MEDICAL DISPATCH

WHEN PRIVATE EQUITY TAKES OVER A NURSING HOME

After an investment firm bought St. Joseph's Home for the Aged, in Richmond, Virginia, the company reduced staff, removed amenities, and set the stage for a deadly outbreak of COVID-19.

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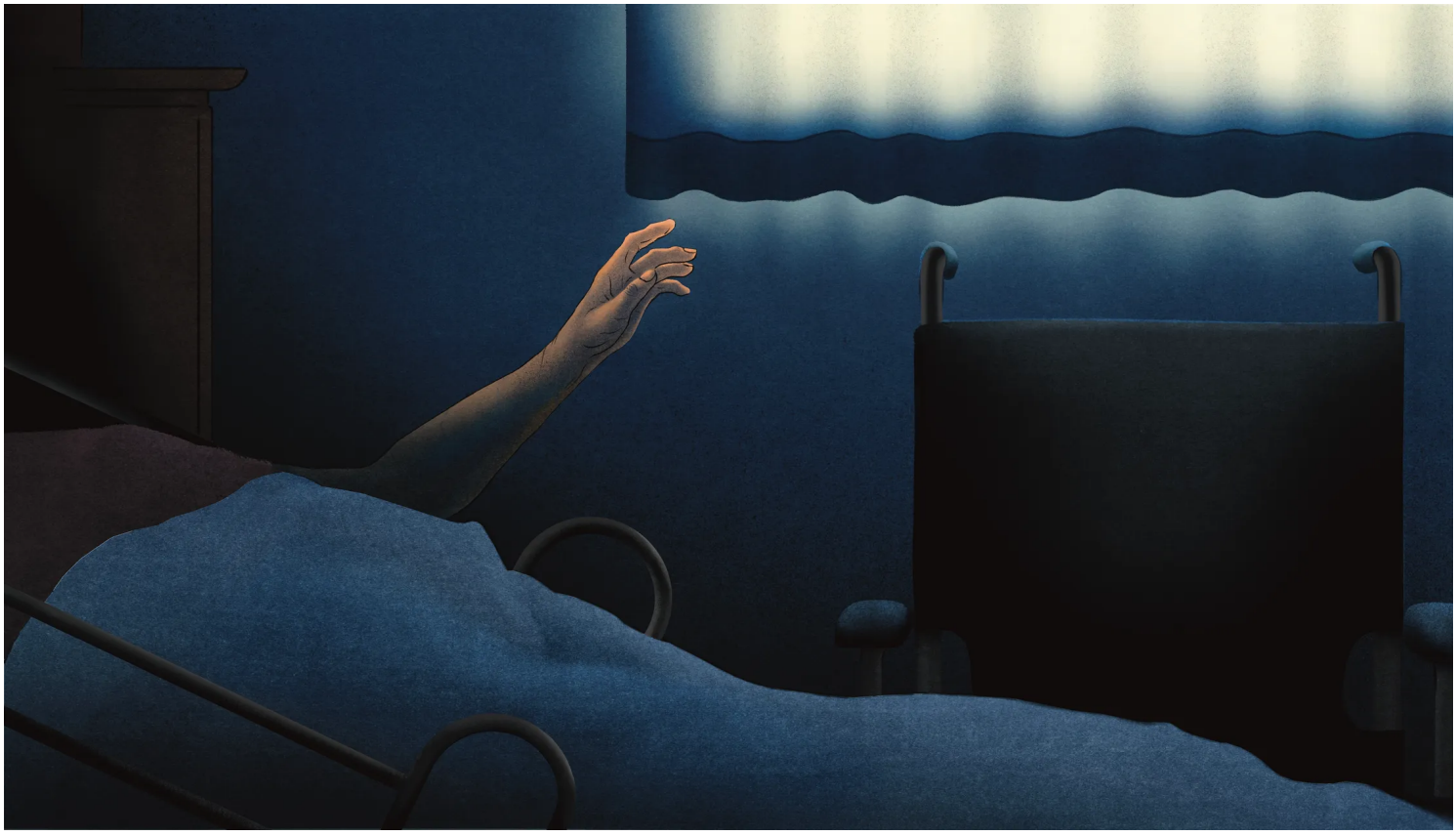

Illustration by Jo Zixuan

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When St. Joseph's Home for the Aged, a brown-brick nursing home in Richmond, Virginia, was put up for sale, in October, 2019, the waiting list for a room was three years long. "People were *literally* dying to get in there," Debbie Davidson, the nursing home's administrator, said. The owners, the Little Sisters of the Poor, were the reason. For a hundred and forty-seven years, the nuns had lived at St. Joseph's with their residents, embodying a philosophy that defined their service: treat older people as family, in facilities that feel like a home.

