



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 190** SLS 26RS 259
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|---|----------------------------------|
| Date: March 8, 2026 2:53 PM | Author: MIZELL |
| Dept./Agy.: Louisiana Department of Health | |
| Subject: Nursing facilities licenses | Analyst: Cristian Nedelea |

NURSING HOMES OR INCREASE GF EX See Note Page 1 of 2
 Provides relative to nursing home licenses. (8/1/26)

Proposed law requires that any nursing facility licensed by the Louisiana Department of Health (LDH) that is identified by the Centers for Medicare and Medicaid Services (CMS) as a candidate for participation in the Special Focus Facility (SFF) Program to be subject to enhanced state oversight regardless of whether the nursing facility is selected for participation in the program. The SFF program focuses on nursing facilities that have a persistent record of noncompliance leading to poor performance on surveys. Nursing facilities shall notify current and prospective residents of the candidacy for the SFF Program and give the residents an opportunity to transfer to another facility. Proposed law requires the nursing facilities to comply with state requirements in addition to CMS requirements for the SFF Program. Proposed law prohibits a nursing facility to enter into the SFF Program more than once and requires LDH to take action to protect the residents of a nursing facility that graduates from the program and continues to perform poorly, including revoking the license, closing the facility, and relocating the residents to an alternative facility.

| EXPENDITURES | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 5 -YEAR TOTAL |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| State Gen. Fd. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | | | |
| REVENUES | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 5 -YEAR TOTAL |
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase SGF expenditures in the Health Standards Section (HSS) of LDH by an indeterminable amount in FY 27 and subsequent fiscal years to enforce enhanced oversight of nursing facilities identified by CMS as candidates for the SFF Program. Proposed law requires that any nursing facility licensed by the LDH that is identified by the CMS as a candidate for participation in the Special Focus Facility program to be subject to enhanced state oversight. Specific state requirements that these nursing homes must comply with include: state-appointed monitoring; be subject to at least quarterly in-person unannounced inspections; enter into a direct plan of correction with the department; hold directed, in-service training; be subject to root cause analysis to determine the basis for their poor performance; be responsible for immediate staffing increases to address deficiencies; engage with a Quality Improvement Organization approved by CMS; and be subject to an owner or license holder analysis to identify a pattern of poor performance under the same owner.

HSS reports that the provisions of proposed law will require an increase in SGF expenditures resulting from the need for six (6) Medical Certification Specialist 2 T.O. positions in order to enforce requirements of the proposed law. HSS estimates personal services expenses at \$650,688 in FY 27 (9 months) and \$867,582 per year for FY 18 (12 months) through FY 31. Additionally, HSS estimates operating expenses (field travel and supplies) to cost \$38,250 in FY 27 (9 months) and \$51,000 per year for FY 28 (12 months) through FY 31. The equipment cost (computer leases, mobile printer and scanner, and hard case protectors) is expected to be \$6,168 in FY 27 and \$2,304 per year for FY 28 through FY 31.

Note: LFO is unable to corroborate the estimated staffing level, operating expenses, and equipment costs projected by LDH. The LFO has requested LDH to provide detailed information on the assumptions and rationale used to estimate the number of T.O. positions needed to implement the requirements of this legislation. To the extent the required staffing levels may be lower or higher, corresponding operating costs would shift accordingly. To the extent that a portion, or all, of the prescribed duties can be absorbed by existing staff resources, a portion of the projected costs may be mitigated. The LFO acknowledges that hiring even one T.O. position would likely result in a significant expenditure increase in excess of \$100,000, assumed to be SGF in this fiscal note.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Personal Services | \$650,688 | \$867,582 | \$867,582 | \$867,582 | \$867,582 |
| Operating Expenses | \$38,250 | \$51,000 | \$51,000 | \$51,000 | \$51,000 |
| Equipment | \$6,168 | \$2,304 | \$2,304 | \$2,304 | \$2,304 |
| Total Expenditures | \$695,106 | \$920,886 | \$920,886 | \$920,886 | \$920,886 |
| T.O. | 6 | 6 | 6 | 6 | 6 |

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
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House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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