



Joe Lombardo
Governor

NEVADA HEALTH AUTHORITY
HEALTH CARE PURCHASING AND COMPLIANCE DIVISION

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Stacie Weeks
Director

Cynthia Leech
Administrator

Notice of Hearing for Amendment of Regulations of the Board of Health

NOTICE OF INTENT TO ACT UPON A REGULATION

LCB File No. R071-26

Nevada Administrative Code (NAC) Chapter 449

NOTICE IS HEREBY GIVEN that the State Board of Health will hold a public hearing to consider proposed amendments to Nevada Administrative Code (NAC) in accordance with NAC 449.0302 and NRS 439.100. This public hearing will be held in conjunction with the State Board of Health meeting on June 5, 2026.

The State Board of Health meeting will be held by videoconference beginning at 9:00 a.m. on June 5, 2026, at the following locations:

Physical Locations

Division of Public and Behavioral Health
Hearing Room 303
4150 Technology Way
Carson City, NV 89706

Southern Nevada Health District
Red Rock Trail Rooms A & B
208 S. Decatur Blvd.
Las Vegas, NV 89107

Virtual Information

Meeting Link

Microsoft Teams

https://teams.microsoft.com/l/meetup-join/19%3ameeting_OTUwY2Q2NGQtNjJiYS00NGU2LWI1NjltMjcyMGJjNWU3NDcx%40thread.v2/0?context=%7b%22id%22%3a%22e4a340e6-b89e-4e68-8eaa-1544d2703980%22%2c%22oid%22%3a%22768e443d-3be6-48f0-9bb0-7e72f1276b8d%22%7d

Please note: If you experience technical difficulties connecting online, please call in to participate by phone.

Join By Phone

775-321-6111

Conference ID: 239 762 069#

LCB File No. R071-26 addresses:

- Increase licensing fees for most of the facility types licensed under NAC 449 by seven percent (7%).
- Increase monetary penalties within chapter NAC 449 by seven percent (7%).

On March 17, 2026, the Health Care Purchasing and Compliance Division assessed small business impacts by distributing an impact questionnaire and the proposed regulations to interested parties, ListServ subscribers, and industry representatives. The proposed regulations were also posted on the Health Care Quality and Compliance website. A workshop is scheduled for May 13, 2026, at 1:00 p.m. to hear additional comments from affected businesses.

1. Anticipated effects on the business regulated by the proposed regulations:

A. Adverse effects:

- i. Direct adverse effects: Increase licensing fees to seven percent (7%). Some small providers may need to reallocate budgets to absorb the increase amid broader cost pressures (e.g., staffing, administrative costs, inflation).
- ii. Indirect adverse effects: Possible administrative and operational adjustments as businesses incorporate the increase into annual budgets; the increase is intended to be modest.

B. Beneficial effects:

- Improving regulatory capacity will support more consistent inspections, complaint investigations, and licensing processing, which businesses rely on.
- Enhancing oversight may reduce compliance errors, survey deficiencies, and operational disruptions.
- Increasing standardization and modernized systems may support long-term stability and operational clarity for providers.

C. Immediate effects:

- Immediate financial impact in the form of increased licensing fees.
- Businesses may need to adjust annual budgets or operational plans to accommodate the increased cost.
- Some providers may experience short-term administrative adjustments as they prepare for the updated fee structure.

D. *Long-term effects:*

- Greater regulatory consistency, improved communication, and more efficient licensing and survey processes due to strengthened agency capacity.
- Reduced likelihood of delays in inspections, backlogs in licensing applications, or interruptions in regulatory services.
- Improved statewide health and safety infrastructure, benefiting compliant providers through a more stable operating environment.

2. **Anticipated effects on the public:**

A. *Adverse effects:*

- Potential reduction in services or service availability if some small providers adjust operations in response to cost pressures.
- Some businesses may pass on increased operational costs to clients, which could impact individuals on fixed or low incomes.

B. *Beneficial effects:* Beneficial effects on the public include:

- Strengthened oversight will support improved quality of care, safety, and accountability within licensed facilities.
- Timelier inspections and investigations directly enhance the health of facility residents, patients, and the vulnerable, and enhance consumer confidence.
- A more stable regulatory system reduces risks associated with delays, compliance failures, and service disruptions.

C. *Immediate effects:*

- Minimal immediate effects on the public.
- Public benefits from continued regulatory oversight without interruption.

D. *Long-term effects:*

- Enhanced consumer protection and safer licensed facilities due to adequately resourced inspections and regulatory functions.
- Increased public trust in the healthcare and residential facility system as stronger oversight reduces adverse events and ensures consistent quality standards.
- Long-term improvement in statewide health and safety infrastructure.

3. **Costs Associated with the Change**

- The proposed regulation increases existing fees by seven percent (7%).
- Based on an estimated \$10.6 million annual fee base, the total additional annual revenue is approximately \$742,000.
- Costs to individual businesses vary by licensure category but generally reflect a seven percent (7%) adjustment.

