

OFFICE OF FISCAL ANALYSIS

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sSB-1279

AN ACT CONCERNING NURSING HOME STAFFING RATIOS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Social Services, Dept.	GF - Cost	None	\$12.1 million
Public Health, Dept.	GF - Potential Revenue Gain	None	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a cost to the Department of Social Services (DSS) beginning in FY 27 associated with changing staffing level requirements for nursing homes. Increasing the number of direct care hours from 3.0 hours per resident per day to 3.6 hours is anticipated to cost nursing homes approximately \$24.2 million.¹ The actual state cost to staff at the proposed levels will depend on the number and level of staff required and how such costs are incorporated into Medicaid payments to nursing homes (with a state share of costs at approximately 50%).

The bill may also increase costs to DSS to the extent that nursing homes hire additional recreational staff to meet the new minimum requirements to be established by DPH.

Sections 2 and 3 make a nursing facility's failure to comply with staffing level requirements under the bill a Class B violation, which may

¹ Based on 2023 annual nursing home cost report data.

result in a revenue gain to the General Fund beginning in FY 27 from civil penalties of up to \$10,0000 per violation. The extent of the revenue gain, if any, is dependent on the number of violations and the Department of Public Health's discretion regarding civil penalties.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.