St. Joseph's itself was pristine. The grounds were concealed behind a thicket of tall oaks and flowering magnolias; residents strolled in manicured gardens, past wooden archways and leafy vines. Inside the bright, two-story building, the common areas were graceful and warm—a china cabinet here, an upright piano there. An aviary held chirping brown finches; an aquarium housed shimmering fish. The gift shop, created in 2005, to fund-raise for tsunami relief in the aftermath of the Indian Ocean earthquake, sold residents' handmade aprons and dish towels. People gathered everywhere: in line for the home's hair salon, over soup in the dining rooms, against handrails in the hallway, where the floors were polished to a shine. "Take a deep breath," a resident, Ross Girardi, told me, during a visit in May of 2021. He reclined in a plush armchair. "Deeper! What don't you smell? A nursing home."

The home fostered unexpected relationships. Girardi, a former U.S. Army combat medic, first discovered St. Joseph's as a volunteer, in the early nineteen-eighties; thirty years later, he and his wife, Rae, decided to grow old there. Jennifer Schoening, a floor technician, was unhoused before she started at St. Joseph's. A social worker from the nursing home had approached her on a street corner in Richmond, where Schoening was panhandling, and told her that the Little Sisters had an opening. She began working in the pantry, serving meals and brewing fresh coffee, and found an apartment nearby. Ramon Davila, the home's maintenance technician at the time, worked in a shop next door to Schoening's supply room.

The two got married on the terrace in front of St. Joseph's last year. "It got to be that the building wasn't just my safe spot," Schoening said. "He was my safe spot."

The Little Sisters of the Poor was founded by Jeanne Jugan, who, in the winter of 1839, took in an elderly widow off the streets of Brittany. Jugan is said to have carried the woman, who was blind and partially paralyzed, up her home's narrow spiral staircase—and given up her own bed. (Jugan herself slept in the attic.) From this first act of care, the Little Sisters grew. Jugan took in two more women, then rented a room to house a dozen. A year later, she acquired a former convent to support forty elderly people. Charles Dickens, after visiting one of Jugan's homes in Paris, described the experience in the English magazine *Household Words*. "The whole sentiment," Dickens wrote, "is that of a very large and very amiable family."

At the organization's peak, in the nineteen-fifties, the Little Sisters of the Poor owned fifty-two nursing homes in the United States. Today it runs twenty-two. "In general, we like to have ten Little Sisters in each home," Sister Mary John, a former assistant administrator at St. Joseph's, said. But, since 1965, the number of Catholic sisters in the U.S. has dropped from roughly a hundred and eighty thousand to some thirty-nine thousand, according to the Center for Applied Research in the Apostolate. As a result, the Little Sisters have withdrawn from many of their nursing homes. Typically, the facilities have been sold to nonprofits. A large Catholic health-care system had expressed interest in buying St. Joseph's, as had the Catholic Diocese of Richmond. "But the pandemic and the lockdowns of nursing homes made it difficult," Sister Mary John said, of securing a buyer. In the spring of 2021, an offer materialized from the Portopiccolo Group, a private-equity firm based in Englewood Cliffs, New Jersey, which then had a portfolio of more than a hundred facilities across the East Coast. "They said they like to keep things the way they are," Sister Mary John told me.

The deal was finalized by June. Portopiccolo's management company, Accordius Health, was brought in to run the home's day-to-day operations. Staffers recall that, at an early town hall, Kim Morrow, Accordius Health's chief operating

officer, repeatedly said the company wouldn't institute significant changes. But many staff members felt a disconnect. Someone asked if the number of residents in each room would change. A staffer remembered Morrow saying, "That might change. We might double it." (Morrow doesn't recall saying so.) At another town hall, Celia Soper, Accordius Health's regional operations director, told St. Joseph's staff, "We see that you all work hard. But it's time we start working smart."

Nearly a quarter of the hundred-person staff had been with the home for more than fifteen years; the activities director was in her forty-fifth year. But the ownership change precipitated a mass exodus. Within two weeks, management laid out plans to significantly cut back nurse staffing. Some mornings, there were only two nursing aides working at the seventy-two-bed facility. A nurse at the home, who spoke on condition of anonymity for fear of retribution, told me, "It takes two people just to take some residents to the bathroom." (When reached by e-mail, a Portopiccolo spokesperson said, "We never made any staffing cuts during the transition.")

The home was renamed Karolwood Gardens, and the new management filed for a license to admit higher-needs residents, who can be billed at higher rates through Medicare. The aquarium on the second floor disappeared. So, too, did the aviary. Residents' crafts were removed from the gift shop. No longer did the kitchen serve an eclectic variety of main dishes: turkey tetrazzini, salmon with lobster sauce, or Reuben sandwiches. Now residents were commonly given an option of ground beef. Some days, the kitchen was so short-staffed that the dining hall wasn't set up, and residents took meals alone in their rooms.

The attentiveness of the nursing staff plummeted. Mary Cummings, a ninety-seven-year-old resident who had lived at St. Joseph's for six years, went seven days without a bath. Betty Zane Wingo, a ninety-four-year-old resident, went several months without having her hair washed. A resident who suffered from a severe lung disease told me that, one evening, her oxygen tube slipped out, and it took an hour and a half and a call to 911 to get it plugged back in. Several family members

told me they called the nursing station to express concerns but that no one picked up. On morning shifts, the home's nurse aides now changed briefs so saturated with urine they'd turned brown.