- No significant additional administrative or enforcement-related costs to the agency are anticipated.
- The agency reports the increase is below the 39% cumulative inflation over the last 15 years and is needed to maintain operations (e.g., inspections, complaint investigations, and system modernization).

4. Comparison of State Proposed Regulation to the Federal Regulations

- There are no known duplicative, overlapping, or more stringent federal regulations governing the specific licensing fees addressed in the proposed regulation.

Members of the public may make oral comments at this meeting. Persons wishing to submit written testimony or documentary evidence in excess of two typed 8.5 in. x 11 in. pages must submit the material to the Board’s Secretary, to be received no later than May 21, 2026, at the following address:

Secretary, State Board of Health
Division of Public and Behavioral Health
4150 Technology Way, Suite 300
Carson City, NV 89706
stateBOH@health.nv.gov

Written comments, testimony, or documentary evidence in excess of two typed pages will not be accepted at the time of the hearing. The purpose of this requirement is to allow Board members adequate time to review the documents.

A copy of the notice and the proposed regulations is on file for inspection and/or may be copied at the following locations during normal business hours:

- Nevada Division of Public and Behavioral Health - 4150 Technology Way, Suite #300, Carson City, NV 89706
- Nevada Health Authority – 4070 Silver Sage Dr. Carson City, NV 89701
- Nevada Health Authority – 9850 Double R Blvd., Suite 200, Reno, NV 89521
- Nevada Health Authority/Bureau of Health Care Quality and Compliance – 727 Fairview Dr., Suite E, Carson City, NV 89701
- Nevada Health Authority/Bureau of Health Care Quality and Compliance – 500 E Warm Springs Rd., Suite 200, Las Vegas, NV 89119
- Nevada State Library and Archives – 100 Stewart Street, Carson City, NV, 89701
- Southern Nevada Health District Red Rock Trail Rooms A & B – 208 S. Decatur Blvd., Las Vegas, NV 89107

A copy of the regulations and the small business impact statement can be found online at:

<https://www.hcqc.nv.gov/notices/>

A copy of the public hearing notice can also be found on the Nevada Legislature's web page:

<https://www.leg.state.nv.us/App/Notice/A/>

Copies may be obtained in person, by mail, or by calling the Bureau of Health Care Quality and Compliance at:

Bureau of Health Care Quality and Compliance 727 Fairview Drive, Suite E
Carson City, NV 89701
(775) 684-1030
PIO@nvha.nv.gov

Copies may also be obtained from the Nevada State Library at the address listed below:

Nevada State Library & Archives
100 N. Stewart Street
Carson City, NV 89701

Per NRS 233B.064(2), upon adoption of any regulation, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.



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HEALTH CARE PURCHASING AND COMPLIANCE DIVISION

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Stacie Weeks, JD MPH,
Director

Cynthia Leech
Administrator

MEMORANDUM

Date: May 19, 2026

To: Jon Pennell, DVM, Chair
State Board of Health

From: Andrea Rivers, Secretary
State Board of Health

Re: Consideration and adoption of proposed regulation R71-26 to Nevada Administrative Code (NAC) 449, to implement fee changes.

PURPOSE OF AMENDMENTS

The proposed regulations amend current regulations governing licensing fees for most facility types and certain monetary penalty fees applicable to facilities licensed under NAC 449.

SUMMARY OF SIGNIFICANT REGULATIONS IN LCB FILE #R71-26

- Increase licensing fees for most facility types licensed under NAC 449 by seven percent (7%).
- Increase monetary penalties within chapter NAC 449 by seven percent (7%).

POSSIBLE OUTCOME IF PROPOSED AMENDMENT IS NOT APPROVED

If these proposed amendments are not approved by the Board of Health, Nevada Health Authority, the Division of Purchasing and Compliance (“Division”) may be unable to sustain essential regulatory functions that protect public health and ensure facilities operate safely and in compliance with applicable standards. Failure to approve the fee adjustments would also reduce the Division’s ability to conduct timely inspections, resolve complaints, process licensing applications, and modernize regulatory systems. As a result, this could potentially increase inspection delays, licensing backlogs, compliance errors, and operational disruptions for providers. Non-approval would further weaken statewide health and safety oversight, reduce consumer confidence, and impair the State’s ability to maintain consistent quality and accountability across licensed facilities. The proposed fee increase remains well below the 39 percent (39%) cumulative inflation over the past 15 years and is necessary to sustain core regulatory operations.

APPLICABILITY OF PROPOSED AMENDMENT

The proposed regulations will apply statewide to most health care facilities licensed under NRS and NAC 449.

PUBLIC COMMENT RECEIVED

Pursuant to NRS 233B.0608(2)(a), the Division sought input from health care facilities licensed pursuant to NRS and NAC 449, other interested parties, and other State agencies. On March 17, 2026, the Division sent small business impact questionnaire to all affected facilities asking from small businesses for input from small businesses regarding the proposed regulations. The results of the small business impact study are summarized in the Small Business Impact Statement. See Small Business Impact Statement, attached hereto.

