

Nursing Home Beds Are Becoming More Scarce

As the oldest baby boomers turn 80, researchers worry there won't be enough room in nursing facilities for a rapidly graying nation.

By [Paula Span](#) – the New York Times

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The San Vicente de Paúl Nursing Home in the South Bronx hasn't admitted a patient since December 2024. ArchCare, which operates the facility, has reduced its capacity from 120 available beds to 53 and plans to shrink it further.

Another ArchCare nursing home, on Staten Island, has shut down a full floor. North of the city, in Dutchess County, its Ferncliff Nursing Home has contracted from 309 available beds to 196.

The eight nursing homes owned by ArchCare, a nonprofit that provides elder care through the Archdiocese of New York, have 269 fewer usable beds than they did 18 months ago, a nearly 12 percent decline, creating waiting lists for patients seeking long-term care.

Across New York State, 24 nursing homes have closed since 2020, resulting in a loss of more than 3,000 licensed beds, according to LeadingAge, which represents nonprofit senior living organizations.

That mirrors [a national trend](#). In 2015, the Centers for Medicare and Medicaid Services certified 15,648 nursing facilities. A decade later, that number had fallen by more than 900.

With the oldest baby boomers turning 80 this year, an age when the need for long-term care climbs sharply, researchers are sounding alarms. Will there be enough nursing home beds for a rapidly graying nation?

"We're seeing a serious problem and it's heading in the wrong direction," said David Grabowski, a health policy researcher at Harvard Medical School. He is an author of a study in JAMA Internal Medicine that found a [5 percent decrease in national nursing home capacity](#) from 2019 to 2024. "As you look at the demographics, this is only going to get worse, maybe a lot worse," he said, especially given looming Trump administration policies on immigration and Medicaid financing.

The reasons for the shrinkage?

ArchCare blames inadequate state reimbursement for Medicaid, a perennial industry complaint. The primary payer for nursing home care, Medicaid provides less than the daily cost of care, said Clif Porter, the chief executive of the American Health Care Association, an industry trade group.

"Before the pandemic and inflation, the losses were sustainable," said Jason Hutchens, ArchCare's chief operating officer. More recently, he said, "we were running at an unsustainable loss — we had no choice."

Nursing homes, [most of them for-profit](#), try to compensate by attracting short-stay patients covered by Medicare, which pays higher rates than Medicaid. When they can't, "unless you're extremely rapacious or extremely efficient, you're not going to make it," said Vincent Mor, a health services researcher at the Brown University School of Public Health who is an author of an article, published in the New England Journal of Medicine, [raising concerns](#) about reduced capacity. "The numbers don't add up."

Staff shortages, which have plagued nursing homes for decades, have also caused contractions and closures. Nursing home aides work stressful, low-paying jobs with historically high turnover rates. Their median hourly wage last year was \$20.67, according to federal [data compiled by PHI](#), a research and

advocacy group for direct care workers. Although pay has risen over the past decade, about 40 percent of nursing home aides rely on some form of public assistance, like Medicaid and food stamps, PHI reported.

The number of nursing home aides has rebounded from the Covid pandemic, according to PHI, but fewer are working than in 2015. And while hiring and retention have improved, Mr. Porter said, “there’s still a significant gap between demand, especially future demand, and where the work force currently is.”

National occupancy rates, which fell sharply during the pandemic, have returned to a more typical 80 percent.

That figure can be misleading; it doesn’t mean one bed in five sits empty, awaiting a patient. Occupancy counts state-licensed beds, but the more meaningful number is operating beds — how many are actually available depending on a facility’s staffing and other factors.

That number is usually lower and, in many cases, sinking. The American Health Care Association reported in 2024 that almost half of nursing homes were [limiting admissions](#) and 57 percent had waiting lists for new residents.

It’s possible, of course, that they also face financial losses because of lower demand. “Nursing homes close because people don’t want to go to nursing homes,” said Sam Brooks, director of public policy for the National Consumer Voice for Quality Long-Term Care, an advocacy group. “The quality is so low that people avoid them like the plague.”

Last year, Medicare inspectors found at least one quality violation serious enough to harm or jeopardize residents in 27 percent of nursing homes, according to [an analysis by KFF](#), a nonprofit health policy research organization.

In recent decades alternatives emerged that diverted patients from nursing homes. About a million older adults currently live in assisted living facilities. And among Medicaid recipients, the ongoing policy shift called “rebalancing” has enabled more people to receive services at home ([where most want to be](#)) rather than in nursing homes.

In 1988, only 10 percent of Medicaid expenditures for long-term services went to home and community-based services; the rest paid for institutional care. By 2020, more than 60 percent of expenditures funded home and community care, said Priya Chidambaram, a KFF senior policy manager specializing in Medicaid, citing a staff analysis.

How big a problem these trends pose depends partly on geography. The [decline in the number of nursing homes](#) in rural locations — about 10 percent from 2015 to 2025 — was much greater than the national drop of about 6 percent.

“It’s more difficult to staff a rural nursing home,” Ms. Chidambaram said. “Labor pools are smaller, and it’s hard to get people to take lower-paid or part-time jobs if they have to travel long distances.”

Bed shortages are also creating bottlenecks at hospitals. Where nursing home capacity declined, Dr. Grabowski’s team found, patients stayed in hospitals longer because they couldn’t locate post-hospital care. They often had to travel farther to find facilities. “It gums up the entire system,” Dr. Grabowski said.

On two fronts, Trump administration policies could make matters worse, experts said. Revoking [legal status for certain immigrant groups](#) has worsened staffing shortages.

So far, “we’re not seeing significant impact across the country,” Mr. Porter said. But the effects are being felt in specific locations, including Florida, New York and Massachusetts, he confirmed. With further revocations and deportations, “a lot fewer older adults are going to have caregivers,” Dr. Grabowski said.

The administration’s more than \$900 billion in cuts to Medicaid over a decade are also expected to exact a toll. As states grapple with reduced funding, analysts expect home and community services to take a

greater initial hit than institutional care. But that could increase pressure on nursing homes if patients who lose home care turn to institutions instead.

Less of these services “means more nursing home entry,” Dr. Grabowski said.

As policy ideas circulate — with calls for better data tracking, special visas for immigrant health workers and targeted grants for nursing homes serving high-cost populations — researchers, advocates and families are waiting to see what unfolds.

“So much of this is speculative,” Ms. Chidambaram said. “We don’t know what states will decide. We don’t know how the market will react. We’re in new territory here.”

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