

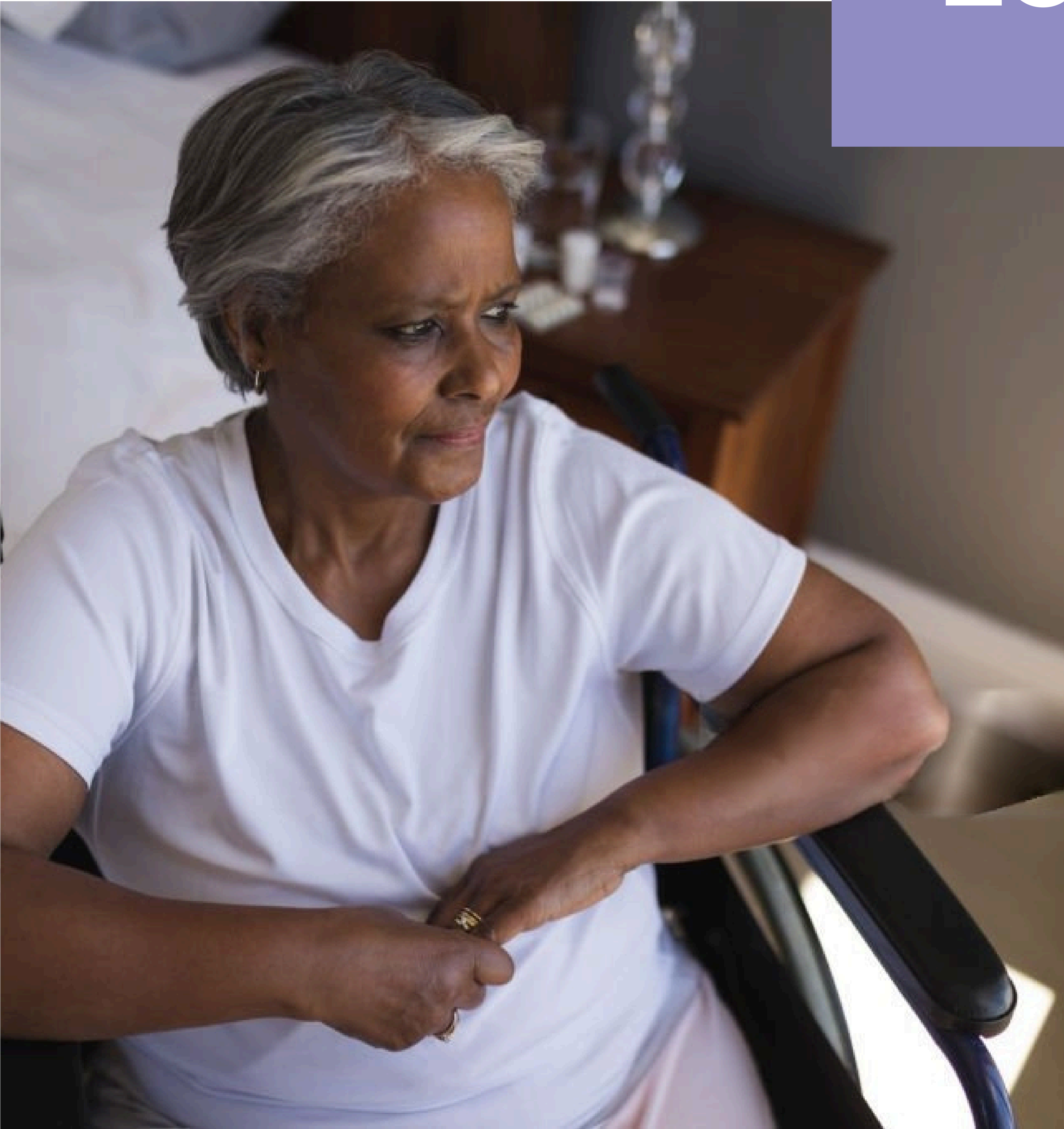


Michigan Elder
Justice Initiative



The National
CONSUMER VOICE
for Quality Long-Term Care

20
25



Public Funds into Private Pockets:



