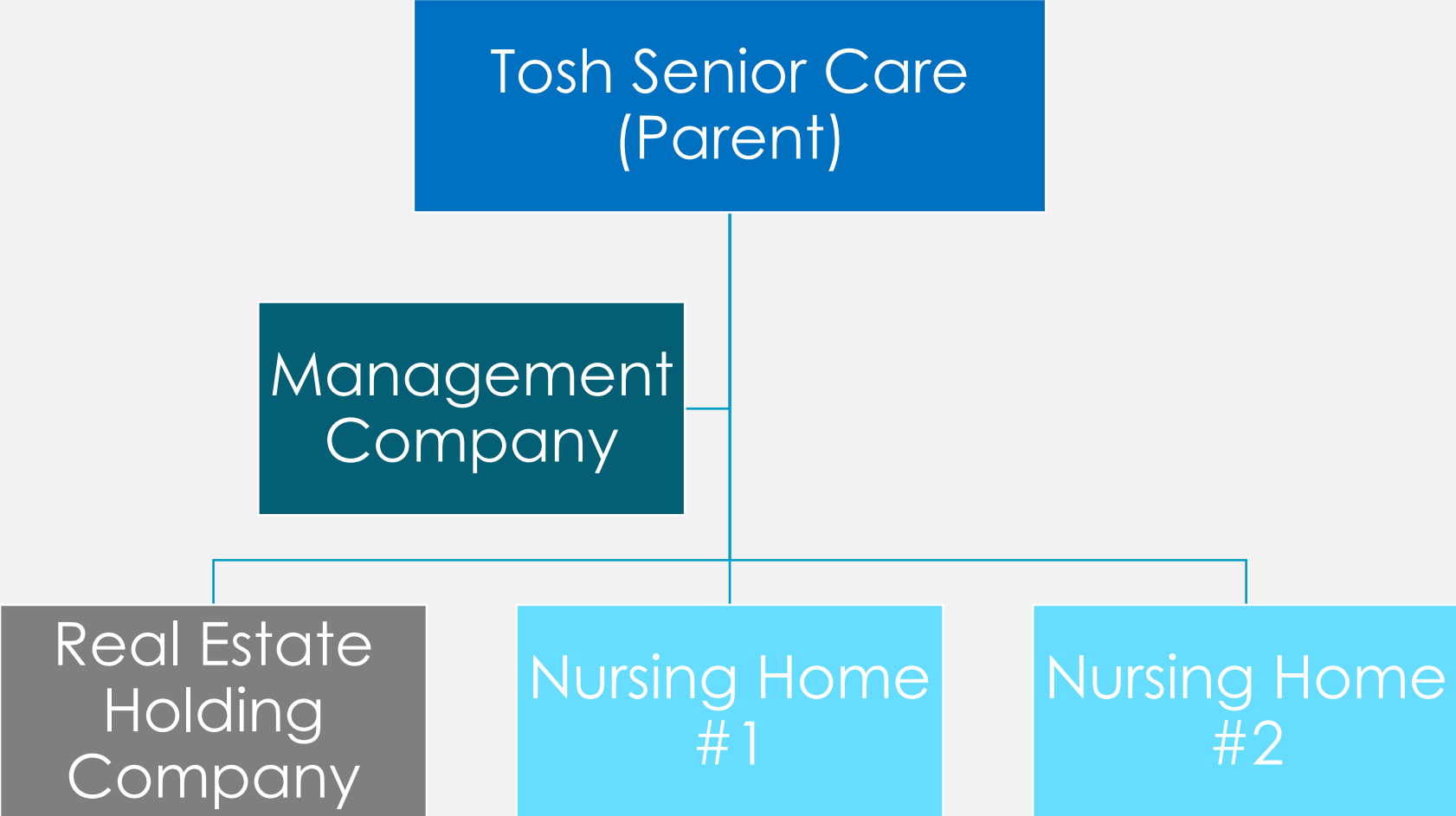
An underwater photograph showing a large, textured rock formation or cave wall on the right side, with a diver visible in the distance. The water is clear and blue, with light filtering through from above.

