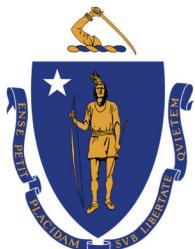




State of California
Office of the Attorney General

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THE COMMONWEALTH OF MASSACHUSETTS
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STATE OF NEW YORK
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February 2, 2026

The Honorable Robert F. Kennedy, Jr., Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dr. Mehmet Oz, Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

RE: CMS-3442-IFC, Repeal of Minimum Staffing Standards for Long-Term Care Facilities

Dear Secretary Kennedy and Administrator Oz,

The undersigned Attorneys General of Arizona, California, Colorado, Delaware, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, Vermont, and Washington write in response to the U.S. Department of Health and Human Services and the Centers for Medicare and Medicaid Services’ (“CMS”) interim proposed final rule that repeals components of its May 2024 Minimum Staffing Standards for Long-Term Care Facilities Final Rule (“May 2024 Rule”), which set quantitative minimum staffing levels for skilled nursing facilities, and replaces those sections with the prior version’s sections (“Interim Rule”).

For the reasons set forth below, we recognize that CMS, as a practical matter, was required to pursue a limited repeal of the May 2024 Rule because the One Big Beautiful Bill Act (“OBBA”) prohibited implementation or enforcement of the May 2024 Rule’s provisions for ten years. Nevertheless, we urge CMS to enact a replacement regulation that mandates tailored quantitative minimum staffing requirements, which would prevent Medicare and Medicaid fraud, protect vulnerable long-term care residents, and improve access to care. Moreover, we also urge CMS to lift immediately its “indefinite suspension” of requirements for nursing homes to submit ownership, managerial, and related party information for Medicare provider revalidation, announced by CMS on December 11, 2025. Doing so would improve transparency and ensure state and federal enforcement authorities will have information necessary to conduct efficient and fulsome investigations of owners, investors, and related parties who covertly and illegally

divert government funds to themselves while their nursing homes neglect residents and violate federal and state laws designed to protect resident health.

A. Higher Staffing Levels Lead to Better Patient Outcomes

There is a longstanding and well-documented association between staffing and quality of care in long-term care facilities. CMS's own report to Congress in 2001, which covered a representative sample of 10 states and over 5,000 facilities, reported that staffing facilities below 4.1 HPRD led to staffing-induced quality of care problems.¹ The study further noted that quality improved incrementally with increased staffing, with the greatest benefits seen around the 4.1 HPRD threshold.² Notably many of the quality measures assessed, including avoidable hospital admissions, pressure ulcers, and functional improvements, can lead to higher costs for government payors, including Medicare and Medicaid. These findings were corroborated in a 2023 CMS-Commissioned study, which found that long-term care facilities with higher staffing levels performed better against quality measures.³ Notably the study modeled that implementation of minimum staffing standards at various thresholds could bring up to 1,200 long-term care facilities across the country to quality and safety performance thresholds.⁴ The study further found that increased quality of care resulting from increased staffing would lead to quantifiable savings to Medicare alone of \$465 million per year through a reduction of hospitalizations and emergency department visits and an increase of discharges to the community.⁵

Staff stability also leads to better health outcomes.⁶ CMS considered the relationship between staff turnover and quality and found that, when staff turnover decreases, the overall Care Compare star rating for a facility increases.⁷ Higher staffing levels lead to a reduction in turnover by alleviating the poor working conditions created by long-term care facilities operating with chronic insufficient staffing. When a facility is insufficiently staffed, nursing staff are unable to care for residents without significant delays and omissions in care and consequently suffer stress, job dissatisfaction, and burnout.⁸

¹ Abt Associates Inc. (on behalf of CMS), *Appropriateness of Minimum Nurse Staffing Ratios in Nursing Homes, Report to Congress: Phase II Final Report*, (Dec. 24, 2001), at 9, (reports to Congress “produced strong and compelling evidence of the relationship between staffing ratios and quality of nursing home care”), <https://nursinghome411.org/wp-content/uploads/2024/04/abt-study-appropriateness-of-minimum-staffing-ratios-2001.pdf>.

² *Id.* at 5.

³ Abt Associates Inc. (on behalf of CMS), *Nursing Home Staffing Study Comprehensive Report*, (June 2023), at 39, <https://edit.cms.gov/files/document/nursing-home-staffing-study-final-report-appendix-june-2023.pdf>.

⁴ *Id.*

⁵ *Id.* at xiv.

⁶ Eric Collier et al., *Staffing Characteristics, Turnover Rates, and Quality of Resident Care in Nursing Facilities*, 1 Research in Gerontological Nursing 157 (July 2008), <https://pubmed.ncbi.nlm.nih.gov/20077960/>; see also 88 Fed. Reg. 61,356.

⁷ CMS, Center for Clinical Standards and Quality/Quality, Safety and Oversight Group, *Nursing Home Staff Turnover and Weekend Staffing Levels 2* (Jan. 7, 2022), <https://www.cms.gov/files/document/qso-22-08-nh.pdf>.

⁸ White, E. M., Aiken, L. H., & McHugh, M. D. *Registered nurse burnout, job dissatisfaction, and missed care in nursing homes*. Journal of the American Geriatrics Society, 67(10), 2065-2071, (2019), <https://agsjournals.onlinelibrary.wiley.com/doi/10.1111/jgs.16051>.

