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**OLR Bill Analysis**

**SB 328**

***AN ACT REQUIRING NURSING HOMES TO SPEND EIGHTY PER CENT OF REVENUE ON DIRECT PATIENT CARE.***

**SUMMARY**

This bill requires the Department of Social Services (DSS), beginning with FY 27, to require nursing homes to spend at least 80% of their funding from Medicaid, Medicare, and all other payment sources on residents' direct care. However, it allows the commissioner to adjust this percentage for nursing homes with a capital improvement project or fair rent increase DSS approved. Beginning with FY 29, the commissioner may decrease Medicaid reimbursement for any nursing home that does not comply.

Under the bill, "direct care" is the hands-on care nursing personnel provide to facility residents (for example, help with feeding, bathing, toileting, dressing, lifting or moving residents, or administering medication). It also includes nursing personnel's salary and fringe benefits and the cost of supplies to provide hands-on care. "Nursing personnel" are advanced practice registered nurses, registered or practical nurses, and nurse's aides.

EFFECTIVE DATE: July 1, 2026

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable

Yea 16    Nay 7    (03/19/2026)