SENIOR CARE POLICY BRIEF

LONG TERM CARE COMMUNITY COALITION Advancing Quality, Dignity & Justice

May 15, 2025 © 2025 THE LONG TERM CARE COMMUNITY COALITION

NEWSFLASH

 A new report from the U.S. Government Accountability Office (GAO), <u>VA Nursing</u> <u>Home Care: Opportunities Remain to</u> <u>Enhance Oversight of State Veterans</u> <u>Homes</u>, found that though the VA "is required to ensure each home meets VA's quality standards," it lacks the range Available Enforcement Actions for Department of Veterans Affairs and Selected Actions for Centers for Medicare & Medicaid Services, as of November 2022

VA ENFORCEMENT ACTIONS

- Withhold payment for daily veteran care

- Civil money penalties (fines for each day or instance of noncompliance)

- Denial of payment for all newly admitted eligible residents

- State monitoring (on-site monitor to achieve and maintain compliance)

Source: GAO analysis of VA information and 42 U.S.C. §§ 1395i-3(h), 1396r(h); 42 C.F.R. § 488.406 (2021). | GAO-25-108441

Termination from the Medicare and Medicaid programs

of enforcement actions that CMS has in its oversight of Medicaid/Medicare certified facilities.

- ⇒ The GAO report notes that the VA has *never* used its only enforcement action, withholding payment for daily resident care.
- ⇒ In effect, as a result of its own policies, if a state veterans home is cited for unsafe care or poor conditions, the VA has almost no way to compel compliance with minimum standards of care.
- ⇒ State-run VA nursing homes house over 14,000 people.

LTC BY THE NUMBERS

- A <u>national investigation led by *NJ.com*</u> found that nursing home owners legally diverted nearly \$3 billion in 2023 by funneling Medicaid and Medicare payments to side businesses they also owned, inflating costs and reducing money spent on resident care. The report highlights that individual transactions can reach multi-million-dollar levels—and collectively, these related-party deals siphon off billions each year.
 - ⇒ A 2024 national study, co-authored by LTCCC's Richard Mollot, found that, when disallowed costs and non-cash depreciation expenses are excluded, the nursing home industry's profits were close to 9% in 2019.
- The Ensign Group—one of the nation's largest for-profit nursing home chains—<u>announced record-setting profits for Q1 2025</u>. Despite widespread concern over how much money actually reaches resident care, Ensign celebrated the windfall. "We are thrilled to announce another record setting quarter... In spite of all the industry noise, our results this quarter demonstrate that we've never been stronger," said Ensign's CEO.
 - ⇒ As operators are raking in millions, where's the accountability for resident care?

DINING ON DIMES

- In "The Hunger Games: Many nursing homes feed residents on less than \$10 a day: 'That's appallingly low,'" investigators reveal that:
 - ⇒ "Nationwide more than a quarter of all nursing home operators spent under \$10 a day to feed their residents;"
 - ⇒ "From 2021 through 2024, the number of nursing homes written up for food-related shortcomings nearly tripled;" and
 - ⇒ The number of dietary complaints to LTC Ombudsmen increased more than 50% between 2021 and 2024.

"Unlike customers in a restaurant, nursing home residents cannot walk out if the food is bad and go home and make a sandwich. The nursing home is their home and, generally speaking, they eat what the facility serves or nothing at all."

- <u>LTCCC executive director</u> Richard Mollot