

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 554** HLS 26RS 977
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 11, 2026 1:09 PM	Author: CARTER, WILFORD
Dept./Agy.: Louisiana Department of Health	Analyst: Anthony Shamis
Subject: Civil monetary penalties for violations by healthcare facilities	

HEALTH CARE/PROVIDERS OR INCREASE SD RV See Note Page 1 of 2
 Provides relative to civil monetary penalties for violations by healthcare facilities

Proposed law increases civil penalties relating to the operation and maintenance of healthcare facilities by class of violation as follows: Class A violation - violation that results in death or serious harm to a resident or client. First offense increases from an amount not to exceed \$2,500 to \$5,000. Second offense increases from an amount not to exceed \$5,000 to \$10,000 per day. Class B violation - violation that creates a substantial probability that death or serious physical or mental harm to a resident or client will result from the violation. First offense increases from an amount not to exceed \$1,500 to \$2,500. Second offense increases from an amount not to exceed \$3,000 to \$6,000 per day. Class C violation - violation that creates a potential for harm by directly threatening the health, safety, rights, or welfare of a resident or client. First offense increases from an amount not to exceed \$1,000 to \$2,000. Second offense increases from an amount not to exceed \$2,000 to \$4,000 per day. Class D violation - violation related to administrative reporting requirements that do not directly threaten the health, safety, rights, or welfare of a resident or client. First offense increases from an amount not to exceed \$100 to \$200. Second offense increases from an amount not to exceed \$250 to \$500 per day. Proposed law authorizes a separate penalty to be assessed on facilities that fail to report abuse, neglect, serious bodily injury, or death in a timely manner for each day delayed. Proposed law requires the Louisiana Department of Health (LDH) to publish a report of penalties assessed, penalties collected, repeat violations, and facilities with three or more deficiencies within a 12-month period to the David R. Poynter Legislative Library on November first of each year.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase SGF expenditures within the Louisiana Department of Health (LDH), Health Standards Section (HSS), by an indeterminable, but minimal amount associated with additional administrative workload related to enforcement and reporting requirements of the proposed legislation. LDH indicates that any additional administrative workload can be absorbed using existing staff and resources.

REVENUE EXPLANATION

Proposed law is anticipated to increase revenues deposited into the Statutorily Dedicated Health Care Facility Fund from increased civil penalties related to operation and maintenance of healthcare facilities. Revenues collected from assessed violations are deposited into the Health Care Facility Fund for use by LDH for safety initiatives, education, enforcement activities, training, and improvements to quality of care related to healthcare facilities.

Proposed law also authorizes LDH to assess a penalty on facilities that fail to report abuse, neglect, serious injury, or death with each day of delayed reporting constituting a separate violation. The penalty amount for failure to report is not specified in the legislation.

Information provided by LDH indicates the impact to revenues is indeterminable, as collections would be dependent on future enforcement actions, the number and severity of violations, and penalties ultimately assessed and collected. Because the number of violations and penalties assessed is unknown at this time, the potential increase in revenue collections cannot be determined.

Note: Actual penalties and fines collected and deposited into the Health Care Facility Fund totaled \$103,167 in FY 23, \$287,783 in FY 24, and \$396,107 in FY 25, with FY 26 collections totaling \$278,986 as of 3/09/26. Based on these historical collections, the LFO does not anticipate that increased civil penalties required under the proposed legislation would generate an additional \$500,000 in annual collections. Therefore, dual referral pursuant to Senate Rule 13.5.2 is not required.

REVENUE EXPLANATION CONTINUED ON PAGE TWO

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Alan M. Boxberger
Legislative Fiscal Officer



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**CONTINUED EXPLANATION from page one:
REVENUE EXPLANATION CONTINUED FROM PAGE ONE**

Increase in civil fines by class of violations:

<u>Class of Violation</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Class A (first violation)	\$2,500	\$ 5,000	\$2,500
Class A (repeat violations)	\$5,000	\$10,000	\$5,000
Class B (first violation)	\$1,500	\$ 2,500	\$1,000
Class B (repeat violations)	\$3,000	\$ 6,000	\$3,000
Class C (first violation)	\$1,000	\$ 2,000	\$1,000
Class C (repeat violations)	\$2,000	\$ 4,000	\$2,000
Class D (first violation)	\$ 100	\$ 200	\$ 100
Class D (repeat violations)	\$ 250	\$ 500	\$ 250

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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