



**Using Financial
Data for
Successful
Nursing Home
Advocacy**

Richard Mollot

Long Term Care Community Coalition

November 15, 2022

www.nursinghome411.org

+ The Long Term Care Community Coalition

- **LTCCC**: Nonprofit, nonpartisan organization dedicated to improving care & quality of life for the elderly & adult disabled in long-term care (LTC).
- **Our focus**: People who live in nursing homes & assisted living.
- **What we do**:
 - Policy analysis and systems advocacy;
 - Data collection, analysis, and reporting;
 - Education of consumers and families, LTC Ombudsmen, and other stakeholders.
- **Richard Mollot**: Executive Director
- **Website**: www.nursinghome411.org.



Outline of my discussion



How the nursing home system works... or doesn't.



Myths vs. realities of nursing home financing & accountability.



Resources to support better care & program integrity

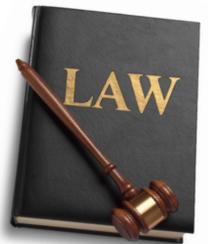
+ The Nursing Home Reform Law

- The law passed in 1987.
- **Every** nursing home that participates in Medicaid/Medicare agrees to meet or exceed the standards laid out in the Reform Law and its implementing regulations.
- Participation in Medicaid/Medicare is voluntary. Nursing homes that do not wish to meet these standards are free to run private facilities.



+ The Nursing Home Reform Law

- The federal law requires that every nursing home resident is provided the care and quality of life services sufficient to attain and maintain their **highest practicable physical, emotional, & psychosocial well-being**.
- The law emphasizes **individualized, patient-centered care**.
- Importantly, the law lays out specific resident rights, from **good care** and monitoring to a quality of life that maximizes **choice, dignity, & autonomy**.
- “Effective” infection control and sufficient staffing have been required since the beginning.



+ The Nursing Home Reform Law

Question: If the law and standards are so strong, why aren't nursing homes decent and safe places to live and work?

Answer: Laws and standards can only make a difference if they are enforced.

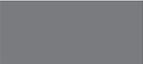


+ The Problem(s)

Federal data, our studies, and countless federal reports indicate that baseline requirements are largely unenforced.

The collage consists of several overlapping documents and images:

- Top Left:** A document titled "ADDRESSING ABUSE, NEGLECT, AND SUSPICION OF CRIME AGAINST NURSING HOME RESIDENTS: POLICY CONSIDERATIONS & PROMISING PRACTICES" dated MARCH 18, 2019.
- Top Center:** A screenshot of a website for "Majestic Care of Columbus LLC" showing an overall rating of 4.5 stars.
- Top Right:** A document from the "OFFICE OF INSPECTOR GENERAL" dated August 24, 2017, regarding "ADVERSE EVENTS IN SKILLED NURSING FACILITIES: NATIONAL INCIDENCE AMONG MEDICARE BENEFICIARIES".
- Middle Left:** A GAO report titled "NURSING HOMES: Resident Cases and Deaths per 1,000 Residents" featuring a bar chart showing a sharp decline in cases from 2000 to 2018.
- Middle Center:** A GAO report titled "NURSING HOMES: Better Oversight Needed to Protect Residents from Abuse" dated November 14, 2019.
- Middle Right:** A photograph of an elderly person lying in a hospital bed, appearing to be asleep or resting.
- Bottom Left:** A GAO report titled "NURSING HOMES: CMS's Special Focus Facility Methodology Should Better Target the Most Poorly Performing Homes, Which Tended to Be Chain Affiliated and For-Profit" dated August 2019.
- Bottom Center:** A GAO report titled "Nursing Home Inspect" with a map of the United States showing inspection data by state.
- Bottom Right:** A Forbes article titled "Inside Look At How Covid-19 Is Driving An Epidemic Of Loneliness In Nursing Homes" dated Oct 8, 2020, featuring a photograph of a person sitting in a room.



Long-term care continues to be understaffed, poorly regulated and vulnerable to predation by for-profit conglomerates and private-equity firms.

E. Tammy Kim, “This Is Why Nursing Homes Failed So Badly,” The New York Times (Dec. 31, 2020)

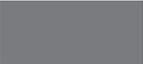


- Over the years, the nursing home industry has become increasingly sophisticated and opaque.



- These mechanisms were originally employed as a means to escape legal and financial accountability for death and suffering caused by substandard care.
- In addition, 75% of nursing homes use related-party transactions, a mechanism that can be used to hide profits and funnel money away from resident care.*

*Rau, Jordan, "Care Suffers as More Nursing Homes Feed Money Into Corporate Webs," *The New York Times* (January 2, 2018). <https://www.nytimes.com/2018/01/02/business/nursing-homes-care-corporate.html>



In the absence of meaningful enforcement, nursing home operators can largely provide any level of staffing and any quality of care & quality of life services that they choose.



Example: Staffing

The typical resident needs at least 4.1 hours per day (HPRD) of nursing care just to meet clinical needs

The average nursing home provides 3.62 HPRD

Though short staffing is pervasive, it is rarely cited and almost never identified by surveyors as harmful to residents

As a result, there are virtually no financial penalties for short staffing.



Example 2: Pressure Ulcers

Clinical standards indicate that pressure ulcers are almost always preventable or treatable (with appropriate staffing!)

CDC: “one of the important measures of the quality of clinical care in nursing homes.”

Nevertheless, 7.26% of U.S. nursing home residents have unhealed pressure ulcers. This is likely a significant undercount; studies have found that many facilities under-report these data.

Though a serious problem, states cite nursing homes the equivalent of less than 3% of the time that a resident has a pressure ulcer.

