

Fiscal Analysis: Using nursing facility wage survey data from calendar year 2024 and Value-Based Purchasing program data from October 2023 through September 2024, DMAS compared the case mix-adjusted nursing hours as reported by the Centers for Medicare and Medicaid Services and adopted by the VBP program to the hours established in the bill. The bill requires 3.25 case-adjusted nursing hours. In 2024, the statewide average was 3.44 hours, with approximately 51.5 percent of nursing facilities meeting the proposed staffing standard. For the 49.5 percent of facilities that did not meet the standard, DMAS estimates that nursing facilities will need to increase total nursing hours by 1,170,842 annually to meet the requirements of the bill. The methodology for calculating additional staffing needs involved: (1) dividing the number of nursing hours per day by the VBP case mix-adjusted hours to determine each facility's case mix, and (2) for facilities below the standard, dividing the additional case mix-adjusted hours needed by the facility's case mix to determine the

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number of unadjusted hours required to achieve the new standard. These additional hours were then multiplied by the statewide average nursing salary inflated to FY 2027 to estimate the incremental cost.

In 2024, the average cost for each additional nursing hour worked was \$35.82. Assuming this cost is increased annually based on nursing facility inflation (3.98 percent), the total cost to increase staffing standards to 3.25 hours is \$47.2 million (\$19.8 million general fund) in FY 2027 and \$49.0 million (\$20.6 million general fund) in FY 2028.

According to the Virginia Department of Health, this bill does not have a fiscal impact on the agency.

Other: -