

Upfront

Government Cares the Most: Public nursing homes outshine nonprofits and for-profits

By Alana Conner

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In the early 19th century, U.S. local governments built public nursing homes to take care of their elderly residents. But now, 65 percent of nursing homes are for-profit, 28 percent are nonprofit, and a mere 7 percent are public, notes Anna A. Amirkhanyan of the school of public affairs at American University. This drive to privatize is for the worse, suggest her team's findings in the spring 2008 *Journal of Policy Analysis and Management*. Their review of 14,423 nursing home inspection reports shows that public

nursing homes not only provide better care, but also serve more impoverished clients than do their for-profit and nonprofit counterparts.

"Maximizing quality and access is a zero-sum game for nonprofit and for-profit nursing homes," notes Amirkhanyan. "For-profit 'Medicaid mills' have an incentive to offer worse care to more patients," whereas nonprofit homes offer better care to fewer clients. "But public sector nursing homes seem to maximize both quality and access."

Patricia L. McGinnis, executive director of California Advocates for Nursing Home Reform, explains: "The key to decent care is staffing. Government nursing homes are unionized, and so have higher wages and better benefits. That leads to less staff turnover, more consistency in care, and therefore better care."

Amirkhanyan's team recommends opening more public nursing homes, raising federal reimbursements to nonprofits, and improving regulation of for-profit homes. —A.C.



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