Smoke and Mirrors

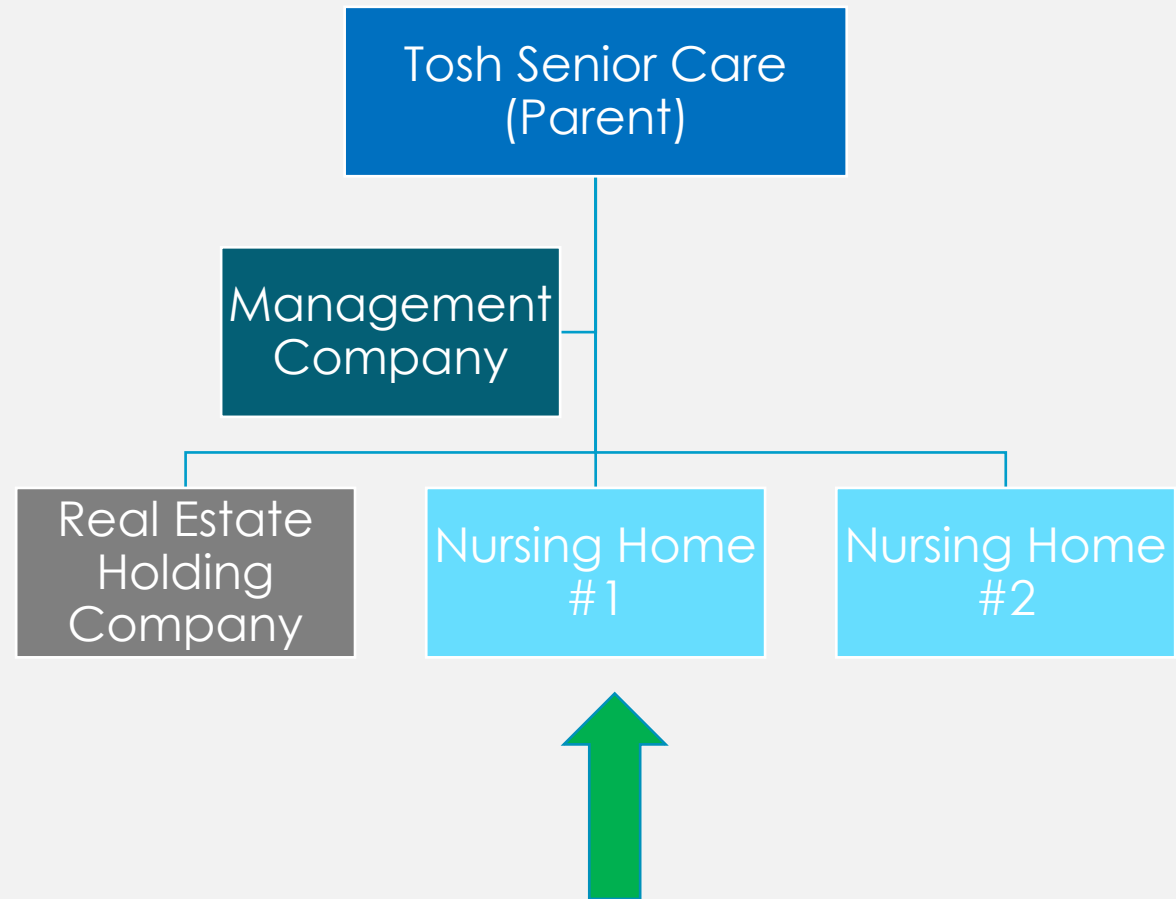
Nursing Home Financial Reporting

Nursing Home Organizational Structure

Layers of LLCs and Related Parties



Financial Reporting



Income Statement

Revenue

Total Patient Revenue (Billing)

\$16,000,000

Less: Contractual Allowances

1,750,000

Net Patient Revenue

14,250,000

Expenses

Total Operating Expenses

\$13,000,000

Net Income (Profit or Loss)

Net Income

\$1,250,000

Income Statement

Revenue

Total Patient Revenue (Billing)

\$16,000,000

Less: Contractual Allowances

1,750,000

Net Patient Revenue

14,250,000

Expenses

Total Operating Expenses

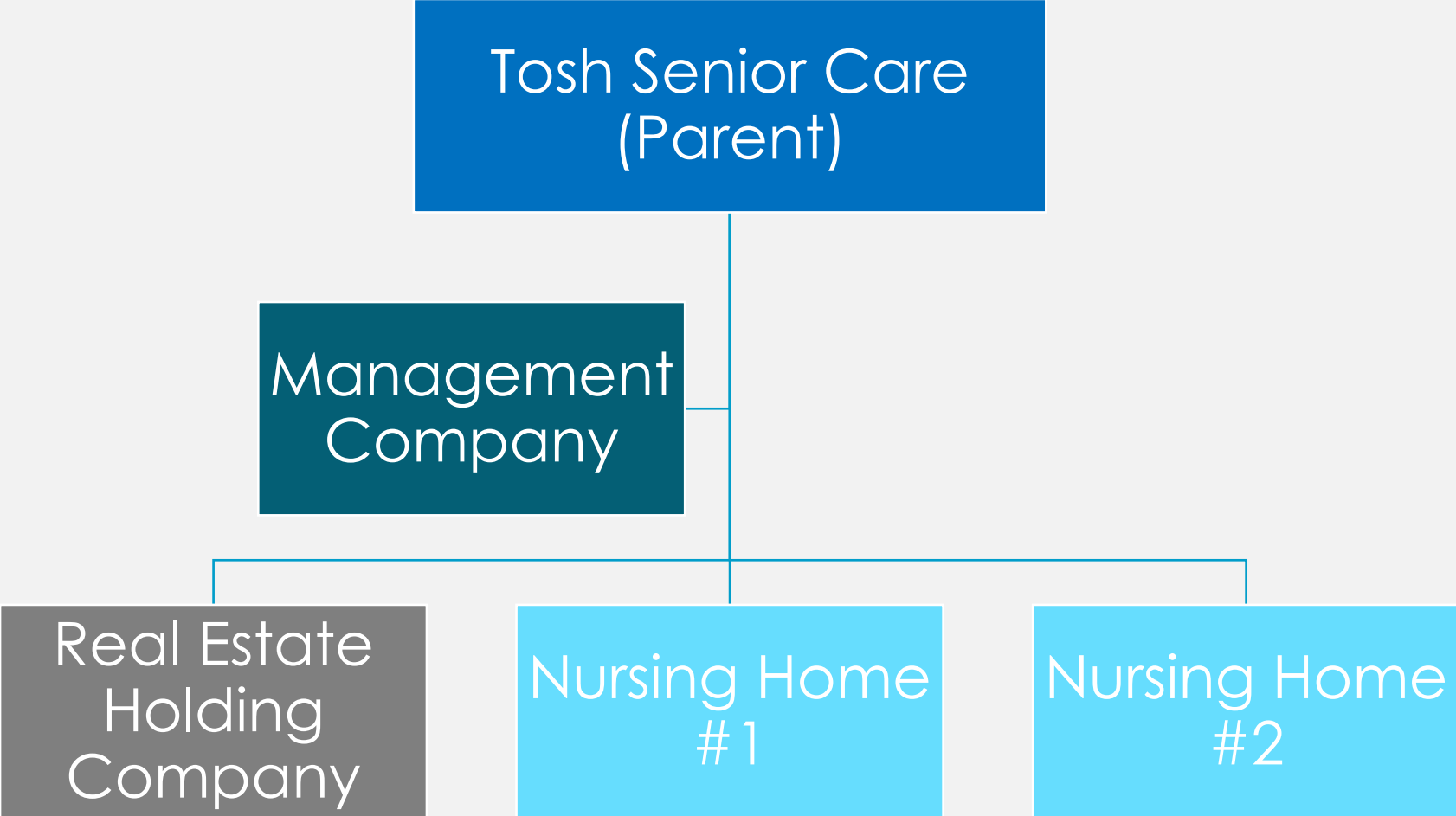
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Net Income (Profit or Loss)

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Layers of LLCs and Related Parties



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14,250,000

Expenses

Total Operating Expenses

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Net Income (Profit or Loss)

Net Income

\$1,250,000



The Manipulation



Move money from one pocket to another, then show the world the empty pocket.