Other academic studies detail some of the harmful patient outcomes that are associated with nursing homes that operate with insufficient staffing. Insufficient staffing is associated with missed nursing care, omissions in care, and increased incidence in adverse resident outcomes including hospitalizations, emergency room use, incidence and prevalence of pressure injuries, restraint use, urinary catheterizations and infections, contractures, inappropriate antipsychotic drug use, regulatory violations, infections, and patient death.⁹

Unnecessary resident hospitalizations are related to insufficient staffing, particularly regarding registered nurse (“RN”) staffing.¹⁰ Pressure ulcers, urinary tract infections, weight loss, catheterizations, and deterioration in ability to perform activities of daily living are less likely as RNs spend more time on direct patient care.¹¹ Restraint use, including inappropriate antipsychotic drug use, and unintentional weight loss have been found in studies to be related to insufficient nurse staffing levels.¹² Contractures (a shortening of muscles or tendon usually associated with non-use of a joint) can occur when inadequate nursing staff are present to assist with range of motion exercises.¹³ Increased dependency on others for performance of activities of daily living and decreased function are related to inadequate staffing levels to provide assistance.¹⁴

The findings of the cited academic studies are corroborated by our real-world experiences protecting facility residents from abuse and neglect. Our offices have seen firsthand that inadequate staffing leads to failures in resident care resulting in gruesome, painful injuries. Residents have suffered from ineffective wound care resulting in gangrenous infections that

⁹ Charlene Harrington, et al., *Nursing Home Guide to Adjusted Nurse Staffing for Resident Case-Mix*, J. of the Am. Geriatrics Soc'y, 0:1-9 (2025).

¹⁰ Grabowski, D.C., Stewart, K.A., Broderick, S.M. & Coots, L.A., *Predictors of nursing home hospitalization: A review of the literature*. Medical Care Research and Review, 65 (1):3-39 (2008); Mukamel, D.B., Ladd, H., Saliba, D., and Konetzka R.T., *Dementia, nurse staffing, and health outcomes in nursing homes*, Health Serv Res., (2024); Horn, S.D., Buerhaus, P., Bergstrom, N., Smout, R.J., *RN staffing time and outcomes of long-stay nursing home residents: pressure ulcers and other adverse outcomes are less likely as RNs spend more time on direct patient care*, Am J Nurs., 105(11):58-70 (2005); Konetzka, R.T., Spector, W. & Limcangco, M.R., *Reducing hospitalizations from long-term care settings*. Medical Care Research & Review, 65:40-66 (2008).

¹¹ Horn, S.D., Buerhaus, P., Bergstrom, N., Smout, R.J., *RN staffing time and outcomes of long-stay nursing home residents: pressure ulcers and other adverse outcomes are less likely as RNs spend more time on direct patient care*, Am J Nurs., 105(11):58-70 (2005); Castle, N.G. & Anderson, R.A., *Caregiver staffing in nursing homes and their influence on quality of care: using dynamic panel estimation methods*, Medical Care, 49:545-522 (2011).

¹² Wagner, L.M., McDonald, S.M., Castle, N.G., *Nursing home deficiency citations for physical restraints and restrictive side rails*. West J Nurs Res., 35(5):546-65 (2013); Simmons, S.F., Keeler, E., Zhuo, X., Hickey, K.A., Sato, H.W., Schnelle, J.F., *Prevention of unintentional weight loss in nursing home residents: a controlled trial of feeding assistance*, J Am Geriatr Soc., Aug; 56(8):1466-73 (2008); Phillips LJ, Birtley NM, Petroski GF, Siem C, Rantz M, *An observational study of antipsychotic medication use among long-stay residents without qualifying diagnoses*. J. PsychMental Health Nurs., 25(8):463-474 (2018).

¹³ Lin, H., *Revisiting the relationship between nurse staffing and quality of care in nursing homes: An instrumental variables approach*. J. of Health Economics, 37:13-24 (2018).

¹⁴ Horn, S.D., Buerhaus, P., Bergstrom, N., Smout, R.J., *RN staffing time and outcomes of long-stay nursing home residents: pressure ulcers and other adverse outcomes are less likely as RNs spend more time on direct patient care*. Am J Nurs. 105(11):58-70 (2005); Moreno-Martin, P, Jerez-Roig, J., Rierol-Fochs, S et al., *Incidence and predictive factors of functional decline in older people living in nursing homes: A systematic review*. JAMDA 1-11, 9-10 (2022).

require amputation or even result in death.¹⁵ Failures to provide proper care have led to pressure sores developing and increasing in severity to the point where bones, muscles, and tendons become exposed.¹⁶ Our investigations have exposed broken bones, intracranial bleeding, and deaths resulting from improper transfers of residents from their beds to wheelchair, which occur when aides are unable to find enough staff member to properly perform the transfer.

In addition to these injuries, residents have suffered from numerous unacceptable indignities. Family members have reported inadequate staffing leading to their dementia-suffering family members unsupervised and crawling on the floor.¹⁷ In multiple cases, we have uncovered staff using makeshift restraint devices, effectively tying residents down, simply because there was not enough staff to properly care for the residents.¹⁸ Residents have also been forced to sit in soiled undergarments or have their emergency call bells unanswered for hours at a time.¹⁹

Despite the evidence that sufficient staffing improves patient outcomes and understaffing risks severe patient harm, too many for-profit facility owners and operators across the country have violated qualitatively expressed minimum staffing rules and deliberately operated chronically understaffed facilities to extract profits. Nursing care costs are typically the largest expense of any long-term care facility. As a result, without appropriate checks, owners are incentivized to cut staffing and operate at insufficient staffing levels while the nursing home violates its legal duties to operate with adequate staffing and provide required care.²⁰ Their tactics include burdening the homes with debt and requiring homes to pay excessive loans, inflated rent, sham management and consulting fees, staffing agency fees, and fees to related parties that covertly transfer upfront profits from the homes to owners and investors. This behavior, as well as the patient harm it causes, will only increase nationwide during the absence of strengthened quantitative minimum staffing rules.