On April 27, 2026, a Notice of Public Workshop was sent to applicable health care facilities under NRS and NAC 449, other interested parties, and other State agencies.

A public workshop was held on April 24, 2024. Two (2) individuals provided testimony applicable to the proposed regulations. Below is a summary of the testimony provided by the two (2) individuals.

Testimony #1

The person providing the testimony requested the Division consider adding a new, lower-capacity licensing fee category for facilities serving 25 participants or fewer, explaining that under the current NAC 449 fee structure, providers licensed for fewer than 50 participants all pay the same fee, whether their capacity is 20 or 49. As a small provider licensed for only 20 participants, the person stated the fee structure creates a disproportionate financial burden on small centers with lower operating capacity and revenue. The person emphasized that he/she supports licensing fees and regulatory oversight but believes fees should reflect the providers size. He/she respectfully asked the Division to create a tier for providers with 25 or fewer participants so costs align with operational scale while still supporting compliance and oversight.

Testimony #2

The person had questions related to current regulations and did not have questions or comments specific to the proposed regulations.

On May 4, 2026, the Notice of Public Hearing for LCB File #R71-26 was posted, indicating that the hearing on these regulations will occur during the June 5, 2026, meeting of the State Board of Health.

STAFF RECOMMENDATION

Staff recommend the Division adopt the proposed amendments to NAC 449 set forth in LCB File No. R71-26. Approval of these amendments will allow the Division to maintain essential functions to protect public health and ensure facilities operate safely and in compliance with applicable standards.

PRESENTER

Chad Westom, Agency Manager

Attachments:

LCB File #R71-26, Small Business Impact Statement, Public Workshop Notice, Public Hearing Notice



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HEALTH CARE PURCHASING AND COMPLIANCE DIVISION

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Stacie Weeks, JD MPH,
Director

Cynthia Leech
Administrator

NOTICE OF PUBLIC WORKSHOP

Notice of public workshop to solicit comments per Nevada Revised Statutes (NRS) 233B.061 on proposed regulations to be adopted to revise Chapter 449 of the Nevada Administrative Code (NAC) and are being proposed in accordance with NRS 449.0302 and NRS 439.150.

- Date of Publication:** Monday, April 27, 2026, at 11:30am
- Date and Time of Meeting:** Wednesday, May 13th, 2026, at 1:00pm PST
- Name of Organization:** The State of Nevada, Nevada Health Authority (NVHA), Health Care Purchasing and Compliance Division (HCPC)
- Place of Meeting:** This meeting will be conducted via video conference and telephone on Microsoft Teams and will be viewable in person.

Microsoft Teams: <https://teams.microsoft.com/meet/238354099410899?p=ChW1Wvx3m176y2TY18>

Meeting ID: 238 354 099 410 899
Passcode: NS3GB6d4 (password should not be needed)

Audio Only: (775) 321-6111
Conference ID: 562 048 68#

In person: 727 Fairview Dr. STE. E
Carson City, Nevada 89701

Note: The Nevada Health Care Purchasing and Compliance Division staff can be contacted to make reasonable accommodations for members of the public who are disabled and wish to attend the hearing. If special arrangements are necessary, please notify PIO@nvha.nv.gov before the meeting date. Si necesitas ayuda traduciendo este mensaje, por favor escribe a PIO@nvha.nv.gov.

If you need supporting documents for this meeting, please notify PIO@nvha.nv.gov before the meeting date.

Written information regarding this workshop can be sent to the Nevada Health Authority in advance of the meeting via email at PIO@nvha.nv.gov or if unable to send via email or need assistance please contact by telephone at 775-684-1070 to make other arrangements.

If at any time during the meeting, an individual who has been named on the agenda or has an item specifically regarding them, included on the agenda is unable to participate because of technical or other

difficulties, please email PIO@nvha.nv.gov and note at what time the difficulty started so that matters pertaining specifically to their participation may be continued to a future agenda if needed or otherwise addressed.

Please be cautious and do not click on links in the chat area of the meeting unless you have verified, they are safe. If you ever have questions about a link in a document purporting to be from Nevada Health Authority, please do not hesitate to contact PIO@nvha.nv.gov for verification.

This meeting is a public meeting, recorded and held in compliance with and pursuant to Nevada Revised Statutes 241, Nevada Open Meeting Law and Nevada Revised Statutes, 233B Nevada Administrative Procedure Act. By participating, you consent to recording of your participation in this meeting. Please refrain from entering any information into the chat function of the video platform.

A person may also have comments added to the minutes of the meeting by submitting them in writing either in addition to testifying or in lieu of testifying. Written comments may be submitted electronically before, during, or after the meeting by email to PIO@nvha.nv.gov.

Use of obscenities or other behavior which disrupts the meeting to the extent that its orderly conduct is made impractical may result in the forfeiture of the opportunity to provide public comment or removal from the meeting.

