Nursing Home Issues Faced By Virginia Government Agencies

Problem - Too many <u>poorly functioning, understaffed *and* overcrowded</u> nursing homes with high acuity patients

- **Nearly all of the problem nursing homes are for profit**

Administrative oversight

- **VDH -** new inspections staffing and penalty authorities and pre-existing licensing authority
- **DMAS** holds Medicaid purse strings

Administrative oversight issues

- **State oversight as executed offers oversight of individual nursing homes, not chains**
- **No authority over Medicare - Coordination with Center for Medicare & Medicaid Services**
- **Nursing home advantage in LTSS qualifications provided by the "hospital exception"**
- **Hospital contracts with nursing homes are "black boxes"**
- **Out-of-state for-profit ownership**

Criminal Oversight

- **VDH and DMAS do *not* publish *criminal* activity, just civil violations**
- **Potential *criminal* violations led by Medicare and Medicaid fraud, neglect and abuse are investigated by teams of Virginia AG Medicaid fraud investigators along with multiple federal agencies**
- **Prosecutions of out of state nursing home chains need federal leadership**

Virginia Beach Nursing Homes - Latest Medicare Compare and Medicare Data -

Average Occupancy 91%

Medicare Compare Codes:
1 star = much below average
2 stars = below average
3 stars = average
4 stars = above average
5 stars = much above average

Nursing homes have absolute control of their staffing ratings. They can (and must) refuse new patients until staffing is sufficient to provide the assessed (and paid for) care required by their residents. It is their responsibility to do so. Failure to do so can constitute Medicare and Medicaid fraud, neglect and abuse.

Medicare Compare Bell Curves:
Staffing: National - measures staffing vs. residents documented needs
All others: by State

For Profit

Saber - Bedford Heights, Ohio

Colonial Health & Rehab Center, LLC
Overall - 1 star Staffing - 1 star *Occupancy 90% - Nursing turnover: Total 84% RN 84%*

Rosemont Health & Rehab Center, LLC
Overall - 1 star Staffing - 1 star - *Cited for abuse* *Occupancy 94% - Nursing turnover: Total 47% RN 36%*

Kempsville Health & Rehab Center
Overall - 2 stars Staffing - 3 stars *Occupancy 93% - Nursing turnover: Total 40% RN 59%*

Lifeworks Rehab (ex-MFA and Innovative Healthcare Management) - Lakewood, NJ - Largest chain in Virginia Chain Averages: Overall 1.4 stars Staffing 1.4 stars

Virginia Beach Healthcare and Rehab Center - Largest in Virginia Beach w/180 beds
Overall - 1 star Staffing - 1 star *Occupancy 97% - Nursing turnover: Total 83% RN 74%*

Princess Anne Health & Rehabilitation Center Closed Overall - 1 star Staffing - 1 star *Occupancy last quarter reported - 94% - Nursing turnover: Total 73% RN 65%*

Bayside Health & Rehabilitation Center
Overall - 1 star Staffing - 1 star *Occupancy 96% - Nursing turnover: Total 92% RN 79%*

Greentree Healthcare - *Jackson, NJ*

Maimonides Health Center of Virginia Beach
Overall - 3 stars Staffing - 2 stars *Occupancy 93% - Nursing turnover: Total 71% RN 62%*

Eastern Healthcare Group - Clifton, NJ

Bay Pointe Rehabilitation and Nursing - Overall - 1 star Staffing - 1 star *Occupancy 90% - Nursing turnover: Total 25% RN 53%*

Birchwood Park Rehabilitation Overall - 1 star Staffing - 2 stars - *SFF Candidate - Cited for abuse* *Occupancy 85% - Nursing turnover: Total 48% RN 48%*

Thalia Gardens Rehabilitation and Nursing Overall - 1 star Staffing - 2 stars *Occupancy 85% - Nursing turnover: Total 33% RN 44%*

Cypress Pointe Rehabilitation and Nursing
Overall - 1 star Staffing - 1 star *Occupancy 91% - Nursing turnover: Total 45% RN 64%*

Independent for Profit

Seaside Hhc @ Atlantic Shore - *SNF only* *Occupancy 76% - Nursing turnover: Total 33% RN 44%*
Overall - 4 stars Staffing - 4 stars

