SENIOR CARE POLICY BRIEFING

June 28, 2024

NEWSFLASH

- A state Supreme Court judge recently upheld New York's nursing home spending requirement, which mandates that 70% of revenue be spent on patient care, with 40% of that amount directed specifically towards staffing. This decision is a win for nursing home residents and workers, as it ensures funds are dedicated to resident care and reinforces a commitment to improving staffing levels, promising better care and support.
- Following an investigation into Supportive Care Holdings LLC, a provider of mental telehealth services to nursing home residents, for alleged overbilling misconduct the company agreed to pay the federal government $4.6 million to resolve allegations of false claims.
  - ⇒ Telehealth services have become essential for nursing home residents, especially in rural areas, but efforts to permanently fund telehealth have raised concerns about potential overbilling and fraud.

LTC BY THE NUMBERS

- Hospice care company convicted of fraud, owner sentenced to 3 years of supervised release and payment of nearly $3.7 million in restitution. Kristal Glover-Wing, owner of Angel Care Hospice in Louisiana, was found to have fraudulently placed over 24 patients on hospice care without meeting Medicare criteria. None of the patients had terminal conditions; many thought that they were simply receiving home care services.
- Tapestry Hospice of Northwest Georgia, LLC, along with its owners and managers, agreed to pay $1.4 million to settle allegations of engaging in kickback arrangements with medical directors to secure patient referrals. These kickbacks included monthly stipends and signing bonuses, with compensation linked to the number of referrals made.

GET THE FACTS

- The "mismanagement of nursing homes by private equity firms" has led to over 20 bankruptcy filings in Pennsylvania within weeks. The dilemma is whether to force these companies to pay their debts, risking the loss of nursing home beds, or to dismiss debts to maintain care for vulnerable residents temporarily.
- "Building lease payments shot up an average of 77% after private equity acquisition of a nursing home while average cash on hand fell by 38% and staffing was reduced after the deal, according to a 2023 study by the National Bureau of Economic Research," reported the Pittsburgh Post-Gazette.
- Senators Markey and Warren have introduced a federal bill aiming to address corporate greed and abuse by private equity firms in long-term care. Unsurprisingly, the industry opposes the bill, arguing it could disrupt care models.

LTCCC ALERT:

ONE IN FOUR U.S. NURSING HOMES (24.6%) IS A PROBLEM FACILITY

LTCCC's latest data report reveals that one in four nursing homes have a one-star rating, are a special focus facility, or a special focus facility candidate.

The report also found:

- For-profit nursing homes are much more likely to be poor performers.
- Nursing homes that are part of a chain have lower staffing and ratings.
- Nearly 9% of facilities have an abuse icon.
- Only 18.1% of nursing homes have a five-star rating.