



# Long Term Care Facility Change of Ownership and Closure Process

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## Introduction

- Long term care facilities (LTCF), including nursing homes and rest homes, are an important part of the health care continuum in the Commonwealth.
- Over the years, the nature of LTCF ownership throughout the United States has moved from small, community and family-based operation to a more centralized system of ownership.
- Massachusetts is seeing this same shift of ownership.
- The Department's priority is to the quality and safety of residents at long term care facilities.
- During a closure, the Department's objective is the safe and orderly transition of residents.



## Introduction

- Concerns about the notification of closure and sale of these facilities has led to legislative action.
- The legislature included an amendment to the FY2015 budget that requires an opportunity for public input as part of the Department's review process.
- This provides greater transparency of a long-term care facility closure or the issuance of a new license, including one issued as a changes of ownership (CHOW).
- This also provides greater transparency and opportunity for family and residents affected from closures or changes of ownership.



**Section 275 of Chapter 165 of the Acts of 2014** (FY15 General Appropriations Act) issues the following mandate:

*The Department of Public Health shall amend the licensure procedure and suitability requirements for long-term care facilities to implement a hearing process that would precede approval of and allow for public input on any application for a license, notice of intent for transfer of ownership or notice of intent to sell or close any skilled nursing facility whether for profit or nonprofit.*



In reviewing and amending regulatory procedures relative to LTCF closures and CHOWs, the Department actively engaged with diverse stakeholders:

- Center for Medicare and Medicaid Services (CMS)
- Executive Office of Elder Affairs Ombudsman
- SEIU 1199
- Mass Senior Care
- Massachusetts Advocates for Nursing Home Reform



## Review of Proposal

- The Department also:
  - Reviewed current regulations; and
  - Researched notice and hearing processes in Massachusetts and other states.
- The Department's primary responsibility remains with the residents of LTCFs, ensuring that any closure or CHOW does not impact the quality or safety of care, and that residents involved in a closure are transferred in a safe and orderly manner.



# Medicare/Medicaid Requirements

## Consideration of Federal Requirements

- Medicare / Medicaid requirements establish federal guidelines on closure and on change of ownership.
- Medicare/Medicaid requirements do not apply to rest homes or private pay only nursing homes.



## Summary

- We are collaborating with long term care groups representing residents, facilities and staff to develop a workable model to ensure engagement and communication during closures and changes of ownership.
- The Department's priority is to the quality and safety of residents at long term care facilities.
- During a closure, the Department's objective is the safe and orderly transition of residents.
- Proposed regulations are forthcoming.



- Thank you for the opportunity to present this information today.

Please direct any questions to:

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