

State Legislative Highlights in 2022

A number of states, including California and Connecticut, are considering legislation to establish a direct care spending requirement in their 2022 legislative sessions.

- California's bill, AB-2079,²⁸ introduced February 14, requires a minimum of 85 percent of nursing homes' revenue to be spent on the direct care of residents. Direct care includes a broad range of staff members such as in-house clerical staff that regularly interacts with residents and caregivers. Capital costs, such as depreciation, leases and rentals and property taxes and insurance are not considered direct care, nor are administrative costs paid to contractors or related parties for staffing services. Exceptions to non-direct care may be made on a case-by-case basis for certain high-cost expenditures "that directly benefit residents, such as establishing single rooms and private bathrooms."
- Connecticut's bill, HB 5310, introduced March 4,²⁹ would require a nursing home facility to spend not less than ninety per cent of the Medicaid funding it receives on residents' direct care. The percentage may be reduced on a case-by-case basis for certain facilities with a capital improvement project or a fair rent increase. "Direct care" is defined as "hands-on care provided to a resident by nursing personnel" which is limited to advanced practice registered nurses, registered nurses, practical nurses and nurse's aides.

²⁸ Assembly Bill No. 2079 (2022). Available at https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB2079.

²⁹ House Bill No. 5310 (2022). Available at https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB-5310. HB5310 died in Committee on March 11, 2022, but proponents plan to introduce it next session.