SENIOR CARE POLICY BRIEFING



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NEWSFLASH

• <u>Brookdale Senior Living</u>, the country's largest senior living company, adopted a system called Service Alignment to "optimize staffing" and reduce costs at assisted-living homes. However, the system failed to account for the complexities of caring for seniors. Emails and complaints from building managers revealed that the system's algorithm consistently underestimated labor needs, leading to turnover and substandard care. When Brookdale rolled out the algorithm to its facilities, the then-CEO said one of the main goals was to "make sure that we don't over-staff." Why is this important?: The absence of federal standards of care for assisted living leads to abuse, exploitation, and even death every year.

LTC BY THE NUMBERS

- <u>The Office of Inspector General (OIG) released two reports</u> indicating persistent issues regarding nursing home discharges. Although CMS has developed safeguards to ensure that discharges do not violate resident rights, <u>OIG found significant failures</u> to provide basic information in discharge notices, as required by federal rules, including:
 - ⇒ "Nursing homes did not provide a complete written notice to more than three-quarters of residents in our review, undermining a resident's rights and ability to appeal or plan for discharge."
 - ⇒ 77% of the discharge notices based on the claim that the facility could no longer meet the resident's needs failed to document the special services available at the receiving facility that can meet these needs.
 - \Rightarrow 13% of the discharge notices residents received failed to even provide the reason for discharge.
 - ⇒ Even when a facility provided a discharge notice to the resident, only about half sent a copy of the notice to the LTC Ombudsman, as required.

GET THE FACTS

- <u>American Healthcare REIT</u> executives remain optimistic about the company's long-term care prospects, noting that "their Trilogy facilities, which include a mix of senior housing beds and skilled nursing beds, performed well with a 14% same-store NOI growth for the year and a 16.7% NOI margin expansion for the fourth quarter."
- Highly-paid lobbyists object to a <u>New Jersey</u> requirement that nursing homes provide annual third party audits to the state. This is despite the fact that most nursing home income comes from taxpayers and too many operators tunnel that money into hidden profits while resident suffer.

\$1 Billion: Amount American Healthcare paid in 2015 for majority stake in nursing home chain Trilogy Health Services

600%: The rate that cuts in nurse staffing at Trilogy nursing homes exceeded the national average over the next four years



Data derived from <u>USA Today investigative report</u>, "This nursing home chain stood out for nationally high death rates as pandemic peaked." The report details how residents died due to abject neglect while the owners "live a world away... in spacious, multimillion dollar... homes replete with whirlpool baths, architectural pools and panoramic views."

