

Organizations Nationwide Support Nursing Home Transparency and Improvement In Health Care Reform

July 2009

Dear Senator/Representative:

We, the undersigned organizations, support nursing home transparency and improvement provisions in the Senate Finance Committee health care reform options and the House tri-committee health care reform bill H.R. 3200. These provisions originated in bills sponsored by Senators Grassley and Kohl and Representatives Stark, Waxman, and Schakowsky.

These are no-cost provisions that will increase public transparency of nursing home owners and operators—including nursing home chains—by requiring nursing homes to disclose the corporate entities that own them and the affiliated entities that operate, manage or control them. By implementing reporting requirements that show nurse staffing levels and turnover and retention patterns, as well as the amount nursing homes spend on direct care, the bill will provide American families and policymakers critical new information to evaluate the quality of services that are provided in nursing homes across the country. The bill will also make other quality-related information available to consumers; make it easier for family members to file complaints about poor care and protect them from retaliation; and develop a model for independent government monitoring of nursing home chains.

The legislation also requires facilities to include dementia management and abuse prevention training as part of pre-employment training—which is critical because an estimated 70 percent of all nursing home residents have some degree of cognitive impairment.

The nursing home industry has changed dramatically in the 22 years since enactment of the landmark Nursing Home Reform Act (OBRA '87). According to a September 23, 2007 *New York Times* investigation, “Byzantine” structures, such as those employed by global private equity investors and large chains, have frustrated the efforts of state regulators to hold long term care facilities accountable for the quality of care they provide.

Large corporations, including multinational private equity investment firms, have set up layered entities to run their nursing homes and avoid accountability, often separating the real estate asset holdings from the operations. Such diffuse structures become even more complex—sometimes there are hundreds of entities involved—when employed by large chains, which can create numerous companies that effectively stand between the ultimate parent company and the facility-level licensee that provides care. These structures frustrate efforts by regulators and prosecutors to hold parent companies accountable for the care provided in their facilities, and obscure transactions and self-dealing between related parties. Even CMS has testified it does not know who owns all nursing homes in this country—despite the fact that the industry receives more than \$75 billion a year in federal Medicare and Medicaid funding.

OBRA '87 remains one of our country's strongest laws designed to protect the health, safety, and quality of life of elderly people and those with disabilities. But its effectiveness is hampered by corporations' restructuring efforts to evade accountability. We share a deep concern that two

decades after the passage of OBRA '87, the quality of care in many nursing homes remains below what we want for our family members and ourselves because the current regulatory framework fails to address questions raised by new ownership structures in the industry. To remedy this, we urge you to support nursing home transparency in health care reform legislation this year.

If you have questions, please contact Janet Wells, Director of Public Policy for NCCNHR: The National Consumer Voice for Quality Long-Term Care, at (202) 332-2275 or email jwells@nccnhr.org, or Susan Peschin, Vice President of Public Policy for the Alzheimer's Foundation of America, at (202) 466-0590 or email speschin@alzfdn.org.

Thank you for your consideration.

Sincerely,

Alzheimer's Foundation of America
American Association for Geriatric Psychiatry
American Federation of State, County and Municipal Employees
National Academy of Elder Law Attorneys
National Association of Social Workers
National Association of State Long-Term Care Ombudsman Programs
National Committee to Preserve Social Security and Medicare
National Consumers League
National Direct Care Partnership, Direct Care Alliance
National Organization for Women
National Senior Citizens Law Center
NCCNHR: The National Consumer Voice for Quality Long-Term Care
OWL—The Voice of Midlife and Older Women
Project Lifesaver International
Service Employees International Union

The following state and local organizations support Nursing Home Transparency and Improvement:

Alabama

Alabama Advocates for Quality Care
Alzheimer's of Central Alabama
Central Alabama Aging Consortium

Arkansas

Alzheimer's Arkansas Programs and Services
Arkansas Advocates for Nursing Home Residents
Arkansas State Long-Term Care Ombudsman Program