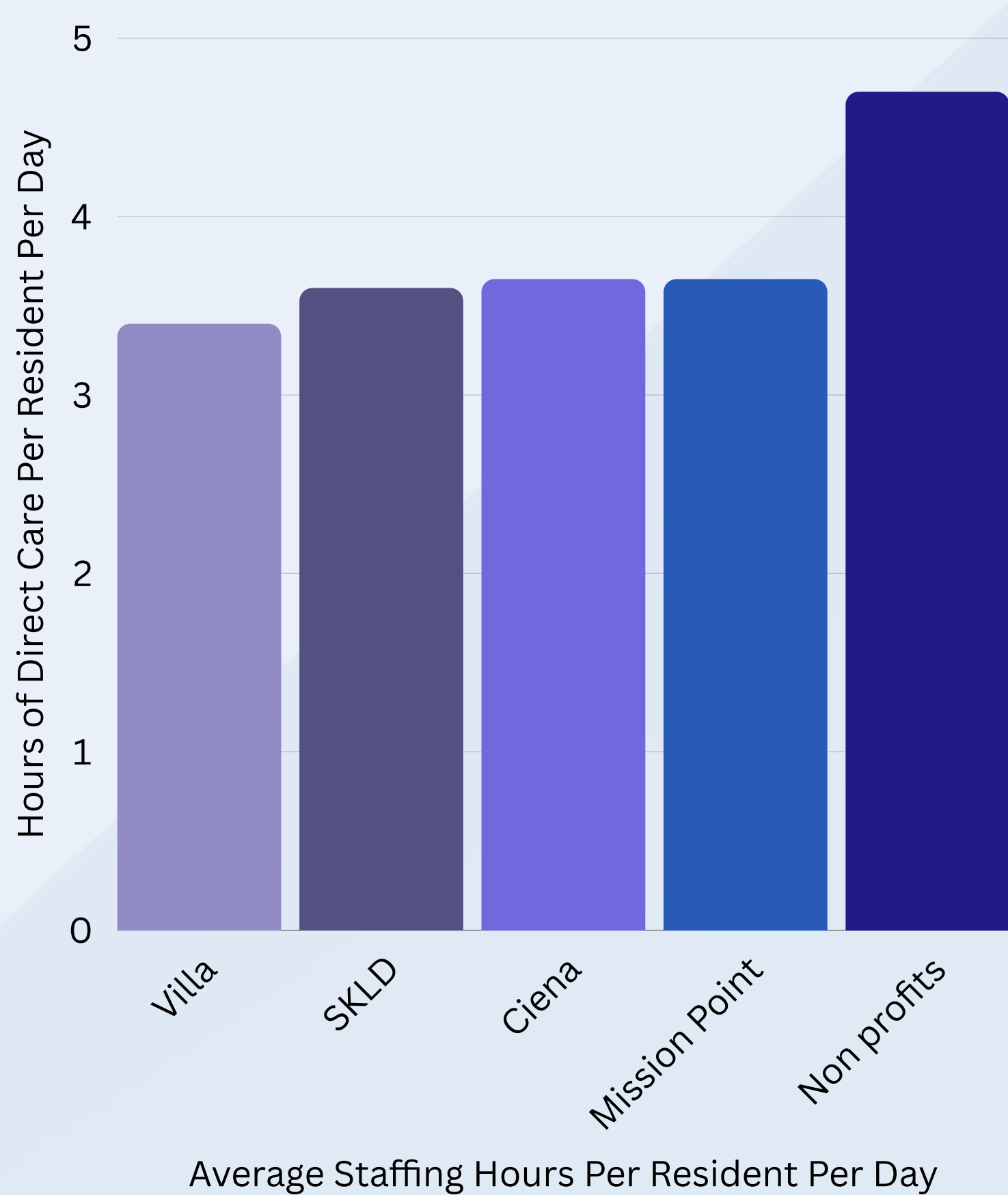
How Nursing Homes May Be Hiding Profits
and Depriving Residents of Care and
Quality

June 4, 2025

By the Numbers:

