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Nursing Home Industry Putting Profits Over Care of Old People  
-- Center for Medicare Advocacy Offers 4-Step Plan of Action --

The care of nursing home residents is deteriorating and many residents are needlessly suffering and dying. Two trends in nursing home ownership, brought to light by Charles Duhigg's extraordinary reporting in the New York Times, "More Profit and Less Nursing at Many Homes" (Sep. 23, 2007), help explain the cause. First, major for-profit nursing home corporations are dividing themselves into many separate corporations in order to avoid being held accountable to both the public regulatory system and residents whom they harm and kill. Second, private equity firms are swallowing up large and increasing portions of the nursing home industry because of the enormous profits to be made from the care of sick and frail old people, especially from the Medicare program.

"The New York Times article firmly demolishes the industry's claim that its voluntary efforts to improve care are working," said Toby S. Edelman, Senior Policy Attorney with the Center for Medicare Advocacy. "The current nursing home initiative - Advancing Excellence - is the latest in a series of industry initiatives over the years that have promised, but never delivered, change. The initiatives just confuse the public, and divert attention from issues that matter." Care is deteriorating in too many facilities and will only continue to decline until four significant changes are made.

First, the Centers for Medicare & Medicaid Services (CMS) needs to enact nurse staffing ratios to ensure that facilities employ sufficient numbers of well-qualified nursing staff to provide care to residents. CMS's own report to Congress in 2001 documented that more than 91% of facilities fail to have sufficient staff to prevent avoidable harm to residents and that 97% of facilities do not have sufficient staff to meet the comprehensive requirements of federal law. The current standard of "sufficient staff" to meet residents' needs does not work and will never work. If CMS will not enact meaningful staffing ratios, Congress must.

Second, nursing facilities must spend their public reimbursement as Congress intended. Facilities should not be allowed to shift Medicare reimbursement intended for care of residents into exorbitant salaries for corporate executives and nursing home lobbying campaigns to defeat legislation that would help Medicare beneficiaries. Third, state survey agencies and CMS must have sufficient money to investigate complaints about poor care and to conduct surveys to ensure that facilities are complying with standards of care. The public survey process must be adequately funded.

And finally, state survey agencies and CMS must have, and use, strong sanctions to deal with facilities that fail and refuse to provide residents with decent care. When nursing home owners and managers have proven themselves incapable of providing good care, they should be sanctioned, removed from leadership, and permanently excluded from receiving reimbursement under the Medicare and Medicaid programs.

"We call on CMS and Congress to take bold action to improve care for residents. It is clear what needs to be done. It is long past time to act."