

As out-of-town investors buy WNY nursing homes, residents pay the price

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The son of Frank L. Williams stared at bedsores his 82-year-old father developed at a nursing home in the Town of Tonawanda. He thought his father had contracted “the Black Plague.”

Doctors cut away Williams' rotting flesh, but the infection had spread too far. Williams died.

At a Buffalo nursing home, workers failed to disinfect a glucose meter as they drew blood from one resident after another, including two with bloodborne diseases.

That put up to 30 residents' health at risk and resulted in an \$85,925 fine, one of the biggest penalties imposed on a nursing home in the state.

The Tonawanda and Buffalo nursing homes aren't owned locally. They're

operated by companies owned by Judy Landa and partners. A Long Island resident, Landa has never worked in the health care industry and has no day-to-day involvement in the four nursing homes her companies own in Erie County, a spokesman said. Records and interviews show some of these nursing homes have cut staff to save money, while taking on high-need patients that bring in bigger reimbursements.

Out-of-town investors are buying up nursing homes in Erie and Niagara counties, and for thousands of vulnerable nursing home residents, that hasn't been good. Since 2007, one-third of the 47 nursing homes in Erie and Niagara have been bought by out-of-towners. The government gives most of those 16 nursing homes low marks.

Out-of-town, for-profit owners operate eight of the 10 local nursing homes rated "much below average," the federal government's lowest rating. Many of the facilities owned by out-of-towners have a high rate of complaints that led to citations. Most have low scores for the amount of time nurses spend with residents. As a group, they have received a disproportionate share of state and federal fines in the last decade.



Emerald South is one of 16 nursing homes in Erie and Niagara counties that have been bought by out-of-town owners in the past 11 years. (Robert Kirkham/Buffalo News)

At least half of the 16 nursing homes were poorly ranked before they were bought by out-of-town investors. But the ratings of six of the 16 homes dropped after they were sold, according to a Buffalo News analysis of a decade of ratings. Only one saw its ratings improve.

Few families are safe from the threat of poor nursing home care. A Rand Corp. study estimates more than half of older Americans will end up spending time in nursing homes. Across the country, more than 1.3 million people are in nursing homes, with more than 100,000 in New York State and approximately 7,000 in Erie and Niagara.

Taxpayers have a huge stake, too. Just in Erie and Niagara counties, more than half a billion dollars was paid by taxpayers to nursing homes in 2016, according to the most recent figures for the state's Medicaid program and estimates on federal Medicare spending.

The history of nursing homes linked to Judy Landa, where one resident was beaten to death and another died falling from a third-floor window, is a case study on what can go wrong as out-of-town investors take over facilities in Western New York.

"Operating a high-quality nursing home is not easy, but many owners can get that done," said Tony Szczygiel, a retired University at Buffalo Law School professor who specialized in elder law. "What is hard to understand is why well-financed, experienced out-of-town owners can't do that after buying local nursing homes."

Added Szczygiel: "Is this the best they can do? Provide care that repeatedly fails to meet minimum standards?"

Story continues below. [Click here to skip over interactive graphic.](#)

Husband and wife team

Judy Landa, 65, is a passive investor in the four Erie County nursing homes, according to Mark Weiss, a spokesman for her husband, Benjamin Landa. He said Landa is a great-grandmother who spends her days praying at the Queens grave of a revered rabbi, shopping for her eight children and 18 grandchildren, and running her home in Lawrence, N.Y., which public records say is worth \$2.1 million.

Benjamin Landa, 62, has ownership interest in more than 120 nursing homes across the country and runs SentosaCare, New York's largest for-profit nursing home chain. He served from 1996 to 2005 on the state Department of Health's Public Health and Health Planning Council, which votes on nursing home sales.

Landa isn't involved in running the Erie County nursing homes that his wife has an ownership interest in, his spokesman said.

The son of Holocaust survivors, Benjamin Landa is a devout Orthodox Jew with a passion for educating young people about the Holocaust. He donates millions of dollars to charities, Jewish schools and others, Weiss said. He doesn't wear jewelry, doesn't have a driver, doesn't belong to country clubs or go to spas, his spokesman said.