Not for Profit

Westminster-Canterbury on Chesapeake Bay
Overall - 5 Stars Staffing - 5 stars - $750,000 entry fee. SNF for non-residents if available *Occupancy 87%*

Our Lady of Perpetual Help - Overall - 4 stars - *LTC only* Staffing - 4 stars - only 30 beds *Occupancy 76%*

Government

Jones & Cabacoy Veterans Care Center - government
Ratings - Not available - new

LTSS and PACE

Highly underused options to nursing home care

- Long Term Services and Supports - Medicaid program requiring qualification
- Program of All-Inclusive Care for the Elderly (PACE) option - Medicaid program incorporating Medicare benefits yet is far more inclusive of LTSS benefits than Medicare
- Both are ***better*** than nursing homes for thousands of Virginians, massively underutilized and widely ***unavailable*** in rural Virginia

James C. Sherlock October 23, 2025

Long Term Services And Supports (LTSS)

Refers to a broad range of health and health-related services needed by individuals who lack the capacity for self-care due to physical, cognitive, or mental disabilities or conditions - the term used is "frail".

- **Includes but does not necessarily require institutional care**
- **Available**
  - **through *Medicaid***
  - **or through coordinated *Medicare and Medicaid* benefits from PACE provider**

The difference between LTSS and other health care spending:

- **Private health insurance generally does not cover ongoing LTSS**
- **Medicare's coverage is limited to specific circumstances**
- **Medicare Advantage plans can offer LTSS services. But: from McKnights Home Care:**

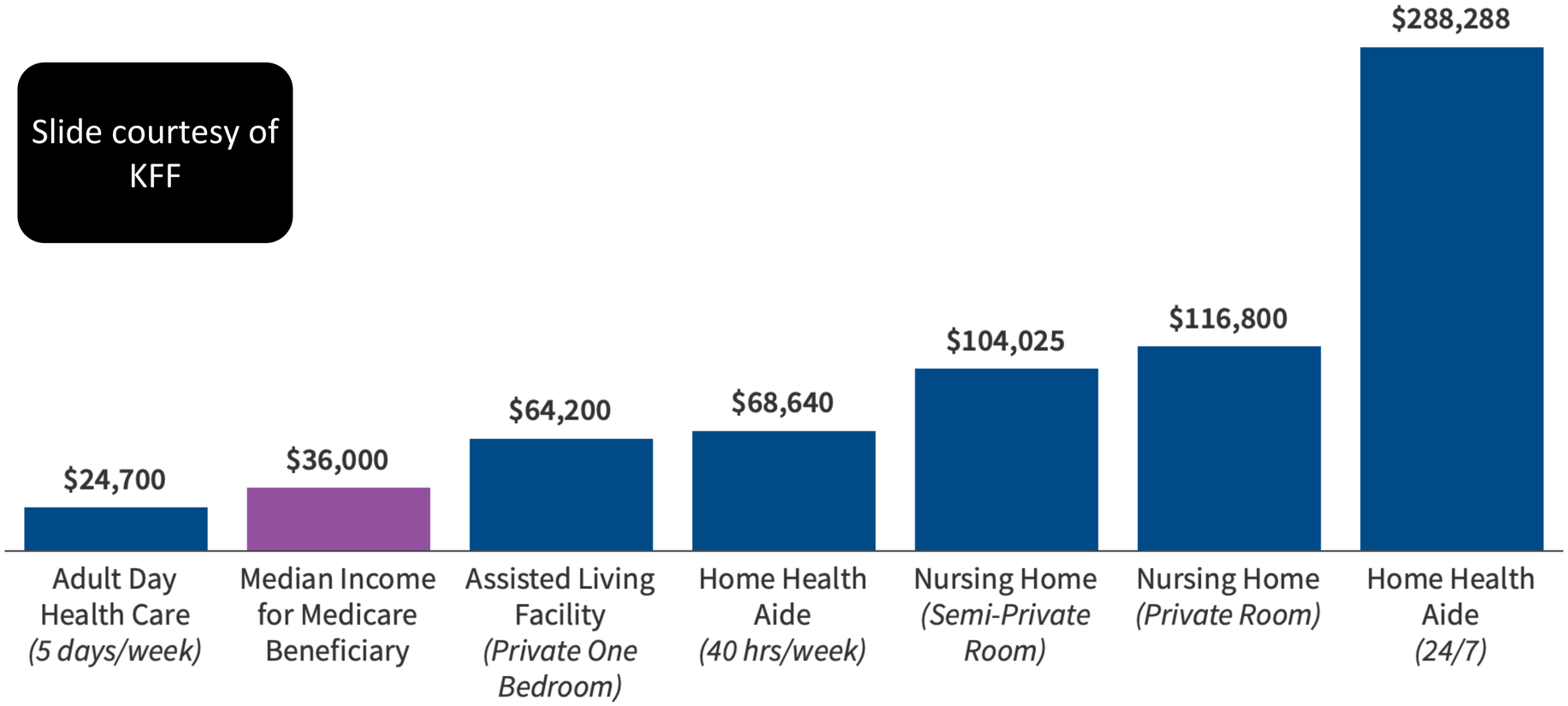
"For personal care — the LTSS benefit offered by the most plans — 57% of plans offered just 24 to 60 hours annually (or approximately one hour a week) and 22% of plans offered 124 hours annually (a little more than two hours a week). This minimal personal care benefit is insufficient for a person with modest LTSS needs and completely inadequate for someone with more significant LTSS needs."