Facts and Figures About Michigan Nursing Homes Operated by Ciena Healthcare, Mission Point Healthcare Services, SKLD, and Villa Healthcare

- Between 2021 and 2023, four nursing home corporations, **Ciena Healthcare, Mission Point Healthcare Services, SKLD,** and **Villa Healthcare** operated 98 nursing homes, almost 23% of Michigan’s 429 nursing homes. The homes were located across Michigan.
- According to the four chains’ own cost reports, during the period of 2021 -2023, Ciena, Mission Point, SKLD, and Villa paid related party companies \$544.5 million, \$122.57 million of which exceeded Medicare allowable costs.
- During the same period, the average staffing level in the chains’ nursing homes was 3.53 hours per resident per day (HPRD), well below the state average in Michigan of 3.99 HPRD and the average for non-profit homes of 4.72 HPRD. These four for profit chains staff at levels 38% lower than non-profit homes.



- The Center for Medicare & Medicaid Services’ 5 star rating system also reflects poorly on homes owned by the four chains and demonstrates they fell far below statewide averages.

	Average star ratings for homes operated by the four chains	Statewide Average
Overall rating	2.34	3.06
Health Inspections rating	2.21	2.81
Staffing rating	2.75	3.11
Average number of substantiated complains	27.59	16.45

Issues Raised by Health Inspection Reports

“On 5/20/24 at 9:10 AM, during an interview with Resident #40, she stated, “it takes an hour or longer sometimes for them to answer your call light. Today, they still haven't changed my brief. They dropped off my breakfast and left. I have the same brief on that I had on all night. The girl came in at 4:00 am and said I was dry. If you ring your light they will ask you what you want and leave and it will be 2 hours before they come back. I asked for ice water this morning and they still haven't brought it. This is the same water I got last night.” **5/29/2024 Mission Point Nursing and Rehabilitation Center of Flint, page 27 of 96.**

“Review of a call light log with a reference date of 3/11-3/26/24 revealed 9 occurrences in which the response time to Resident #79's call light was greater than 25minutes including:

- 3/15/24 at 5:03pm, Resident #79's call light was activated for 1 hour and 46 minutes.
- 3/15/24 at 11:32pm, Resident #79's call light was activated for 3 hours and 14minutes.
- 3/22/24 at 5:16pm, Resident #79's call light was activated for 3 hours and 32 minutes.
- Resident #77's call light was greater than 25 minutes including:
 - 3/2/24 at 7:22am, Resident #77's call light was activated for 2 hours and 57minutes.
 - 3/4/24 at 10:42am, Resident #77's call light was activated for 2 hours and 21minutes.
 - 3/5/24 at 7:18am, Resident #77's call light was activated for 2 hours and 49 minutes.”

4/3/2024, Royalton Manor, LLC, Ciena, page 2 of 57

“In an observation on 01/30/25 at 9:20 AM, Resident #64 was lying in bed with breakfast meal tray in front of resident no attempt to feed self. Resident #64 stated that his hands shake when he's eating, and no one helps him with meals.” **1/31/2025 Kith Haven, Ciena, page 20 of 48.**

“In an interview on 07/12/24 at 10:39 AM, Resident #406 reported it had been approximately 4-6 weeks since her hair has been washed and she had not received a bath or a shower.” **7/17/2024 Mission Point Nursing and Physical Rehabilitation of Forest Hills, page 53 of 96.**

“On 02/27/24 at 11:58 AM, a review of the resident rooms on the two north unit revealed: No soap in the soap dispenser and no paper towels in the towel dispenser in the adjoining bathroom for rooms [ROOM NUMBERS]. A bottle of body wash had been left; In the adjoining bathroom for rooms [ROOM NUMBERS] the right arm of the (porcelain) toilet tissue dispenser was broken off on right side and had left a sharp edge. The toilet was running and the soap did not dispense from soap dispenser; In room [ROOM NUMBER] the exhaust vent was hanging down on one side and there was no soap in soap dispenser. Plastic bottles of body wash had been left in the bathroom. The top cap for the bathroom corner guard was missing.” **2/29/2024 Father Murray. A Villa Center, page 3 of 22.**