The use of related parties is not illegal, but CMS requires that all related party transactions be disclosed. The facility must disclose the service the related party provides, the cost to provide the service and how much the facility paid for the service.

CMS does NOT audit this reporting.

Expenses

Real Estate (Owned)

Mortgage Payment

\$500,000

Taxes

100,000

Total for Real Estate

600,000

Expenses

Real Estate (Owned)

Mortgage Payment

\$500,000

Taxes

100,000

Total for Real Estate

600,000

Real Estate (Rented)

Lease Payment

\$2,000,000

Total for Real Estate

\$2,000,000

Expenses

Real Estate (Owned)

Mortgage Payment

\$500,000

Taxes

100,000

Total for Real Estate

600,000

Real Estate (Rented)

Lease Payment

\$2,000,000

Total for Real Estate

\$2,000,000

Increased Real Estate Expense

\$1,400,000

Income Statement

Revenue

Total Patient Revenue (Billing)

\$16,000,000

Less: Contractual Allowances

1,750,000

Net Patient Revenue

14,250,000

Expenses

Total Operating Expenses

\$13,000,000

Net Income (Profit or Loss)

Net Income

\$1,250,000

Income Statement

Revenue

Total Patient Revenue (Billing)

\$16,000,000

Less: Contractual Allowances

1,750,000

Net Patient Revenue

14,250,000

Expenses

Total Operating Expenses

\$14,400,000

Net Income (Profit or Loss)

Net Income (Loss)

\$(150,000)

