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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. The Division currently licenses over 2,222 health care entities (e.g., hospitals, nursing homes, home health agencies, outpatient clinics). Data is not available indicating which of these are also small businesses. 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 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. Trade associations and chambers of commerce are often enrolled in the HCQC email lists. HCQC utilizes a very thorough outreach, contacting the business owners and facility personnel directly. On March 17, 2026, an email with a link to the Small Business Impact Questionnaire and proposed regulations was sent to 6,106 actively licensed facilities, hospitals, agencies, programs, and other interested parties, listed in NRS/NAC 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**

<b>Summary of Comments Received</b> <b>(18 responses were received out of a minimum of 6,106 small business impact questionnaires distributed)</b>	
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><b>Comment:</b> 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><b>Comment:</b> 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><b>Comment:</b> A 7% increase is unfair to small businesses. This state needs a CON law not more home health and hospice agencies.</p> <p><b>Comment:</b> Pending Medicare's 855 approval, the increased costs will negatively impact on our budget, as we are not currently operational.</p> <p><b>Comment:</b> 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><b>Comment:</b> 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><b>Comment:</b> 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><b>Comment:</b> This is unclear but with &lt;25 employees, any increase in fees would impact me negatively. My liability and workers comp insurance increased 50% in on year. My team is asking for raises and I already pay them much higher than average.</p> <p><b>Comment:</b> 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><b>Comment:</b> 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><b>Comment:</b> Unsure</p> <p><b>Comment:</b> 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>
<p>5) Do you anticipate any indirect adverse effects upon your business?</p>	<p>Yes – 12 No – 5 Unanswered –1</p>
<p>6) Please explain the indirect adverse effects.</p>	<p><b>Comment:</b> It's going to cost more</p> <p><b>Comment:</b> Unsure</p> <p><b>Comment:</b> Increase in operating costs will lead to having to raise customer prices which will price out more seniors on a fixed income.</p> <p><b>Comment:</b> 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><b>Comment:</b> hard to determine but any increase will have a negative impact</p> <p><b>Comment:</b> 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>
<p>7)Do you anticipate an indirect beneficial effects upon your business?</p>	<p>Yes – 4 No – 13 Unanswered – 1</p>
<p>8)Please explain the indirect beneficial effects.</p>	<p><b>Comment:</b> I believe oversight benefits the Healthcare continuum overall and reduces the exorbitant costs associated with negative patient outcomes and litigation.</p> <p><b>Comment:</b> i want the quality of work done by the state to be able to function financially.</p> <p><b>Comment:</b> Increased fees affect the bottom line of an income statement</p> <p><b>Comment:</b> 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](mailto: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). Data is not available indicating which of these are also small businesses.

- 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: \_\_\_\_\_