



Updated Priorities
February 1st, 2023

Committee #3 | Transparency & Accountability

The following document has been revised based on community feedback and ongoing committee discussion.

The document is broken down into two parts: an executive summary and the original, detailed committee submission. Since original committee submissions often contain technical references, we've provided the executive summary for broader understanding of the priority recommendation.

Executive Summary

Transparency about nursing home ownership, how care is funded, and how dollars are spent can support achieving real improvements for nursing home residents, but only if data are accurate, readily available, and understandable. There are challenges presented by cost reporting to the states, and by the complicated business structures used by many nursing homeowners and operators. The Committee will consider whether and how data can be used by consumers, care providers, government agencies, and other stakeholders.

Short-Term Priority

The U.S. Department of Health and Human Services (HHS) will collect, audit, and make publicly available detailed nursing home-level data on the finances, operations, and ownership of all nursing homes (beyond what is provided now).

Long-Term Priority

Accurate and comprehensive data on the finances, operations, and ownership of all nursing homes will be available in a real-time, readily usable, and searchable database so that consumers, payers, researchers, and federal and state regulators are able to use the data.



NASEM Report Recommendation(s)

Goal 3: *Increase transparency and accountability of finances, operations, and ownership*

3A: *The U.S. Department of Health and Human Services (HHS) should collect, audit, and make publicly available detailed facility-level data on the finances, operations, and ownership of all nursing homes (e.g., through Medicare and Medicaid cost reports and data from Medicare's Provider Enrollment, Chain, and Ownership System).*

3B: *The U.S. Department of Health and Human Services should ensure that accurate and comprehensive data on the finances, operations, and ownership of all nursing homes are available in a real-time, readily usable, and searchable database so that consumers, payers, researchers, and federal and state regulators are able to use the data to:*

- *Evaluate and track the quality of care for facilities with common ownership or management company.*
- *Assess the impact of nursing home real estate ownership models and related-party transactions on the quality of care.*

Detailed Committee #3 Submission

Our Approach

Federal and state government agencies should align systems to collect, audit, and make publicly available detailed facility-level data on the finances, operations, and ownership of all nursing homes (e.g., information on Medicare, Medicare Advantage, and Medicaid revenue and costs per day). This will ensure transparency and accountability for residents, families, and governments – and allow for the assessment of staffing patterns, deficiencies, financial arrangements and payments, related party entities, corporate structures, and objective quality indicators by common owner (i.e., chain and multi-facility owners) and management company.

Our Reasoning

Achieving this recommendation is feasible and consistent with the Biden Administration's public commitment to transparency and accountability for the finances, operations, and ownership of nursing facilities (nursing homes). The Affordable Care Act of 2010 includes multiple sections related to establishing transparency and accountability. Final regulations have yet to be issued.

Visibility into all aspects of nursing home spending is important to empower consumers and catalyze state and federal reform efforts. Pursued in tandem with other NASEM goals, progress on this recommendation potentially could promote more high-road investment in person-centered care and new model development, including accountability for enhanced direct care wages and benefits.

Many stakeholders in the Moving Forward Coalition have the motivation and means to collaborate at local, state, and federal levels to enact this recommendation. Lessons learned throughout COVID and relationships forged on past initiatives (and those underway or in the planning stages) in states like California, New Jersey, New York, Colorado, Rhode Island, Kansas, Massachusetts, and Pennsylvania will inform our collective efforts.

The Committee recognizes that transparency can be useful to achieving real improvements for nursing facility residents, but only if the data are accurate, readily available, and understandable. The Committee recognizes challenges presented by cost reporting, and by the complicated business structures employed by many nursing facility operators, private equity firms and real estate investment trusts. The Committee will consider whether and how data can be used by consumers, care providers, government agencies, and other stakeholders, so that transparency is not just for transparency's sake, but for realistic goals of improving residents' lives.

Progress Update

Since November, based on feedback and further discussion, the committee has identified three process steps for this work:

- 1) We will design a blueprint outlining an optimal system for transparency in nursing home ownership and accountability – looking closely at existing progress in states like New York, California, New Jersey and Pennsylvania.
- 2) We will model and advocate for inter-agency collaboration at the federal and state-federal level to create common cause and align fragmented data systems.
- 3) We will work to develop the tools and resources that can make vital information available to residents and their care partners. Throughout, we will bring residents and their care partners into the conversation to make sure we are promoting a system of accountability that is responsive to their needs.