Lavender Farms, an upscale assisted living facility in Colorado, grappled with inadequate care despite marketing promises of “24-7 on-site care.” Lavender Farms’ operating company sought approval from Welltower, its $40 billion investment owner, to raise wages for better caregivers and improve resident safety, but Welltower elected for cost-cutting measures like skimping on staff, prioritizing profits over care. This case highlights broader issues in the assisted living industry, where real estate investors’ focus on profits has resulted in understaffing, low wages, and neglect, with serious consequences for residents’ well-being. Chart via The Washington Post.

NEWSFLASH

- The owners of Limecrest Subacute and Rehabilitation Center in New Jersey are under investigation for operating a facility where residents are allegedly not safe. These owners previously ran the state’s largest nursing home, which closed in 2022 due to serious health and safety violations and evidence of abuse and neglect. The Office of the State Comptroller in NJ has notified the owners of their potential disqualification from the state’s Medicaid program due to a complete failure to protect residents’ health and safety.
- Owner of defunct Skyline chain pleads guilty in $39M fraud case. Joseph Schwartz, who owned the multi-state nursing home chain Skyline when it suddenly collapsed amid widespread allegations of neglect and financial mismanagement faces the possibility of significant prison time.

LTC BY THE NUMBERS

- Iowa Governor Kim Reynolds received significant campaign contributions from the nursing home industry, with the Iowa Health Association’s political action committee donating $30,000 to her 2022 reelection effort. In a speech to nursing home executives, Reynolds highlighted her efforts to ease regulatory barriers and increase Medicaid funding. Meanwhile, the Iowa Capital Dispatch has run a series of investigative reports uncovering significant care and oversight problems in too many Iowa nursing homes.
- A new study found that 60% of U.S. physicians serving on panels and task forces for the American Psychiatric Association’s diagnostic manual – often referred to as the ‘bible’ of psychiatric disorders – had financial ties to the industry, totaling more than $14 million. While financial conflicts of interest have been documented for years, this study emphasizes the need to eliminate industry influence to ensure unbiased and evidence-based mental health practices.

GET THE FACTS

- Researchers are finding growing evidence that sophisticated private investment in healthcare is harmful...
  - Studies continue to show that private equity and other ownership arrangements are associated with poorer health outcomes in nursing homes and beyond.
  - A new study found that “Private equity acquisition was associated with increased hospital-acquired adverse events, including falls and central-line associated bloodstream infections...”

Why is this important? These studies show the significant and growing need to improve both transparency and accountability for nursing homes and other health care settings.