Cost of LTSS if Privately Paid

Long-Term Services and Supports Are Extremely Expensive and Not Generally Covered by Medicare

Annual costs of common long-term services and supports (LTSS) in the US compared with the median income for a Medicare beneficiary, 2023

Slide courtesy of KFF

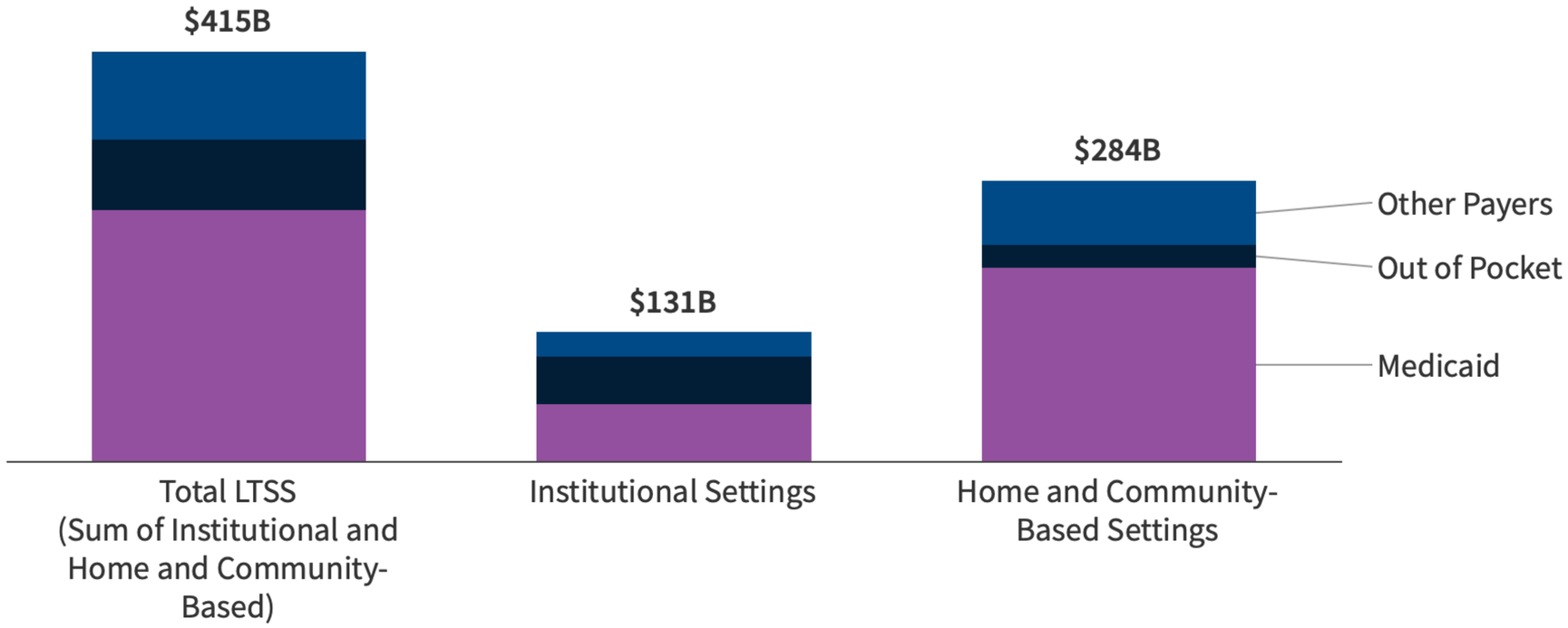


Medicaid LTSS

Figure 2

Medicaid Paid for More Than Half of the $415 Billion That the US Spent on LTSS in 2022, Most of Which Went to Home and Community-Based Services

