

The Academy of Senior Health Sciences Inc.



Testimony of Chris Murray, CEO of The Academy of Senior Health Sciences, Inc., before the House
Health Committee

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Chair Schmidt, Vice Chair Deeter, Ranking Member Somani, members of the House Health Committee, my name is Chris Murray and I am the CEO of The Academy of Senior Health Sciences, Inc. The Academy's membership is comprised of facility-based providers of long-term services and supports. We are an organization focused on promoting and advocating for policies that improve the quality of life and quality of care for individuals receiving facility-based LTSS and the well-being of the staff and businesses that provide those services. My testimony today on H.B. 96 will address nursing home ownership.

Nursing Home Ownership

Nursing home owners that use their facilities mainly for a return on investment with little concern for the quality of care is a nationwide problem. These owners create complex business relationships that siphon-off funds better used to provide care; this can result in residents receiving poor care. In many cases, these are out of state providers with no connection to the community they serve. They view the building as an asset and the residents as cash flow. Real Estate Investment Trusts (REITs) are just one of a variety of financial ownership structures.

Ohio recently made changes to Change of Operator (CHOP) regulations to try and deter those types of owners from entering Ohio. This included putting more restrictions on both the incoming operator and owner, requiring a bond for owners that are not also the operators, and broadening the definition of what constitutes a CHOP. Unfortunately, we continue to see some facilities undergo repeating CHOPs.

H.B. 96 contains language that would ban health care REITs from owning nursing homes going forward. We are not convinced that banning REITs would necessarily solve this problem. Given the already limited financial markets available to buy a nursing home, excluding REITs from that market may make it easier for other "bad" owners to purchase homes. Furthermore, there is no indication that the type of financing used to purchase the building is indicative of the quality of the operator and thus care provided.

We recommend allowing REITs to continue to purchase nursing homes; however, we should consider regulatory changes that connect the owner of the facility to the financial stability of the operator and the quality of services. By strengthening this connection, we send a message to potential owners that purchasing a nursing home in Ohio is not just an asset, but a commitment to caring for those residents.

Thank you for the opportunity to testify today and I will be happy to answer any questions.