“Based on observation, interview, and record review, the facility failed to provide 80 square feet per resident in multiple resident rooms, for 16 of 49 multiple resident rooms (#'s 112, 113, 114, 115, 116, 118, 119, 120, 122, 123, 124, 210, 213, 214, 215, and 216) resulting in inadequate room space. On 2/4/25 at 11:30 AM, the Administrator (NHA) was interviewed about the lack of square footage in some of the rooms. The NHA indicated that the goal was to eliminate all four person rooms at the facility. The NHA further indicated that over the past year, six rooms had been converted to three person rooms or less and residents who were displeased with the lack of space in their rooms have been assisted with transferring to other facilities.” **2/5/2025 St. Joseph's, A Villa Center, page 5 of 6.**

Issues Raised by Health Inspection Reports

Resident Council interview:

On 5/7/24 at 10:30 AM, a resident council interview was conducted with 11 residents who wished to remain anonymous. When asked about whether they had concerns regarding not receiving showers or having to wait prolonged periods of time for toileting/incontinence care, nine of the 11 residents reported ongoing concerns.

Responses included:

Showers are only once a month.

They (nursing staff) come in the middle of the night around 3:00/4:00 AM to tell me I'm getting a shower. I had a cast on my foot and when I finally got it off, they said I missed my scheduled day and I couldn't get one. Told me it wasn't my day.

5/8/2024 The Villa at Green Lake Estates, page 15 of 44

“During and observation and interview on 8/7/24 at 11:25 a.m., accompanied by RN S, a large patio door in the dining room was found with opaque condensation between the windows, making vision out of the window cloudy and difficult. A spider web was clearly visible above and between the two, large patio windows. RN S confirmed the presence of window condensation in one of the large patio windows and spider webs at the top of the window. When asked about the appearance of multiple carpet stains, with orangish and brown discoloration outside of the dining room, RN S stated, It is terrible.” 8/12/2024 Mission Point Nursing and Physical Rehabilitation of Hancock, page 1 of 39.

During a telephone interview on 8/7/24 at 10:15 a.m., Anonymous U voiced the following concern related to a previous room R47 resided in: They did have her in a room that had a leaky ceiling. Water was leaking into her bed: room [ROOM NUMBER]. That was about a month ago. They got inspected about two years ago with a leaky roof. They moved her to three different rooms in a couple of weeks. Anonymous U said they had photos of the water leaking into the room, and would send photos via text message to this Surveyor, which they did.” 8/12/2024 Mission Point Nursing and Physical Rehabilitation of Hancock, page 3 of 39.

On 1/7/25 at 10:15 AM, the 2 East shower room revealed upon entry, stagnant, strong foul odors. There was a build-up of dark brownish colored substance along the perimeter of the shower walls and flooring, there was chipped, missing tile near the locked room with the toilet. The metal hand rail along the shower wall was observed to have a cut piece that exposed sharp metal area.

On 1/7/25 at 9:15 AM, the 1 East shower room was observed with a heavy accumulation of mold/mildew on the grout in between the floor tiles and on numerous wall tiles in the shower. In addition, the ceiling vent cover was coated with dust, and there were approximately 5 water stained ceiling tiles.

1/9/2025 Mission Point Nursing and Physical Rehabilitation of Madison Heights, page 5 of 17.

“Review of Activity Participation records for Resident #39 revealed the resident had no activity involvement for extended periods including: 10/22/24-11/4/24, 11/17/24-11/22/24, 11/28/24-12/13/24, and 12/24/24-1/20/25. Of the activities recorded, none reflected the resident listened to music. Group activities were not provided by the facility for 14 of the 16 weeks reviewed.

Review of Activity Participation records for Resident #42 reflected the resident had no activity involvement for extended periods, including the following dates: 10/1-10/16/24, 10/17-11/5/24, 12/4-12/18/24, and 12/18-1/14/24. The record reflected Resident #42 was last noted using his computer tablet on 11/5/24. None of the activity involvement documented for Resident #42 involved listening to music or being around pets, the interests he identified as important.