To illustrate, former Skyline Healthcare owner Joseph Schwartz operated about 100 nursing homes in multiple states – including Arkansas, South Dakota, Nebraska, Kansas, Florida, Tennessee, Pennsylvania, New Jersey, Massachusetts, and New York -- many of which fell into financial collapse in 2018.²¹ Schwartz was convicted by the federal government of a \$39 million

¹⁵ *New York v. Fulton Commons Care Center, et al.*, Case no. 0617687/2022, Petition (hereinafter, “Fulton Petition”), at 52-54, https://ag.ny.gov/sites/default/files/fulton_commons_petition.pdf.

¹⁶ *New York v. Centers for Care LLC, et al.*, Case no. 451549/2023, Petition (hereinafter “Centers Petition”) at 5, <https://ag.ny.gov/sites/default/files/court-filings/centers-filed-petition.pdf>,

¹⁷ Fulton Petition, at 10.

¹⁸ *Id.*

¹⁹ Centers Petition, at 7.

²⁰ National Bureau of Economic Research, *Owner Incentives and Performance In Healthcare: Private Equity Investment In Nursing Homes*, at 7, https://www.nber.org/system/files/working_papers/w28474/w28474.pdf.

²¹ Kimberly Marselas, *Skyline’s Schwartz ordered to state prison, despite federal pardon*, McKnights Long-Term Care News, December 21, 2025, <https://www.mcknights.com/news/skylines-schwartz-ordered-to-state-prison-despite-federal-pardon/>; Press Release, Massachusetts Office of the Attorney General, *Skyline Healthcare Owner; Five Massachusetts Nursing Homes Cited for Wage Theft*, June 27, 2019,

<https://www.mass.gov/news/skyline-healthcare-owner-five-massachusetts-nursing-homes-cited-for-wage-theft>; Jordyn Reiland, *More Civil, Criminal Charges for Former Skyline CEO Accused of Tax and Medicaid Fraud*, Skilled Nursing News, Jan. 23, 2022, <https://skillednursingnews.com/2022/01/more-civil-criminal-charges-for-former-skyline-ceo-accused-of-tax-and-medicaid-fraud/>;

fraud for failure to submit payroll taxes and sentenced to 36 months in federal prison.²² Schwartz was also convicted by the Arkansas Attorney General on state charges of Medicaid fraud and attempted tax evasion, and he is currently serving his state prison sentence.

Other examples of law enforcement fraud proceedings against nursing home owners include the conviction of Florida nursing home owner Philip Esformes for “the largest health care fraud scheme charged by the U.S. Department of Justice” involving \$1.3 billion in fraudulent claims, who operated 30 nursing homes and assisted living facilities, and who was sentenced to 20 years in prison in 2019;²³ the 2025 conviction of Paul Walczek, owner of NuVista, a Florida nursing home company that employed 600 people yet used employee tax withholdings to make luxury purchases including a yacht;²⁴ the federal \$8.2 million consent judgment in 2011 with Bob Dean Jr. and several companies he owned and operated for illegally misappropriating and misusing the assets and income of four nursing homes in Louisiana before and after Hurricane Ida’s landfall in August 2021;²⁵ the 2025 conviction of KBWB Operations LLC a/k/a Atrium Health and Senior Living and its former CEO Kevin Breslin for health care fraud and tax conspiracy related to their operation of numerous skilled nursing facilities in Wisconsin, Michigan and New Jersey;²⁶ and the 2007 conviction for a \$4 million Medicaid and Medicare fraud of Texas nursing home owner Rocky Lemon, who owned more than 50 nursing homes in multiple states with TLC Healthcare Inc.²⁷

Moreover, data reflects that, without stronger regulation, new entrants to the market – including private equity owners and related investors – are likely to increase their ownership of for-profit nursing homes, which creates serious risk for preventable patient harm and nursing home closures and/or bankruptcies after their assets are stripped. Private equity firms, and their business model of extracting profits in a relatively short window,²⁸ have been linked to worse

Laura Strickler, Stephanie Gosk, and Shelby Hanssen, *A nursing home chain grows too fast and collapses, and elderly and disabled residents pay the price*, NBC News, July 19, 2019, <https://www.nbcnews.com/health/aging/nursing-home-chain-grows-too-fast-collapses-elderly-disabled-residents-n1025381>.

²² Press Release, United States Attorney’s Office District of New Jersey, *Former Owner of Collapsed Nursing Home Empire Sentenced to 36 Months’ Imprisonment For \$38 Million Tax Fraud Scheme*, Apr. 17, 2025, <https://www.justice.gov/usao-nj/pr/former-owner-collapsed-nursing-home-empire-sentenced-36-months-imprisonment-38-million>.

²³ Press Release, United States Department of Justice, *South Florida Health Care Facility Owner Sentenced to 20 Years in Prison for Role in Largest Health Care Fraud Scheme Ever Charged by The Department of Justice*, Sept. 12, 2019, <https://www.justice.gov/archives/opa/pr/south-florida-health-care-facility-owner-sentenced-20-years-prison-role-largest-health-care>.