**How could
the facility
staff more?**

**We have no
money.**





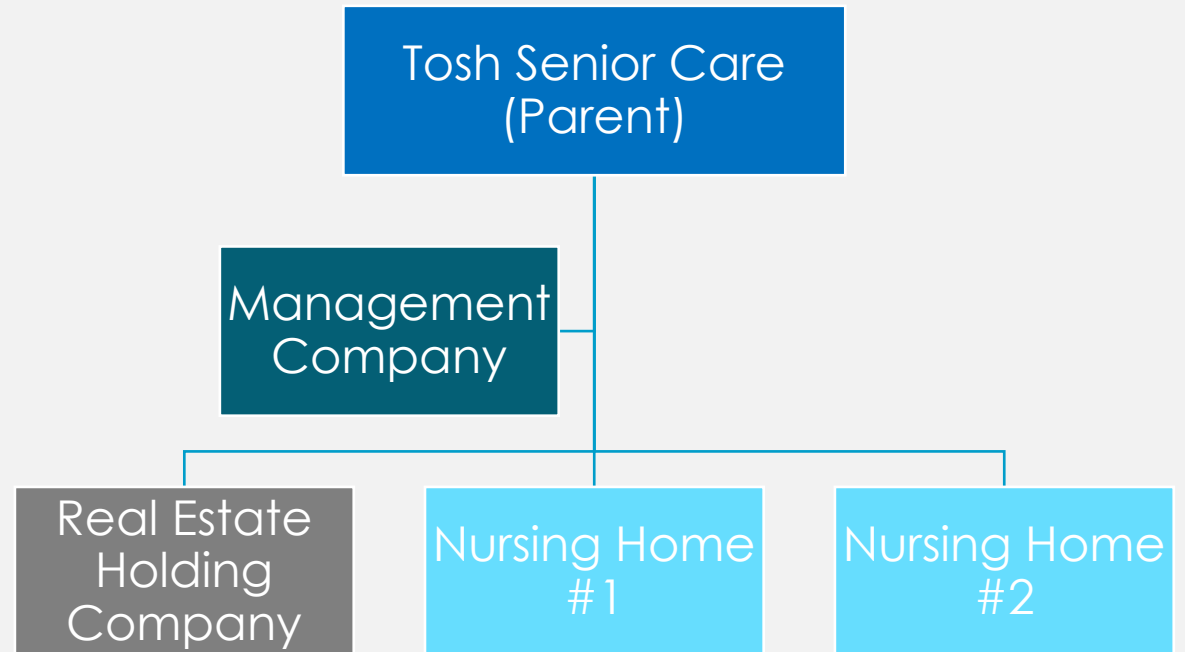
Solutions

1) Financial Transparency

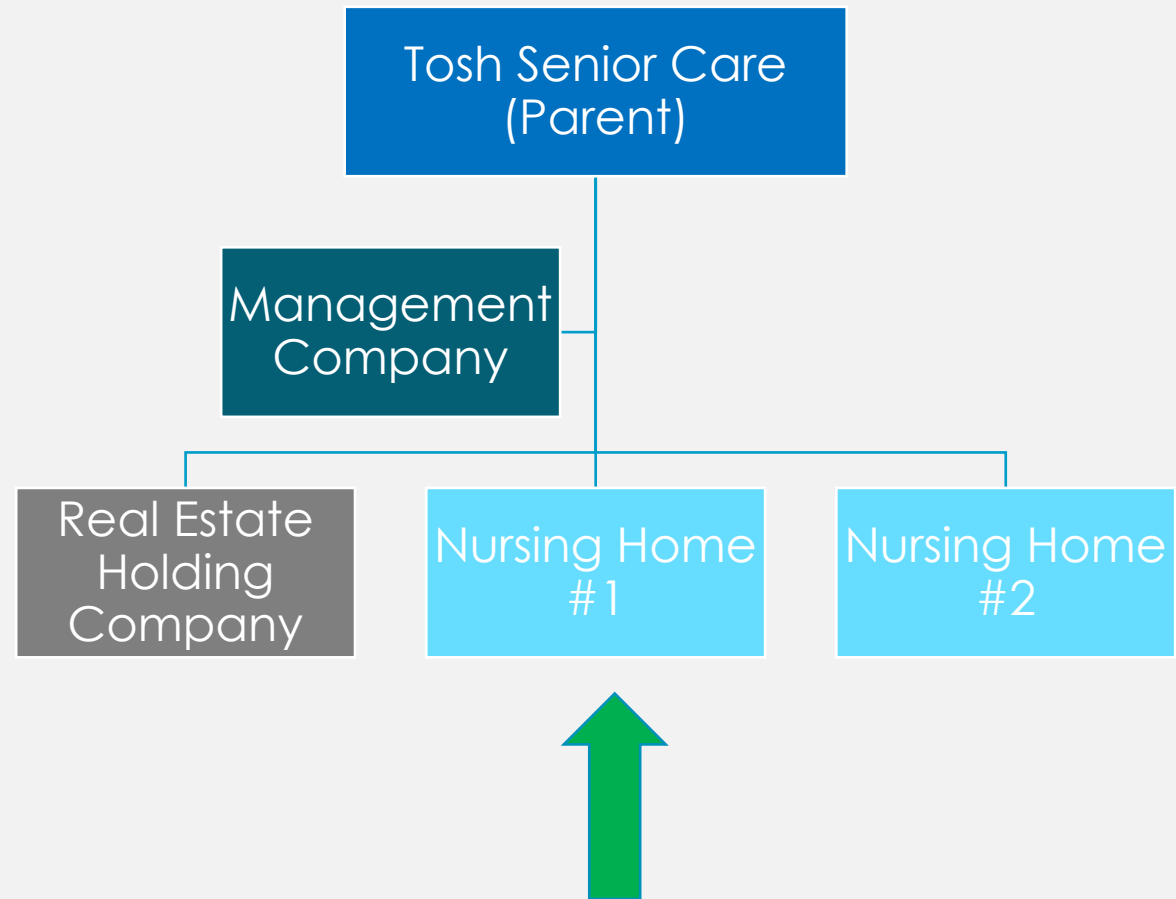
2) Ownership Transparency



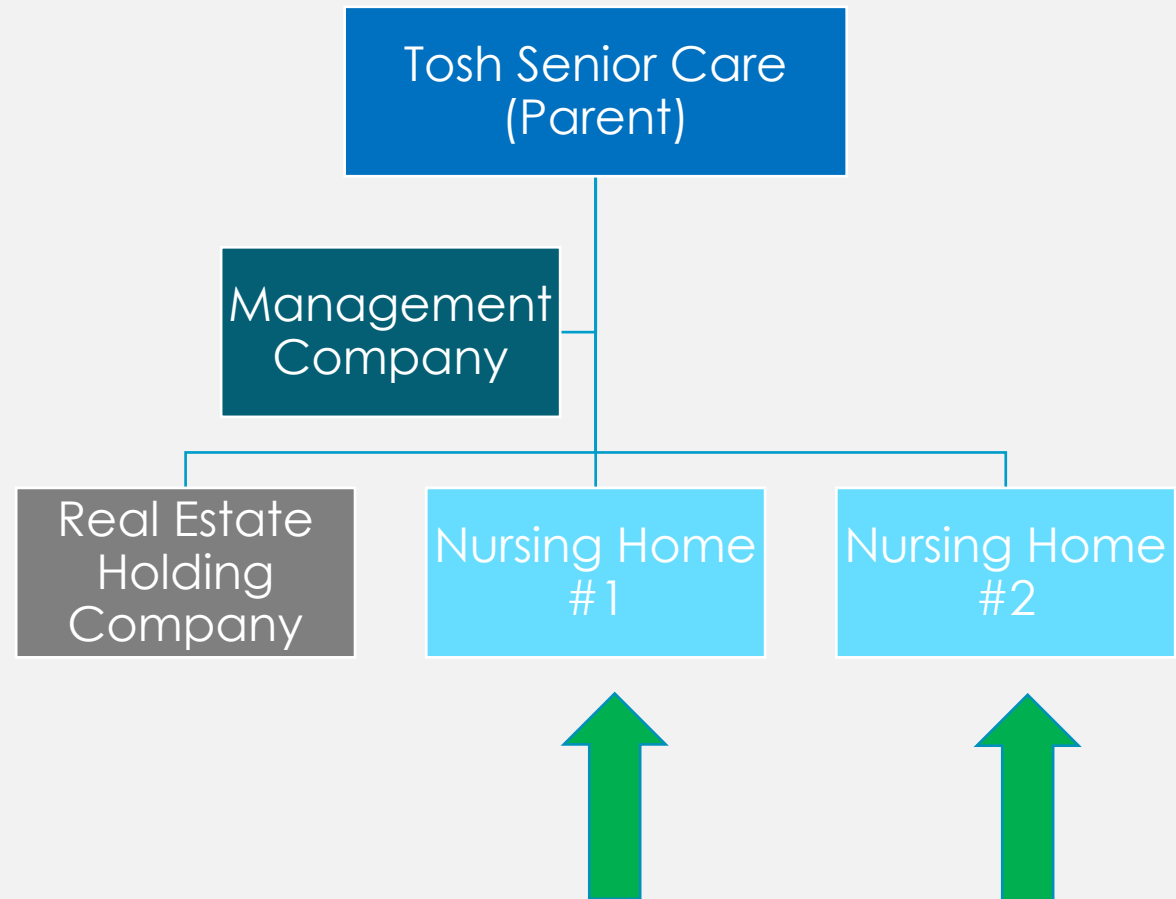
Corporate Structure



