

**Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: SB1383PER **Patron:** Aird
Bill Title: Nursing homes; sanctions; civil penalty.

Bill Summary: As amended, establishes procedures for the implementation of sanctions by the State Health Commissioner on any nursing home that is licensed pursuant to the laws regulating medical care facilities and services. The bill specifies the forms of sanctions that the Commissioner may impose, the nursing home's continued responsibility for persons under its care, the use of funds remunerated in accordance with such sanctions, the process for the imposition of such sanctions, and the Commissioner's ability to revoke such nursing home's license. The bill specifies that sanctions shall not be imposed on a nursing home that is sanctioned by the Centers for Medicare and Medicaid Services and directs the State Board of Health to promulgate emergency regulations to implement the provisions of the bill. The amended bill removes the provision that regulations must be implemented within 280 days of its enactment.

Budget Amendment Necessary: No **Items Impacted:** None.

Explanation: Funding was provided in the Governor's introduced budget for positions to authorize intermediate disciplinary action for medical care facilities and entities. The provisions of this legislation can be accommodated with funding provided.

Fiscal Summary: The Virginia Department of Health's Office of Licensure and Certification would require funding to hire two positions, one Hearing and Legal Services Officer III and one Policy and Planning Specialist I. Each penalty type requires an understanding of the regulations and the Administrative Process Act (APA) to correctly monitor and track the progress of the completion of such penalty to ensure regulated entities are adhering to the penalties imposed, as well as ensuring those entities are notified when they have completed the penalties imposed.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
VDH		\$319,883	\$312,683	\$312,683	\$312,683	\$312,683
TOTAL						

Fiscal Analysis: The Hearing and Legal Services Officer III would develop processes and procedures for the fair and equitable application of intermediate disciplinary action for incorporation into the regulations and to administer any proceedings that may arise under the APA if an entity contests the imposition of penalties. The salary, fringe benefits, and one-time equipment costs for the Hearing and Legal Services Officer II totals

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\$193,826 with a salary of \$131,235 and associated fringe of \$62,592, including the cost of a state-issued computer (\$3,000), other equipment (\$300), and supplies (\$300).

The Policy and Planning Specialist I would manage the progress of any imposed sanctions and assist the Hearing and Legal Services Officer III with any administrative work associated with scheduled proceedings. The salary, fringe benefits, and one-time equipment costs for the Policy & Planning Specialist I totals \$126,057 with a salary of \$76,124 and associated fringe of \$49,443, including the cost of a state-issued computer (\$3,000), other equipment (\$300), and supplies (\$300).

All funds appropriated for the FTE's required to administer intermediate sanctions would come from general funds as all moneys collected from the imposition of intermediate sanctions by the Commissioner would be statutorily required to be deposited into the Nursing Scholarship and Loan Repayment Fund.

Other: HB2253H1 is a companion bill.