²⁴ Zee Johnson, *Trump pardons nursing home owner and supporter convicted of \$7M tax evasion*, McKnight’s Long-Term Care News, May 27, 2025, <https://www.mcknights.com/news/trump-pardons-nursing-home-owner-and-supporter-convicted-of-7m-tax-evasion/>.

²⁵ Press Release, United States Department of Justice, *Bob Dean Jr. and Affiliated Corporate Entities Agree to \$8.2M Consent Judgment to Resolve Allegations of Financial Misconduct Stemming from Evacuation of Nursing Homes During Hurricane Ida*, Oct. 8, 2024, <https://www.justice.gov/archives/opa/pr/bob-dean-jr-and-affiliated-corporate-entities-agree-82m-consent-judgment-resolve-allegations>.

²⁶ Press Release, United States Department of Justice, *Corporation and Former Chief Executive Officer Plead Guilty to Health Care Fraud and Tax Conspiracy*, Jan. 24, 2025, <https://www.justice.gov/opa/pr/corporation-and-former-chief-executive-officer-plead-guilty-health-care-fraud-and-tax>.

²⁷ *U.S. v. Lemon*, 1:06CR00260, (W.D. Tex., Apr. 26, 2007).

²⁸ Aline Bos and Charlene Harrington, *What Happens to a Nursing Home Chain When Private Equity Takes Over? A Longitudinal Case Study*, at 2, <https://pmc.ncbi.nlm.nih.gov/articles/PMC5798733/>.

outcomes for long-term care residents, in part due to reductions in staffing levels.²⁹ A recent study found a 10% increase in mortality for Medicare patients under private equity ownership.³⁰ An updated 2023 study by the National Bureau of Economic Research reflects that, during a 12-year sample period, private equity ownership in nursing homes was estimated to cost over 22,000 American lives.³¹

Furthermore, private equity ownership of a for-profit nursing home chain increases the risk that nursing homes will end up in bankruptcy or operate on the brink of insolvency. Recent examples include Genesis Healthcare, which owned 165 nursing homes and 10 assisted living facilities in 18 states including Alabama, West Virginia, North Carolina, New Mexico, Pennsylvania, New Hampshire, Maryland, New Jersey, and Maine. After years of alleged financial mismanagement and patient neglect, Genesis filed for bankruptcy on July 9, 2025, with \$709 million in secured debt and \$1.6 billion in unsecured debt to pension funds, contractors, and former residents and their families for neglect and abuse settlements.³² The settlements included a \$3.5 million settlement to resolve allegations in which a resident had maggots in a gangrened foot that ultimately contributed to her death 5 days later; a \$1 million settlement resolving allegations that the Genesis nursing home managers ignored a male resident's behavior before he sexually assaulted a female patient; and a \$500,000 settlement resolving allegations that a Genesis nursing home delayed hospitalization of a resident who vomited brown mucus and died of a bowel obstruction.³³ Genesis's bankruptcy filing increases the risk that its settlements with neglected residents would be paid cents on the dollar, if at all.³⁴ A 2025 report indicated that Genesis's bankruptcy was a predictable result of a financial strategy to extract value from nursing homes while compromising patient care.³⁵

B. Law Enforcement Authorities Regularly Bring Cases Against Long-Term Care Facility Owners Who Fraudulently Extract Profits at the Expense of Patient Care

In its announcement of this repeal and replacement through the Interim Rule, CMS's Administrator stated, "Every American deserves access to compassionate, high-quality care. We cannot meet that goal by ignoring the daily realities facing rural and underserved populations."

²⁹ Rohit Pradhan, et al., *Private Equity Ownership of Nursing Homes: Implications for Quality*, Journal of Health Care Finance, June/July 2014, at 10, (finding private-equity owned facilities reduced RN staffing and reported worse results in pressure sore prevention, restorative ambulation, and had a significantly higher number of deficiencies and pressure ulcer risk prevalence), <https://journalofhealthcarefinance.com/index.php/johcf/article/view/12/15>.

³⁰ National Bureau of Economic Research, *Does Private Equity Investment in Healthcare Benefit Patients? Evidence from Nursing Homes*, February 13, 2021, at 2-3, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3785329.

³¹ National Bureau of Economic Research, *Owner Incentives and Performance in Healthcare: Private Equity Investment In Nursing Homes*, https://www.nber.org/system/files/working_papers/w28474/w28474.pdf, at 18.

³² Susanna Vogel, Healthcare Dive, *Private equity owners led to Genesis Healthcare's bankruptcy: report*, Aug. 19, 2025, <https://www.healthcaredive.com/news/genesis-healthcare-bankruptcy-private-equity-stakeholder-project/757980/>.

³³ Jordan Rau, *How Delays and Bankruptcy Let a Nursing Home Chain Avoid Paying Settlements for Injuries and Deaths*, KFF Health News, Dec. 9, 2025, <https://kffhealthnews.org/news/article/nursing-homes-genesis-bankruptcy-liability-settlements-dallas-new-mexico/>.

³⁴ *Id.*

³⁵ Matt Parr, *New PESP research analyzes Genesis Healthcare bankruptcy*, Private Equity Stakeholder Project, Aug. 14, 2025, <https://pestakeholder.org/news/new-pesp-research-analyzes-genesis-healthcare-bankruptcy/>.

As state Attorneys General, we agree that safe, high-quality care is essential for all people living in nursing homes nationwide. We also agree that meeting that goal requires consideration of realities and data relevant to access to care in rural and underserved populations. These realities include, however, that nursing home owner fraud schemes exist nationwide, require significant resources to investigate and prosecute, and could be deterred by a new tailored minimum staffing standard.