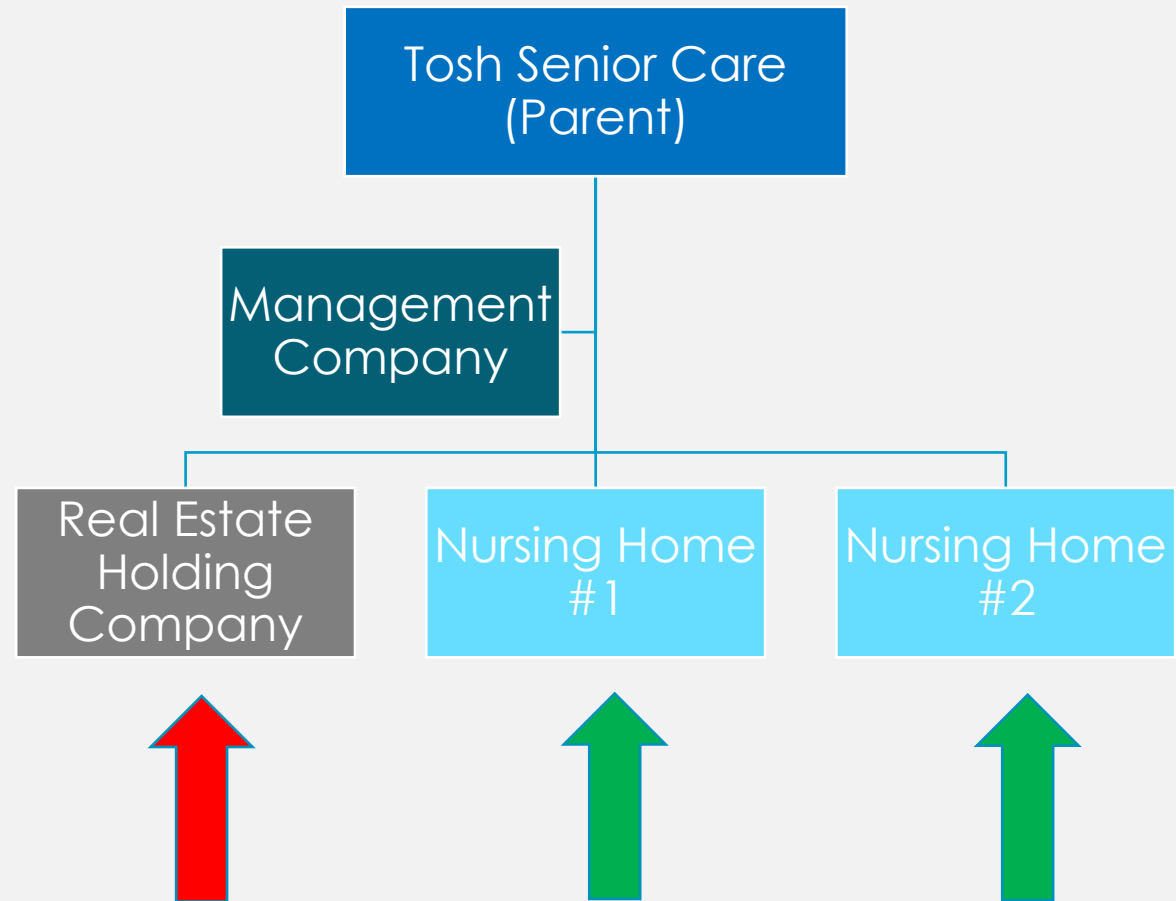
Financial Reporting



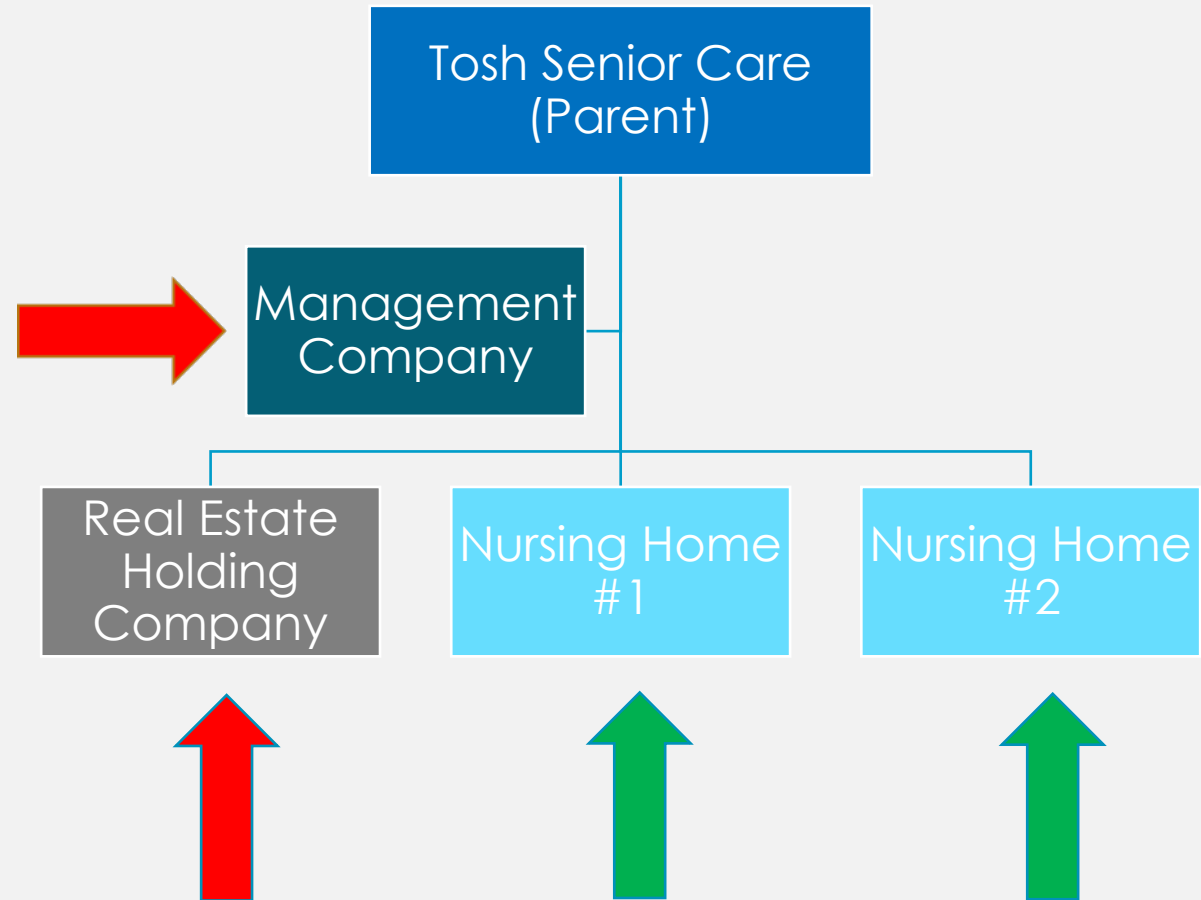
Financial Reporting



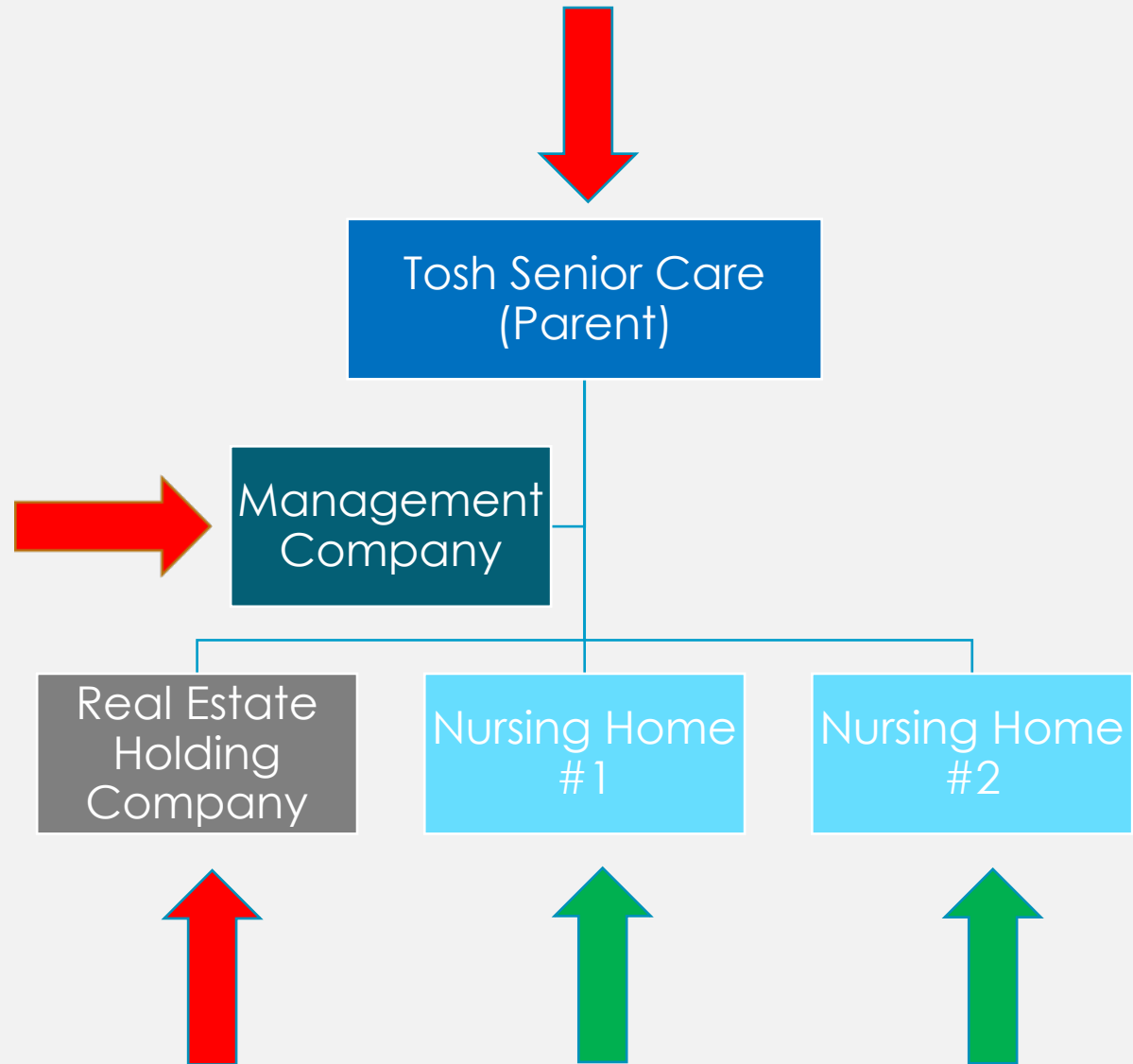
Financial Reporting



Financial Reporting



Financial Reporting



Transparency

Financial

Consolidated, audited, financial statements

Consolidated - from the parent company down to the bottom of the organization, thereby capturing all transactions between related parties and showing the true profitability of the organization.

Audited – audited by a third-party CPA, not self-reported like it is currently.