California

All Saints Home Care and Referral Services, Woodland Hills
California Advocates for Nursing Home Reform
Kings County Commission on Aging, Hanford
Ombudsman Services of Northern California
WISE & Healthy Aging Long-Term Care Ombudsman Program, Los Angeles

Connecticut

Office of the Connecticut State Long Term Care Ombudsman

Delaware

Delaware State Long Term Care Ombudsman Program
Citizens for Long Term Care, Delaware

District of Columbia

Office the DC Long-Term Care Ombudsman Program

Florida

ACTION—Advocates Committed to Improving Our Nursing Homes
Alzheimer's Family Organization
Dementia Caregiver Resources, Inc.
FANHI—Family Advocates for Nursing Home and Home Care Improvement

Georgia

Georgia Chapter, National Academy of Elder Law Attorneys
Georgia Office of the State Long-Term Care Ombudsman

Illinois

Illinois Citizens for Better Care
Nursing Home Monitors

Iowa

NASW, Iowa Chapter

Indiana

Alzheimer's & Dementia Services of Northern Indiana, Inc
Indiana Long Term Care Ombudsman Program
United Senior Action of Indiana

Kansas

Kansas Advocates for Better Care

Kentucky

Kentuckians for Nursing Home Reform
Nursing Home Ombudsman Agency of the Bluegrass, Lexington

Louisiana

Louisiana Long-Term Care Ombudsman Program

Maryland

Faithful Solutions 4U
Voices for Quality Care (LTC)

Massachusetts

Cape United Elders
Greater Lowell Elder Mental Health Collaborative
Massachusetts Advocates for Nursing Home Reform

Michigan

Citizens for Better Care
Michigan Campaign for Quality Care
Michigan Long Term Care Ombudsman Program

Minnesota

Dementia Care Foundation
ElderCare Rights Alliance
Lakeview Ranch Inc.
Office of Ombudsman for Long-Term Care

Mississippi

Alzheimer's Foundation of the South

Missouri

Long-term Care Ombudsman Program, Central Missouri Area Agency on Aging
Lutheran Family & Children's Services, Cape Girardeau
Missouri Chapter of the National Academy of Elder Law Attorneys
Missouri Coalition for Quality Care
Missouri Long-Term Care Ombudsman Program

New York

Allen Health Care Services
Alzheimer's Foundation of Staten Island
Coalition of Institutionalized Aged and Disabled
FRIA: The Voice and Resource for Quality Long Term Care
Long Term Care Community Coalition
New York State Long-Term Care Ombudsman
New York State Ombudsman Alliance
Herricks Alzheimer's Day Program, New Hyde Park

North Carolina

Albemarle Commission Area Agency on Aging
Friends of Residents in Long Term Care

Ohio

National Network of Career Nursing Assistants
Ohio Office of the State Long-Term Care Ombudsman
Regional Long Term Care Ombudsman Program – Central Ohio

Oklahoma

Oklahoma State Long-Term Care Ombudsman Program

Pennsylvania

Center for Advocacy for the Rights and Interests of the Elderly (CARIE)
Pennsylvania Chapter, National Academy of Elder Law Attorneys
Phoebe Ministries

Tennessee

East Tennessee District Long-Term Care Ombudsman

Texas

Adult Enrichment Center, San Angelo
Nacogdoches Treatment Center / Alzheimer's Day Activity and Respite Program
Nursing Home Victim Coalition Inc (NHVC, Inc)
Texas Advocates for Nursing Home Residents
ThirdAge Services, Dallas

Virginia

Birmingham Green Family Council
Senior Services of Southeastern Virginia
TLC4LTC Residents
Virginia Office of the State LTC Ombudsman
Virginia Poverty Law Center

Washington

Resident Councils of Washington
Washington Chapter, National Academy of Elder Law Attorneys
Washington State Long Term Care Ombudsman

Wisconsin

Morrow Home Family Council, Sparta

Wyoming

Wyoming Long Term Care Ombudsman Program