Medicaid Fraud Control Units (“MFCUs”) and consumer protection units in our State Attorney General offices have authority to investigate and prosecute those responsible for committing abuse or neglect of residents in these long-term care facilities. We have found that staffing levels have increased in states that have HPRD minimums. For example, in 2021, Massachusetts implemented a minimum 3.58 HPRD requirement.³⁶ In the four years prior to implementation statewide staffing levels averaged 3.49 HPRD. In the four years since, staffing has averaged 3.71 HPRD, an increase of 6%.³⁷ Additionally, in California, after the state implemented a 3.2 HPRD minimum staffing standard in 2000, the percentage of facilities meeting that target jumped from 25 to 67% within one year.³⁸

For those facilities failing to comply with state HPRD minimum requirements or otherwise abusing or neglecting residents, enforcement actions by state Attorneys General, including MFCUs, have been an effective tool to bring facilities up to standards. These enforcement actions have directly led to improved conditions for individuals living in the affected facilities as well as a deterrent effect at other nursing facilities.

Since 2022, New York has required 3.5 HPRD, at least 2.2 of which must be provided by a CNA and at least 1.1 hours by an RN or LPN.³⁹ Over the last several years, the New York MFCU has filed several lawsuits against nursing home owners and operators to address and remedy fraud and other systemic causes of abuse and neglect of residents. These actions allege, supported by affidavits, that the owners and operators of these facilities cut staffing levels to reduce expenses, operated the facilities with chronic insufficient staffing, continued admissions despite not having adequate care to meet resident needs, routinely violated federal and state laws designed to protect residents, and created poor working conditions for staff by assigning more work than could be completed in a given shift – all to increase upfront profit-taking⁴⁰ by the owners and related parties through fraudulent schemes.⁴¹ The results from these decisions were

³⁶ 105 C.M.R. 150.007(B)(2-4).

³⁷ Based on CMS Payroll Based Journal Data aggregated by Long Term Care Community Coalition, <https://nursinghome411.org/data/staffing/>. Time periods include second half 2017 through 2020 (3.49 HPRD), and 2021 through first quarter 2025 (3.71 HPRD).

³⁸ Jane Tilly, Kirstein Black, Barbara Ormond, The Urban Institute, *State Experiences with Minimum Nursing Staff Ratios for Nursing Facilities: Findings from Case Studies of Eight States* (Nov. 2003), at 13, <https://aspe.hhs.gov/sites/default/files/pdf/72726/8state.pdf>.

³⁹ N.Y. Pub. Health Law § 2895-b.

⁴⁰ Upfront profit-taking refers to the practice of making payments from the nursing home to Respondents under the guise of pre-determined and self-negotiated “expenses” and other transfers of funds, as a priority over, and without regard to, ensuring that the nursing home has used the public funds it receives to meet the nursing home’s duty to provide required care to its residents, with sufficient staffing to render such care.

⁴¹ The detailed comprehensive verified petitions are publicly available through the Attorney General’s website via the following URLs, and the petitions and all numerous supporting affidavits are publicly available on the New York state courts website: <https://ag.ny.gov/press-release/2022/attorney-general-james-sues-orleans-county-nursing-home>

catastrophic; residents sat in their own urine and feces for hours, suffered malnourishment and dehydration, missed medical appointments, had pressure wounds develop and/or get worse, and sustained falls and other injuries.⁴² These lawsuits also allege that the owners and operators of the nursing homes covertly transferred millions of dollars to themselves, their family members, or other related parties through fraudulent, inflated payments for purported loans, rent, management and/or consulting fees, other related party payments and/or no-show jobs.

New York's recent law enforcement actions against owners of for-profit nursing homes and their related parties have resulted in financial settlements of more than \$70 million and improved care for residents of seven nursing homes.⁴³ To illustrate, in November 2024, the MFCU reached a \$45 million settlement with owners, operators, managers, landlords, and various related parties to remedy findings of repeated fraud and illegality regarding four chronically insufficiently staffed nursing homes.⁴⁴ In February 2024, the MFCU reached an \$8.6 million settlement with owners of the nursing home and various related parties to remedy findings of repeated fraud and illegality at another nursing home.⁴⁵ Additionally, in August 2025, the MFCU resolved similar findings through a settlement agreement with another nursing home to pay \$12 million to remedy findings of repeated fraud and illegality at another home that was chronically insufficiently staffed, from which millions of dollars was extracted by owners and investors through collusive, fraudulent related party transactions.⁴⁶ These matters did not just result in financial recoveries that benefited the Medicaid and Medicare programs. As part of the resolution, each facility agreed to oversight by independent health care and financial monitors at their expense. As a result, the staffing and quality of care delivered at these facilities has improved. The average staffing level exceeds 4.0 HPRD at four of the homes and is 3.5 HPRD at another home.

years-fraud-and-resident; <https://ag.ny.gov/press-release/2022/attorney-general-james-sues-long-island-nursing-home-repeated-financial-fraud-and>; <https://ag.ny.gov/press-release/2022/attorney-general-james-sues-long-island-nursing-home-years-fraud-and-resident>; <https://ag.ny.gov/press-release/2024/attorney-general-james-secures-45-million-and-delivers-major-reforms-four>; <https://ag.ny.gov/press-release/2025/attorney-general-james-secures-12-million-and-major-reforms-syracuse-nursing>.

