

President's Plans For Nursing Homes Don't Meet The Moment



By [Seema Verma](#)

America's nursing homes are at a tipping point. The short-sighted policy proposals that President Joe Biden announced for these critical facilities in his recent State of the Union address may be what pushes them over the edge.

Nursing homes across the country today confront existential challenges. Nearly 240,000 workers have vanished from the industry in the past two years. To help fill the gap, temporary nurses in some instances are being paid up to four times what permanent staff take home. Almost 80% of nursing home providers worry that a lack of workers could close their doors.

Into this breach steps the president, with a plan that includes dictating workforce levels to nursing homes nationwide. Imposing federal staffing requirements on nursing homes without addressing underlying funding and workforce challenges could decimate an industry that has already been ravaged by the pandemic. A one-size-fits-all staffing ratio concocted by federal bureaucrats won't consider differences in a patient's acuity or local factors, but it will thwart innovation in operational and technological advances that can improve care with existing workforce numbers. Moreover, Medicaid is the largest payer of nursing home care and its low reimbursement directly contributes to lower staffing levels.

While the president declared himself a capitalist, he also attacked the ownership structure of some nursing homes. Laying blame for virtually every ill at the feet of long-term private equity investors and for-profit entities is the default position of many on the left. Ownership and financing are a red herring. It's the outcomes that matter and what residents and their families care about and what nursing homes should be held accountable for.

Cherry-picking data to justify its approach, the White House conveniently ignored academic research that shows private-equity-owned nursing homes had lower rates of COVID-19 cases and deaths than non-private-equity owned facilities. The president is using the nursing home crisis to unleash federal investigators on facilities owned by private equity investors who help fund groundbreaking innovation across the healthcare industry. Their investments may one day lead to improving the quality of care in nursing homes.

The pandemic has placed a bright spotlight on the challenges nursing homes face—both for-profit and not-for-profit—and the need for solutions. Even before 2020, news stories about neglect and abuse were disturbing. During the pandemic, a Government Accountability Office report found that 94% of nursing homes it reviewed had more than one COVID-19 outbreak. Regulations and penalties did nothing to prevent this spread.

There is a critical need for a modern strategy to broadly improve care in our nation's nursing homes. Families entrust loved ones to these facilities and patients deserve quality care in a safe environment. Hospitals also need reliable systems to discharge patients to avoid long in-patient hospital stays that drive up costs and limit bed capacity.



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Instead of more government micromanagement, federal and state governments must move toward a value-based payment system that financially rewards higher quality and better outcomes. Today, a five-star and a one-star facility get paid at the same rate. If reimbursement is tied to performance, nursing homes have no choice but to make investments in quality.

Reforming the oversight process is also critical. Currently, surveys are required to be conducted every nine to 16 months and as needed for complaints. A report from HHS' inspector general found that as of last May, 71% of nursing homes had not been surveyed in at least 16 months. Moreover, the top 10 most frequently cited deficiencies have been consistent for the past 10 years, meaning the inspection process has made no impact on keeping nursing homes adherent to regulations.

While the president wants more taxpayer dollars to double down on the failing status quo, a better approach would be to reform the survey process. Rather than annual or complaint-driven surveys, oversight should harness data and analytics to streamline oversight processes, reviewing medical records, police reports and claims to proactively address poor performing nursing homes. Moreover, the process needs to focus on working collaboratively with the industry to fix long-standing problems and improve quality rather than a punitive process that just imposes fines.

Finally, the pandemic has revealed the power of telehealth to improve the delivery of medical and behavioral health care. Accordingly, policies should be updated to appropriately reimburse for telehealth services to help nursing home patients access these vital services.

There is broad agreement that many of America's nursing homes must make significant improvements to deliver the care that patients deserve. A modern, results-oriented approach that focuses on outcomes has a better chance of improving quality than the president's outdated policy prescriptions.

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