"I have spent millions of dollars subsidizing the facilities which my wife, Judy, owns in order to keep them from closing. Combined, we have invested millions of dollars since the purchase," Benjamin Landa said. (Howard Schnapp/2007 Newsday photo)

In July 2012, the state Health Department appointed a Benjamin Landa company as receiver of Hawthorne Health and Harbour Health nursing homes, two Buffalo facilities that had been losing money under the ownership of a nonprofit, Presbyterian Senior Care of Western New York Inc. As receiver for about a year, his company ran the two homes on Delaware Avenue – which were renamed Emerald South Rehabilitation and Care Center and Emerald North Rehabilitation and Care Center.

At one of the homes, Landa's company cut staff and other expenses to save about \$1 million, according to Health Department records. The company also increased revenues by admitting "difficult to discharge" patients from Erie County Medical Center. Their need for increased care resulted in higher Medicaid and Medicare reimbursements to the nursing homes, the records show.

Seventeen months later, a company owned by Judy Landa and a New York City area partner bought the operations of the two nursing homes from Presbyterian Senior Care for \$2.6 million.

The real estate – the land and the buildings – was bought separately by a Benjamin Landa company for \$1.6 million, according to Erie County property

records. As part of the deal, his wife's company agreed to pay \$260,000 a year in rent to her husband's company, according to state records.

In 2016 financial reports to the state, the two nursing homes indicated that the rent obligation had nearly doubled in three years, to almost a half million dollars a year.

Benjamin Landa's spokesman acknowledged that the rent may have increased but said Landa has not collected it. Landa has not received any rental payments from his wife's companies for Emerald South and Emerald North, Weiss said.

The same financial reports indicated both nursing homes were losing money. Emerald South had a net loss of \$988,367 in 2016, it said. Emerald North had a net loss of \$628,374.



Janine Ziomek-Witek, below, adjusts the air conditioner in her room there. She said she has rung a bell and waited two hours for staff to respond, but says, "There are people who care. ... You get the good, the bad, the ugly." (Robert Kirkham/Buffalo News)

'Not drawn a penny'

Benjamin Landa said in a statement to The News that he and his wife have not collected a dime from the two nursing homes.

He denied he has profited from Buffalo-area nursing homes while reducing services to the residents.

"I resent being linked to this practice," he said.

"I have not drawn a penny since I purchased the properties. In fact, I have spent millions of dollars subsidizing the facilities which my wife, Judy, owns in order to keep them from closing. Needless to say, Judy Landa has not drawn any money from these facilities either. Combined, we have invested millions of dollars since the purchase."

He blamed the government for the troubles at Emerald South and Emerald North, saying it does not adequately compensate nursing homes for the care they provide.

"The community must recognize that Emerald North and South are running at a loss due to the state's grossly unfair Medicaid reimbursement schedule for area facilities. As such, there are simply no profits to be had," Benjamin Landa said. "The not-for-profits got rid of them because they could not keep these facilities running against the backdrop of a tough regulatory environment and this unrealistic level of state reimbursement. All cost-cutting steps have been taken to keep the doors open in order to serve the critical needs of the community."



"Because of our many years of experience in the nursing home industry, we had every reason to believe that over time we could re-establish these facilities as viable and valued resources within their respective neighborhoods. At each turn, though, we have been met with unreasonable lawsuits on the part of an overly aggressive local law firm and what some refer to euphemistically as an anti-downstate, anti-New York City prejudice which has been the cause of great frustration for me and the members of my family," he said.

Judy Landa did not respond to phone calls from The News.

In 2014, the Landas and business partners formed companies that bought two other nursing homes, Sheridan Manor in the Town of Tonawanda and Ridgeview Manor in Buffalo. The homes were renamed Safire Rehabilitation of Northtowns and Safire Rehabilitation of Southtowns.

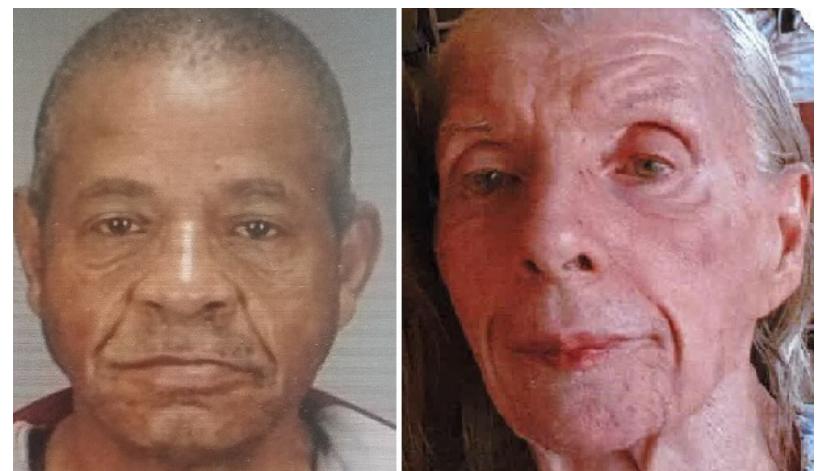
Deadly incidents

Among the four nursing homes linked to the Landas in Erie County, the 122-bed Emerald South stands out.

