
CARE CAN'T WAIT:

Ensuring Public Dollars Deliver for Nursing Home Residents



FIVE YEARS AFTER COVID-19:

Worsening Conditions in Long-Term Care Facilities



Five years ago, the COVID-19 pandemic tragically brought public attention to the deeply broken state of the Illinois nursing home industry. Despite extensive efforts to reform the system, the quality of care in Illinois nursing homes remains dismally poor. While the industry continues to receive substantial public funding, much of that money is diverted away from resident care and into the profits of corporate owners, to the tune of hundreds of millions of dollars annually. Lawmakers must take decisive action to hold nursing homes accountable for investing in care for vulnerable residents and in support for frontline workers.

As we mark the five-year anniversary of the COVID-19 global pandemic shutdown, the situation inside Illinois long-term care facilities has, in some instances, actually worsened. Despite the devastating loss of life and the hard lessons learned from the pandemic, many nursing homes remain dangerously understaffed, unprepared for future public health crises, and continue to operate with little oversight.

- ▶ **Staffing levels have not recovered, leaving both workers and residents in increasingly dire conditions.**
- ▶ **Infection control remains inadequate in many facilities, with reports of continued shortages in basic protective equipment and sanitation supplies.**
- ▶ **Reports indicate that some nursing homes have cut corners even further, prioritizing cost-cutting measures over patient safety.**
- ▶ **The trauma and burnout among long-term care staff remain high, leading to even greater turnover and instability in facilities that were already struggling before the pandemic.**

Inadequate staffing and infection controls create an ongoing crisis for residents and workers in Illinois—a crisis that demands urgent legislative intervention.

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PROFITABILITY:

Public Funds, Private Profits

The nursing home industry is a profitable industry that derives most of its revenue from public funds. In Illinois, the industry receives nearly \$7 billion in annual revenues primarily from the state Medicaid program, and secondarily from Medicare. While this has been true for years, Medicaid revenues have increased more quickly, changing the industry's revenue picture. The 2022 Medicaid rate reform increased the Illinois nursing home industry's revenue by at least \$670 million per year, a large jump in both state funding and overall revenue for the industry. This increased the industry's total Medicaid revenue to over \$3.5 billion annually.¹

Many nursing homes operate with complex financial structures that make it difficult to track where state and federal funds are actually spent, enabling many operators to reap excessive profits while residents suffer from inadequate care. Specifically, the three-quarters of Illinois nursing homes that operate for profit commonly rely on payments from the facility itself to other companies under the same ownership—known as “related-party payments”—to direct funds away from resident care and into owners' pockets.²

In a report issued just over a year ago that examines the profitability of Illinois nursing homes, the Illinois Department of Healthcare and Family Services (IDHFS) examined two measures of profitability:

- ▶ **An adjusted net income profitability ratio, in which a facility's profit margin is adjusted to account for the profit or loss on related-party transactions.**
- ▶ **The Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) profitability ratio, which focuses on operating profit and is commonly used, facilitating comparison across industries.**

IDHFS found adjusted net income profitability averaged nearly 10% and EBITDA profitability ratios averaged over 25%. Additionally, nursing facilities with higher Medicaid utilization showed a strong trend toward having the highest profitability ratios.³

An extensive, multi-year study of profits extracted from Illinois nursing homes through related-party payments calculated a somewhat higher level of “hidden profits” on related-party payments at the average facility by comparing costs charged by the related parties with costs for the same services at facilities without a related-party payment scheme. Based on this, over \$195 million is extracted annually from Illinois for-profit facilities through related-party payments, diverting resources away from direct patient care.⁴



STAFFING:

Persistently Inadequate Despite Increased Funding

The average Illinois nursing home resident receives 25% fewer direct care hours than their documented care needs require. This is the worst gap between care needed and delivered in the entire country. In 34 states including the Midwestern states of Michigan, Wisconsin, Minnesota, and Iowa, the hours of direct care nursing home residents receive meet or exceed the hours required for quality care based on their documented care need. According to recent data, over 50 Illinois nursing facilities delivered less than half of the direct care hours their residents' documented care needs required.⁵ Rates paid to nursing homes are calculated based on the amount of direct care staff and related services residents need. In Illinois, despite important initiatives like the CNA subsidy program that targets state dollars towards CNA wages and resident care and has begun to improve CNA retention, much more legislative oversight is needed to ensure the maximum amount of public dollars is directed to direct care.