1/29/2025 SKLD Beltline, page 20 of 46.”

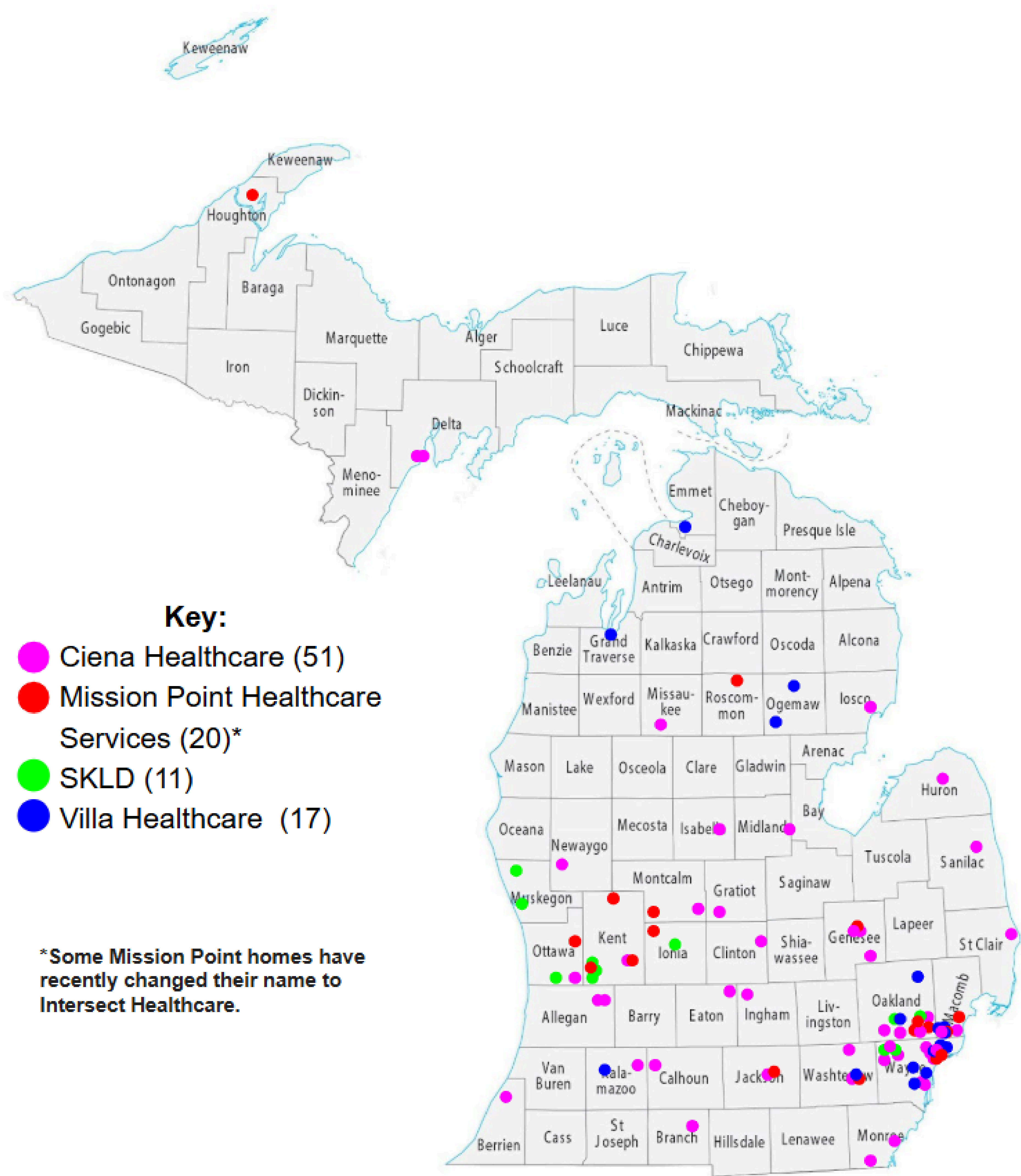
Issues Raised by Residents of Nursing Homes in this Report