Bob Cumber cherished the care that his mother, Bertha, had received under the Little Sisters. One Christmas Eve, a nun had stayed late to file a hangnail on Bertha's hand. After Portopiccolo acquired the home, Bertha appeared increasingly unkempt. Her hair was dirtier, her teeth coated in plaque. Whenever Cumber visited, she asked him for water. Bertha was a hundred and four years old, but the decline in her care was conspicuous. She had lost weight and developed open bedsores on her hip and buttocks and near her anus. Cumber tried to share his concerns with her nurses. "When I called there, I was put on eternal hold," he said. Bertha told her son she was ready to pass away. "Mama," Cumber said, "I don't want you to leave."

One evening in September, four months after Portopiccolo purchased the home, Bertha grimaced in pain as a nurse turned her in bed. Cumber, a former pharmacist, and his sister, a nurse, had specified in Bertha's chart that she was not to be given morphine, expressing preference for a milder painkiller; they asked to be called if a dose of morphine were ever necessary. But the nurse didn't call. Instead, she released two milligrams of morphine under Bertha's tongue, according to Cumber. Within an hour, another nurse administered another two-milligram dose. (The spokesperson for Portopiccolo disputed this claim, but noted that he couldn't provide additional context or comment, owing to privacy regulations under the Health Insurance Portability and Accountability Act, or HIPAA.) Bertha slept for two days. Cumber stayed by her side as her breathing grew labored. He held his mother in his arms, his head against hers. Her breathing slowed, then stopped altogether.

Since the turn of the century, private-equity investment in nursing homes has grown from five billion to a hundred billion dollars. The purpose of such

investments—their so-called value proposition—is to increase efficiency. Management and administrative services can be centralized, and excess costs and staffing trimmed. In the autumn of 2019, Atul Gupta, an economist at the University of Pennsylvania, set out with a team of researchers to measure how these changes affected nursing-home residents. They sifted through more than a hundred private-equity deals that took place between 2004 and 2015, and linked each deal to categories of resident outcomes, such as mobility and self-reported pain intensity. The data revealed a troubling trend: when private-equity firms acquired nursing homes, deaths among residents increased by an average of ten per cent. "At first, we didn't believe it," Gupta told me. "We thought that there was a mistake." His team reëxamined its models, testing the assumptions that informed them. "But the result was very robust," Gupta said.

Cost-cutting is to be expected in any business, but nursing homes are particularly vulnerable. Staffing often represents the largest operating cost on a nursing home's ledger. So, when firms buy a home, they cut staff. However, this business model has a fatal flaw. "Nurse availability," Gupta and his colleagues wrote, "is the most important determinant of quality of care."

At homes with fewer direct-care nurses, residents are bathed less. They fall more, because there are fewer hands to help them to the bathroom or into bed. They suffer more dehydration, malnutrition, and weight loss, and higher self-reported pain levels. They develop more pressure ulcers and a greater number of infections. They make more emergency-room visits, and they're hospitalized more often."They get all kinds of problems that could be prevented," Charlene Harrington, a professor emeritus of sociology and nursing at the University of California, San Francisco, said, of residents at homes with lower nurse-staffing levels. "It's criminal."

Whereas staffing levels influence costs, occupancy rates often determine profits. Firms have an incentive to fill more beds. The problem is that they have little motivation to make those beds safe or clean. Medicare pays five hundred and

eighty-five dollars per patient per day; Medicaid pays two hundred and forty-five. Neither adjusts the rate for quality, resident satisfaction, or reputation. If a nursing home can bring costs below the daily rates of Medicare and Medicaid, it can pocket the difference. "As it stands, the incentives are not aligned," Gupta said. "But that doesn't mean that those incentives cannot be changed."

The situation is growing more urgent. One in six Americans is sixty-five or older; by 2035, adults over sixty-five are expected to outnumber children for the first time in U.S. history. According to a report by IBISWorld, a market-research firm, this demographic shift—the "silver tsunami," as it's been called—will increase revenues in the United States' nursing-home industry by twenty-five per cent in the next five years. Private-equity firms currently own only eleven per cent of facilities, as a federal report found. But about seventy per cent of the industry is now run for profit. "They all have the same operational approach, the same strategies for making money," Harrington said. "It's just that private equity tends to have higher expectations for profits."

A New York *Times* investigation from 2007 found that quality often deteriorated at nursing-home chains acquired by large private investors, including top-tier private-equity firms such as Warburg Pincus and the Carlyle Group. Congressional scrutiny heightened, culminating in Affordable Care Act provisions to encourage nursing homes to report their ownership relationships and financial ties. Still, a report this year by the National Academies of Science, Engineering, and Medicine concluded, "it is clear that such transparency has not occurred."