Illinois nursing homes currently face a looming deadline on accountability for legal minimum staffing levels required to maintain licensure that were originally passed in 2010. According to available data, many facilities are not even meeting these minimum, legally-required standards. In the most recent quarter for which full data was obtained, nearly 20% of Illinois nursing homes reported being staffed below the legal minimum on most days.⁶

- ▶ The average CNA staffing hours per resident per day (HPRD) was as low as **0.35 hours** at the lowest-staffed facility, meaning a single CNA may be responsible for **over 60 residents** at a time.
- ▶ Nine larger nursing homes are **each falling over 200,000 hours short of delivering needed hours of care—the equivalent of 100 missing CNAs needed by residents at each of these facilities.**
- ▶ Nearly half of Illinois facilities, **48%**, receive a **1-star (out of 5) overall rating for staffing by the federal Centers for Medicare & Medicaid Services.**⁷

While minimum staffing levels in the Illinois Nursing Home Care Act were amended in 2010 and mandated to be phased in over the next four years, these legal minimums have not been enforced. In 2017, the federal government began publishing detailed day-by-day staffing data from each facility that showed widespread violations of the minimum staffing law. In 2019, nursing home workers, AARP-Illinois, and the Alzheimer's Association Illinois Chapter lobbied successfully for a law requiring the Illinois Department of Public Health (IDPH) to review this data quarterly and fine understaffed nursing homes.⁸ This law was originally scheduled to take effect in January of 2021, but nursing home workers and residents have had to wait until now for it to take effect. The first measurement period for the understaffing fines began on January 1, 2025, and came to a close at the end of March.



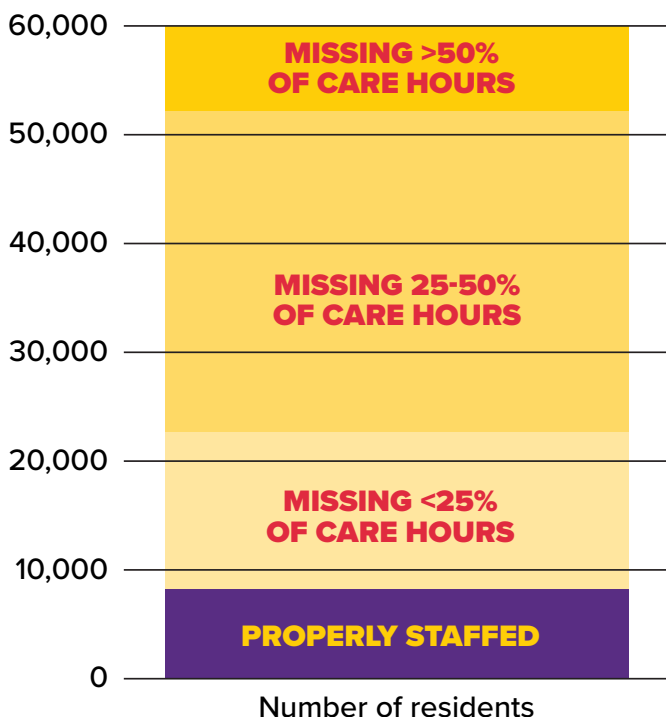
How can we provide quality care when we're overwhelmed with with more residents than we can care for, and half of them need extra attention? I love my residents but I can't give them all the care they need—it's impossible to just keep up.

We're expected to juggle everything with no help. When we ask for support, we're ignored. How can we give our residents the care they deserve when we're doing it all alone?



Yvette Anderson, CNA, The Pearl of Hillside

RESIDENTS EXPERIENCING SHORT STAFFING IN ILLINOIS



Based on CMS staffing data for nursing facilities, processing date Nov. 2024. Staffing levels are calculated by dividing actual provided nursing hours by the needed nursing hours based on facilities' average documented resident needs.