When states *do* cite a facility for inadequate pressure ulcer care or prevention, they only identify this as harmful about 23% of the time.

Result: Very few penalties for substandard care that results in a pressure ulcer.

+ LTCCC's 2021 Project

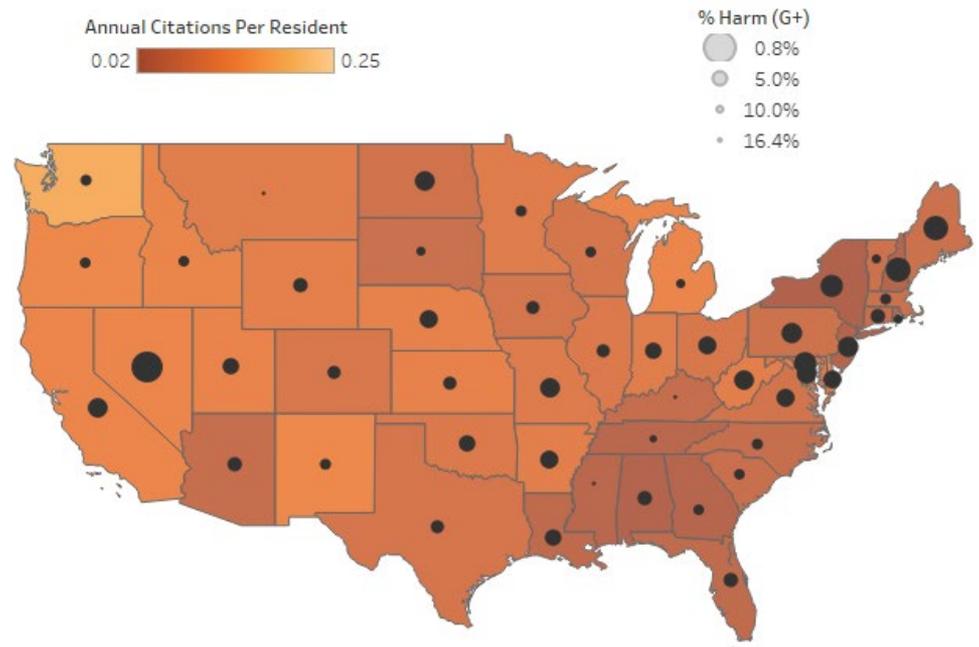
- What can we **expect from those responsible** for ensuring that nursing home residents are safe and treated with dignity?
- To what extent are **requirements for nursing homes – and the agencies responsible for overseeing them – being realized** in the lives of nursing home residents?



This study was conducted with the generous support of **The New York Community Trust**. To view or download, visit <https://nursinghome411.org/survey-enforcement/>

+ Summary of findings

- States do a poor job identifying substandard care, abuse, and neglect.
- Harm (G or above) citations are rare. Of the 290,000 citations, 5.0% were categorized as Harm. 1.8% were categorized as Immediate Jeopardy (J or above).
- Citations by Category
 - Infection Prevention & Control (F880) citations accounted for 7.8% of all deficiencies.
 - Antipsychotics (F758), Pressure Ulcers (F686), and Resident Rights (F550) each accounted for roughly 2%.
 - Sufficient Staffing (F725) accounted for 1%.
 - Quality of Life (F675) accounted for 0.1%.



Darker → lower citation rate.

Larger circles → lower % of Harm citations.



Once again...

In the absence of meaningful enforcement, nursing home operators can largely provide any level of staffing and any quality of care & quality of life services that they choose.



+

Myth

Nursing homes are underpaid

- + **Myth:** Nursing home payment is insufficient to provide good care.
- Reality:** Most nursing homes are run for-profit and are seen as attractive investments.
- The industry's longstanding argument that it does not get paid enough to provide sufficient staffing, baseline infection control protocols, etc... is unsubstantiated.
- In fact, nursing homes are increasingly operated by for-profit entities.
- Private equity and REITs have increasing, substantial investment in the sector.
- There are virtually no limitations on the use of public funds to pay for administrative staff or siphon off into profits.
- As noted above, operators commonly use related party transactions to hide profits (and perpetuate the myth of "razor-thin margins").

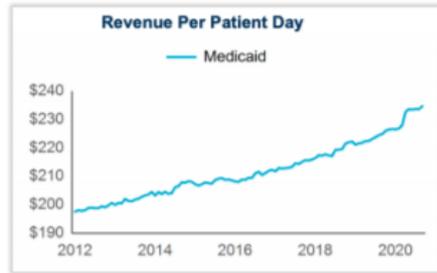
+ Medicaid Funding

LTCCC POLICY BRIEF

NURSING HOME MEDICAID FUNDING: SEPARATING FACT FROM FICTION

Background. Medicaid is the primary funding source for the majority of nursing home services in the US. Managed by states using a mix of state and federal funding, Medicaid covers more than 60% of residents nationwide. Each state has broad flexibility to determine eligibility standards and payment methods and design reimbursement rates.

Industry Claims vs. Facts. Nursing home providers and trade associations claim that Medicaid rates are inadequate and less than the cost of actual care, which then leads providers to leverage other payor sources, such as Medicare and private pay. The industry also blames low Medicaid rates for substandard care. However, recent studies suggest that for-profit facilities have maximized profits for owners and investors while skimping on resident care.