Financial Statements – Income Statement, Expenses, Cashflow statements, Balance Sheet, etc.

Ownership

Disclosing the fact that the nursing home is owned by an LLC Opco doesn't really disclose anything, even going back another step up the chain may not reveal useful information.

Instead, disclose any organization or individual who has a 5% ownership interest in the facility. If a facility is nested inside 10 Russian doll type LLCs where the inner LLC is owned by the next LLC outside of them, but the outer LLC is owned by two individuals equally. All 10 layers of LLCs AND the two owners with 50% interests each, would have to be disclosed.

This will allow for easier tracking of chronically underperforming facilities and who owns them, so that appropriate attention can be focused on cleaning up the entire chain, no just one or two of the facilities.





Attorney General Involvement

Where true change can happen

States with Proactive AGs

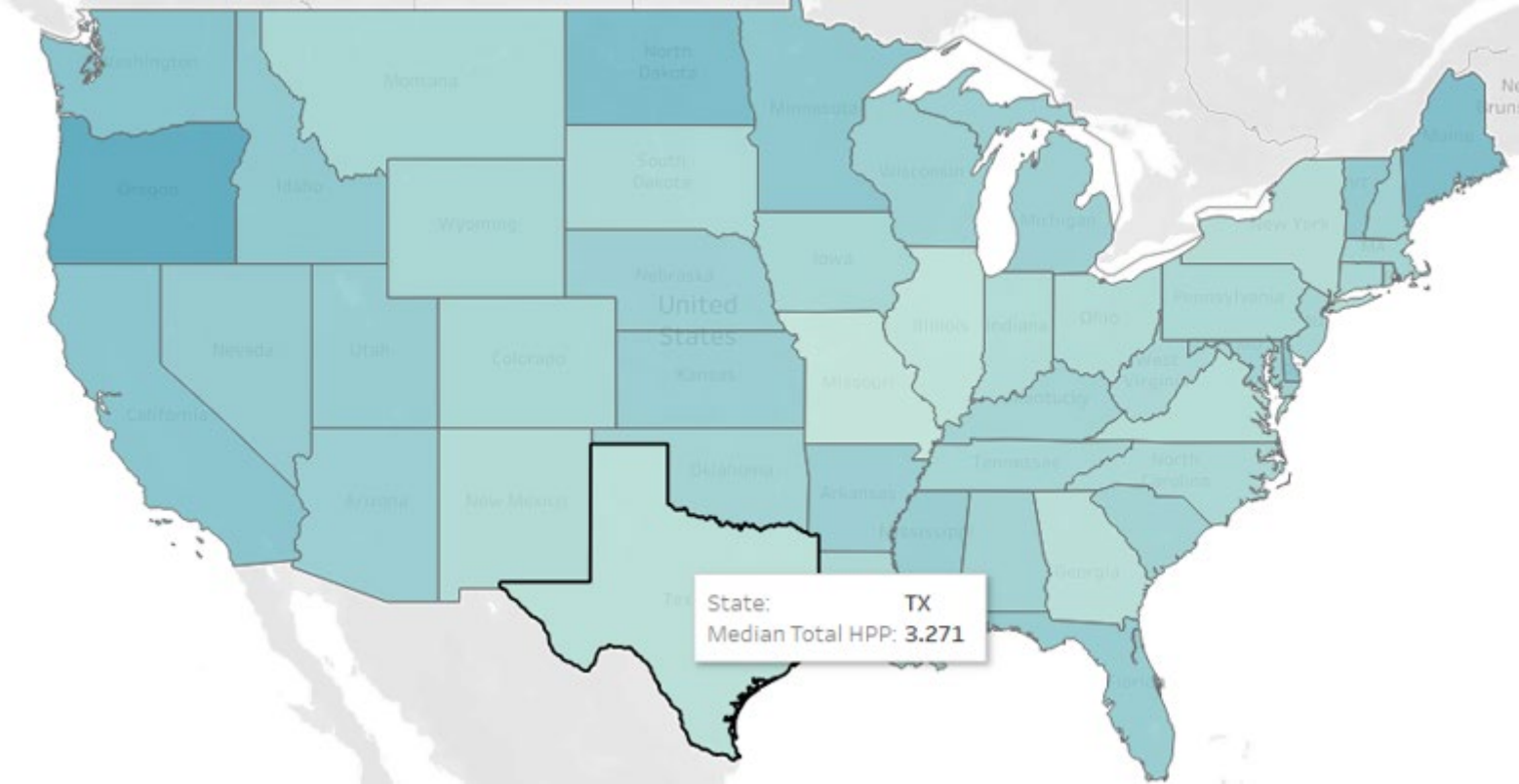


California

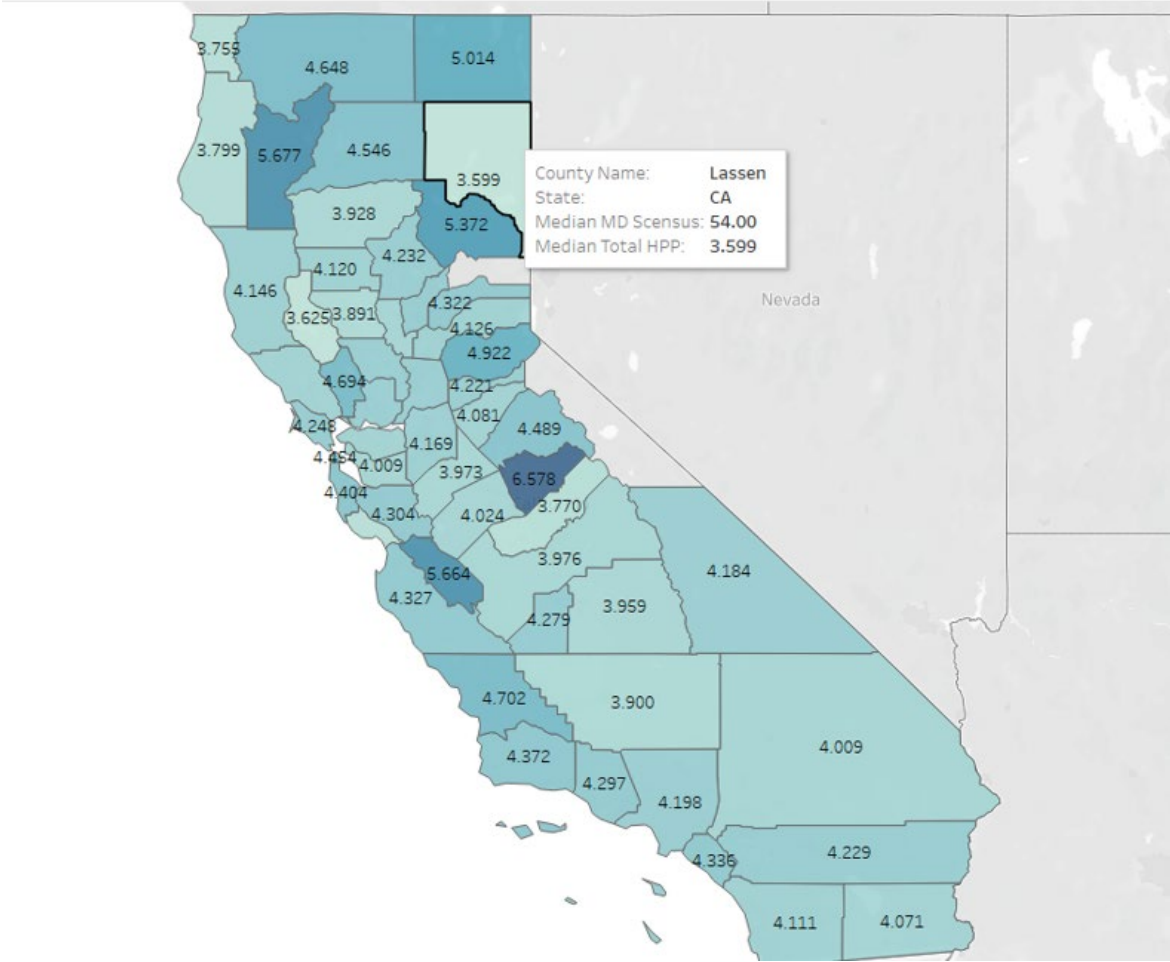
New Jersey

Pennsylvania

Average HPPD



Average HPPD by County



Number of Facilities Understaffed – By Day

dayOfWeek	2021																																			
	June							July					August					September				October					November					December				
	23	24	25	26	27	27	28	29	30	31	32	33	34	35	36	36	37	38	39	40	40	41	42	43	44	45	45	46	47	48	49	49	50	51	52	53
Sunday		336	359	432	382		364	335	350	362	392	379	359	398	362		388	385	413	414		358	355	371	380	413		353	381	400	399		408	335	371	403
Monday		98	101	115	116		228	114	119	125	119	127	131	129	134		227	142	160	162		136	132	128	135		144	135	137	147	159		144	129	140	179
Tuesday	87	71	76	85	82		87	73	100	90	102	99	102	106	104		106	106	123	116		99	109	114	102		103	114	109	117	118		130	118	122	154