⁴² Press Release, New York State Attorney General, *Attorney General James Sues Long Island Nursing Home for Repeated Financial Fraud and Resident Neglect*, Dec. 13, 2022, <https://ag.ny.gov/press-release/2022/attorney-general-james-sues-long-island-nursing-home-repeated-financial-fraud-and>; Press Release, New York State Attorney General, *Attorney General James Announces Indictment of Long Island Nursing Home Staff for Sexually Assaulting a Resident*, Nov. 30, 2022, <https://ag.ny.gov/press-release/2022/attorney-general-james-announces-indictment-long-island-nursing-home-staff>.

⁴³ Press Release, New York State Attorney General, *Attorney General James Secures \$12 Million and Major Reforms at Syracuse Nursing Home to Stop Resident Neglect and Financial Fraud*, Aug. 25, 2025, (hereinafter “Van Duyn Press Release”) <https://ag.ny.gov/press-release/2025/attorney-general-james-secures-12-million-and-major-reforms-syracuse-nursing>.

⁴⁴ Press Release, New York State Attorney General, *Attorney General James Secures \$45 Million and Delivers Major Reforms to Four Nursing Homes Following Significant Financial Fraud and Resident Neglect*, Nov. 14, 2024, <https://ag.ny.gov/press-release/2024/attorney-general-james-secures-45-million-and-delivers-major-reforms-four>.

⁴⁵ Press Release, New York State Attorney General, *Attorney General James Secures \$8.6 Million and Significant Reforms to Long Island Nursing Home after Repeated Financial Fraud and Resident Mistreatment*, Mar. 4, 2024, <https://oig.hhs.gov/fraud/enforcement/attorney-general-james-secures-86-million-and-significant-reforms-to-long-island-nursing-home-after-repeated-financial-fraud-and-resident-mistreatment/>

⁴⁶ Van Duyn Press Release.

The California Attorney General actively pursues skilled nursing facilities that violate state staffing laws through consumer protection and MFCU enforcement actions, finding that understaffing can result in harms to patients such as unnecessary amputations, the spread of diseases, and a high number of unreported sexual assault cases.⁴⁷ The California Attorney General recently filed suit against an operator of 19 skilled nursing facilities for violations of the state's Unfair Competition Law due to their failure to meet minimum staffing levels in over 14,000 instances.⁴⁸ California alleges that the deficient staffing led to neglect and abuse that resulted in injuries including fractured bones that went days without assessment or care, patients with head trauma leaving the facility unbeknownst to staff, unwitnessed falls, unanswered emergencies, patients being left for hours and overnight in soiled diapers, and pressure injuries so severe that a patient's hip joint was visible.⁴⁹ In another matter, the California Attorney General secured a preliminary injunction enjoining 19 California skilled nursing facilities from failing to employ an adequate number of qualified personnel to carry out all of the functions of the facility as required by state staffing laws.⁵⁰ In March 2024, the facility operator settled with California for \$2.25 million in costs and up to \$15.5 million in penalties. Additionally, as part of the settlement, the operator was required to retain an independent monitor at its expense for a period of at least three years, which will improve the care delivered to residents going forward.⁵¹

In June 2024, the Massachusetts MFCU announced a \$4 million settlement with a long-term care management company operating sixteen nursing homes in the state.⁵² The MFCU had alleged that the operator had reduced staffing levels without a concern for patient care and failed to meet the state's minimum staffing requirements, leading to neglect and harm of residents. As part of the settlement, the operator agreed to a \$4 million settlement, including \$3.25 million in commitments to staffing improvements, and agreed to implement a compliance program overseen by an independent compliance monitor for a period of three years. The resolution and compliance program led to increased staffing at the facilities subject to the monitoring program by more than 10% on average just nine months after the agreement.⁵³

⁴⁷ Press Release, State of California Department of Justice, *Attorney General Bonta Secures Preliminary Injunction Against Chain of Skilled Nursing Facilities for Violations of Federal and State Staffing and Discharge Laws*, Jan. 10, 2023, <https://oag.ca.gov/news/press-releases/attorney-general-bonta-secures-preliminary-injunction-against-chain-skilled>.

⁴⁸ Press Release, State of California Department of Justice, *Attorney General Bonta Holds Skilled Nursing Facility Chain Accountable for Misrepresenting its Quality of Care and Putting Patients at Risk*, June 24, 2025, <https://oag.ca.gov/news/press-releases/attorney-general-bonta-holds-skilled-nursing-facility-chain-accountable>.

⁴⁹ *Id.*

⁵⁰ *People v. Mariner Health Care Inc.* (Super. Ct. Alameda County, 2021, No. RG21095881), https://oag.ca.gov/system/files/attachments/press-docs/35474965_01_06_2023_Preliminary_Injunction_v2%20%281%29.pdf.

⁵¹ Press Release, State of California Department of Justice, Attorney General Bonta Announces Settlement with Mariner Health for Misrepresenting Quality of Care, Putting Residents at Risk, Mar. 19, 2024, <https://oag.ca.gov/news/press-releases/attorney-general-bonta-announces-settlement-mariner-health-misrepresenting-0>.

⁵² Press Release, Massachusetts Office of the Attorney General, *AG Campbell Announces \$4 Million Settlement With Nursing Home Chain For Significant Staffing And Care Failures Resulting In Resident Neglect*, June 10, 2024, <https://www.mass.gov/news/ag-campbell-announces-4-million-settlement-with-nursing-home-chain-for-significant-staffing-and-care-failures-resulting-in-resident-neglect>.

⁵³ Centers for Medicare and Medicaid Services, Payroll Based Journal Daily Nurse Staffing Data, <https://data.cms.gov/quality-of-care/payroll-based-journal-daily-nurse-staffing>.

