

**THE NATIONAL  
IMPERATIVE TO  
IMPROVE NURSING  
HOME QUALITY**  
*Honoring Our  
Commitment to  
Residents, Families,  
and Staff*

# Designing a More Effective and Responsive System of Quality Assurance

Over the decades, various laws and federal regulations have been put in place to improve the oversight and regulation of nursing homes as one way to ensure the quality of care. The Omnibus Budget Reconciliation Act of 1987 (OBRA 87) established the modern survey and enforcement system by delineating uniform and tougher nationwide standards for nursing homes. However, substantial evidence documents significant failures in nursing home oversight and a lack of transparency and accountability for nursing home finances, operations, and ownership.

*The National Imperative to Improve Nursing Home Quality: Honoring Our Commitment to Residents, Families, and Staff* examines the complex and multifaceted challenges nursing homes currently face and outlines goals and recommendations to improve the overall quality of nursing home care. Along with other strategies outlined in the report, a more effective and responsive system of quality assurance paired with increased transparency and accountability is needed to ensure the quality of care and quality of life of nursing home residents.

## RECOMMENDATIONS

### State Surveys and CMS Oversight

States play a key role in assessing nursing homes' compliance with regulations through regular inspections and, as necessary, investigating complaints and adverse incidents. Although federal oversight standards and processes are uniform across states, considerable variation exists in the implementation of routine inspection responsibilities, in the imposition of sanctions, and in the investigation of complaints. To ensure that all states are meeting their oversight responsibilities, the Centers for Medicare & Medicaid Services (CMS) needs to strengthen oversight of the survey process, enhance transparency and ensure state survey agencies have adequate capacity and resources to fulfill their responsibilities.

Multiple reports have found failures in the survey process to identify serious care problems reliably, to

fully correct and prevent the recurrence of identified problems, and to investigate complaints in a timely manner. However, there is little consensus or evidence on how exactly to strengthen quality assurance and enforcement efforts in ways that would lead to improved quality of care. CMS should develop and evaluate strategies that make nursing home quality assurance efforts more effective, efficient, and responsive, including potential longer-term reforms such as:

- Enhanced data monitoring to track performance and triage on-site inspections of facilities;
- Increased oversight across a broader segment of poorly performing facilities;
- Modified oversight activities for high-performing facilities, including the consideration of more targeted inspections provided that adequate safeguards are in place; and
- Greater use of enforcement beyond civil monetary penalties.

## The Long-Term Care Ombudsman Program

The Long-Term Care Ombudsman Program's sole mission is to serve as an advocate for residents and work to ensure they receive quality care. Although some studies have shown this program has had a positive impact, there is considerable variation across and within states in terms of resources, funding, and staff and volunteer coverage. To meet federal and state requirements and provide nursing home residents and their families with optimal support, the Administration for Community Living in the U.S. Department of Health and Human Services should advocate for increased funding and resources to hire additional paid staff; train staff and volunteers; bolster infrastructure; make data publicly available; and develop summary metrics to document the effectiveness of the program.

## Quality Assurance, Transparency, and Accountability

A key aim of nursing home oversight over the past decade has been to ensure greater transparency into finances, operations, and ownership. However, current data sources are incomplete and difficult to verify and use. Furthermore, the increased complexity of ownership structures complicates the ability to understand where nursing homes spend their resources and there is little transparency regarding contracts with related-party organizations. Increased transparency and

accountability for nursing home finances, operations, and ownership are critical to assessing the quality of care across facilities with a common owner or management company. This requires access to accurate and complete data that are available in real time, readily usable, and in searchable databases. When data reveal a pattern of poor-quality care, federal and oversight agencies should have the authority to impose oversight and enforcement actions on the owner such as denying new or renewed licensure; imposing sanctions, including the exclusion of individuals and entities from participation in Medicare and Medicaid; and implementing enhanced oversight.

## Certificate-of-Need Regulations and Construction Moratoria

As part of quality assurance, some states maintain certificate-of-need requirements to regulate expansions in the health care market. The requirements employ a need-based evaluation of all applications for new construction or additions to existing facilities. Some states also implement construction moratoria that prohibit the building of new health care facilities. Despite their intent, such regulations do not appear to control Medicaid nursing home spending and may harm consumers by limiting their choices and access to care. States should immediately eliminate certificate-of-need requirements and construction moratoria for nursing homes to encourage potential innovative care models and foster robust competition to expand consumers' choices and improve quality.

## CONCLUSION

While substantial changes have occurred in nursing home care since the passage of OBRA 87, the general structure of the oversight and regulation of nursing homes has largely remained the same. Significant improvements in oversight and regulation discussed above paired with increased transparency and heightened accountability are needed to help ensure high-quality care in nursing homes.

To download a free copy of the full report and other resources, please visit <https://www.nationalacademies.org/our-work/the-quality-of-care-in-nursing-homes>.