On June 4, William Strasner, 87, a patient in the Emerald South dementia unit, [fell to his death](#) while trying to escape out his third-floor window.

Strasner used a rope fashioned from bed sheets and clothing in an attempt to lower himself about 34 feet into the facility's parking lot at 1175 Delaware Ave. Buffalo police detectives determined his death was accidental.

The state Health Department, which is also investigating the



William Strasner, 87, died in a fall while trying to escape out his third-floor window at Emerald South on June 4; Ruth Murray, 82, was fatally beaten in 2016 by a fellow patient in the dementia unit at Emerald South.

death, recommended the federal Centers for Medicaid and Medicare Services fine the facility. The federal agency is also considering denying Emerald South taxpayer payments for new admissions.

Strasner's death occurred about two years after [Ruth Murray](#), 82, was beaten to death while she was a patient in Emerald South's dementia unit.

An 84-year-old man also in the unit attacked Murray after she mistakenly wandered into his room on Aug. 26, 2016. Murray died three days later.

Her attacker was [ruled mentally incompetent](#) and not criminally charged. The Health Department [fined Emerald South \\$10,000](#), in part, for failing to provide adequate supervision.

Following Strasner's death, the Centers for Medicaid and Medicare Services designated Emerald South a "special focus facility." This rarely applied designation identifies nursing homes that demonstrate a consistent inability to adhere to quality of care standards and have a history of "practices that have resulted in harm to residents," according to the Health Department. Special focus facilities are subject to extra Health Department inspections.

Strasner's death, and subsequent protests about conditions at Emerald South by workers, prompted Erie County Executive Mark Poloncarz on Aug. 23 to call on the state to appoint a receiver to operate the home.

"The current situation at Emerald South is unacceptable and is obviously placing residents in danger," he said.



Union workers rally June 28 at Emerald South on Delaware Avenue to urge the state Health Department to intervene after a resident there fell to his death. "The current situation at Emerald South is unacceptable and is obviously placing residents in danger," said Erie County Executive Mark Poloncarz. (Sharon Cantillon/Buffalo News)

Emerald South isn't the only nursing home in Erie and Niagara counties that has been fined. More than two-thirds – 71 percent – of the state fines given in the past decade went to homes run by out-of-region owners.

Absentee owners

The month before Benjamin Landa's company took over the two Buffalo nursing homes as receiver in 2012, Emerald South was rated a four-star, or "above average," home by the federal government. Emerald North was rated "average," or three stars.

Today, Emerald South and Emerald North are rated as two- and one-star facilities – "below average" and "much below average."

When companies owned by Judy Landa and her partners took over as operators of Safire Southtowns and Safire Northtowns in 2014, the homes were both rated as two stars. Today, the federal government rates Safire Southtowns as a two-star home and Safire Northtowns as a one-star.

Szczygiel, the elder law specialist who visits area nursing homes, says residents in low-rated nursing homes deserve better.

"When a facility allows its practices to fall below acceptable levels, the residents have nowhere to go to get away from the problems that result," he said. "This means personal needs cannot be met, personal dignity is lost and occasionally tragedies result."

Virginia Holt, who worked 42 years at Emerald South washing clothes and linens, said she doesn't remember either of the Landas visiting Emerald South since shortly after their purchase five years ago.

"When they first bought the place I saw Ben Landa, but I haven't seen him since. I never saw Judy Landa," said Holt, who retired in April.

"I understand that they are out of town, but at least show up every three or four months. Walk around, talk to the staff and the residents," Holt said.

Benjamin Landa spokesman Weiss said Benjamin Landa has never visited Emerald South. He said he couldn't say if Judy Landa has.

Risky business model

State records show that when companies run by the Landas bought their first two Buffalo nursing homes, they had a playbook. They would save hundreds of thousands of dollars by cutting staffing at Emerald South and Emerald North and boost taxpayer reimbursements by accepting residents who needed more health care.