When we're short-staffed, I always find a way to get all the meals prepared—but getting them out to residents on time becomes a real challenge. If someone calls off, one person ends up doing three or four different jobs. There are days when I'm the only one cooking, washing dishes, and serving meals. I do everything I can, but it's tough knowing residents are still waiting. It's overwhelming and heartbreaking.



Dwayne Bolden, Cook, Grasmere Place

QUALITY OF CARE:

Chronic Understaffing Still Drives Poor Outcomes

When nursing home revenues go to investors rather than resident care staff, quality of care at Illinois nursing facilities is predictably subpar. The gaps in needed care result in residents suffering from pressure ulcers, unobserved falls, weight loss, depression, and the over-prescribing of anti-psychotic medication to manage resident behavior.

- ▶ Illinois ranks **worst in the country** for the percentage of long-stay residents experiencing depressive symptoms, at **42%**.
- ▶ Illinois ranks **fourth worst** in the country for the percentage of short-stay residents who are re-hospitalized after a nursing home admission, at **27%**.
- ▶ Health inspection ratings for many Illinois nursing homes remain dismal, with **131 facilities receiving the lowest possible rating** for regulatory compliance and safety.⁹

The pandemic called attention to a lack of infection control measures in nursing homes, and specifically to the connection between infection control and understaffing. Controlling infections in nursing facilities requires having enough staff to implement isolation routines. In an understaffed facility, isolation protocols are not followed and deadly infections such as COVID and MRSA spread like wildfire. These are facilities where frontline workers described horrifying conditions during the pandemic, including workers wearing garbage bags as Personal Protective Equipment (PPE), facilities failing to provide N95 masks and other essential protections, and staff being forced to work in **dangerously unsafe environments**, leading to widespread infections and preventable deaths.¹⁰



Unobserved falls, depression, and pressure ulcers are similarly often the result of short staffing.

Today, nursing facilities in Illinois are more likely than nursing homes nationally to be cited for infection control violations. Indeed, **91% of Illinois nursing homes were cited for infection control violations in their last three inspection cycles.**¹¹

Unobserved falls, depression, and pressure ulcers are similarly often the result of short staffing. Some studies have shown that the over-prescribing of anti-psychotics is associated with short staffing because when residents are inappropriately sedated, facilities then withdraw direct care staff.¹² These are basic ways in which nursing facilities fail to maintain residents' health and functioning to the full extent possible for as long as possible, thereby failing to fulfill the fundamental purpose of nursing facility care for long-stay residents.



CONCLUSION



Every year, the nursing home industry lobbies the Illinois General Assembly for increased Medicaid funding, and our state has enacted many measures to improve accountability for these funds and standards in the industry. In 2010, minimum staffing levels were mandated. In 2019, IDPH was required to review nursing home staffing data quarterly and fine homes that did not meet the minimum required level, with implementation beginning in January of 2025. In 2022, Illinois nursing home reform legislation targeted funding to improve care quality

and the CNA subsidy program directed dollars to improve wages and retain CNAs. However, nursing home residents and workers are still in crisis and more legislative action is urgently needed.

Instead of granting more funding without oversight, the General Assembly must implement stronger accountability measures to ensure that the billions already allocated are spent on resident care. These could include **important accountability measures like those implemented by other states, such as requiring a minimum percentage to be spent on resident care and related costs, increased spending transparency for related parties, and the claw-back of Medicaid dollars not spent in accordance with requirements.** The General Assembly could further reexamine recent funding increases not in accordance with these priorities.

The examples outlined in this report are only a fraction of the systemic failures plaguing the Illinois nursing home industry.

Choking death at Midway Neurological and Rehab

Midway Neurological and Rehabilitation Center in southwest suburban Bridgeview is a large nursing home, with an average resident census of 358, that has low levels of direct care staff.

In the most recent quarter for which data was obtained, it violated the legal minimum staffing levels in the Illinois Nursing Home Care Act every single day. Based on the documented condition of its residents, it provided only 32% of the nursing hours its residents needed.