Wednesday	72	72	83	71	84		80	79	78	82	96	93	99	109		94	108	115	108	112		98	95	107	103		97	108	113	122		122	137	104	128	143
Thursday	70	77	86	79		89	89	88	86	94	103	95	96	107		112	110	118	117	122		112	94	97	106		114	101	122	243		123	136	126	150	157
Friday	83	96	105	108		105	97	123	94	107	123	116	124	123		131	127	148	137		130	122	113	121	126		138	127	149	222		145	162	157	253	267
Saturday	314	319	354	362		317	306	346	338	334	358	348	352	336		360	361	382	391		343	332	357	342	346		367	348	364	387		354	330	348	418	

Single Facilities – Days Under State Minimum

Provnum	Work Date						☰
	2017	2018	2019	2020	2021	2022	
56090		74	340	366	365	365	^
555772		155	351	266	363	365	
56122		273	344	297	357	362	
56035		132	99	125	187	362	
555823		356	185	244	202	361	
555773		332	282	261	365	358	
55448		86	124	197	310	356	
555781		127	40	157	255	353	
55604		19	66	48	197	350	
55858		213	80	142	191	344	
55201		159	182	141	211	340	
555105		152	131	19	216	337	
555780		239	106	158	284	335	
555120		110	56	178	344	331	
55338		120	272	347	358	324	
55268		200	145	157	230	323	
55047		101	79	99	257	317	
56417		239	350	208	309	314	
56428		46	18	42	116	309	
555222		121	147	147	328	308	
56304		54	34	47	164	304	
56148		173	236	185	158	302	
56170		88	66	44	208	297	
555652		49	55	80	178	283	
555688		127	80	65	137	282	
555892		79	56	19	125	279	
555115		64	41	77	137	273	
55795		124	130	80	244	254	
555717		68	143	188	185	254	

Single Facilities – Days Under State Minimum

Month of W..	Work Date					
	2017	2018	2019	2020	2021	2022
January		6	5	16	13	27
February		9	4	13	15	23
March		13	21	31	7	16
April		16	11	18	10	15
May		10	16	20	11	14
June		13	29	7	4	8
July		7	16	10	3	10
August		9	13	9	11	10
September		12	16	6	9	14
October		17	21	9	9	24
November		14	19	14	12	22
December		18	21	14	21	25



SPAM

LIMITED EDITION -
PUMPKIN SPICE



THANK YOU



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