

GAO Highlights

Highlights of [GAO-23-104813](#), a report to the Honorable Richard Neal, House of Representatives

Why GAO Did This Study

CMS provides oversight of the nation's over 15,000 nursing homes that participate in the Medicare and Medicaid programs. This includes ensuring that homes have met certain quality standards. Several studies have shown that the quality of care provided at a nursing home can be related to its ownership. In addition, GAO and others have identified limitations in the transparency and accuracy of information on nursing home ownership.

GAO was asked to report on CMS's use of nursing home ownership information. In this study, GAO examined, among other objectives, the transparency of nursing home ownership information for consumers on Care Compare. To do so, GAO reviewed CMS documentation and interviewed CMS officials, consumer groups, and researchers. GAO also assessed whether the nursing home information on Care Compare aligned with the characteristics of effective transparency tools identified in prior GAO work.

What GAO Recommends

GAO is recommending that CMS fully align nursing home ownership information on Care Compare with relevant characteristics of effective transparency tools. This should include organizing ownership information to allow consumers to identify and examine quality ratings for nursing homes under common ownership, and using plain language to define key terms. The Department of Health and Human Services concurred with this recommendation.

View [GAO-23-104813](#). For more information, contact Leslie V. Gordon at (202) 512-7114 or gordonlv@gao.gov.

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NURSING HOMES

CMS Should Make Ownership Information More Transparent for Consumers

What GAO Found

The Centers for Medicare & Medicaid Services (CMS)—the agency within the Department of Health and Human Services responsible for oversight of nursing homes—collects information on nursing home ownership characteristics. This information includes profit status, names of individual and organizational owners, and chain ownership. CMS also disseminates some of this ownership information on Care Compare, the agency's web-based tool that allows consumers to compare health care providers based on their quality of care and other characteristics. CMS officials told GAO that the agency's goal for presenting nursing home ownership information on Care Compare is to promote transparency for consumers so that they can make informed care choices.

Illustrative Example of Nursing Home Ownership Information Presented on Care Compare

ROUND LAKE NURSING HOME

Ownership

Legal Business Name	Ownership Type	Contact
Example LLC	For Profit – Limited Liability company	123 NH Lane Town, ST (555) 123-4567

Owners and Managers of Round Lake

[View detailed ownership information on all nursing homes](#)

OWNER

5% or greater direct ownership interest

Doe, Jane	since 01/12/2017
Owner, Robert	since 01/12/2017
Oak Tree LLC	since 01/12/2017

5% or greater indirect ownership interest

Jones, Sam	since 01/12/2017
Rushing River LLC	since 01/12/2017

LLC = limited liability company

The names of the organizations and individuals above are fictitious. No association with any real organization or individual is intended or should be inferred.

Source: GAO analysis of Centers for Medicare & Medicaid Services Care Compare website. | GAO-23-104813

The nursing home ownership information presented on Care Compare does not align with the characteristics of effective transparency tools. For example, Care Compare does not allow consumers to easily identify relationships, such as common ownership, and patterns related to quality across nursing homes under common ownership. Therefore, it is difficult for consumers to know whether a given owner is associated with nursing homes of high or low quality. In addition, Care Compare uses ownership terminology, such as “5% or greater indirect ownership interest,” that is not well defined and could be confusing for consumers. CMS has demonstrated a commitment to improving the transparency of nursing home ownership information and has an opportunity to present ownership information in a way that helps consumers make more informed care choices.