In mid-2024, during the quarter in question, Midway Neurological was cited for the choking death of a resident with dementia. The resident needed assistance eating, which was included as part of his care plan. On the day of the incident, the Public Health inspection identified only one LPN and one CNA who were in the dining room during the time when the resident was eating lunch. Neither was there to assist the resident. The facility's written schedule of workers assigned to monitor the dining room at the time was blank. According to witnesses, the resident got up from the dining room, choking, then fell to the ground in cardiac arrest. He was taken to the hospital but could not be revived.

SOURCES: Illinois Department of Public Health Statement of Deficiencies dated 5/3/2024
https://dph.illinois.gov/content/dam/soi/en/web/idph/nursing_home_violations/2024/third-quarter/NH%2024-C0585%2005-03-24%20Midway%20Neurological-Rehab%20Ctr.pdf

Death from septic shock, Bridgeway Senior Living

Bridgeway Senior Living is a 226-bed nursing facility in Bensenville, IL. On May 26th of last year, a Bridgeway resident suffered a dramatically worsening condition from a urinary tract infection which the facility failed to identify or properly monitor. After the facility sent the resident to the hospital the following day, her family who visited found their loved one “looked grey and was screaming in pain.”

She died of septic shock two days later.

Data from Illinois Department of Public Health shows Bridgeway Senior Living was staffed below the legal minimum staffing level on the 26th. In its last annual financial and statistical report to the Department of Healthcare and Family Services, covering the previous year, the facility disclosed a below-average portion of revenues being spent on resident care and related services. Instead, the report showed the facility itself making a 9% profit on annual revenues of just under \$20 million; a 33% profit by the owners on a \$2.2 million payment to a separate related-party company holding the real estate; plus a \$1 million dividend paid directly to the owners.

SOURCES: IDPH Statement of Deficiencies dated 7/1/2024; 2023 Medicaid cost report
https://dph.illinois.gov/content/dam/soi/en/web/idph/nursing_home_violations/2024/third-quarter/NH%2024-C0870%2007-01-24%20Bridgeway%20Senior%20Living.pdf

Residents Soiled at Southpoint Nursing and Rehab Center

Southpoint Nursing and Rehab Center is a facility located in the South Side of Chicago. It is a large facility with a daily average of 159 residents according to the most recent data. Based on the documented condition of its residents, it provided only 60% of the nursing hours its residents needed.

When an IDPH surveyor visited the facility in September of 2024, the surveyor encountered three residents soiled after not being cared for the whole night. All three had known cases of incontinence and were required to have regular checks to make sure they were cleaned. One of the residents said, “I am soaked with urine. I have not been changed since yesterday around 9 p.m.” He reported that he had been “itching and scratching all night from the urine eating at my skin” and that he had been “asking to get a shower for the last couple of days.” Another resident had a wound that was constantly bothering him due to the wound’s contact with the urine and feces left on his sheets at night. According to the facility’s own records, those residents had experienced multiple instances of being left soiled all night long.

SOURCES: Illinois Department of Public Health Statement of Deficiencies dated 10/01/2024
https://dph.illinois.gov/content/dam/soi/en/web/idph/nursing_home_violations/2024/fourth-quarter/NH%2024-C1217%2010-01-24%20Southpoint%20Nrsrg%20Rehab%20Ctr.pdf



ENDNOTES

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2. Analysis of nursing facility 2023 Medicaid cost reports.
3. Illinois Department of Healthcare and Family Services, *Interim Review of the 2022 Nursing Home Payment Reforms*, December 2023.
4. Ashvin Gandhi and Andrew Olenski. "Tunneling and Hidden Profits in Health Care." NBER Working Paper 32258, Sept. 2024, <https://www.nber.org/papers/w32258>. The estimated total multiplies this study's finding of \$290,766 extracted per facility times 678 for-profit nursing homes in Illinois.
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6. Analysis of Illinois Department of Public Health quarterly data on noncompliance with Nursing Home Care Act minimum staffing levels. Data obtained via FOIA.
7. Analysis of Center for Medicare and Medicaid Services Nursing Home Care Compare and Provider Data, provider information file, January 2025.
8. 210 ILCS 45/3-202.05 as amended by Public Act 101-0010.
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11. Analysis of Center for Medicare and Medicaid Services Nursing Home Care Compare and Provider Data, health citations file, February 2025.
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