Distribution of spending on long-term services and supports (LTSS) in 2022, by type of LTSS and payer



LTSS Screening Favors Nursing Homes

LTSS process for Medicaid *prior to hospitalization* can be a big hurdle - no passive qualification from existing Medicaid records is permitted

Step 1. Be a Medicaid Member

***Step 2.* Get screened for medical and financial LTSS qualification at**

- ➢ **Local Health Departments - children**
- ➢ **Local Departments of Social Services - adults**
- ➢ **Hospitals (see below)**

Step 3. *Then* apply for Medicaid LTSS Services including the PACE option

Exception: Hospital discharge to *nursing facility*

- **Individuals who are not Medicaid members but convert to become Medicaid members will not be required to be screened for LTSS. These individuals entered the LTSS under allowed special circumstances, and**
- **The Minimum Data Set (MDS) and physician's certification will be used to document the ongoing Level of Care need.**

PACE operates as *Medicare/Medicaid Advantage*

PACE (Program of All-Inclusive Care for the Elderly) covers all Medicare- and Medicaid-covered care and services, as well as anything else the health care professionals on your PACE team decide you need to improve and maintain your health

- **Home care**
- **Adult day primary care (including onsite doctor, nursing, social work and therapy services)**
- **Specialists care**
- **Hospital care**
- **Emergency services**
- **Laboratory/x-ray services**
- **Nursing home care (5-7% of enrollees) - PACE providers try very hard to keep you at home and out of a nursing home**
- **Preventive care**
- **Dentistry**
- **Nutritional counseling**
- **Occupational therapy**
- **Physical therapy**
- **Social work counseling**
- **Meals**
- **Transportation to/from**
  - **PACE center for activities; or**
  - **Medical appointments**

PACE is more than Medicaid

You can join PACE

- **Through Medicare, and**
- **Even if you don’t have Medicare or Medicaid, if you:**
  - **Are at least 55**
  - **Live in the service area of a PACE organization**
  - **Need a nursing home-level of care (as certified by your state)**
  - **Are able to live safely in the community with help from PACE**