The proposed regulations provide provisions for the following:

- Increase licensing fees for most of the facility types licensed under NAC 449 by seven percent (7%).
- Increase monetary penalties within chapter NAC 449 by seven percent (7%).

AGENDA

NOTICE:

1. Agenda Items may be taken out of order.
 2. Two or more items may be combined; and
 3. Items may be removed from the agenda or delayed at any time.
-
- **Call to Order and introduction of the workshop process.**
 - The purpose of this workshop is to solicit input regarding the regulations to be developed and adopted by Nevada Health Authority. The proposed changes will revise Chapter 449 of the Nevada Administrative Code and are being proposed in accordance with NRS 449.0302.
 - **Public comment on proposed regulations.**
 - No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. To provide public comment telephonically, you may join the meeting by dialing (775) 321-6111 and when prompted to provide the conference ID, enter 562 048 68#. Comments will be limited to three minutes per person. Persons making comment will unmute themselves by pressing *6 and speak up briefly. Persons making comment will be asked to begin by stating their name for the record and to spell their last name. Those who wish to provide a written comment may submit their comment via email to PIO@nvha.nv.gov.

- **Public comment regarding any other issue.**
 - No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. To provide public comment telephonically, you may join the meeting by dialing (775) 321-6111 and when prompted to provide the conference ID, enter 562 048 68#. Comments will be limited to three minutes per person. Persons making comment will unmute themselves by pressing *6 and speak up briefly. Persons making comment will be asked to begin by stating their name for the record and to spell their last name. Those who wish to provide a written comment may submit their comment via email to PIO@nvha.nv.gov.

 - **Adjournment**
-

NOTICE AND AGENDA OF THIS PUBLIC HEARING IS POSTED FOR INSPECTION AT THE FOLLOWING LOCATIONS

PHYSICAL POSTINGS

- Nevada Health Authority – 4070 Silver Sage Dr. Carson City, NV 89701
- Nevada Health Authority, Health Care Purchasing and Compliance Division – 9850 Double R Blvd., Suite 200, Reno, 89521
- Nevada Health Authority, Bureau of Health Care Quality and Compliance – 500 E Warm Springs Rd., Suite 200, Las Vegas, NV 89119
- Nevada Health Authority, Bureau of Health Care Quality and Compliance – 727 Fairview Dr., Suite E, Carson City, NV 89701
- Nevada State Library and Archives – 100 Stewart Street, Carson City, NV, 89701
- Southern Nevada Health District Red Rock Trail Rooms A & B – 208 S. Decatur Blvd., Las Vegas, NV 89107

ONLINE POSTINGS

- Health Care Quality and Compliance Website: <https://www.hcqc.nv.gov/notices/>
- Nevada Administration’s website: <http://notice.nv.gov>
- Legislative Council Bureau website: <https://www.leg.state.nv.us/app/notice/a/>

The notice and supporting materials for this workshop may be requested at the above locations during normal business hours or by contacting Nevada Health Authority staff at PIO@nvha.nv.gov or by calling 775-684-1030 or 702-486-6515.

In addition, the notice information was mailed to groups and individuals as requested and per NRS 233B.061. Supporting materials are available for the public at <https://www.hcqc.nv.gov/notices/>



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SMALL BUSINESS IMPACT STATEMENT 2026

PROPOSED AMENDMENTS TO NAC 449

The Nevada Health Authority (NVHA), Health Care Purchasing and Compliance Division, The Bureau of Health Care Quality and Compliance (HCQC) has determined the proposed regulations may have a minimal adverse financial impact upon small businesses. It is anticipated the proposed regulations will not directly restrict the formation, operation or expansion of a small business.

A small business is defined in Nevada Revised Statutes NRS 233B as a "business conducted for profit which employs fewer than 150 full-time or part-time employees."

This small business impact statement is made pursuant to NRS 233B.0608 (3) and complies with the requirements of NRS 233B.0609. As required by NRS 233B.0608(3), this statement identifies the methods used by the agency in determining the impact of the proposed regulation on a small business in sections 1, 2, 3, and 4 below and provides the reasons for the conclusions of the agency in section 8 below followed by the certification by the person responsible for the agency.

Background

The Bureau of Health Care Quality & Compliance (HCQC), is funded primarily by state licensing related fees. Most of these fees have not changed in more than 15 years, even as operating costs have increased significantly. Inflation alone has risen 39% during that time, reducing the HCQC's ability to maintain current service levels. HCQC has also taken on over ten (10) new unfunded programs, higher salary obligations, and a growing number of required inspections and complaint investigations. To continue providing effective oversight and protecting patients, residents, and the public, a fee adjustment is necessary.

The proposed regulations amend Nevada Administrative Code (NAC) Chapter 449 and intend to increase fees in NAC 449 to seven percent (7%).

Seven percent (7) percent represents only a fraction of the cumulative inflationary impact over the past 15 years and reflects a measured, responsible approach to ensuring HCQC's continued operational stability while minimizing financial impact on licensed facilities.