"These problems have been going on for thirty years," Harrington said. She is among multiple experts advocating for the federal government to impose a staffing rule on nursing homes. Federal standards—which currently hold nursing homes to a minimum of one registered nurse in the daytime and one licensed practical nurse in the evening, regardless of the number of beds in a facility—haven't changed since 1987. For a time, a minimum staffing requirement was included in President Joe Biden's Build Back Better Act. But the nation's largest nursing-home lobbying

group, the American Health Care Association, came out strongly against the measure, saying that nursing homes, amid a staffing shortage, couldn't afford it without more federal funding. Minimum staffing was subsequently dropped from the bill.

Biden acknowledged the issue in his State of the Union address earlier this year. "As Wall Street firms take over more nursing homes, quality in those homes has gone down and costs have gone up," he said. "That ends on my watch." A day prior, the White House had released a fact sheet detailing new reforms, including requirements for "adequate staffing," greater accountability for "chain owners of substandard facilities," and increased scrutiny of the "poorest performers." "It's a gigantic step forward, at least, to recognize the problem," Harrington said, of the President's proposal. "Of course, the issue will be how it's going to be implemented."

Choosing a nursing home involves sifting through reams of information and painstakingly comparing choices with available alternatives. But the decision-making process often occurs during a crisis—after a parent has fallen or suffered some other medical emergency—and tools to simplify the process are lacking. In the meantime, the nursing-home industry has attracted what David Grabowski, a health-policy professor at Harvard, called "nontraditional players"—companies with no apparent experience in owning or operating nursing homes. "We're in this loop, where the only kind of groups that seem to be interested in investing in nursing homes are bad actors," Grabowski said. "Yet, in the long run, we can't break this vicious cycle unless we get new owners who really want to invest in the health of residents."

Just over a year ago, I decided to observe a nursing-home acquisition up close. I had read Gupta's paper while I was a medical student at Stanford. The question I grappled with was: Why do deaths skyrocket in private-equity-owned homes? I dove into industry databases, studying private-equity deals. In the comments section of a listing for St. Joseph's, Doug Fidler, who had worked in the home's

kitchen during high school, wrote, "The Little Sisters treated the residents with such love and dignity. . . . I've carried that experience with me all my life." In a matter of weeks, St. Joseph's was set to be acquired by the Portopiccolo Group.

Simcha Hyman, the C.E.O. of Portopiccolo, grew up in Brooklyn, where his mother, who raised him and his brothers alone, worked at an elderly-care home. The family subsisted, at times, on food donated by members of their religious community. In 2007, Hyman enrolled at a private institution, then called Touro College, before transferring to Brooklyn College, where his coursework included accounting, business management, and human resources. While still in school, he worked at RiteCare Medical Products, a medical-supply company in the Sunset Park neighborhood of Brooklyn. Naftali Zanziper, who is now Portopiccolo's president, had started at RiteCare two years earlier. Hyman was self-assured and particularly proficient with numbers. He worked in purchasing. Zanziper managed sales.

In 2012, a year after Hyman graduated from Brooklyn College, he and Zanziper took over a medical-supply company called Ultra Medical Supply. They soon expanded the business, purchasing Murphy Homecare, a medical-equipment company in the Catskills. According to a former manager, Ultra pursued a strategy referred to internally as "up-billing" for profits. The company purchased secondhand medical equipment; once the equipment was resold, billers followed checklists to upsell add-ons to buyers. For each wheelchair sold, the billers knew to add on items such as a gel cushion, arm rests, elbow pads, and specialized legs. The price of a wheelchair, now marked up significantly, would be passed on to the patients' insurers. "What else can we bill them for?" the manager said, referring to the approach. "That's the whole game." Sometimes doctors refused to sign off on the add-ons. Hyman often pushed to bill patients anyway, the former manager said: "His philosophy was always 'Just do it. We'll worry about it later.' " (A

spokesperson for Portopiccolo said that equipment from Ultra Medical Supply was "tailored to customers' individual needs and doctors' recommendations.")

As Ultra grew, Hyman and Zanziper helped start a company to supply it with medical-grade oxygen: Acute Care Gases, which is still in operation today. According to the company's Web site, the founder and chief executive officer is Ben Cohen. But Hyman initially filed the paperwork to incorporate the enterprise. During Acute Care Gases's first year of operation, one of its delivery drivers died by suicide. The former manager described Hyman's initial reaction: "Make sure we get the van back and find a driver."

In 2015, Hyman and Zanziper, then twenty-five and thirty-two years old, respectively, sold their medical-supply company to a private-equity firm, and started Portopiccolo the following year. They purchased their first nursing home in North Carolina, which doesn't require proof of financial viability to assume ownership of such a facility. The business magazine *Barron's* later revealed this to be a common strategy of Portopiccolo's.

The firm subsequently bankrolled its growth with multimillion-dollar loans from a variety of lenders. The founders purchased facilities of reduced quality, just as they had with discounted medical equipment. "Almost every building that was acquired was falling apart," a former manager at Portopiccolo told me. She was tasked with renovating the firm's nursing homes upon acquisition. In a facility that had flooded, she redid the roof; for a pothole-laden parking lot, she ordered fresh pavement; in a home buried in garbage, she called waste management. The founders were attentive to the attractiveness of their buildings, she said; such factors dictated occupancy.

