

# ENSURING BILLIONS IN NURSING HOME FUNDS PRIORITIZE RESIDENT CARE

HB2507 (Cassidy) / SB2245 (Collins)

## Problem: Profits Over Resident Care

Illinois allocates \$3.3 billion annually to Medicaid-funded nursing homes serving 47,000 residents. However, many facilities prioritize profits over care, leading to understaffing and declining care quality.

An Illinois Department of Healthcare and Family Services (HFS) report found some nursing homes profit margins of 25%-30% while failing to meet minimum legal staffing levels.

Other states like Pennsylvania, New York, and Massachusetts have successfully implemented spending standards to prioritize care.

## Proposed Solution: Accountability Through Spending Standards

HB 2507 / SB 2245 ensures at least 90% of adjusted revenue is spent on resident care, addressing staffing shortages and improving services.

**Direct Care Focus:** Prioritizes spending on nursing, dietary services, and housekeeping.

**Exclusions:** Limits spending on administrative costs, capital expenses, and profits.

**Transparency:** Requires financial reporting with penalties for non-compliance.

## Building on Proven Illinois Policies

Illinois has established effective spending accountability measures in other healthcare sectors. For example, home care caps administrative costs at 23%, ensuring funds prioritize the individual. Extending this model to nursing homes ensures taxpayer dollars are spent responsibly.

**Improved Care:** Redirects millions into staffing and essential services.

**Accountability:** Mandates transparent use of taxpayer funds.

**Stronger Workforce:** Supports fair wages and reduces burnout through adequate staffing.



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