1) A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

Pursuant to NRS 233B.0608 (2)(a), the Health Care Purchasing and Compliance Division requested input from small businesses that may be affected by the proposed regulations.

Notice was sent to all NRS and NAC Chapter 449 licensed health facilities that were licensed at the time of the notice distribution, to members of the public who have chosen to subscribe to the Division’s health facility specific ListServs and to representatives of the Health Care Association, Nevada Hospital Association, and Nevada Rural Hospital Partners. On March 17, 2026, an email with a link to the Small Business Impact Questionnaire and proposed regulations was sent to actively licensed facilities, hospitals, agencies, programs or homes listed in NRS 449 on March 17, 2026.

The questions on the questionnaire were:

- 1) Will the regulations have any adverse economic effect upon your license?
- 2) Please list each which items and explain the adverse impact. Indicate the estimated dollar amount(s) you believe the adopted regulations will cost you over one calendar year with a brief explanation.
- 3) Will the regulation(s) have any beneficial effect upon your business?
- 4) If so, please explain and include any cost savings you believe the adopted regulations will save your business over one calendar year with an estimated dollar amount.
- 5) Do you anticipate any indirect adverse effects upon your business?
- 6) Please explain the indirect adverse effects.
- 7) Do you anticipate an indirect beneficial effects upon your business?
- 8) Please explain the indirect beneficial effects.

Summary of Responses

Summary of Comments Received (18 responses were received out of a minimum of 6,106 small business impact questionnaires distributed)	
1) Will the regulations have any adverse economic effect upon your license?	Yes- 15 No - 3
2) Please list each which items and explain the adverse impact. Indicate the estimated dollar amount(s) you believe the adopted regulations will cost you over one calendar year with a brief explanation.	<p>Comment: With an increase in cost which I do believe is much warranted, the additional financial burden falls solely on the facility as there has not been an increase in the Medicaid reimbursement.</p> <p>Comment: We already don’t collect enough revenue to pay the large licensing fees. The state needs to increase revenue for providers so we can afford to pay these fees. Fee schedules should have been adjusted along with the licensure fees.</p> <p>Comment: A 7% increase is unfair to small businesses. This state needs a CON law not more home health and hospice agencies.</p> <p>Comment: Pending Medicare's 855 approval, the increased costs will negatively impact on our budget, as we are not currently operational.</p> <p>Comment: Increase fees by seven percent (7%)</p>

Comment: 1. small businesses have very low profit. 2. in our case we cater to low-income clients and about up to 30% of our clients are Medicaid client. The reimbursement from Medicaid on a daily basis are \$ 34.50 , \$78, and \$103 for levels 1,2 and 3 respectively. These rates are too low with their SS of about \$1000.

If you could exempt from the increase all Medicaid client provider that may help but certainly your increase will adversely affect us economically.

Comment: In response to the inquiry regarding the adverse impact of the adopted regulations:

The cumulative effect of ongoing regulatory changes in healthcare has created a significant operational and financial burden, particularly for small, independently operated providers. These impacts are not attributable to a single regulation but to the compounding effects of multiple requirements implemented over time.

Key areas of adverse impact include:

Increased Administrative Burden:

Expanded documentation, compliance tracking, and reporting requirements necessitate additional administrative time and/or staffing.

Estimated annual cost impact: \$15,000–\$30,000, based on increased personnel hours or contracted compliance support.

Rising Staffing Costs and Shortages:

Workforce shortages have led to increased wages, overtime, and reliance on temporary or agency staff to maintain regulatory compliance and patient care standards.

Estimated annual cost impact: \$40,000–\$100,000, depending on staffing gaps and market rates.

Operational Cost Increases (Inflationary Pressures):

Over the past 15+ years, inflation has significantly increased the cost of medical supplies, equipment, rent, utilities, and vendor services. Regulatory requirements often necessitate higher-grade or specialized resources, further increasing expenses.

Estimated annual cost impact: \$25,000–\$75,000, based on vendor price escalations and required materials.

Expanded Scope of Compliance Requirements:

New and evolving regulations require ongoing staff training, policy revisions, legal consultation, and system updates.

Estimated annual cost impact: \$10,000–\$25,000, including training, consulting, and implementation.

In aggregate, the estimated annual financial impact for a small healthcare provider ranges from approximately \$90,000 to \$230,000. These figures are based on conservative estimates of increased labor, administrative time, vendor costs, and compliance-related expenditures.