Source: NIC MAP Data Service

- Medicaid rates have steadily increased in the past decade, rising 12.6% since 2012, according to the National Investment Center for Seniors Housing & Care (NIC)
- Nursing homes received an average of \$214 per resident per day in Medicaid funding in 2019, a 2.2% increase from 2018
- An NIC report with data through September 2020 shows a national average reimbursement rate of \$235, though this \$21 increase from 2019 is likely a COVID-related boost
- Although industry leaders claim that nursing homes are losing money on Medicaid residents and blame closures and financial struggles on low reimbursement rates, typical nursing home profits are in the 3 to 4 percent range, according to Bill Ulrich, a nursing home financial consultant
- In fact, most nursing homes “outsource a wide variety of goods and services to companies in which they have a financial interest or that they control.” This practice, called related-party transactions, can be used to “siphon off higher profits, which are not recorded on the nursing home’s accounts,” giving the false impression that a nursing home has low profits or is losing

Medicaid rates have steadily increased in the past decade...

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www.NursingHome411.org

nursinghome411.org/ltc-medicaid-funding/

+ Medicare Funding

According to the Medicare Payment Advisory Commission...

- The marginal profit from Medicare nursing home patients in 2020 was about 16.5%.
- The average Medicare profit margin has been above 10% for over 20 years.

Unfortunately, the focus of Medicare rate setting has been almost entirely on controlling costs rather than ensuring quality. Medicare prospective payments are based on estimated costs and not on actual expenditures. This system allows nursing homes to keep staffing and operating expenses low in order to maximize profits.

NOTE: These profit margins do not take into account profits hidden in administrative costs or related-party transactions.

* Medicare Payment Advisory Commission, *Report to the Congress: Medicare Payment Policy*, March 2022.

+ Funding is NOT the Problem

OIG: *Adverse Events in Skilled Nursing Facilities: National Incidence Among Medicare Beneficiaries*

- OIG found that **one-third of residents who were in a nursing home for short-term care were harmed** w/in an average of 15.5 days.
- **Almost 60 percent of the injuries were preventable and attributable to poor care.**
- Much of the **preventable harm was due to substandard care**, inadequate resident monitoring, and failure or delay of necessary care.
- As a result, six percent of those who were harmed died, and more than half were rehospitalized.
- “Because many of the events that we identified were preventable, our study confirms the need and opportunity for SNFs to significantly reduce the incidence of resident harm events.”

Even when profits are high, nursing homes fail to provide adequate care, safety, or treat residents humanely.

THE NURSING HOME INDUSTRY'S HARDSHIP PLEAS: NARRATIVE VRS. REALITY

**Capital Flows Through Corporate Entities Funded By Medicaid &
Medicare**

A Presentation by:

Dave Kingsley, PhD



2000 & THE DAWN OF A NEW NURSING HOME FINANCIAL ERA

- **Financial innovations (without healthcare innovation):**

- Real Estate Investment Trusts**

- Individual & Family Trusts**

- Private Equity**

- Limited Liability Companies (LLCs)**

- Institutional Investors**

- Growth of Multibillion Public Corporations**

Challenging the Nursing Home Industry's Hardship Plea: It's Important for Advocacy & Reform

- **Debunking the “low net” & income loss arguments:**
 - **“We can’t afford to do better because we have a low profit margin.”**
 - **“Net income is thin.”**
 - **COVID caused financial devastation for LTC/SKN corporations –
it’s the government’s fault**

WORDS MATTER!

- **It is time to attend to our language in our fight for patients in LTC/SKN:**

Words and phrases: Let's not fight in their arena of "low net," "it's the government's fault," "abuse & neglect is caused by the "bad apples," etc.

- **Words like "transparency," and "opaque" are weasel words**
- **Industry Frames: Reimbursement is too low for us to provide the quality care desired by advocates/the public**
- **Industry Narrative: You have to increase Medicaid reimbursement, or we can't do better.**

Industry Tactics

- **Misinformation/Deceit: Using facility cost reports to claim low net/poor return on investment:**

Our response: “We want the truth – not transparency.” “Open your books.”

“Show us the money.” “Quit hiding your cash flow.”

- **Keeping focus at the facility level:**

Hiding parent corp. consolidated financial statements

e.g., Hiring a large accounting firm to falsely report a low net based on cost reports (Clifton, Larson, & Allen/CLA)

- **Obscure & complicated financial/legal/tax structures**

REITs, LLCs, Individual & Family Trusts, Spin-Offs, Private Equity

ADVOCACY LONG TERM STRATEGY

- **Advocacy frames:**

- 1. The industry is extracting an excessive amount of revenue from government funded LTC/SKN at the expense of care**
- 2. Privatized healthcare places shareholders/private interests over medical ethics/public interest**
- 3. Wealthy executives and shareholders are becoming fabulously rich from Medicaid (welfare medicine/poverty program)**