These enforcement actions and many others⁵⁴ have shown that too many owners of for-profit long-term care facilities decide to deliberately operate facilities with insufficient staffing levels, as well as poor levels of staff training and compensation, to reduce expenses in order to facilitate their up-front profit-taking.⁵⁵ Those owners then transfer millions of Medicare and Medicaid funds from the homes to themselves and their investors through collusive, fraudulent transactions, all while violating federal qualitative care regulations and state regulations including those requiring the homes to meet quantitative minimum staffing standards. A strengthened Rule is needed to prevent more for-profit nursing home owners from engaging in this behavior.

C. CMS Should Implement a Tailored HPRD Minimum Staffing Requirement

While we recognize that CMS believes it is required to repeal the May 2024 Rule, we urge CMS to enact new tailored quantitative minimum HPRD staffing requirements (the “Rule”).

Specifically, we recommend that CMS implement an evidence-based quantitative minimum staffing rule that requires certain for-profit nursing home owners to operate facilities with a minimum of 3.48 HPRD direct care staffing, with sufficient registered nurse staffing to meet all quantitative minimum requirements, such as a minimum of 0.55 HPRD for RNs and a minimum of 2.45 HPRD for nurse aides. We recommend that this minimum staffing requirement exempt tribal nursing homes, and apply to all for-profit nursing homes nationwide that: (i) are operated on real estate that is owned by a related party and pay rent and related expenses to a related party; (ii) pay “management” or “consulting” fees to a related party; (iii) make payments for staffing services to a related party staffing company; (iv) pay for therapy services that are owned by a related party; (v) take collusive loans or debt from owners and/or investors, or that make no interest loans to the owner or any of the owner’s other nursing homes or businesses; or (vi) are owned by private equity investors directly or indirectly.

Setting a staffing minimum requirement of 3.48 HPRD would more closely align with other states that have established minimum staffing standards for long-term care facilities. Moreover, setting such a minimum poses no conflict with the statutory requirements to provide “24-hour licensed nursing services which are sufficient to meet the nursing needs of its residents” within 42 U.S.C. 1396r(b)(4)(C)(i)(I).⁵⁶

⁵⁴ See, e.g., Press Release, Attorney General of Maryland, *Attorney General’s Medicaid Fraud and Vulnerable Victims Unit Secures a \$400,000 Settlement and Corporate Oversight of Orchard Hill Rehabilitation and Healthcare Center*, Dec. 9, 2025, [https://oag.maryland.gov/News/Pages/Attorney-General%20%80%99s-Medicaid-Fraud-and-Vulnerable-Victims-Unit-Secures-a-\\$400,000-Settlement-and-Corporate-Oversight-of-Orch.aspx](https://oag.maryland.gov/News/Pages/Attorney-General%20%80%99s-Medicaid-Fraud-and-Vulnerable-Victims-Unit-Secures-a-$400,000-Settlement-and-Corporate-Oversight-of-Orch.aspx); Press Release, Attorney General of Maryland, *Attorney General’s Medicaid Fraud and Vulnerable Victims Unit Secures a \$200,000 Settlement and Corporate Oversight of Patapsco Healthcare*, Nov. 4, 2025, <https://oig.hhs.gov/fraud/enforcement/attorney-generals-medicaid-fraud-and-vulnerable-victims-unit-secures-a-200000-settlement-and-corporate-oversight-of-patapsco-healthcare/>.

⁵⁵ See FN 40.

⁵⁶ See *State of Kansas v Kennedy*, No. C24-110-LTS-KEM, at pp. 21, 24-25 (U.S.D.C. for the N.D. Iowa June 18, 2025) (finding the HPRD requirements did not conflict with statutory requirements, yet vacating the Rule on a finding that the HPRD requirements implicated the major questions doctrine and the facts presented an extraordinary case).

Furthermore, because, as noted above, California, New York, Massachusetts, and other states have already established HPRD minimums, repeal of the federal minimum without a stronger replacement soon afterward would create a difference between the level of care in states with these thresholds and those without them. In contrast, setting a 3.48 HPRD minimum staffing requirement would be consistent with actual staffing levels at many facilities nationwide. Notably, CMS staffing data for the first quarter of 2025 reflects that nursing homes reported an average total of 3.73 HPRD nationwide.⁵⁷ Therefore, it would not be overly burdensome for many facilities to comply with these requirements. This, along with the Rule's narrowly tailored criteria, places it beyond the reach of any claim that it either implicates the major questions doctrine or is an extraordinary case rendering the Rule beyond CMS's authority.

The recommended rule is narrowly tailored to exclude government-owned and not-for-profit nursing homes. Applying these federal minimum staffing requirements to these nursing homes is not necessary because these types of homes typically operate with higher HPRD levels and provide better working conditions. These operators tend to have lower staff turnover and higher CMS staffing and inspection ratings, and tend to compensate staff better through full-time employment with benefits – rather than relying on temporary staffing by staffing agencies owned by related parties that too often extract additional profit for their related party owners. Equally importantly, government-owned and not-for-profit operated nursing homes lack the financial incentive for-profit owners have to engage in self-dealing and asset stripping from the home. Relatively few such homes pay rent to a related party owner, or to any owner, and such rent, if paid, is typically not inflated.