While regulatory oversight is essential to ensure patient safety and quality of care, consideration should be given to the disproportionate impact on small businesses. Many providers remain deeply committed to serving vulnerable, marginalized, and underserved populations despite these challenges. A balanced approach that

	<p>supports both compliance and sustainability would help ensure continued access to care within the community.</p> <p>Comment: The big, beautiful bill has already greatly cut the payments to home health. With increased fees and payments cuts would greatly impact on small business. We are in a business where we can't raise prices to offset the cost of providing services. 7% x 3500.00 licensing fee.</p> <p>Comment: The cost of doing business, specifically, paying for caregivers has been increasing throughout the years while the cost that most of the residents can afford is very minimal and at some instances they are paying less than the services they are receiving. A lot of small group home business owners are just struggling to keep up with the bills, the high cost of professional liability insurance, the utilities, the rent/mortgage, the cost of food to feed the residence, and to mention again the cost for caregivers. Only established group home business owners will not feel the impact of this, but we will.</p> <p>Comment: This is unclear but with <25 employees, any increase in fees would impact me negatively. My liability and workers comp insurance increased 50% in one year. My team is asking for raises and I already pay them much higher than average.</p> <p>Comment: Because our clients are all from mental health and their payment is based on tiers</p>
<p>3) Will the regulation(s) have any beneficial effect upon your business?</p>	<p>Yes – 3 No – 15</p>
<p>4) If so, please explain and include any cost savings you believe the adopted regulations will save your business over one calendar year with an estimated dollar amount.</p>	<p>Comment: I always welcome increased and improved oversight. It helps strengthen the quality of care we provide to our residents while also ensuring accountability and adherence to proper practices. We continually strive to be the best, but we recognize that there are individuals who require closer and more frequent supervision to maintain those standards.</p> <p>Comment: Unsure</p> <p>Comment: Yes, the adopted regulations may have beneficial effects on our business in several important areas, particularly in promoting standardization, quality assurance, and risk mitigation across healthcare delivery systems.</p> <p>Key anticipated benefits include:</p> <p>Improved Standardization of Care and Processes: Enhanced regulatory guidance can help establish clearer operational expectations, reducing ambiguity in clinical and administrative practices. This may lead to improved efficiency over time as workflows become more structured and consistent. Estimated cost savings: \$5,000–\$10,000 annually, based on reduced variability in processes and decreased time spent on internal corrections or rework.</p> <p>Reduction in Compliance-Related Errors and Penalties:</p>

	<p>Clearer regulations and structured compliance frameworks may reduce the likelihood of deficiencies during audits, surveys, or reviews (e.g., ADRs), potentially avoiding costly penalties, recoupments, or corrective action plans. Estimated cost avoidance/savings: \$10,000–\$25,000 annually, based on reduced risk exposure and fewer compliance-related liabilities.</p> <p>Enhanced Staff Training and Competency Alignment: Standardized requirements support more focused and consistent staff education, which may improve productivity and reduce inefficiencies caused by miscommunication or inconsistent practices. Estimated cost savings: \$3,000–\$8,000 annually, based on reduced retraining needs and improved staff performance.</p> <p>Long-Term Operational Stability and Sustainability: While initial implementation may be resource-intensive, well-defined regulatory frameworks can support long-term operational stability by aligning expectations across payors, providers, and regulatory bodies. This may reduce the need for frequent reactive adjustments to changing requirements. Estimated indirect savings: \$5,000–\$15,000 annually, based on reduced operational disruptions and strategic planning efficiencies.</p> <p>Overall, the estimated annual cost savings or cost avoidance associated with these regulations' beneficial effects may range from approximately \$23,000 to \$58,000.</p> <p>These benefits are primarily realized through improved operational clarity, reduced compliance risks, and enhanced workforce alignment. However, it is important to note that these potential savings may be offset by the high upfront and ongoing costs of implementing and maintaining compliance with evolving regulatory standards.</p> <p>A balanced regulatory approach that continues to support both quality assurance and operational feasibility will be essential in ensuring that healthcare providers can sustain these benefits while continuing to deliver care to vulnerable and underserved populations.</p>
5) Do you anticipate any indirect adverse effects upon your business?	<p>Yes – 12 No – 5 Unanswered –1</p>
6) Please explain the indirect adverse effects.	<p>Comment: It's going to cost more</p> <p>Comment: Unsure</p> <p>Comment: Increase in operating costs will lead to having to raise customer prices which will price out more seniors on a fixed income.</p> <p>Comment: Increase fees always have a negative effect on an operation. The biggest problem I however is the length of time it takes HCQC to review an application, either a new home or a CHOW. An operator submits an application with the appropriate fee and waits months to receive notification. During that period, 8-12 months, the home cannot generate revenue. When questioned HCQC's response is that they have a more applications than they can deal with. Since the number of homes in the Las Vegas area has not increased by a great percentage over the past decade, I have come to the conclusion that there must be inefficiencies in the department, and it probably needs</p>

an external operational audit. If you want to increase fees, process the applications quicker.

Comment: WE may decide not to accept Medicaid clients and lose revenues.

Comment: Yes, indirect adverse effects are anticipated as a result of the adopted regulations. While not always immediately measurable, these impacts influence operational sustainability, workforce stability, and patient access over time.

Key indirect adverse effects include:

Reduced Access to Care for Patients:

As operational costs and compliance demands increase, smaller providers may be forced to limit admissions, reduce service areas, or discontinue certain services. This may disproportionately affect vulnerable, underserved, and rural populations who already face barriers to care.