Riverbend NH, Kansas City, KS



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WELCOME TO
RIVERBEND
POST ACUTE REHABILITATION

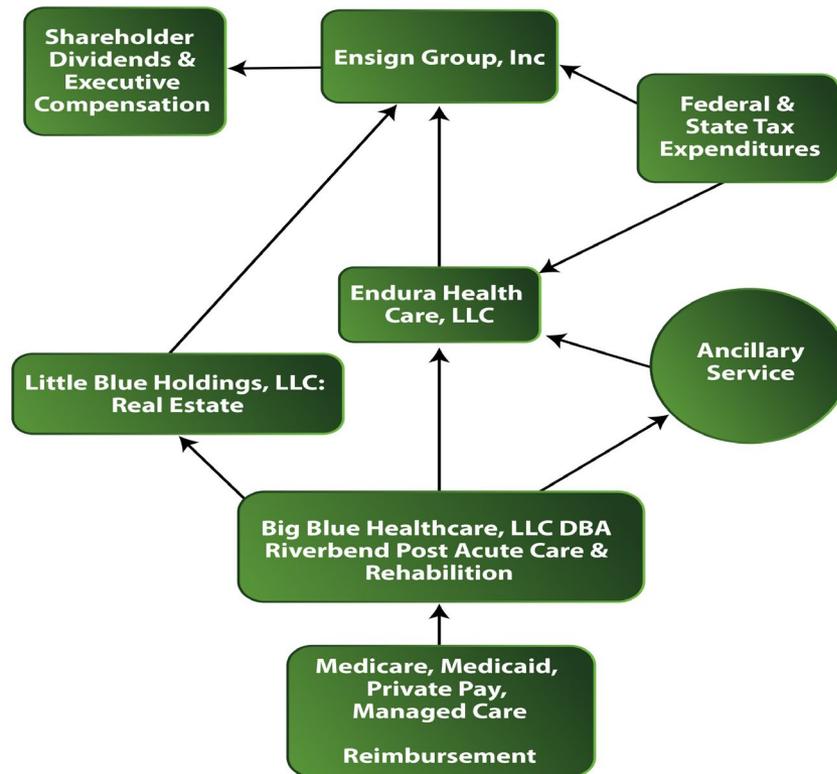
Kansas City's Premier Location for Short-Term Rehabilitation and Long-Term Care



The Ensign Group: America's Largest LTC/SKN Company

- **Over \$3 billion in revenue**
- **Rapidly growing: acquired 20 facilities in 3rd quarter 2022**
- **Increasing stock price: Outperforming the market: value of Chairman/CEO stock increased \$21,000,000 in past year**
- **\$350 million in cash on its balance sheet**
- **Over \$4.00 per share earnings**
- **7.5% net income & 13% EBITDA**
- **President paid \$7 million in 2021**

The Ensign Group's KCK Facility



Income Statement

Inpatient Revenue	\$10,896,874
Outpatient Revenue	\$0
Total Patient Revenue	\$10,896,874
Contractual Allowance (Discounts)	\$1,548,347
Net Patient Revenues	\$9,348,527
Total Operating Expense ¹	\$10,563,510
Operating Income	\$-1,214,983
Other Income (Contributions, Bequests, etc.)	\$0
Income from Investments	\$0
Governmental Appropriations	\$0
Miscellaneous Non-Patient Revenue	\$5,944
Total Non-Patient Revenue	\$5,944
Total Other Expenses	\$0
Net Income or (Loss)	\$-1,209,039
¹ Depreciation Expense (included above)	\$362,061

Riverbend 2020 Income Statement: inpatient revenue & expenses

Cost report status - As Submitted
 [Record code 1288025 - 2010]

STATEMENT OF COSTS OF SERVICES FROM RELATED ORGANIZATIONS AND HOME OFFICE COSTS	Provider CCN: 175298	PERIOD: FROM 01 01 2020 TO 12 31 2020	WORKSHEET A-8-1
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PART I - COSTS INCURRED AND ADJUSTMENTS REQUIRED AS A RESULT OF TRANSACTIONS WITH RELATED ORGANIZATIONS OR CLAIMED HOME OFFICE COSTS

	Line No.	Cost Center	Expense Items	Amount Allowable In Cost	Amount Included in Wkst. A., col. 5	Adjustments (col. 4 minus col. 5)	
	1	2	3	4	5	6	
1	4	ADMINISTRATIVE & GENERAL	HOME OFFICE ALLOCATION	535.381	467.515	67.866	1
2	1	CAP REL COSTS - BLDGS & FIXTURES	HOME OFFICE ALLOCATION	6.049		6.049	2
3	2	CAP REL COSTS - MOVABLE EQUIPMENT	HOME OFFICE	7.426		7.426	3
4	30	SKILLED NURSING FACILITY	HOME OFFICE	281.540		281.540	4
5	1	CAP REL COSTS - BLDGS & FIXTURES	REAL ESTATE LEASE		585.770	-585.770	5
6	3	EMPLOYEE BENEFITS	HEALTH INSURANCE	264.938	271.076	-6.138	6
7	1	CAP REL COSTS - BLDGS & FIXTURES	REAL ESTATE - DEPRECIATION	221.512		221.512	7
8	4	ADMINISTRATIVE & GENERAL	LIABILITY INSURANCE	66.759	118.288	-51.529	8
9	4	ADMINISTRATIVE & GENERAL	WORKERS COMP	44.850	130.437	-85.587	9
9.01	2	CAP REL COSTS - MOVABLE EQUIPMENT	REAL ESTATE - DEPRECIATION	140.548		140.548	9.01
9.02	4	ADMINISTRATIVE & GENERAL	DATA CENTER FEES		29.146	-29.146	9.02
9.03	51	SUPPORT SURFACES	KCI WOUND VAC	4.684	4.825	-141	9.03
10	TOTALS (sum of lines 1-9) (Transfer column 6, line 10 to Wkst. A-8, col. 3, line 12)			1.573.687	1.607.057	-33.370	10

PART II - INTERPRETATIONSHIP TO RELATED ORGANIZATION(S) AND/OR HOME OFFICE

	Year Ended December 31,		
	2020	2019	2018
	<i>(In thousands, except per share data)</i>		
Revenue:			
Service revenue	\$ 2,387,439	\$ 2,031,266	\$ 1,752,991
Rental revenue	15,157	5,258	1,610
Total revenue	<u>\$ 2,402,596</u>	<u>\$ 2,036,524</u>	<u>\$ 1,754,601</u>
Expense:			
Cost of services	1,865,201	1,620,628	1,418,249
Return of unclaimed class action settlement (Note 20)	—	—	(1,664)
Rent—cost of services	129,926	124,789	117,676
General and administrative expense	129,743	110,873	90,563
Depreciation and amortization	54,571	51,054	44,864
Total expenses	<u>2,179,441</u>	<u>1,907,344</u>	<u>1,669,688</u>
Income from operations	223,155	129,180	84,913
Other income (expense):			
Interest expense	(9,362)	(15,662)	(15,182)
Interest and other income	3,813	2,649	2,016
Other expense, net	<u>(5,549)</u>	<u>(13,013)</u>	<u>(13,166)</u>
Income before provision for income taxes	217,606	116,167	71,747
Provision for income taxes	46,242	23,954	12,685
Net income from continuing operations	171,364	92,213	59,062
Net income from discontinued operations, net of tax (Note 21)	—	19,473	33,466
Net income	<u>171,364</u>	<u>111,686</u>	<u>92,528</u>