There are 4,144 rural nursing homes nationwide, and they tend to excel in both CMS health and staffing rating categories.⁵⁸ Nevertheless, they are still at risk of acquisition by private equity owners, which carries with it attendant risks of bankruptcy and insolvency. Enacting the recommended rule would prevent avoidable neglect and suffering of vulnerable nursing home residents, including in rural homes, preserve access to healthcare in rural and nonrural communities by disincentivizing private equity acquisition, decrease the risk of nursing home closures, reduce labor shortages that would otherwise worsen due to failure to address root causes of owner-caused poor working conditions, and protect the Medicare and Medicaid programs by preventing provider fraud. As such, even if CMS's stated concern is in the ability of rural nursing homes to meet the minimum standard, that concern would not be implicated by the narrowly tailored rule proposed here.

We recommend that these Rule's requirements contain the same exemptions and hardship exceptions as the May 2024 Rule. We also recommend that the Rule exempt the 20 or so nursing homes in tribal communities, which have genuine issues with access to care, by excluding them from the quantitative minimum requirements.

⁵⁷ Long Term Care Community Coalition, *Nursing Home Staffing Q1 2025*, <https://nursinghome411.org/data/staffing/staffing-q1-2025/>.

⁵⁸ National Rural Health Association White Paper, February 2024, at p. 2, <https://www.ruralhealth.us/nationalruralhealth/media/documents/advocacy/white%20paper/rural-nursing-home-landscape-white-paper-final.pdf>.

D. Should CMS Implement a Replacement Regulation, It Should Not Preempt Higher State Standards.

Our states have vested interests in the care of vulnerable citizens at long-term care facilities, and in the state laws that protect them. We are pleased to see that CMS’s announcement in preface to the Interim Rule expressly states that it “will not...preempt states.”⁵⁹ We appreciate and support CMS’s clarification that as it implements its plan for the Interim Rule, the states may continue to enforce and enact stronger quantitative minimum staffing laws as they see fit. Accordingly, we write to encourage CMS to clarify in any replacement standard it may promulgate that CMS will not preempt existing or future state standards that provide protection to residents. While such a written clarification is not necessary for our state laws to remain effective, CMS’s inclusion of this clarification would prevent long-term care facilities from attempting to hide behind the defenses of primary jurisdiction or abstention.⁶⁰

E. CMS Should Lift Its Suspension on Skilled Nursing Facility Reporting of Ownership, Managerial, and Related Party Information in the Medicare Revalidation Process

Finally, to bring transparency to for-profit nursing home ownership, we urge CMS to immediately lift its “indefinite” suspension of the off-cycle Medicare provider revalidation process that was previously delayed twice, after being issued in October 11, 2024.⁶¹ In its December 11, 2025 announcement of this suspension, CMS stated that enrolled skilled nursing facilities “should continue collecting data on ownership, managerial, and related party information and submit their revalidation. However, there is no submission deadline until further notice.”⁶² The indefinite suspension means that nursing homes can avoid immediate disclosure of critical ownership and control information. By requiring the disclosure of this information, CMS will bring sunlight to the true decision-makers at nursing homes, including those who may have the ultimate responsibility for substandard care delivered to residents. Lifting the suspension will also enable federal and state agencies to appropriately tailor enforcement efforts at the root causes of neglect and substandard care in nursing facilities. As a result, were CMS to lift this indefinite suspension, it could deter fraud and neglect, especially at investor-owned for-profit nursing homes.

⁵⁹ Medicare and Medicaid Programs; Repeal of Minimum Staffing Standards for Long-Term Care Facilities, 90 Fed. Reg. 55,687 (Dec. 3, 2025), at Section I. Federalism, at 34/44, <https://www.federalregister.gov/documents/2025/12/03/2025-21792/medicare-and-medicaid-programs-repeal-of-minimum-staffing-standards-for-long-term-care-facilities>.

⁶⁰ In both the *Sweetwater* and *Mariner* cases, and in other prosecutions of skilled nursing facilities, defendants have raised the related doctrines of abstention and primary jurisdiction. These defenses assert that only regulators, not prosecutors, can enforce certain regulations. While California has prevailed against these defenses, they distract from and frustrate state lawful efforts to require skilled nursing facilities to staff and care for patients according to the law.

⁶¹ Center for Medicare Advocacy, *CMS Indefinitely Suspends Off-Cycle Medicare Revalidation Process for Nursing Homes*, Jan. 8, 2026, <https://medicareadvocacy.org/cms-suspends-snf-off-cycle-medicare-revalidation/>

⁶² Centers for Medicare and Medicaid, *MLN Connects Newsletter for December 11, 2025*, <https://www.cms.gov/training-education/medicare-learning-network/newsletter/mln-connects-newsletter-december-11-2025>.

F. Conclusion

In summary, the undersigned States Attorneys General understand CMS's repeal of the May 2024 Rule, yet we urge CMS to promulgate a replacement rule to protect nursing home residents, deter fraud, and preserve meaningful access to care. We further encourage CMS to expressly confirm that any additional regulations do not preempt state minimum staffing regulations.

CMS has a responsibility to protect long-term care residents across the country, and to protect Medicare and Medicaid programs from provider fraud. States have proven that quantitative minimum staffing standards are an effective tool to improve the quality of care in long-term care facilities and deter fraud. A tailored, enhanced federal minimum staffing regulation would bring these positive outcomes to other states nationwide and further enable states and federal enforcement agencies to protect vulnerable residents of nursing homes who otherwise face increased risk of preventable neglect and abuse.

Sincerely,



Rob Bonta
California Attorney General



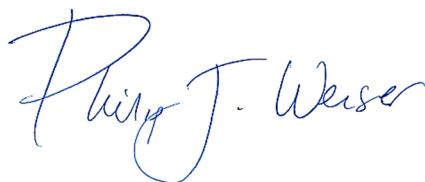
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