Estimated indirect financial impact: \$20,000–\$60,000 annually, based on reduced patient census and constrained service capacity.

Provider Burnout and Workforce Strain:

Increased administrative and regulatory responsibilities may shift clinician time away from direct patient care, contributing to staff fatigue, decreased job satisfaction, and potential turnover. Recruitment and retention challenges may further increase reliance on higher-cost staffing solutions.

Estimated indirect cost impact: \$15,000–\$50,000 annually, based on turnover, onboarding, and temporary staffing needs.

Delayed Innovation and Growth Initiatives:

Resources that could otherwise be allocated to program expansion (e.g., palliative care, telehealth, community outreach) may instead be redirected to maintain regulatory compliance. This may limit the organization's ability to innovate or respond proactively to community needs.

Estimated indirect opportunity cost: \$10,000–\$40,000 annually, based on deferred or reduced program development.

Increased Administrative Complexity and Decision-Making Delays:

Layered regulatory requirements may slow internal processes, including patient onboarding, care coordination, and operational decision-making, resulting in inefficiencies that are not always directly quantifiable but impact overall productivity.

Estimated indirect cost impact: \$5,000–\$15,000 annually, based on workflow delays and administrative inefficiencies.

In conclusion, the total estimated indirect adverse financial impact may range from approximately \$50,000 to \$165,000 annually. These figures reflect reduced operational flexibility, workforce-related challenges, and opportunity costs associated with compliance-driven resource allocation.

While these indirect effects may not be immediately visible in financial statements, they have meaningful implications for long-term sustainability and for smaller healthcare providers' ability to continue delivering high-quality care. Consideration of these downstream impacts is essential in ensuring that regulatory frameworks do not unintentionally limit access to care or strain already resource-constrained providers.

Comment: 1. Increased costs could have us cut services to patients to offset the fees

	<p>Comment: hard to determine but any increase will have a negative impact</p> <p>Comment: Higher turnover rate due to having to compensate for the costs that were imposed. Small businesses would have to find that money within other budgets. Most likely the payroll expense suffers causing a decrease in the quality of candidates for employment. This decrease will affect the quality of care provided to residents resulting in a decline in average monthly costs for residents to pay, etc.</p>
7)Do you anticipate an indirect beneficial effects upon your business?	<p>Yes – 4 No – 13 Unanswered – 1</p>
8)Please explain the indirect beneficial effects.	<p>Comment: I believe oversight benefits the Healthcare continuum overall and reduces the exorbitant costs associated with negative patient outcomes and litigation.</p> <p>Comment: i want the quality of work done by the state to be able to function financially.</p> <p>Comment: Increased fees affect the bottom line of an income statement</p> <p>Comment: Yes, indirect beneficial effects are anticipated as a result of the adopted regulations. While these benefits may not be immediately quantifiable, they contribute to long-term improvements in quality, trust, and system-wide alignment within healthcare delivery. Key indirect beneficial effects include: Strengthened Reputation and Trust in Quality of Care: Consistent regulatory standards may enhance public and professional confidence in healthcare providers who meet or exceed compliance expectations. This may lead to stronger relationships with referral sources, patients, and payors over time. Estimated indirect financial benefit: \$10,000–\$30,000 annually, based on improved patient retention and referral growth. More Equitable Competitive Landscape: Increased regulatory oversight may help ensure that all providers operate under similar standards, reducing the likelihood of non-compliant entities gaining unfair competitive advantages. This may support sustainability for providers who prioritize ethical and compliant practices. Estimated indirect financial benefit: \$5,000–\$20,000 annually, based on stabilized market share. Enhanced Care Coordination and Interdisciplinary Collaboration: Standardized regulatory expectations may improve communication and alignment among healthcare teams, referral networks, and ancillary services, leading to more efficient and coordinated patient care. Estimated indirect efficiency-related benefit: \$5,000–\$15,000 annually, based on reduced redundancies and improved workflow coordination. Opportunities for Strategic Differentiation and Program Development: Providers who successfully integrate compliance into their operations may leverage this as a foundation for growth in areas such as palliative care, telehealth, and specialized services. This creates opportunities to expand responsibly while maintaining regulatory alignment. Estimated indirect opportunity value: \$10,000–\$40,000 annually, based on program expansion and service diversification. In conclusion, the total estimated indirect beneficial impact may range from approximately \$30,000 to \$105,000 annually, primarily through improved reputation, competitive balance, operational alignment, and opportunities for sustainable growth. Although these benefits may develop gradually over time, they highlight the potential for regulatory frameworks to support not only compliance, but also long-term system integrity and quality-driven care. A balanced approach that continues to recognize both the challenges and opportunities faced by smaller providers will be essential in realizing these indirect advantages. If</p>

we step back for a second—this whole set of your answers now tells a complete story: Direct adverse → the burden; Direct beneficial → the structure; Indirect adverse → the hidden strain; Indirect beneficial → the long-term value

Responses were received from six (6) businesses that did not meet the definition of a small business and are not included in this summary.