Depreciation is a huge noncash expense that appears on the income statement



Financial Engineering & The Ensign Group Spin Offs

1999
Roy Christensen
Combines Covenant
Care & Other Corporations
Into the Ensign Group

1999
Founding of
Ensign Group

2007
Ensign Group IPO

2007
Ensign Group
IPO

2013
Spinoff of Property
into Care Trust Reit

2013
Spinoff of
Real Estate
into Reit

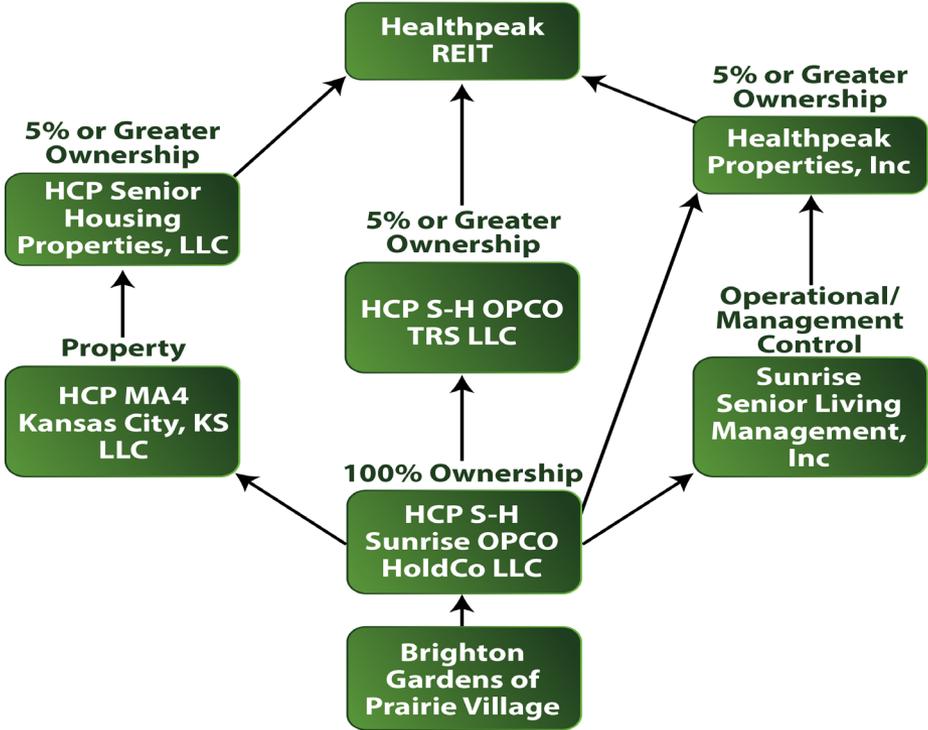
2016
Spinoff of Assisted
Living Property into
the Pennant Group

2016
Spinoff of
AL Property
into Pennat

BRIGHTON GARDENS, PRAIRIE VILLAGE, KS



Brighton Gardens



Brighton Gardens: Inpatient Revenue & Expenses

Income Statement

Inpatient Revenue	\$9,660,682
Outpatient Revenue	\$0
Total Patient Revenue	\$9,660,682
Contractual Allowance (Discounts)	\$707,516
Net Patient Revenues	\$8,953,166
Total Operating Expense ¹	\$11,580,697
Operating Income	\$-2,627,531

Operating Income	\$-2,627,531
Other Income (Contributions, Bequests, etc.)	\$0
Income from Investments	\$0
Governmental Appropriations	\$0
Miscellaneous Non-Patient Revenue	\$818,132
Total Non-Patient Revenue	\$818,132
Total Other Expenses	\$0
Net Income or (Loss)	\$-1,809,399
¹ Depreciation Expense (included above)	\$24,720

Brighton Gardens nonpatient revenue & net income

WORKSHEETS:

S

B

C

D

E

G

A - Reclassification and Adjustment of Trial Balance of Expenses

A-6 - Reclassifications - Components 6

A-7 - Analysis of Changes During Cost Reporting Period in Capital Asset Balances

A-8 - Adjustments to Expenses

Brighton Gardens Cost Report: Where are the related parties?

**A-9 – Related Parties form
has not been submitted
(later slides will clarify this).**

Security Ownership of Principal Stockholders, Directors and Management

The following table sets forth certain information as of March 1, 2021 (unless otherwise indicated) regarding the beneficial ownership, as that term is defined in Rule 13d-3 under the Exchange Act, of shares of our common stock by: (i) each person known to beneficially own more than 5% of our outstanding common stock; (ii) each director and nominee for election as director; (iii) each of the NEOs; and (iv) all current directors and executive officers as a group. This table is based on Company records and information supplied to us by our executive officers, directors and principal stockholders or included in a Schedule 13G, or an amendment thereto, filed with the SEC.