Hyman, in particular, displayed a strong instinct for turning a profit. "All it is for him is numbers," the former manager at Ultra Medical Supply said. "If you're the person who just wants to look at the profit, the bottom line, you're probably going to like him. If you're a person who believes in building a relationship around a business, you'll probably hate him." Hyman was fastidious about the firm's

margins. Once, Portopiccolo's accounting director forgot to get an invoice for an order. The director fretted. "Simcha won't let me go one penny over or one penny under," the former Portopiccolo manager recalled the director saying. "It was for, like, a fruit order." (A Portopiccolo spokesperson said the company does not require invoices for such small purchases.)

In just six years, Portopiccolo has amassed a nursing-home portfolio that ranks among the top chains in the country: more than a hundred and thirty facilities, comprising fifteen thousand beds, dotting across nine states, from Florida to Maryland. "They always had a vision of being the biggest, the largest, making the most money," the former Ultra manager said. But complaints about understaffing have been a consistent feature of the firm's properties. At a Portopiccolo facility in North Carolina, a resident called for help after urinating in her briefs. According to inspection records, she waited, "miserable and embarrassed," for nearly six hours to be changed. The resident's nurse aide was caring for more than fifty residents that day. In Boynton Beach, Florida, a resident was supposed to be out of bed daily. Instead, staff often helped her out only on Fridays, when her family was scheduled to visit. In Sarasota, Florida, a resident with a documented history of sexual advances was not adequately supervised, according to inspection records. He sexually assaulted his roommate.

In one case, medical treatment was delayed because of concerns about insurance coverage. Inspection records from a facility in Randallstown, Maryland, indicate that a resident with a gangrenous foot was held back from three appointments with a vascular surgeon. Staff voiced concerns, but the nursing-home administrator wanted "to give the resident's insurance a chance to kick in," an inspection report states. The resident wasn't consulted on the appointment changes, and was eventually taken to the emergency room, where a surgeon removed the resident's legs.

There's an active debate over whether nursing-home deterioration is caused by private-equity acquisition, as senior-care advocates contend, or if private-equity

firms tend to acquire homes that are already deteriorating. Celia Soper, the regional director of Accordius Health, Portopiccolo's management company, described St. Joseph's as a "train wreck" and positioned herself as its savior. "In her words, she goes in and saves facilities from noncompliance," a former director at the home told me. Accordius Health advertised itself as "placing residents at the center of their care." But Debbie Davidson, St. Joseph's administrator, said that when she challenged staffing cutbacks Soper responded, "This isn't about the nurses and residents. This is a business."

Before last June's sale, the Little Sisters' home had a mere four infections and zero deaths from COVID. Davidson said, "We kept it out of there." St. Joseph's hadn't accepted new residents. Staff members were tested twice weekly. Temperature checks were taken by nurses at both main entrances. Nursing staff was plentiful—the home had only one nurse from a staffing agency, and she had promised not to take shifts at other facilities. But, once Portopiccolo took ownership, resident admissions resumed. Management increasingly relied on agency nurses, particularly when nursing staff called out of shifts. Existing COVID measures weren't explicitly halted, but there were fewer staff to enforce precautions.

In September, 2021, an agency nurse arrived at her shift coughing. She wasn't screened for symptoms by staff, nor was she tested before her shift. Instead, staff had to press her to test during her shift; two of her three rapid tests returned positive. Across the home, the virus had already started spreading. "It was totally preventable," a longtime nurse, who asked not to be identified, told me. (A spokesperson for Portopiccolo said, "All staff were trained to not report to work if symptomatic.") Cases rose gradually, at first: the agency nurse on the sixth of September, a Monday; a resident on Thursday; three more on Friday. Each day's case numbers were announced via e-mail by the admissions coördinator, Alicia Schultes. But, on Saturday, after six more residents and staff tested positive,

Schultes's e-mails stopped including numbers. "We wanted to let you know that we have had more confirmed cases of COVID-19," she wrote to families of residents, in mid-September. "We will continue to update you as necessary."

A year and a half after the World Health Organization first declared COVID-19 a pandemic, the home suffered its first full-blown outbreak. During the lockdown, residents were restricted to their rooms. There weren't enough hands to stop them from falling, let alone to take them outdoors. The longtime nurse texted me, "In the midst of an outbreak with bare bones staff and get told to just do the best we can." She added, "Staff is working like dogs." About half of her unit was COVID-positive. She requested emergency staffing, but Stacie Shive, the new administrator, was unyielding. She claimed that the staffing levels—one nurse and three nurse aides—were "doable, even with an outbreak." "It's like this everywhere," Shive told the nurse. As conditions worsened, the nurse protested the short-staffing again: "Do we want to be like the other for-profit homes or be above them?" This time, Shive seemed to suggest that she couldn't increase staffing even if she wanted to. "I agree," she said, but added that, if she didn't limit the number of nurses on duty, "they'll find someone who will."