- "High staff turnover leads to the facility being short-staffed and whoever is there will be overworked. Example: For 8 hallways there are 8 CNAs, if two call off the other six will have to cover. (There's a) need for staffing stability."
- "The longest time waiting for my call light was 1 hour."
- "During 3rd shift, I wait a long time for help, and sometimes they never come. Some aides don't respect you like they should. I sit here with poop on me and get no help."
- "I have been here over a year, and I hear every day, 24 hours per day that they are short staffed. Someone is always calling in and then they make others stay longer."
- "I do not go to activities because it is too hard to get out of bed. It takes 2 or 3 people to get me up. They never have enough people to get me up without the Hoyer, and I don't want to do the Hoyer lift, it is hard."
- "There are times when there is not enough staff. One Sunday, there was only one aide for 24 residents."
- "Hurry up, (resident)! I've got other people. Today I have 20 people."
- "Oftentimes we don't even get water."
- "They increase the residents, but cut the staff. And my question is always, where is the money going?"
- "Quite often, aides experience a shortage/lack of: linen (there are no linens "too many times"), shower beds and shower chairs, Hoyer slings, lifts (including batteries for the lifts), and garbage bags."
- "There is always something broken: Hoyer lifts, battery chargers, shower heads, shower beds and chairs, clogged drains, broken pipes. Always a delay in getting things fixed. Delivery issues, time constraints happen a lot. Currently, a pipe is broken in the kitchen so they can't wash dishes. Residents have to eat using plastic utensils and styrofoam. It has been this way for a month. It's hard for someone with a disability to eat using plastic utensils."
- "I complain at every meeting. Staff tells me food quality is not within their power. Staff says they work with the menu they've been given. They told me I need to understand that this is a business. So I said, "then I'm a commodity." "Budget cuts have affected every area mentioned: food, activities, staffing, medications, maintenance and housekeeping."
- "Staff say they don't have a bus. We have no opportunities for outside events."

Issues Raised by Long Term Care Ombudsman at Nursing Homes in this Report

- Some of the food served is not recognizable as food.
- Poor food quality.
- Food quality is bad and portion size is small.
- Meal times are inconsistent.
- The administrator at a Mission Point home is leaving. She is tired of not getting the support she needs to provide for residents.
- One home is switching from disposable wipes to washcloths to save money.
- The home uses poor quality incontinence products
- Mission Point never has enough towels and washcloths.
- One home ran out of disposable gloves (only had size small, which nobody could wear).
- Some places have difficulty getting oxygen, because of non-payment.
- One Mission Point facility is not purchasing wipes, washcloths or soap.
- Common areas are not clean; rooms are not clean.
- There are rodents in the buildings and the only time they do something is when they are cited.
- At one home, the lunchroom smells like urine.
- Floors are generally dirty and only cleaned in the walkway, never around the walls or bed. There are urine stains under the bed and dirt by the walls.
- They have trouble with providing transportation for the residents and paying the bill.
- Ciena homes are saving money by removing the soda fountains. Other homes are doing the same. Residents value the access to the soda machine so this diminishes their quality of life.

Location of current nursing homes operated by Ciena Healthcare, Mission Point Healthcare Services, SKLD, and Villa Healthcare in 2025



Key Recommendations

To ensure that taxpayer dollars are being spent on care and not diverted to excessive and hidden profits, Michigan should:

- **Require each nursing home to submit an audited consolidated cost report annually.** This report would require nursing home chains to comprehensively report financial information on all the companies they own or operate that are related to the operation of nursing homes they own or operate.
- **Increase the auditing capacity of both CMS and MDHHS** to enable them to audit every cost report for every nursing home rather than the small sample performed now.
- **Require increased disclosure requirements for related party companies.** Nursing homes should be required to show what they received for payments made to a related party, how much was profit to the related party, and document that this cost was reasonable.
- **Make information on cost reports easily accessible to the general public, policymakers, researchers, and advocates.**
- **Require nursing homes to document that they spend a required percentage of public funds on services that have a direct and positive impact on residents** including staffing, resident care, and resident quality of life.