NAME OF BENEFICIAL OWNER	SHARES BENEFICIALLY OWNED ⁽¹⁾		
	NUMBER OF SHARES	NUMBER OF OPTIONS/RSUs ⁽²⁾	PERCENT OF CLASS ⁽³⁾
Greater than 5% Stockholders			
The Vanguard Group, Inc. and affiliates ⁽⁴⁾ 100 Vanguard Boulevard Malvern, PA 19355	83,876,336	—	15.58%
Cohen & Steers, Inc. and affiliates ⁽⁵⁾ 280 Park Avenue, 10th Floor New York, NY 10017	57,382,178	—	10.66%
BlackRock, Inc. ⁽⁶⁾ 55 East 52nd Street New York, NY 10055	56,298,227	—	10.05%
State Street Corporation ⁽⁷⁾ State Street Financial Center One Lincoln Street Boston, MA 02111	31,666,160	—	5.88%
Directors			

Financial Metrics of Importance to Investors

- Income Statement, Balance Sheet, & Cash Flow Statement:

Revenue

Depreciation, Interest, & Taxes

Net

EBITDA = “Earnings before interest, taxes, depreciation & Amortization”

Cash

Net Plus Depreciation & Amortization: A Different Financial Picture

- Revenue = \$2.4 Billion
- Net = \$171.4 Million Net of 7.1%
- Depreciation = \$54.6 Million
- Net + Depreciation = \$225.9 Million
9.4%

Revenue (Billions)

Company	2020	2019
Nursing homes		
Brookdale ^a	\$3.5	\$4.0
Diversicare ^b	\$0.5	\$0.5
Ensign Group ^c	\$2.4	\$2.0
REITs		
Healthpeak ^d	\$1.6	\$1.2
LTC Properties Inc. ^e	\$0.2	\$0.2
National Health Care ^f	\$1.0	\$1.0
National Health Investors ^g	\$0.3	\$0.3
Omega Health Care ^h	\$0.9	\$0.9
Sabra Healthcare REIT ⁱ	\$0.6	\$0.7
Ventas ^j	\$3.8	\$3.9
Welltower ^k	\$4.6	\$5.1

EBITDA & CASH 2020

	EBITDA & CASH ON HAND: BROOKDALE, DIVERSICARE, ENSIGN GROUP					
	EBITDA			CASH/CASH EQUIVALENTS		
	2020	2019	2018	2020	2019	2018
BROOKDALE	\$265.84	\$337.50	-144.66	\$581.30	\$335.60	\$440.81
DIVERSICARE	\$44.12	\$24.19	\$2.58	\$30.80	\$2.70	\$2.60
ENSIGN GROUP	\$278.60	\$181.32	\$130.30	\$250.10	\$76.90	\$39.70

Trusts Are A Big Deal In The LTC Business

- REAL ESTATE INVESTMENT TRUSTS (REITs)

Entered the industry in 2000 and provide capital for financing and trading real estate

- FAMILY TRUSTS & INDIVIDUAL TRUSTS

Primary means for protecting individual and family wealth from taxation.

EXECUTIVE & BOARD COMPENSATION

CORPORATION	PRES/CEO	TOTAL COMPENSATION		
		2020	2019	2018
BROOKDALE SENIOR LIVING	LUCINDA M. BAIER	\$7,087,470	\$6,350,901	\$4,674,255
ENSIGN GROUP	BARRY R. PORT	\$6,517,328	\$6,311,712	\$5,729,859
HEALTHPEAK	THOMAS HERZOG	\$11,374,615	\$9,907,966	\$8,619,819
LTC PROPERTIES	WENDY L. SIMPSON	\$4,200,356	\$4,161,603	\$3,417,340
NATIONAL HEALTH CARE	R. MICHAEL USSERY	\$1,208,485	\$1,292,506	\$1,253,662
NATIONAL HEALTH INVESTORS	D. ERIC MENDELSON	\$1,789,030	\$1,808,513	\$1,800,008
OMEGA HEALTH CARE	C. TAYLOR PICKETT	\$10,453,238	\$7,287,348	\$6,582,323
SABRA HEALTHCARE	RICHARD K. MATROS	\$5,743,968	\$4,675,510	\$4,829,775
VENTAS	DEBRA A. CAFARO	\$12,628,714	\$11,348,335	\$13,116,202
WELLTOWER (DEROSA)*	THOMAS J. DEROSA	\$14,589,584	\$13,142,124	\$12,884,453
WELLTOWER (MITRA)**	MITRA SHANKRH	\$9,557,434	\$5,728,143	\$4,934,861

CONCLUSION

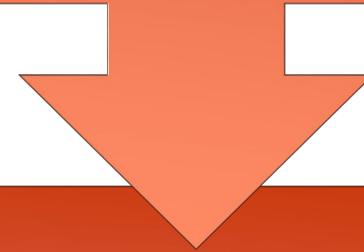
- Advocates need a narrative based on objective, valid financial information.
- Today's presentation was an overview of financial structures and information for debunking the industry narrative & constructing advocacy frames & a narrative.
- At our Tallgrass Economics blog, we will continue to provide information and tools for approaching financial issues.
- You can find our blog at: <http://tallgrasseconomics.org/>
- Please feel free to contact me at dkingsley@tallgrasseconomics.org



Recommendations

Ownership Transparency
& Accountability

**Increase ownership reporting
for private companies
including the parent, property,
management, and all related-
party organizations/entities**



Establish & implement

Minimum criteria for NH ownership & management	Transparency in ownership reporting and audit reports	Prevent disreputable owners from buying, owning, or managing facilities	Conduct oversight of chains, not just individual facilities	Surety bonds
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Recommendations