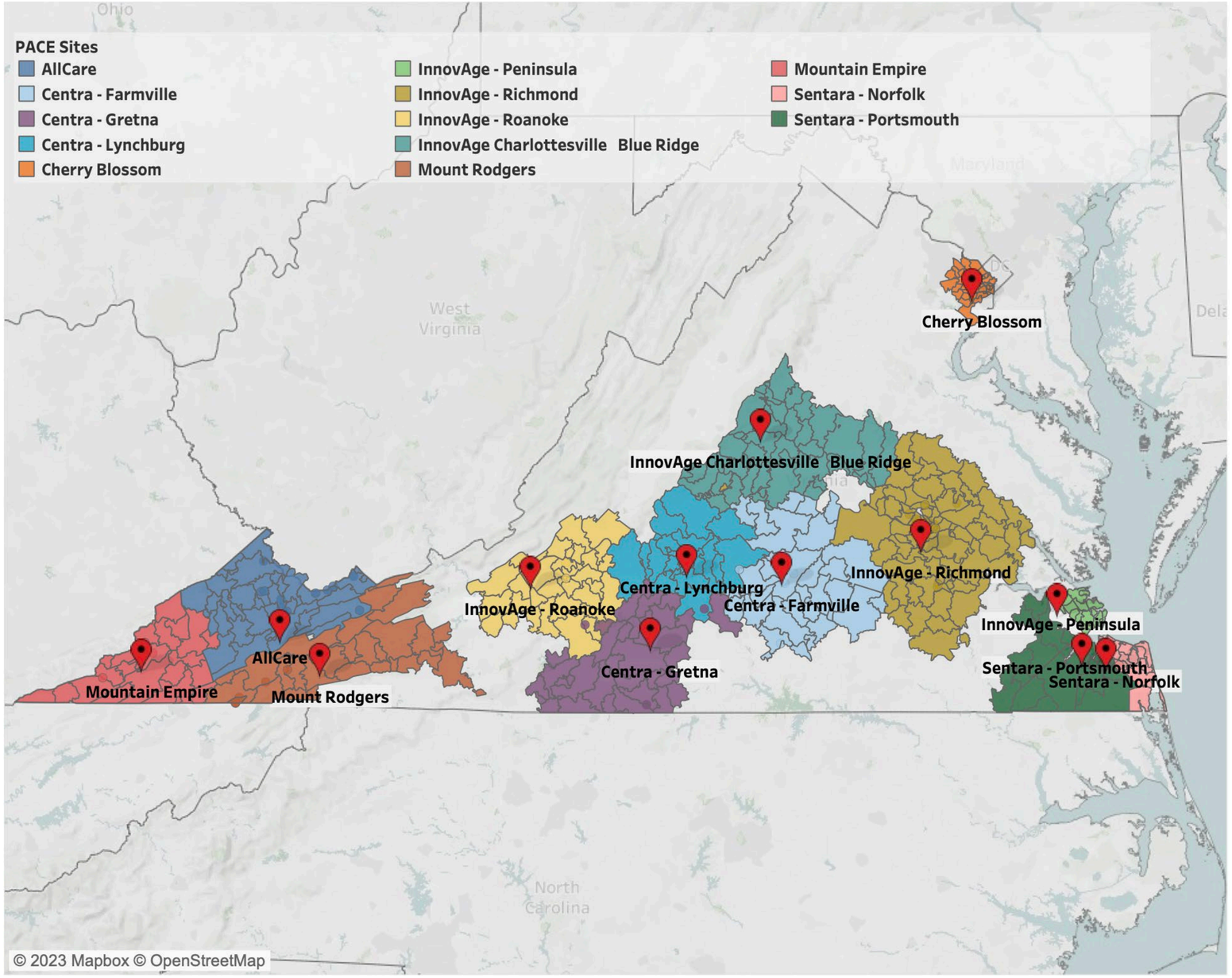
Check with your local PACE provider directly - they will walk you through it

PACE in Virginia July 2025						PACE Audit Results 2023 - 2024				
PACE Organization Name July 2025	Contract Number	Location(s)	Serves	Census as of 1/1/2025	Program Start Date	Audit Year	Audit Type	Number of Corrective Actions Required (CARs)	Number of Immediate Corrective Actions Required (ICARs)	Enforcement Actions Issued?
Appalachian Agency for Senior Citizens (AASC) PACE				179	5/1/2008					
AllCare for Seniors	H2386	Cedar Bluff	Buchanan, Dickenson, Russell and Tazewell Counties							
Mount Rogers PACE	H2386	Marion	Counties of Bland, Smyth, Wythe and Washington and the city of Bristol							
Blue Ridge Independence at Home	H8070	Winchester		43	10/1/2024					
Centra PACE	H8096			442	2/1/2009	2024	Non-Trial Period	10	6	No
		Lynchburg								
		Farmville								
		Gretna								
Cherry Blossom PACE - component of Valir Health	H3991	Alexandria	Parts of Northern Virginia	46	1/1/2022	2024	Trial Period	12	6	Yes
InnovAge Virginia PACE - Blue Ridge	H3473	Charlottesville		294	3/1/2014					
InnovAge Virginia PACE - Peninsula	H8655	Newport News		629	2/1/2008					
InnovAge Virginia PACE - Richmond		Richmond								
InnovAge Virginia PACE - Roanoke Valley	H1239	Roanoke		289	11/1/2013	2024	Non-Trial Period	4	4	No
Mountain Empire PACE	H5037	Big Stone Gap		101	4/1/2008					
Sentara PACE	H2941	Portsmouth and Norfolk		254	11/1/2007	On recent visit, great first impression				
			Total PACE	2277						
			Medicaid PACE	1862						

Inspected by DMAS, not VDH

Under new ownership since

Huge Gaps in Rural Coverage



Opportunities

- Fill rural gaps with hospital PACE organizations
- Request hospitals to volunteer - then issue RFP
- Sentara and Centra already participate