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After reports of dismal conditions, nursing homes need more staff — and more oversight

Homes need help recruiting and retaining staff. They also need stricter regulation to ensure revenues that could go to patient care aren't diverted to owners.

By The Editorial Board Updated July 28, 2024, 4:00 a.m.



Residents sat together to play a game of Jeopardy! at a nursing home in Wellesley. JESSICA RINALDI/GLOBE STAFF

At Highview of Northampton nursing home, residents reported mold on walls and long waits for help, according to <u>an investigation by The (Springfield) Republican</u>.

At the Pioneer Valley Health and Rehabilitation Center in South Hadley, state representatives sought an investigation after reports of unsanitary conditions and unpaid wages, the <u>Daily Hampshire Gazette reported</u>. On Monday, the attorney general placed that home and two others under the same ownership under receivership, citing dangerous understaffing, bounced paychecks, and poor quality of care, such as improper medical management of a patient's diabetes.

The New York Times analyzed nursing home staffing in five states, including Massachusetts, that mandate a certain number of hours of care per resident. The rules, the Times found, were often ignored without consequence, and understaffing led to dismal conditions. (Tara Gregorio, president of the Massachusetts Senior Care

Association, which represents nursing homes, told the editorial board there were 144 facilities, 42 percent, below minimum staffing standards in late 2023.)

While it's tempting to call for stricter oversight — and existing penalties for understaffing should certainly be enforced — one cannot solely blame nursing homes. Staffing shortages are plaguing the entire health care industry and, indeed, the whole economy. While there is a need to beef up oversight of nursing homes' fiscal management, the state also should help homes recruit and retain more staff.

This is particularly important as the federal government prepares to implement <u>new</u> <u>nursing home staffing standards</u>. Massachusetts already requires more staff overall than the federal requirement, but the federal law will require more hours from registered nurses, who are already in short supply.

Luckily, the Massachusetts House passed a bill last November that would address oversight and staffing. The Senate passed a similar bill Thursday.

The problem is formal legislative sessions end July 31 and there are differences between the bills that need to be reconciled. Lawmakers should identify provisions they agree on — particularly policies around nursing home oversight and staffing — and quickly pass a bill to begin transforming an industry that leaves too many seniors languishing in substandard conditions.

How did the industry get to this point in the first place?

The nursing home industry blames low Medicaid reimbursement rates for its staffing woes. Gregorio said 70 percent of nursing home residents have their care paid for by MassHealth, the state's Medicaid program. While the Legislature has increased nursing home reimbursement rates since the pandemic, Gregorio said rates still fall below the cost of care. With inadequate revenues, nursing homes can't compete with wages offered by hospitals, temporary nursing agencies, or non-nursing service jobs.

It is unquestionable that nursing homes are struggling financially. According to the Center for Health Information and Analysis's <u>2024 annual report</u>, the median margin for a state nursing home in 2022 — a measure of income and expenses — was *negative* 3 percent, which means more than half the state's nursing homes are losing money.

And COVID-related factors led to turnover in health care. According to the Massachusetts <u>Health Policy Commission</u>, in 2022, employment in nursing and residential care facilities remained 14 percent below 2018 levels. The Massachusetts Senior Care Association said 17 percent of nursing home jobs, or 4,200 positions, are vacant.

Yet staffing problems cannot be blamed solely on Medicaid rates. Nursing homes choose how to spend money, and not all prioritize patient care. In June, Attorney General Andrea Joy Campbell reached a <u>\$4 million settlement</u> with Next Step Healthcare, which operates 16 Massachusetts nursing homes. Campbell alleged that Next Step "prioritized profit over care" by deliberately failing to properly staff nursing homes.

Massachusetts requires nursing homes to spend 75 percent of revenue on direct care or lose some Medicaid money. In fiscal 2023, 38 of 342 nursing homes fell below that threshold, according to a MassHealth report.

National reports identify a trend of nursing homes paying inflated prices to entities — often a landlord or management company — with which they share ownership. A report published by the National Bureau of Economic Research found that transactions related to real estate and management that occurred with a "related party" increased costs by 42.4 percent and 24.6 percent, respectively. A 2003 report by the National Consumer Voice for Quality Long-Term Care gave the example of Life Care Centers of America, which has nursing homes nationwide, including in Massachusetts. Between 2018 and 2020, Life Care Centers paid related entities \$1.2 billion for costs like leases and management fees, of which \$140 million was profit.

Life Care Centers' nursing homes were understaffed.

And even with the difficulties facing the industry, there are models for high-quality nursing home care. The nonprofit Peabody-based Legacy Lifecare was founded in 2018 to offer managerial services to nine nursing homes and other health care organizations. Its affiliated nursing homes, all nonprofits, tend to rank above average in <u>federal ratings</u> with staffing that exceeds state minimums, even though, as at most nursing homes, funding comes mainly from Medicaid and Medicare.

Legacy Lifecare CEO Adam Berman said homes face challenges finding staff in a tight labor pool, but the company keeps staffing high to avoid a spiral in which overworked staff leave. One major factor in the organization's success, Berman suggests, is its nonprofit status. "It really helps that we don't have an expectation for shareholder returns," Berman said. (The organization does have nine managers earning six-figure salaries, according to its 2022 tax form.)

Facilities like Legacy Lifecare show what is possible and what state lawmakers should be pushing for.

The legislation provides more money for nursing home staffing and more accountability to ensure money is being used properly, in line with <u>recommendations</u> made by a state nursing facility task force in 2020.

The House bill addresses staffing by directing the state to establish training programs to help nursing professionals climb the career ladder. It creates a new role of certified medication aide, who can administer non-narcotic medications. Both the House and Senate bills would update the MassHealth reimbursement formula to more accurately reflect the cost of care.

The House and Senate bills would also address oversight. When licensing a nursing home or approving an ownership change, the Department of Public Health would get

greater authority to scrutinize the owners' litigation history, financial capacity, and history of providing long-term care — including the records of management companies and any entity with at least a 5 percent ownership stake. When nursing homes violate state law, DPH would be able to pursue more administrative sanctions, including appointing a temporary manager. The bills would increase civil penalties for abuse and neglect.

Seniors living in substandard nursing homes without adequate staffing can't wait until next year for action.

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