1. Set Direct Care Spending Requirements
2. Limit Administration Costs and Profits

Direct care legislation was enacted in NJ, MA, and NY in 2020-21

NY requires 70% of reimbursement be spent on resident care with 40% on direct care staff and a 5% limit on profits

Legal complaint was filed by 238 NHs (out of 615) that they would have to give up \$824 million in profits based on 2019 cost reports

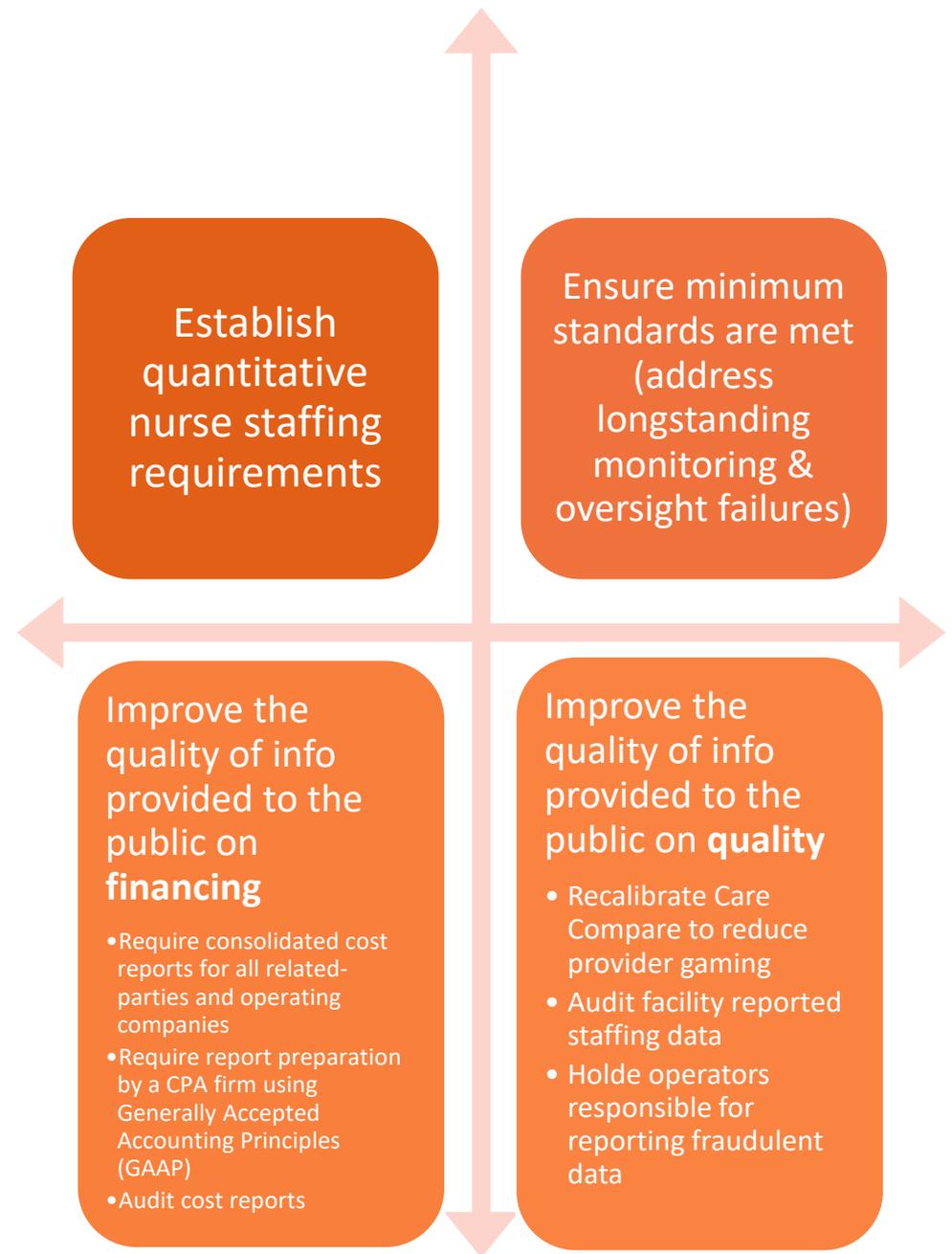
NJ established a direct care ratio of 90% of a facility's aggregate revenue on direct care of residents in 2021

MA established a direct care cost quotient of at least 75% and are subject to downward rate adjustments for failure in 2021



Recommendations

Quality & Accountability





Conclusions



Federal data and numerous study clearly indicate that...

- The U.S. nursing home industry is increasingly run by for-profit entities.
- Operators have become increasingly sophisticated in obscuring information about ownership, related-parties, and where public funds allocated for care actually go.
- Oversight mechanisms, always weak, have not kept up.
- Industry arguments in defense of longstanding problems – insufficient staffing, poor infection control, degrading conditions – are....
 - **Unsubstantiated** and
 - **Irrelevant**... nursing homes are not warehouses or gerbil farms (!!).
- Access to good data and information can make a difference on individual, community, and systemic bases.



+

LTCCC Resources

www.nursinghome411.org



The screenshot shows the website for the Long Term Care Community Coalition (LTCCC). The browser address bar displays "nursinghome411.org". The website header includes the LTCCC logo, social media icons for Facebook, YouTube, Pinterest, Email, and Twitter, a purple "DONATE" button, and a search bar. A navigation menu contains "Who We Are", "Learning Center", "Data Center", "News & Reports", and "LTC in NY". The main banner features a photograph of an elderly man in a wheelchair looking out a window, with the text "Advancing Quality, Dignity, and Justice" and a "LEARNING CENTER" button. Below the banner are three content cards: "Our Mission" (with the LTCCC logo and text about the organization's purpose), "Learning Center" (with an image of hands and text about webinars and materials), and "LTC In Your State" (with a map of the United States and text about staffing data and ratings).

www.nursinghome411.org

+ LTCCC Staffing Data (Q2 2021)

LTCCC's **Q2 2021 Staffing Report** provides user-friendly files for every state that contain facility-level data on: **1) Nurse staff levels** (RN, LPN, and CNA, including Admin & DON, NA in Training, Med Aide/Tech.); **2) Important non-nursing staff levels**, including administrators and activities staff; **3) Contract workers.** **4) Summary staffing data** at the state, CMS region, and national levels. The report also features interactive Tableau maps and tables.

