

2026 Regular Session

HOUSE BILL NO. 654

BY REPRESENTATIVE BERAULT

NURSING HOMES: Modifies licensing procedures for nursing facilities

1 AN ACT

2 To enact R.S. 40:2116.3 and to repeal R.S. 40:2116.1, relative to nursing facilities; to
3 provide for facility need review; to provide for determining need for additional
4 nursing facility licenses; to provide for an application process to obtain licenses; to
5 direct the Louisiana Department of Health to establish criteria for selecting
6 applicants; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 40:2116.3 is hereby enacted to read as follows:

9 §2116.3. Nursing facilities; facility need review; applications for licensure;
10 exceptions

11 A.(1) The Louisiana Department of Health, in accordance with the
12 Administrative Procedure Act, shall establish a facility need review process for
13 nursing facilities consistent with the regulations for licensure and for Title XIX of
14 the Social Security Act.

15 (2) Beginning on August 1, 2026, and every three years thereafter, the
16 department shall conduct a review of each parish to determine the availability of
17 nursing facility beds in the parish. The department shall collect all of the following:

18 (a) The number of persons age sixty-five years or older in the United States
19 as estimated by the United States Census Bureau.

1 (b) The number of nursing facility beds licensed in the United States as
2 determined by the Centers for Disease Control and Prevention.

3 (c) The number of persons age sixty-five or older in a parish as estimated by
4 the United States Census Bureau.

5 (3) The department shall divide the number of persons age sixty five or older
6 in the United States by the number of nursing facility beds licensed in the United
7 States and then divide the number of persons age sixty-five or older in the parish by
8 the quotient to determine the number of nursing facility beds needed in the parish.

9 (4) If a parish needs between thirty and one hundred twenty nursing facility
10 beds, the department shall accept applications to expand existing high-quality
11 nursing facilities licensed to operate in the parish where need is determined. The
12 department shall consider a nursing facility high-quality if the staffing and quality
13 measure subcomponents of the five-star quality rating system established by the
14 Centers for Medicare and Medicaid Services are greater than three stars.

15 (5) If a parish needs more than one hundred twenty nursing facility beds, the
16 department shall accept applications to grant a license to operate a new nursing
17 facility consisting of one hundred twenty nursing facility beds in the parish where
18 need is determined.

19 (6) Following any analysis in accordance with this Subsection, the
20 department shall make public notice of new licensed nursing facility bed availability
21 within thirty days of completion. A prospective applicant shall have thirty days from
22 the date of notice to file an application for consideration to obtain new licenses.

23 (7) No new facility, service, or bed shall be licensed and certified to
24 participate in the Title XIX program without the approval of the department based
25 upon a determination of a need for nursing facility beds in accordance with the
26 provisions of this Section. Any person establishing, managing, or operating a new
27 facility, service, or bed without the approval required by this Section shall be
28 prohibited from participating in the Title XIX program.

1 B.(1) The department shall establish evaluation metrics to rank applications
2 which shall include but not be limited to all of the following:

3 (a) The type of resident accommodations.

4 (b) The quality of nursing facilities owned and operated by the applicant.

5 (c) The level of experience of the owner or operator in building or renovating
6 nursing facilities in this state.

7 (2) An applicant shall be defined as any individual, limited liability
8 company, or corporation owning five percent or more in one or more Louisiana
9 nursing homes. An applicant's Centers for Medicare and Medicaid Services star
10 rating shall include its cumulative statewide average of all facilities owned, operated,
11 and managed.

12 (3) For new facilities, the department shall give preference to applicants who
13 commit to building and operating nursing facilities with a minimum ninety-five
14 percent private rooms and private restrooms with a total facility minimum of five
15 hundred fifty square feet per bed and who maintain facilities with a statewide
16 average three star or above on the staffing and quality measure subcomponents of the
17 five-star quality rating system created by the Centers for Medicare and Medicaid
18 Services.

19 (4) The department shall only consider applications for new nursing facilities
20 from entities that are both owner and operator.

21 (5) The department shall utilize the facility need review committee provided
22 for in R.S. 40:2116 to evaluate applications in accordance with this Subsection.

23 (6) If the department grants a license to expand an existing nursing facility
24 or open a new nursing facility, the licensee has one year to secure building permits
25 and begin construction. If the licensee fails to achieve this requirement, the license
26 issued shall be returned to the department and issued to the next most eligible
27 applicant.

28 C. The facility need review determination provided for in Subsection A of
29 this Section does not apply to the following:

1 (1) Replacement of existing facilities, if there is no increase in existing
 2 nursing home beds at the replacement facility. However, a nursing home that has
 3 relocated as the result of an executive order or declaration of emergency or disaster
 4 issued in accordance with R.S. 29:724 shall not be allowed to permanently relocate
 5 such facility outside of the geographic area for which the original facility was
 6 licensed.

7 (2) Replacement of nursing facility beds with adult residential care home
 8 beds, either through new construction or through renovation and conversion. Such
 9 replacement is subject to licensing rules and regulations and budget neutrality
 10 provisions promulgated by the Louisiana Department of Health.

11 (3) Nursing home beds in alternate use.

12 Section 2. R.S. 40:2116.1 is hereby repealed in its entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 654 Original

2026 Regular Session

Berault

Abstract: Provides relative to licensed nursing facility beds.

Present law requires the Louisiana Department of Health (LDH) to promulgate rules to establish a facility need review process to determine the need for additional nursing facility beds.

Proposed law modifies present law by providing that need for new nursing facility beds is determined by comparing the national average of beds per person over the age of 65 to the parish average of beds per person over the age of 65 to determine the need in a parish.

Present law establishes a moratorium on new nursing facilities and additional nursing facility beds until July 1, 2027.

Proposed law repeals present law.

Proposed law provides that LDH shall grant new licenses if the parish of nursing facility beds per person over the age of 65 is less than the national average of nursing facility beds per person over the age of 65 by more than 30 beds.

Proposed law provides that if the parish average is between 30 and 120 beds, LDH shall accept applications to expand an existing nursing facility in the parish with need.

Proposed law further provides that if the parish average shows that the need for new nursing beds is greater than 120, LDH shall accept applications to open a new nursing facility in the parish with need.

Proposed law directs LDH to establish guidelines for ranking and evaluating applications for expanding or granting new nursing facility bed licenses.

Proposed law directs LDH to give preference to applicants based on quality rankings, commitment to building or expanding facilities with private rooms and restrooms.

Proposed law directs LDH to only consider applicants that are both owner and operator of nursing facilities if they have a 5% ownership in a Louisiana nursing facility.

Proposed law provides that an applicant awarded a nursing facility bed license shall have one year to obtain building permits and begin construction, with one six-month extension, or the licenses will be awarded to the next most competitive applicant.

Present law prohibits licensing or certifying any new nursing facility, service, or bed for participation in the Title XIX (Medicaid) program without prior approval based on a determination of need.

Proposed law retains present law.

Present law provides for exceptions to the moratorium for facilities that are replacements of existing facilities, replacement of nursing facility beds with adult residential care home beds, and nursing facility beds in alternate use.

Proposed law modifies present law by providing that replacement of existing facilities, replacing nursing facility beds with adult residential care home beds, and nursing facility beds in alternate uses shall be excepted from the facility need review process provided for in proposed law.

Present law provides an exception to the moratorium on nursing facility beds when facilities reach a certain occupancy level.

Proposed law repeals present law.

Present law provides for the membership of the facility need review committee.

Proposed law retains present law.

(Amends R.S. 40:2116.3; Repeals R.S. 40:2116.1)