The Promise America Broke — and the People Paying the Price

By Richard T. Moore

If you trace the story of American nursing homes back far enough, you don't find anything resembling the facilities we know today. In the early 19th century, older adults who could no longer care for themselves were often sent to almshouses — institutions that housed "the insane, the inebriated, or the homeless," with no recognition of the unique needs of aging people. Only later did women's groups and church organizations begin founding small "homes for the aged," intimate and local places run by communities, congregations, or families. They were almost always nonprofit, because the need was small and life expectancy was shorter.

Then came **1965**, and everything changed.

When Congress created Medicare and Medicaid, it unintentionally rewrote the future of long-term care. Medicaid, in particular, offered a reliable stream of federal dollars for nursing home care — and with that money came a wave of new construction and new owners. The federal government later acknowledged that these programs "spurred the growth of for-profit and nonprofit enterprises" in the nursing home sector. What had once been a patchwork of small, community-run homes quickly became a booming industry.

By the 1970s and 1980s, nursing homes were no longer primarily charitable institutions. They were businesses — and increasingly big ones. Investors recognized that Medicaid would pay indefinitely for long-term care, and chains began buying facilities or building new ones at a rapid pace. The industry expanded so quickly that by **1987**, the United States had **14,050 nursing homes with 1.48 million beds**, a scale unimaginable just a generation earlier.

But growth came with consequences. The rapid expansion of institutional long-term care created a system with a strong "institutional bias," one that often prioritized occupancy and reimbursement over quality of life. Investigations in the mid-1980s revealed widespread neglect, unsafe conditions, and inadequate staffing — problems that had grown faster than the regulatory systems meant to oversee them.

This crisis led to the **landmark federal nursing home reform law signed by President Reagan on December 22, 1987**. Lawmakers promised that older adults would never again be left in understaffed facilities, never again be restrained for convenience, never again be treated as burdens instead of human beings. For families across the country, it felt like a turning point — a promise that the country had learned from its failures.

But if you walk into many nursing homes today, nearly forty years later, you can feel how far we've drifted from that promise.

You see it in the quiet desperation of a resident waiting too long for help to the bathroom. You see it in the nurse's aide rushing between 15 people, apologizing as she goes. You see it in the families who whisper, "I'm afraid to complain — I don't want them to take it out on Mom."

The truth is hard to face: **we are moving backward.**

The Staffing Standards That Vanished Overnight

Last year, when federal regulators repealed the first meaningful staffing standards in decades, it felt like a gut punch to everyone who has watched this system slowly unravel. Those standards weren't radical. They were the bare minimum needed to keep people safe — a few hours of hands-on care per resident per day, and a registered nurse onsite around the clock.

Now, even that modest protection is gone.

We are back to a world where a nursing home can legally operate with a registered nurse on duty for only eight hours a day. Imagine telling a hospital patient, "You'll have a nurse for one shift, and after that, good luck." Imagine telling a school, "You only need a teacher for part of the day." Imagine telling a child, "Your daycare will have staff sometimes."

Yet this is the reality for people who need the most help.

The Money Is There — Just Not Where It Should Be

What makes this retreat even harder to swallow is that the industry is not struggling financially. The largest chains are reporting strong profits. Owners are extracting money through related companies — management firms, real-estate entities, therapy contractors — all owned by the same people who claim they can't afford more staff.

It's a shell game that hides where the money goes. And it's residents and workers who pay the price.

Workforce Running on Empty

Talk to any nurse aide — the people who bathe residents, feed them, comfort them, and often know them better than their own families — and you'll hear the same story:

"I love my residents, but I can't keep doing this." "I'm exhausted." "I'm scared someone will get hurt." "I can't live on this pay."

Turnover is so high that some facilities replace their entire staff every year. The people who stay do so out of loyalty, not because the system supports them.

The 1987 law imagined a world where staffing was based on residents' needs. Today, staffing is based on what owners can get away with.

Enforcement That Barely Enforces

The 1987 law also imagined strong oversight. But for decades, enforcement has been more symbolic than real. Fines are often too small to matter. Some chains treat them as a cost of doing business. Others use bankruptcy to shed liabilities and reappear under new names, their owners untouched. And in some cases, the worst offenders have even received political protection — including pardons — despite long histories of endangering residents.

When the consequences for harming people are so weak, the message is clear: **You can get away with almost anything.**

The Financial Rules That Time Forgot

There is another failure of the 1987 reform that rarely makes headlines but shapes the daily lives of nearly every long-term resident: the financial rules governing life in a nursing home.

When the law passed, it set the **Personal Needs Allowance** — the small amount of money a Medicaid resident may keep each month — at **$30**. That $30 was meant to cover everything not provided by the facility: clothing, shoes, toiletries, haircuts, phone calls, birthday cards for grandchildren, a newspaper, a winter coat.

Nearly forty years later, in many states, it is still **$30**.

Unlike Social Security, it has **never been adjusted for inflation**. Thirty dollars in 1987 had the buying power of more than $80 today. Residents are still expected to live on the 1987 amount — a number frozen in time, untouched by rising prices, untouched by reality.

And to qualify for Medicaid, older adults must “spend down” their assets to **$2,000** — another limit that has barely budged in decades. It has not kept pace with inflation, with rising rents, with burial costs, or with the basic financial realities of aging.

In practice, people entering nursing homes must become **almost completely impoverished** before they can receive the care they need.

The 1987 law promised dignity. But dignity is impossible when the rules require poverty.

The Promise We Made — and Broke

The 1987 law was supposed to be a turning point. It was supposed to guarantee that older adults would be treated with dignity, safety, and respect.

But rights without enforcement are not rights. Standards without staffing are not standards. Promises without accountability are not promises.

As we approach the 40th anniversary of that law, we are not honoring its legacy — we are abandoning it.

A Choice We Can Still Make

We can continue down this path — one of shrinking protections, rising profits, and a workforce stretched to the breaking point. Or we can decide that older adults deserve more than paper promises.

We can decide that dignity is not optional. We can decide that safety is not negotiable. We can decide that the promise we made in 1987 still matters.

Because the people living in nursing homes today are not statistics. They are parents, grandparents, teachers, veterans, neighbors. They are us — just a few years down the road.

And they deserve a country that keeps its promises.

Sources

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