Fines: Financial Accountability for Substandard Care

Identifying a violation is only one step in holding a nursing home accountable. When facilities fail to comply with federal requirements, regulators have several enforcement remedies available, including civil monetary penalties (fines) and denials of payment. Fines are by far the more frequently imposed of these two penalties and provide a readily understandable measure of whether regulatory findings result in financial consequences for facilities.

For this analysis, LTCCC examined individual penalty records reported by CMS for calendar years 2022, 2023, and 2024. To obtain as complete calendar-year data as possible, we used the CMS penalty file released in November of the following year for each year studied: the November 2023 file for 2022 penalties, November 2024 for 2023, and November 2025 for 2024. Records were assigned to a calendar year based on the penalty date reported by CMS.

For enforcement to serve as a meaningful deterrent, the financial consequences of failing to meet required standards must be sufficient to discourage noncompliance rather than allow it to become an acceptable cost of doing business.

This approach provides a consistent measure of penalties reported for each calendar year. It is important to note that, because final enforcement can be delayed by administrative dispute resolution, appeals, litigation, and other factors, these data should not be interpreted as necessarily being the time period in which the violation took place.[12]

Penalties Declined Substantially

CMS reported 12,742 nursing home penalty records in 2022, including 11,501 fines totaling $218.5 million. In 2023, the total number of penalties fell to 9,313, including 8,185 fines totaling $200.9 million. By 2024, CMS reported 6,288 penalties, including 5,210 fines totaling $188.2 million.

Thus, **from 2022 to 2024, the number of fines declined by approximately 55%**, while **total fine dollars declined by approximately 14%**. The decline in the number of fines was remarkably widespread: **49 of the 52 states and jurisdictions included in the study reported fewer fines in 2024 than in 2022**. Only Delaware, Mississippi, and South Dakota recorded more.

Fines constituted the large majority of the penalties reported in each year, accounting for approximately 90% of penalties in 2022, 88% in 2023, and 83% in 2024. The remaining reported penalties were denials of payment. Because fines represented the predominant form of reported penalty and allow for straightforward comparisons of both frequency and dollar amount, the remainder of this analysis focuses on fines.

[12] These data were derived from the Penalties files at data.cms.gov, which reports fines and payment denials but not the other, less common, types of penalties that may be imposed for a violation of minimum standards.

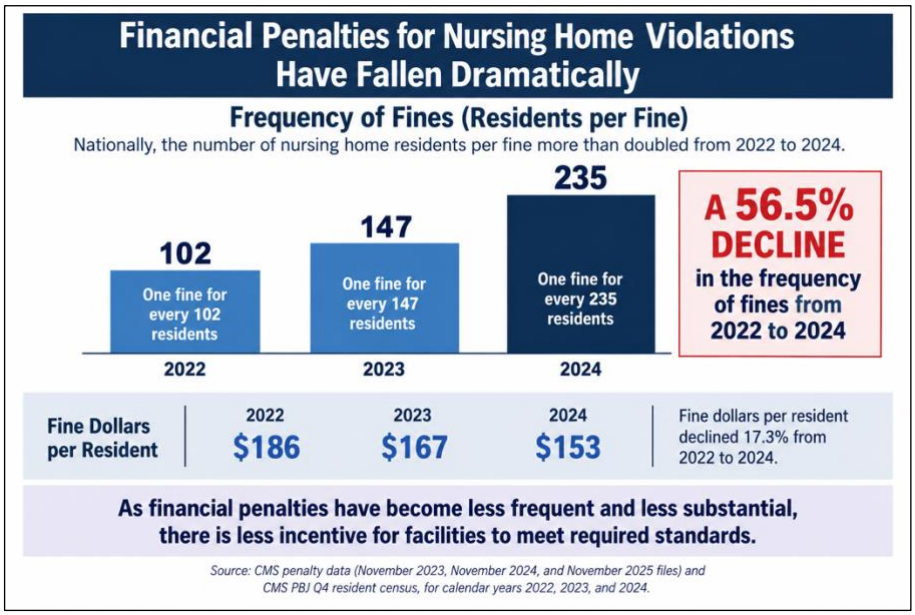
BRINGING ENFORCEMENT TO THE RESIDENT LEVEL

Given the wide variation in state nursing home populations, LTCCC also examined enforcement activity in relation to the number of residents each state's nursing homes serve. This resident-centered approach allows for more meaningful comparisons among states and helps illustrate the extent to which enforcement actions translate into consequences for facilities relative to the residents the regulatory system is intended to protect.