That business model is cause for concern, Szczygiel said.

"You have a smaller staff but residents with higher needs. The staff time required by the higher-need residents reduces the amount of staff time for all the other residents, and studies have shown that the amount of staff time per resident is highly correlated with quality of care," he said.

The strategy was spelled out in applications for state approval filed by companies Judy Landa co-owned.

As the receiver for Emerald South, Benjamin Landa's company cut staffing levels for a savings of \$677,667, [according to the application](#). Another \$300,000 was saved by trimming other expenses.

In the Emerald North application, [\\$401,993 in savings were projected](#) by reducing staff and spending less on supplies.

Applications for both Emerald facilities also detailed how revenues had increased because of an ["exclusive contract" with Erie County Medical Center](#) to accept the hospital's patients who are considered difficult to discharge. Those patients, who require greater levels of care, brought in higher reimbursements paid by Medicaid and Medicare.

At Safire Northtowns and Safire Southtowns, Judy Landa and her partners did not propose cutting staff or admitting higher-need residents in their applications to New York.

But some common business strategies emerged.

The business was split from the property: Companies formed by Judy Landa and four New York City area partners became the Safire operators; companies formed by Benjamin Landa and the same four partners bought the land and buildings. They paid \$9.3 million for the real estate, public records show.

The Safire companies were to pay \$58,008 a year in rent, according to the applications to the state.

But in 2016, the rents had increased to \$1.2 million a year for the two Safire homes, according to financial statements filed with the state.

Meanwhile, the Safire homes were cutting staff, according to workers and union officials.



"Tell me how one CNA is expected to provide even the basic of care to 40 residents in a seven-hour shift," said Tanya Goffe, a certified nursing aide and 1199SEIU union delegate at Safire Northtowns. (Sharon Cantillon/News file photo)

Tanya Goffe, a certified nursing aide and 1199SEIU union delegate at the 100-bed Safire Northtowns, said that there has been a steady reduction in nursing staff since the Landas and partners bought the nursing home.

The number of licensed practical nurses and certified nursing aides at Safire Northtowns dropped from 80 to 38, according to Theresa Lyman, administrative organizer for the union.

Goffe said she once had to care for 40 Safire Northtowns residents by herself

during a seven-hour shift.

The current average amount of time a certified nursing aide spends with each patient per day at Safire Northtowns is 89 minutes. The state average is 133 minutes, according to the federal government's Nursing Home Compare website.

The shortage of nursing staff is not a problem just at Safire Northtowns. It is common at other nursing homes in Erie and Niagara counties that are owned by out-of-region investors.

In the two counties, for-profit, out-of-town owners run 12 of the 15 homes where nurses spend the fewest minutes per day with residents.

DA investigating

The problems at Emerald South and Emerald North extend beyond patient care.

"Paychecks have bounced and insurance benefits have been canceled, despite the fact that employees have had pay deducted from their salaries for these benefits," said Todd Hobler, vice president of 1199SEIU.

Weiss, the spokesman for Benjamin Landa, said the two Emerald nursing homes switched health insurers and a gap in coverage occurred. He said no deductions for the insurance were made from workers' pay stubs during the gap.

The union disputes that.

Erie County District Attorney John J. Flynn told The News his office is investigating what happened to the payroll deductions and has sought assistance from the state Attorney General's Office.

Hobler, the union official, says the way management at Emerald South and

Emerald North treats workers affects nursing home residents.

"It results in turnover with people leaving the jobs at the Emeralds for positions that are more secure. Ultimately you can't staff a facility when you are mistreating the people providing the care," Hobler said.



Daniel Tracy, who has ALS and can barely speak, blames Emerald South owners and staff for care he says is inadequate. "The staff see how the administration is running this place and they do the exact same thing," he wrote in an email to The News. (Robert Kirkham/Buffalo News)

Daniel Tracy, who has Lou Gehrig's disease and uses a wheelchair, resides in Emerald South. Tracy cannot feed himself and is barely able to speak. In recent months, he sent Facebook messages twice to one friend begging her to visit and feed him because, he says, the staff forgot.

He blames both the owners and the staff at Emerald South for his poor care.

"Emerald South is not only understaffed, it's run by people who don't really care about the residents ..." he wrote in an email to The News. "The staff see how the administration is running this place and they do the exact same thing – do as little as possible for an eight-hour day and will hide in a room to make sure they don't have to do anything."

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