

OFFICE OF FISCAL ANALYSIS

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sSB-125

AN ACT RESTRICTING PRIVATE EQUITY OWNERSHIP OF NURSING HOMES.

As Amended by Senate "A" (LCO 5011), Senate "B" (LCO 5843)
House Calendar No.: 562
Senate Calendar No.: 69

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Social Services, Dept.	GF - Cost	100,000	100,000
State Comptroller - Fringe Benefits ¹	GF - Cost	42,000	42,000
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 could result in a revenue gain to the state associated with allowing (1) the Department of Social Services (DSS) to impose a civil penalty of \$1,000 per day on any nursing home failing to provide the information required under the amendment, and (2) the Department of Public Health to impose a maximum civil penalty of \$2,000 per violation for failing to provide the required attestation. The exact revenue gain, if any, is dependent on the number of violations and the agencies' discretion regarding civil penalties.

Sections 1 and 2 are anticipated to result in additional staffing costs

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

to DSS of approximately \$100,000 for a Principal Cost Analyst (with associated fringe of \$42,000) to manage the oversight and review of investment entity ownerships in nursing homes. To the extent that the costs for securing a surety bond or similar form of security are factored into nursing home rates, DSS will incur associated Medicaid costs in the out-years.

House "A" strikes the language in the underlying bill and the associated impact and results in various fiscal impacts including: (1) potential savings to municipalities that choose to jointly appoint municipal agents for aging, (2) a potential revenue gain related to civil penalties, (3) personnel costs to DSS, and (4) potential costs to DSS related to nursing home rates.

House "B" strikes the language in the underlying bill as amended by House "A" and the associated impact and results in the fiscal impact described above in sections 1 and 2.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to penalties imposed and scope of rate adjustments.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.