Ruth Anne Blakely, who lived at St. Joseph's for more than four years, had grown up in eastern Tennessee, and could name the birds, trees, and flowers of the Smoky Mountains. At ninety-eight, she had severe arthritis and macular degeneration, and would forget to drink water. But, under the Little Sisters' care, Blakely's conditions hadn't impeded her. Staff gave her a wheelchair, accommodated her eyesight at the bingo table, and routinely fetched her water. She never missed a University of Tennessee football game, her daughter Roseanne Adams said—"no matter how bad they played."

When Portopiccolo acquired the home, Adams noticed that her mother's television was always off. "She needed someone to set the channels for her, and that happened less and less," she said. Understaffing caused other oversights. Her

mother's blinds would be shut in the middle of the day. Or her hearing aids wouldn't be in. She often seemed dehydrated.

During the outbreak, no one took Blakely outdoors. Restricted to her room for two weeks, she grew depressed. On September 16th, a nurse called Adams to say that her mother had tested positive for COVID. "I should have said, then and there, 'Send her to the hospital,' " Adams told me. "But I didn't." A day later, Blakely was found unresponsive. "By the time she got to the hospital, she was practically dead," Adams said. Staff at the hospital pumped Blakely with two litres of fluid, but her blood sodium, concentrated from dehydration, had crept up to toxic levels. Two days later, she died.

The COVID deaths were mounting. Betty Zane Wingo, who had lived at St. Joseph's for more than two decades, told staff that she was leaving the facility for a Little Sisters-owned nursing home in Washington, D.C. But, privately, Wingo was prepared for an altogether different move. "She kept saying, 'I wish God would just take me—I've had enough,' " Judy Duarte, Wingo's friend since youth, said. During the outbreak, Wingo tested positive, and the home didn't hospitalize her immediately. When emergency services arrived to transport her to a hospital, six days later, her oxygen saturation was in the sixties, according to medical records; an oxygen saturation below eighty-five per cent can deprive the brain of oxygen. ("Her oxygen level and her overall condition were consistently monitored," a spokesperson for Portopiccolo said. "An acute care hospital setting was not deemed necessary by her physician until several days later when she experienced an acute change in condition.") Wingo died on September 17th. "I hated every time that I had to leave her there," Duarte said, of Karolwood Gardens. "I wanted to bring her home with me."

Mary Cummings, another longtime resident of St. Joseph's, had been alert and oriented, though she experienced bouts of confusion. She often sat in an armchair in the hallway, listening to audiobooks. After the ownership change, one of Cummings's daughters had grown so concerned that her mother wasn't being

bathed that she flagged the issue with administration staff. A complaint was filed with county protective services, though it was not substantiated by a subsequent inspection. Then Cummings was infected in the outbreak, and declined swiftly; she had difficulty breathing, and stared blankly at her children. "I would get right up next to her ear and try to talk to her," her son Syd Chapman said. "I don't know if she even knew I was there at the end." On September 25th, Cummings passed away.

Nursing homes everywhere were a particularly dangerous place to be during the pandemic. But Karolwood Gardens's performance was egregious. In just four months under Portopiccolo, there had been seventeen infections and six deaths due to COVID. My analysis of federal nursing-home data revealed that the home's COVID casualties, in terms of infection and death rates, placed Karolwood Gardens among the worst one percentile in the U.S. In the same four-month period, Portopiccolo's fleet of nursing homes across the country contended with some seven hundred infections and more than sixty deaths due to COVID.

Deaths weren't just pandemic-related, either. Non-COVID deaths went from seven in the year before the home was sold to seven in the first four months under Portopiccolo's ownership. One resident, Marcelline Niemann, had previously worked with incarcerated people and had demonstrated against the death penalty. After the ownership change, Niemann sustained a pelvic fracture from falling multiple times. But she wasn't assigned supervision to prevent future falls. (Citing HIPAA, a spokesperson for Portopiccolo said only that the company's "records specifically refute these allegations.") A friend of Niemann's at the home, Sunni Southward, told me that Niemann continued falling. She had also stopped eating. "Her face was becoming drawn," Southward said. Marcelline passed away on August 2nd, her ninety-seventh birthday.

Two weeks before Portopiccolo acquired St. Joseph's Home for the Aged, a federal class-action lawsuit was filed against the firm in North Carolina.

After the firm assumed ownership of the Citadel, a nursing home in Salisbury, "severe systematic understaffing" deprived residents of medication, showers, and sufficient food and water, according to the lawsuit. One plaintiff, Sybil Rummage, regularly missed doses of her heart medication. Another plaintiff, Betty Deal, was routinely given her Parkinson's medications at the wrong dose or the wrong time. "Sometimes she can't speak without her medication being given in a timely manner," Deal's daughter-in-law testified. Occasionally, there was one nurse to care for nearly forty residents at the Citadel, court records show.

