



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 9E.16: Medicaid Skilled Nursing Facility Cost Containment Pilot

Analysis of: S.L. 2026-41, Sec. 9E.16

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Section 9E.16 of S.L. 2026-41 (Senate Bill 257) establishes a five-year pilot program, beginning January 1, 2028, that adds a cost containment factor to the methodology used to set the Medicaid reimbursement rate paid to skilled nursing facilities. Until the conclusion of the pilot program, (i) other changes to the skilled nursing facility reimbursement rate methodology are generally prohibited and (ii) beneficiaries residing in skilled nursing facilities would remain excluded from managed care coverage under prepaid health plans. This section specifies the details for calculating the cost containment factor and directs the Department of Health and Human Services, Division of Health Benefits (DHB), to submit a State Plan amendment to the Centers for Medicare and Medicaid Services adding the cost containment factor. This section requires DHB to report to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division (i) as needed during the implementation of the pilot and (ii) by April 1, 2033, on the outcomes of the pilot program and a recommendation whether to continue or expand the pilot program.

This section became effective June 1, 2026.

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