A new national study of nursing home profits and finances found that, when disallowed costs and non-cash depreciation expenses are excluded, the average nursing home profit margin is close to 9%. Th

The study, co-authored by LTCCC’s Executive Director Richard Mollot, with support from FJC – A Foundation of Philanthropic Funds, assessed facility cost reports for the year 2019. Its findings underscore the importance of improving accountability for the use of the public funds which pay for the majority of nursing home care.

Other key findings from the study include:

- Not counting profits from disallowed costs and non-cash depreciation, nursing homes reported total net revenues of $126 billion and a profit of $730 million (0.58%) in 2019.
- Approximately 77% of nursing homes reported making over $11 billion in payments to related parties.
- Overall spending for direct care was 66% of net revenues, including 27% on nursing, in contrast to 34% spent on administration, capital, other, and profits.