Any other person interested in obtaining a copy of the summary may e-mail, call, or mail a request to:

Bureau of Health Care Quality and Compliance
727 Fairview Drive, Suite E
Carson City, NV 89701
Phone: 775-684-1070
Email: pio@nvha.nv.gov

2) Describe the manner in which the analysis was conducted.

The analysis involved analyzing feedback obtained from the small business impact questionnaire, review of the proposed regulations, review of statutes, and review of literature to help determine the economic impact to small business. Please see number 4 for the methods the agency considered to reduce the impact of the proposed regulations to small businesses. This information was then used to complete this small business impact statement including the conclusion on the impact of the proposed regulation on a small business found in number 8.

3) The estimated economic effect of the proposed regulation on the small business which it is to regulate including, without limitation both adverse and beneficial effects and both direct and indirect effects.

Direct Beneficial Effects: The fee increase will provide greater financial stability for the HCQC, helping ensure timely inspections, complaint investigations, licensing services, and regulatory oversight that small business rely on. The fee increase also supports small facilities by ensuring consistent and reliable regulatory services.

Indirect Beneficial Effects: Indirect beneficial effects (some of which may produce direct beneficial effects) will include reducing the likelihood of service interruptions or delays in inspections and licensing processes due to staffing or resource shortages. Other benefits will include enhanced capacity within the Division to modernize data/information systems and improve communication processes, indirectly benefiting all providers. This will also strengthen statewide health and safety infrastructure, creating a more stable operating environment for regulated businesses.

Direct Adverse Effects: Small businesses will incur a modest increase in licensing fees due to the seven (7) percent adjustment. Some facilities may need to make minor budget reallocations to absorb the increased fee.

Indirect Adverse Effects: There is a possible impact to administrative or operational planning, as businesses adjust to accommodate increased costs within annual budgets. Although the fee increase

may contribute to cumulative financial pressures within the healthcare sector, it has been deliberately calibrated to ensure its impact remains modest and manageable.

4) Provide a description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The Division considered several methods to reduce the impact of the proposed seven percent (7%) fee increase on small businesses and incorporated those measures where feasible. As required by NRS 233B.0608(2)(a), the Division solicited input from affected small businesses by emailing 6,106 actively licensed facilities, hospitals, agencies, programs, and homes listed in NRS 449, providing access to the Small Business Impact Questionnaire and the proposed regulations. In developing the regulation, the Division evaluated approaches to lessening financial and administrative burden, including limiting the fee increase to a modest seven percent (7%)—well below the cumulative inflationary impact over the past 15 years—and ensuring the adjustment remained proportionate for smaller providers. The agency also reviewed whether operational efficiencies or regulatory simplifications could offset costs and incorporated several streamlining measures in related regulatory sections to reduce administrative workload for smaller entities.

After assessing these options, the Division determined a minimal fee adjustment was necessary to support the HCQC's ability to carry out mandated inspections, investigations, and oversight activities, but used the mitigation methods available by keeping the increase as low as possible while maintaining essential public health and safety functions.

5) The estimated cost to the agency for enforcement of the proposed regulation.

There are no anticipated costs to the agency for enforcement of the proposed regulations.

6) If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the Division expects to collect and the manner in which the money will be used.

The Division currently licenses over 2,222 health care entities (e.g., hospitals, nursing homes, home health agencies, outpatient clinics).

- With average renewal and initial fees ranging from approximately \$1,000 to \$14,000, the conservative estimate is that the cumulative fee base is approximately \$10.6 million annually.
- The proposed seven percent (7%) increase on \$10.6 million would generate an additional \$742,000 million which will be used to:
- Ensure timely inspections and surveys of licensed health facilities for compliance and safety.
- Meet increased salary obligations for compliance officers, surveyors, and investigators.
- Conduct a growing number of required complaint investigations and follow-up monitoring to respond effectively to incidents.
- Modernize the licensing infrastructure to enhance online licensing database enhancements, and public-facing service

By reinvesting these funds, the Division aims to restore operational capacity eroded by inflation and the increased workload, ensuring that oversight remains robust and responsive for the benefit of patients, residents, and healthcare providers.

7) An explanation of why any duplicative or more stringent provisions than federal, state or local standards regulating the same activity are necessary.

There are no known duplicate or more stringent provisions regulating the same activity.

8) Provide a summary of the reasons for the conclusions of the agency regarding the impact of a regulation on small businesses.

The reason for this conclusion is based on the analysis conducted pursuant to number two of this document. After reviewing statutes, the proposed regulations, feedback from industry, modifications made to the proposed regulations, a conclusion could be drawn regarding the impact of the regulations on small businesses.

Certification by Person Responsible for the Agency

I, Cynthia Leech, Administrator of the Health Care Purchasing and Compliance Division certify to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and the information contained in this statement was prepared properly and is accurate.

Cynthia Leech

04/23/2026

Signature [Cynthia Leech \(Apr 23, 2026 16:00:47 PDT\)](#)

Date: _____