Nationally, **the frequency of fines declined substantially relative to the number of residents**. In 2022, CMS reported approximately one fine for every 102 nursing home residents. That fell to approximately one fine for every 147 residents in 2023 and one for every 235 residents in 2024.[13]

Fine dollars per resident also declined, although considerably less sharply. Nationally, fines totaled approximately $186 per nursing home resident in 2022, $167 in 2023, and $153 in 2024.

The two measures provide important, complementary perspectives on financial enforcement. The number of fines relative to residents reflects how frequently financial penalties are imposed in relation to the population the oversight system is charged with protecting, while fine dollars per resident provide a measure of the magnitude of those financial consequences. Both are important because penalties are intended not only to hold facilities accountable for noncompliance, but also to deter future violations. **For enforcement to serve as a meaningful deterrent, the financial consequences of failing to meet required standards must be sufficient to discourage noncompliance** rather than allow it to become an acceptable cost of doing business.



The results are especially striking because the **resident census increased about 4.2% from 2022 to 2024**, **while the number of fines fell about 54.7%**. Consequently, the resident adjusted frequency of fines fell about 56.5%. Fine dollars per resident declined about 17.3%.

[13] Methodological note: The resident denominator is the sum of facility-level average MDS census reported in PBJ for Q4 of the corresponding calendar year. It reflects the average daily resident census, not the number of unique residents who lived in nursing homes during the year.

Wide Differences Among States

The national figures also mask striking differences among states. Across the three study years, **Montana had the highest frequency of fines relative to its resident population** among the 50 states and District of Columbia, f**ollowed by Alaska, Wyoming, Kansas, Oklahoma, New Mexico, and Colorado**. Because the denominator is based on such a small number of providers, Puerto Rico's calculated resident-adjusted rates are unusually sensitive and are reported for completeness but excluded from state rankings and direct comparisons.[14]

At the other end of the distribution, **New York had the lowest resident-adjusted fine frequency**, **followed by Arizona, Alabama, Virginia, Arkansas, New Hampshire, Maine, and Maryland**. Across the three-year period, **Montana's rate of fines per resident was nearly ten times New York's**.

Fine amounts reveal a somewhat different pattern. Across the three years, **Illinois averaged approximately $465 in fines per resident per year**, followed by Montana ($446), the District of Columbia ($418), Washington ($386), and Rhode Island ($345). Puerto Rico again had a higher calculated rate, at approximately $568 per resident per year; as noted above, Puerto Rico's resident-adjusted results should be considered separately. By contrast, **Arizona averaged approximately $35 per resident per year, New York ($41), Maine ($47), Arkansas ($49), and Alabama ($50)**.

From Violations to Accountability

These findings take on additional significance when considered alongside the preceding analyses. Survey agencies classified approximately 94% of cited violations of minimum health care standards below the level of actual harm. Such classifications matter because facilities are unlikely to face a penalty when surveyors do not identify resident harm.

The enforcement data show what happens further along that accountability continuum. **Even as survey activity and overall deficiency citations recovered somewhat following the COVID-19 pandemic, the number of reported fines fell sharply between 2022 and 2024**.

Complete state-level penalty and fine data are available on the webpage for this report, https://nursinghome411.org/ltccc-enforcement-study-2026/. See the file National & State Fines 2022 2023 2024.xlsx.

[14] Puerto Rico should be considered separately from the states in interpreting resident-adjusted results. The PBJ data used for the resident denominator included only five Puerto Rico providers in 2022, five in 2023, and six in 2024. Because this unusually small denominator produces substantially higher calculated resident-adjusted rates, Puerto Rico is reported for completeness but is not included in state rankings or comparisons.