

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **SB 405** SLS 26RS 674
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.: **w/ PROP SEN COMM AMD**
 Sub. Bill For.:

Date: April 21, 2026 6:40 PM	Author: TALBOT
Dept./Agy.: Department of health	
Subject: Nursing Home Choice Act	Analyst: Cristian Nedelea

NURSING HOMES OR INCREASE GF EX See Note Page 1 of 2
 Provides for the Nursing Home Choice Act. (8/1/26)

Proposed law provides for the Centers for Medicare and Medicaid Services (CMS) Five-Star Quality Rating System created to help consumers, families, and caregivers compare nursing homes more easily. Nursing homes with a five star rating are considered to have the highest quality and nursing homes with one star rating are considered to have the lowest quality as compared with other nursing homes. Proposed law requires the administrator of a nursing home that has been assigned a one star rating to submit a remediation plan to the Louisiana Department of Health (LDH) within thirty days after receiving the rating, including specific, measurable, performance targets for improving health inspections, staffing, and quality. A progress report shall be provided to LDH every quarter. Further, a one star nursing home may be subject to additional surveys, monitoring, and intervention by the department. If the nursing home has not improved its overall rating after a two-year period, the department shall enforce sanctions up to and including placing the nursing home on a closure track. Proposed law applies to any nursing home with an overall quality rating of one star on 10/01/2026 and remains effective until the quality rating has improved to two stars or higher.

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

The LFO has requested an updated fiscal note worksheet from the Louisiana Department of Health (LDH) accounting for the proposed amendments. At time of publication, LDH is still analyzing the proposed amendments to determine potential expenditure impacts. Upon receipt of additional information the LFO will revise this fiscal note accordingly.

Note: The information presented below contains analysis of SB 405 as originally filed and excludes the proposed amendments. LFO is unable to corroborate the estimated staffing level, operating expenses, and equipment costs projected by LDH. To the extent the required staffing levels may be lower after proposed amendments are accounted for, corresponding operating costs would shift accordingly. To the extent that a portion of the prescribed duties can be absorbed by existing staff and resources, a portion of the projected costs may be mitigated.

Proposed law is anticipated to increase SGF expenditures within the Louisiana Department of Health (LDH) by an indeterminable amount in FY 27 and future fiscal years. Proposed law requires one-star nursing homes: (1) to enter into a remediation plan with LDH, including specific, measurable, performance targets for quality improvement; and (2) to provide a progress report to LDH every quarter. Additionally, one-star nursing homes may be subject to additional surveys, monitoring, and intervention by the department.

LDH's Office of Adult and Aging Services (OAAS) identified 90 one-star nursing homes, housing 8,450 residents. OAAS estimates a need of twenty-seven (27) Program Monitor T.O. positions and five (5) Program Manager 1A T.O. positions in order to accept, review, and monitor remediation plans submitted by the one-star nursing homes. Additionally, the Health Standards Section (HSS) within LDH anticipates a need of twenty-four (24) Medical Certification Specialist 2 T.O. surveyor positions and one (1) Administrative Program Specialist A T.O. position to assist with the overall scheduling and workload management. HSS projected staffing level was based on two teams (of two surveyors) for each of the six HSS regional offices to cover 90 one-star nursing homes.

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}

Alan M. Boxberger
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Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

Page 2 of 2

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Personnel Costs (\$5.4 M FY 27 SGF):

OAAS indicates that salaries and related benefits will total \$7.2 M in annualized expenditures. These are associated with the addition of twenty-seven (27) Program Monitor T.O. positions, twenty-four (24) Medical Certification Specialist 2 T.O. positions, five (5) Program Manager 1A T.O. positions, and one (1) Administrative Program Specialist A T.O. position.

Operating Expenses (\$220,487 FY 27 SGF):

OAAS estimates annualized operating expenses to cost \$293,982.

Equipment Costs (\$30,891 FY 27 SGF):

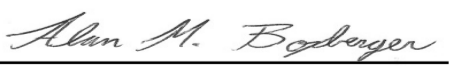
The equipment cost is expected to be \$30,891 in FY 27 and \$23,388 per year for FY 28 through FY 31.

	*FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services	\$5,417,250	\$7,223,000	\$7,223,000	\$7,223,000	\$7,223,000
Operating Expenses	\$220,487	\$293,982	\$293,982	\$293,982	\$293,982
Equipment	\$30,891	\$23,388	\$23,388	\$23,388	\$23,388
Total Expenditures	\$5,668,628	\$7,540,370	\$7,540,370	\$7,540,370	\$7,540,370
T.O.	57	57	57	57	57

*FY 27 is prorated to account for 10/01/2026 effective date and nine payment months.

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