Download your state's file by clicking the state in the first column of the table below. Files can be modified to isolate locations and identify variables of interest. For example, a state file can be filtered and sorted to identify nursing homes in a selected county (or counties) with the highest or lowest RN staffing levels. See [LTCCC's staffing alert for Q2 2021 summary findings and other information](#).

Q2 2021 Staffing Summary	
Total Nurse Staff HPRD	3.75
Total Direct Care Staff HPRD	3.46
Total RN HPRD	0.66
RN Care Staff HPRD (excl. Admin/DON)	0.44
Total MDS Census (Daily Avg.)	1,106,502

Summary Data

ALL U.S. NURSING HOME NURSE STAFF

ALL U.S. NURSING HOME NON-NURSE STAFFING

ALL U.S. NURSING HOME USE OF CONTRACT STAFF

SUMMARY DATA

TABLEAU MAPS & TABLES

National Staffing Data:

- Nursing staff
- Non-nursing
- Contract
- State Comparisons
- Tableau

Search:

State	Total Census	Total Nurse Staff HPRD	Rank: Total Nurse Staff HPRD	RN Staff HPRD	Rank: RN Staff HPRD
ALASKA	519	5.92	1	1.66	1
ALABAMA	19,233	3.75	32	0.60	40
ARKANSAS	14,286	4.01	18	0.40	48
ARIZONA	10,117	4.06	13	0.69	31
CALIFORNIA	88,106	4.28	8	0.58	41
COLORADO	13,681	3.91	22	0.94	9
CONNECTICUT	18,069	3.68	37	0.69	32
D.C.	1,946	4.56	4	1.28	3

i **Methodology Note**

Starting in Q1 2021, LTCCC's reporting of federal staffing data has been modified in two important ways. 1) Highlighting "Total Nurse Staff HPRD," a more expansive metric that includes all PBJ nurse staffing categories; and 2) Expanding "Total Direct Care Staff HPRD" to include Med Aide/Tech and NA TR. Med Aide/Tech and NA TR were not included in previous LTCCC staffing reports.

[Read more on methodology >](#)

State files

nursinghome411.org/staffing-q2-2021/

+ Learning Center

Select boxes below to access our latest materials and resources to support good care and resident-centered advocacy. Scroll to the bottom of this page for LTCCC's most recent Learning Center resources. For COVID-19, see [LTCCC's Coronavirus Resource Center](#).

 <p>Webinars</p> <p>Learn about long-term care issues at LTCCC's monthly Zoom webinars. Attend programs live or watch recordings on YouTube.</p>	 <p>Get the Facts</p> <p>Fact sheets providing information on care standards to support better care and quality of life for long-term care residents.</p>	 <p>Families & Ombudsmen</p> <p>LTCCC's Family & Ombudsman Resource Center provides resources, tools, and information to support resident-centered advocacy.</p>	 <p>Dementia Care & Antipsychotic Drugging</p> <p>Resources for promoting good dementia care and reducing dangerous antipsychotic drugging.</p>
 <p>Podcasts</p> <p>Listen to interviews and conversations with a variety of leading experts in long-term care.</p>	 <p>Abuse & Neglect</p> <p>Information and resources to help identify and address nursing home resident abuse and neglect.</p>	 <p>Resident Advocacy</p> <p>Forms and printouts to help you advocate for residents in long-term care and promote resident rights.</p>	 <p>Assisted Living</p> <p>Guidebooks, reports, fact sheets, and other resources to advocate for residents in assisted living.</p>

www.nursinghome411.org/learning-center/

+ Forms & Tools for Resident-Centered Advocacy

The screenshot shows the website header with the Long Term Care Community Coalition logo, navigation menu (Who We Are, Learning Center, Data Center, News & Reports, LTC in NY), and a search bar. The main heading is 'Forms & Tools For Resident-Centered Advocacy'. Below the heading, there is a breadcrumb trail: Home / Family & Ombudsman Resource Center, Learning Center / Forms & Tools For Resident-Centered Advocacy. A navigation bar includes '< Previous' and 'Next >'. The main content area is titled 'Forms & Tools For Resident-Centered Advocacy' and contains the text: 'The following forms and tools are free to use and share. They are available in both Word and PDF formats. Please choose the format which works best for you.' Below this text, there are two columns: 'Word files:' and 'PDF files:'. Each column contains five purple buttons with the following text: 'RESIDENT CONCERN RECORD KEEPING FORM', 'RESIDENT ASSESSMENT WORKSHEET', 'RESIDENT PREFERENCES FORM', 'FAMILY COUNCIL MEETING NOTICE', and 'RESIDENT COUNCIL MEETING NOTICE'.

www.nursinghome411.org/forms-advocacy/



Sign up for alerts at
<https://nursinghome411.org/join/>

Visit

www.nursinghome411.org

for

- Staffing and quality info for every U.S. nursing home,
- Guides & fact sheets on important resident care standards,
- Webinars and podcasts with useful information and insights; and
- Tools for resident-centered advocacy, including the Dementia Care Advocacy Toolkit.