

# OFFICE OF FISCAL ANALYSIS

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SB-281

AN ACT CONCERNING PENALTIES FOR UNAUTHORIZED USE  
OF RATE INCREASES EARMARKED FOR STAFF WAGE  
ENHANCEMENTS AT NURSING HOME FACILITIES.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The bill could result in a revenue gain to the state by allowing the Department of Social Services (DSS) to assess civil penalties on nursing homes for the improper use of increased funding meant for wage enhancements for facility employees. While effective from passage, the provisions of the bill apply to funding for nursing home wage increases included in the FY 22-23 biennial budget (\$47.3 million in FY 22 and \$102.2 million in FY 23). Audits of this funding are not anticipated until late FY 23 and/or FY 24 after cost reports are filed, and therefore any associated revenue from potential fines cannot be determined at this time. Civil penalties are limited to 50% of the total amount received for the rate increase but not used for wage enhancements for facility employees.

### ***The Out Years***

The annualized ongoing fiscal impact is dependent on the potential for civil penalties as described above.