Long Term Care Facility Change of Ownership and Closure Process

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• 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.
• 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.
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.
• 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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