In response to the lawsuit, Portopiccolo said the claim of understaffing was "meritless." The firm said it had "mistakenly underreported" the hours worked by agency nurses at the facility. John Hughes, one of the plaintiffs' attorneys, found Portopiccolo's claim improbable. He had recruited Charlene Harrington, the U.C.S.F. professor emeritus, to analyze staffing records from all thirty-six Portopiccolo-owned facilities in North Carolina. Each one was chronically understaffed. "Tell me," Hughes asked, "did they just forget the hours for *all* of 'em?" (A spokesperson for Portopiccolo said the North Carolina homes met state requirements for nurse staffing.)

Under Portopiccolo's ownership, the Citadel had become a federal "special focus facility," indicating that the nursing home was among the worst in the U.S. The nephew of one resident wasn't informed that his aunt had contracted COVID until he received a call from the director of a funeral home asking what to do with her body. Another resident allegedly ate a mouse in front of staff. An emergency-medicine physician, who treated the home's residents, grew so disturbed by their condition that he wrote an open letter imploring immediate intervention from the county health department. But, according to a deposition of an occupational therapist at the facility, when surveyors dropped in for inspections, management had a designated code to alert staff to their presence over the intercom: "Marilyn Woods, line twelve." (A spokesperson for Portopiccolo said that the facility, by December of 2020, had "achieved regulatory compliance in the form of a

deficiency free survey," and blamed "opportunistic" plaintiffs' lawyers for continuing "to push a bogus staffing lawsuit that simply has no merit.")

A central tension of the lawsuit is whether Portopiccolo is directly involved in operating its fleet of nursing homes. "What Hyman and Zanziper would like to say is they're completely hands-off at the operational level," Hughes said. "They don't know anything about it, they're not responsible for it, and they surely can't be liable for it." In an affidavit, Hyman said that Portopiccolo provided only "certain back-office services" to the Citadel. Accordius Health was responsible for "management and consulting" of the home, based on its contract. But Portopiccolo owns Accordius Health.

Former employees described Portopiccolo's executives as intensely hands-on. I spoke with one whose role had involved analyzing nursing-home operations to see how they might become more profitable. At Portopiccolo, spreadsheets tracked metrics on every nursing home in the firm's fleet, including for medical equipment, rent, and staffing. Hyman reviewed the reports, then decided how to manage profit and loss at each home.

In most cases, firms such as Portopiccolo pursue a risk-mitigation strategy that is, at best, tangential to senior care. One such strategy involves carving up a nursing home into multiple limited-liability companies, or L.L.C.s, to shield its parent company. Before St. Joseph's was acquired, it had been a single nonprofit nursing home. Hyman and Zanziper created a corporate web. They formed one company for the home's property (called Henrico Va PropCo L.L.C.) and another for the home's operations (Henrico Va OpCo L.L.C.). Accordius Health was the management company. The Portopiccolo Group, at the very top, was insulated from the nursing home by at least two corporate layers. In the event of a lawsuit, the nursing home would "dissolve into this welter of different legal entities," Hughes said. "It's like a sandcastle—when you touch it, it starts to break apart."

Portopiccolo also apparently outsourced to cut costs. The home's contract for restorative therapy went to Adaptive Rehab Services. Whereas the Little Sisters' in-house therapists had been available five days per week, Adaptive's were in on three. (The facility has since changed its therapy provider.) Pharmaceuticals went to Polaris Pharmacy Services, breaking off a fifteen-year relationship with Family Care Pharmacy, which was about ten minutes away. With a pharmacist on call twenty-four hours a day and seven days a week, Family Care delivered medications within the hour. Polaris, in contrast, shipped medications nightly from out of state. (Portopiccolo's spokesperson said the facility has policies to insure that residents requiring medications can receive them from the nearest pharmacy.) Housekeeping and dining went to Next Level Hospitality, which often provided two housekeepers for the facility. The Little Sisters had at least six. Staff members and family of residents complained that the home had started to smell of urine.

In the months after Portopiccolo acquired St. Joseph's, news of the class-action lawsuit in North Carolina was widespread. A popular article, by NC Policy Watch, summarized the facility's care as "far from the 'five-star' service residents and family members were promised by Accordius Health." In early October, Accordius Health withdrew from Karolwood Gardens. The C.E.O. of the home's new operator, August Healthcare, sent a letter to residents and family members claiming to be the head of a "small privately-owned and local company." But state records revealed that August Healthcare shared an address with Portopiccolo, in Englewood Cliffs, New Jersey. Although negative press on Accordius could be readily found online, residents had trouble finding any information on August Healthcare. The company had no Web site at the time. When I searched through ownership records, I found no track record of the company operating nursing homes. And its LinkedIn listed only one employee: the C.E.O., Ben Cohen, who authored the letter to Karolwood's residents. It was the same Ben Cohen who worked at Acute Care Gases, the oxygen-supply company incorporated by Hyman.

One Saturday afternoon in October, 2021, I accompanied the son of a resident on a visit to the home, which had been renamed August Healthcare at Richmond. Since the ownership change, the son, who asked to remain anonymous, had often found his father sleeping on bedsheets stained with urine, feces, and blood. He was now searching for another home for his father. His efforts became frantic during the COVID lockdowns. "I couldn't visit his room and make sure nothing has gone wrong," he told me. "I wanted Dad out."

