

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-288

AN ACT CONCERNING THE DEPARTMENT OF SOCIAL SERVICES' RECOMMENDATIONS REGARDING EXCEPTIONS TO THE NURSING HOME BED MORATORIUM, NURSING HOME RESIDENT DATA AND NURSING HOME REIMBURSEMENT RATE CAPS FOR RELATED PARTY EMPLOYEES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Social Services, Dept.	GF - Potential Cost/ Savings	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Sections 1 and 2 of the bill could result in increased Medicaid costs to the Department of Social Services (DSS) associated with allowing DSS to approve requests to add new Medicaid-certified beds to existing or new nursing homes. To the extent this results in a higher cost per bed than Medicaid would otherwise support, or new costs related to a new facility, the state will incur associated allowable Medicaid expenditures. The actual fiscal impact is dependent on the scope and approval of such requests.

Section 2 also adds to the list of items DSS must consider when determining whether to approve or deny requests for additional nursing home beds. To the extent considering the Center for Medicare and Medicaid Services' (CMS) five-star quality rating system alters the decision DSS would have otherwise made, the agency could experience

Primary Analyst: ES
Contributing Analyst(s): LD
Reviewer: LD

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an impact, which cannot be determined at this time.

Section 3 modifies minimum data set requirements for audit purposes. This could impact nursing home rates to the extent limiting the timeframe in which minimum data set information must be submitted adjusts the calculation of Medicaid acuity-based per diem rates paid to nursing homes.

Section 4 limits Medicaid reimbursement for union employees who are related to an owner of a nursing home, which will reduce rates to the extent such related parties costs would otherwise be factored into Medicaid rates.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to related adjustments to Medicaid rates for nursing homes.