

Nursing Home Contracts

Claude Pepper Elder Law Clinic

Understanding nursing home admission agreements for you or your loved one is important. Keep an eye out for the following provisions:

1

PAYMENT & INCOME ACCOUNTS



- Do not sign as a guarantor or “responsible party” UNLESS you intend to pay for the resident’s care.
- Do not agree to private-pay or up-front payment if eligible for Medicaid.

3

VISITING HOURS



- The contract should NEVER include a clause restricting visiting hours.
- With the resident’s consent, visitors can be accepted at any time.

2

LIABILITY FOR INJURY OR PROPERTY



- Do not agree to a limitation on the nursing home’s liability for the resident injury or damage to the resident’s personal property.

4

MEDICAL PROCEDURES & ESTATE PLANNING



- The contract should not require the applicant to:
 - Consent to medical procedures
 - Have an advance directive
 - Have a power of attorney

CHECKLIST FOR NURSING HOME CONTRACT REVIEW

✓ BASIC DAILY RATES

Ensure the contract includes a clear statement of what services the basic daily rate includes.

The charges for any service not included in the basic daily rate should be specified.

✓ MEDICARE & MEDICAID PLANNING

Ensure the nursing home’s Bed Hold Policy meets Medicare & Medicaid requirements.

Residents have the right to apply for Medicare & Medicaid and to appeal an eligibility denial.

✓ EVICTION OR REMOVAL

Ensure you understand the provisions on a resident leaving the facility.

*See additional information on eviction and forced removal in the Nursing Home Evictions tip sheet.

✓ ROOM CHANGES

Ensure the contract addresses room changes.

The contract should not allow for substitutions or room moves without your knowledge & consent.

! Have an attorney review the contract before you or the resident signs.



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A nursing home cannot require anyone but the resident to be financially responsible for nursing home expenses.

DEBT COLLECTION:

Federal law prohibits a nursing home from conditioning nursing home resident's admission on a third party's personal guarantee to be financially responsible for the resident's bill.

When residents cannot pay the amount demanded, the facility often turns its attention toward family members, friends, and other caregivers to pick up the tab by holding them personally liable for the resident's debt.

TACTICS

Nursing homes may employ a variety of tactics to pressure families into settling debts.

Tactics Include:

- Threatening to discharge resident or move to a facility far away.
- Seeking to become representative payee with control over the resident's funds.
- Pursuing guardianship or conservatorship to gain control of the resident's assets.

How to Avoid or Challenge Provisions Making a Third Party Financially Responsible

During Admission:

- Rejecting the provision may result in refusal of admission. However, we recommend refusing and explaining it is illegal & unenforceable.
- Once a resident has moved in they cannot be evicted for refusal by a third party to agree to a provision of the agreement.

During / After Resident Stay:

- Consult with a knowledgeable attorney about how the nursing home's demand can be countered.



Nearly three-quarters of respondents (72%) said they have seen admission agreements containing clauses stating that a third party could be financially liable for nursing home debt, according to a survey conducted by the National Consumer Law Center (NCLC) and Justice and Aging.