Under the Little Sisters, the home had been lightsome and bustling. I could scarcely walk a few steps in the hallways without someone saying hello. "They came by to check on you, to see if there was anything you needed, how things could work better," a resident told me. In the hallway, a television had blasted Dolly Parton's "God Bless the U.S.A.," and a nurse breezed by me, belting out the lyrics. I'd passed smiling women, their hair in curls from the salon, in the common area. When I'd told them they looked pretty, one had held a single finger to her mouth. She was watching television, and I was interrupting her.

Now the home was dimly lit and startlingly vacant. Signs of neglect were everywhere: a collapsed ceiling in a common room, its fragments strewn across the carpet; detergent scattered across the laundry room; tools and machine parts littered near equipment in need of repair. The resident who had waited an hour and a half for oxygen last June had requested a repair for the call light outside her room. Staff gave her a Schwinn bicycle bell and instructed her to ring it if she needed help. (Portopiccolo's spokesperson said that they have no records of this incident.) I asked the son if anything had improved in the past few weeks. "Nurse staffing is better now," he said, "because people have died."

During the lockdown, his father had fallen in his room and waited more than two weeks before receiving physical therapy. Since the COVID outbreak, he has lost fifteen pounds. The home had reopened to visitors, and the son stopped by every two days. On his phone, he had scheduled three daily reminders to call his father

and encourage him to eat each of his meals. To compensate for a shrinking housekeeping department, he had taken on some tasks himself: sweeping the floor in his father's room, disinfecting the toilet and sink, and scrubbing his father's dentures.

We arrived at dinnertime, but his father wasn't in the dining hall. We finally found him sitting alone in his room, in a diaper. His T-shirt had a bloodstain on its right sleeve, and more blood was smeared on the bedsheets. No one seemed to have seen him leave the dining hall. He had eaten only a quarter of the food on his plate before slipping out.

From the hallway, I spotted other residents who sat alone in their rooms. I was reminded of a concern that preoccupied a member of the nursing staff: that COVID outbreaks demand interventions, but their aftereffects—residents not leaving their rooms because they're used to being cooped up, not eating or showering because they're used to lying in bed—need human undoing, too.

Bob Cumber, whose mother, Bertha, died after she was overadministered morphine, was looking to file a class-action lawsuit. "That was the worst night of my life," Cumber said, of his mother's passing. He asked the son who visited the facility with me in October to join the lawsuit, but the son told me, "I don't want anything to come back on Dad."

Jennifer and Ramon Davila, who met while working at St. Joseph's, have moved on to St. Francis Home, a nonprofit assisted-living facility in Richmond. Trinkets from St. Joseph's decorate their shared home: a painting of a butterfly, which hangs on a wall, was a gift from a resident; a cookie jar, inscribed with "Thou shalt not steal (cookies)," belonged to Bob De Luca, a resident who passed away while the home was managed by Accordius Health. Jennifer told me that, when she interviews new employees at St. Francis, the process lasts two hours. She wants staff to understand what it means to care for their residents as the Little Sisters did. She shares stories, keepsakes. "All the wedding cards," Jennifer said. "All the

pictures of the residents," Ramon added, wistfully. "That's what I'm trying to build here," Jennifer said she tells her new staff.

In July, August Healthcare announced a ten-million-dollar expansion to the home. It plans to add eighty-eight nursing beds and a movie theatre. The home will receive a unit for dialysis patients, and another for Alzheimer's, dementia, and stroke patients, as part of a wider strategy to move the home's patient base toward more medically complex (and lucrative) residents. A month before the announcement, management hiked up rent in the home's apartments—in some cases, from five hundred dollars a month to fifteen hundred. Under Portopiccolo's ownership, the home had gone from about a hundred employees to sixty.

Nurse-staffing levels are becoming more stringent. "We were told by Accordius, before they left, that once we got to twenty-six patients we would have a second nurse," the nurse who advocated for staffing increases said. Under August Healthcare, the target moved up to thirty patients per nurse. Earlier this year, the nurse began applying for positions outside the nursing-home industry. She refused to drop her standards to accommodate short staffing. "We were told, 'Either do it or leave,' " she said. "Even walking in the door, the sense of family was gone. You had this feeling of loneliness."

A day after my visit last October, I attended a remembrance service in the home's chapel. Sylvia and Frank Wayne, who had volunteered with the Little Sisters of the Poor for twenty-two years, told me that the Sisters had held memorials for every resident. Since the ownership change, the practice dropped off; the last memorial had been in July, three months prior. "We don't always know when someone passes away," Sylvia said. A chaplain read the names of each deceased resident aloud. For every name, a resident rose from their pew, holding a white or pink rose, and placed it in a vase. By the end of the ceremony, the vase was full. ♦

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An earlier version of this article incorrectly described Bertha's hangnail.

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