



General Assembly

January Session, 2025

**Substitute Bill No. 7026**



**AN ACT CONCERNING EXCEPTIONS TO THE NURSING HOME BED MORATORIUM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-354 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (a) The Department of Social Services shall not accept or approve any  
5 requests for additional nursing home beds, except (1) beds restricted to  
6 use by patients with acquired immune deficiency syndrome or by  
7 patients requiring neurological rehabilitation; (2) beds associated with a  
8 continuing care facility, as described in section 17b-520, provided such  
9 beds are not used in the Medicaid program; [. For the purpose of this  
10 subsection, beds associated with a continuing care facility are not subject  
11 to the certificate of need provisions pursuant to sections 17b-352 and  
12 17b-353;] (3) Medicaid certified beds either to be relocated from one  
13 licensed nursing facility to another licensed nursing facility to meet a  
14 priority need identified in the strategic plan developed pursuant to  
15 subsection (c) of section 17b-369 or new beds added to an existing  
16 facility or a new facility with preference given to a nontraditional, small-  
17 house-style nursing home facility that incorporates the goals for nursing  
18 facilities referenced in the department's strategic plan for long-term  
19 care, as outlined in section 17b-355, as amended by this act, to address  
20 priority needs reflected by area census trends; (4) licensed Medicaid

21 nursing facility beds to be relocated from one or more existing nursing  
 22 facilities to a new nursing facility, including a replacement facility,  
 23 provided (A) no new Medicaid certified beds are added, (B) at least one  
 24 currently licensed facility is closed in the transaction as a result of the  
 25 relocation, (C) the relocation is done within available appropriations,  
 26 (D) the facility participates in the Money Follows the Person  
 27 demonstration project pursuant to section 17b-369, (E) the availability of  
 28 beds in the area of need will not be adversely affected, (F) the certificate  
 29 of need approval for such new facility or facility relocation and the  
 30 associated capital expenditures are obtained pursuant to sections 17b-  
 31 352 and 17b-353, and (G) the facilities included in the bed relocation and  
 32 closure shall be in accordance with the strategic plan developed  
 33 pursuant to subsection (c) of section 17b-369; and (5) proposals to build  
 34 a nontraditional, small-house style nursing home designed to enhance  
 35 the quality of life for nursing facility residents, provided that the  
 36 nursing facility agrees to reduce its total number of licensed beds by a  
 37 percentage determined by the Commissioner of Social Services in  
 38 accordance with the department's strategic plan for long-term care. For  
 39 the purposes of this subsection, beds associated with a continuing care  
 40 facility are not subject to the certificate of need provisions pursuant to  
 41 sections 17b-352 and 17b-353.

42 Sec. 2. Section 17b-355 of the general statutes is repealed and the  
 43 following is substituted in lieu thereof (*Effective from passage*):

44 (a) In determining whether a request submitted pursuant to sections  
 45 17b-352 to 17b-354, inclusive, as amended by this act, will be granted,  
 46 modified or denied, the Commissioner of Social Services shall consider  
 47 the following: (1) The financial feasibility of the request and its impact  
 48 on the applicant's rates and financial condition, (2) the contribution of  
 49 the request to the quality, accessibility and cost-effectiveness of the  
 50 delivery of long-term care in the region, (3) whether there is clear public  
 51 need for the request, (4) the relationship of any proposed change to the  
 52 applicant's current utilization statistics and the effect of the proposal on  
 53 the utilization statistics of other facilities in the applicant's service area,  
 54 (5) the business interests of all owners, partners, associates,

55 incorporators, directors, sponsors, stockholders and operators and the  
56 personal background of such persons, and (6) any other factor which the  
57 Department of Social Services deems relevant. In considering whether  
58 there is clear public need for any request for the relocation of beds to a  
59 replacement facility, or for new beds added to an existing facility or a  
60 new facility, the commissioner shall consider whether there is a  
61 demonstrated bed need in the towns within a fifteen-mile radius of the  
62 town in which the beds are proposed to be located and whether the  
63 availability of beds in the applicant's service area will be adversely  
64 affected.

65 (b) Any proposal to relocate nursing home beds from an existing  
66 facility to a new facility shall not increase the number of Medicaid  
67 certified beds and shall result in the closure of at least one currently  
68 licensed facility. The commissioner may request that any applicant  
69 seeking to replace an existing facility reduce the number of beds in the  
70 new facility by a percentage that is consistent with the department's  
71 strategic state-wide long-term rebalancing plan for long-term care. If an  
72 applicant seeking to replace an existing facility with a new facility owns  
73 or operates more than one nursing facility, the commissioner may  
74 request that the applicant close two or more facilities before approving  
75 the proposal to build a new facility. The commissioner shall also  
76 consider whether an application to establish a new or replacement  
77 nursing facility proposes a nontraditional, small-house style nursing  
78 facility and incorporates goals for nursing facilities referenced in the  
79 department's strategic state-wide long-term rebalancing plan for long-  
80 term care, including, but not limited to, (1) promoting person-centered  
81 care, (2) providing enhanced quality of care, (3) creating community  
82 space for all nursing facility residents, and (4) developing stronger  
83 connections between the nursing facility residents and the surrounding  
84 community.

85 [Bed] (c) Demonstrated bed need shall be based on the recent  
86 occupancy percentage of area nursing facilities [and the] with  
87 occupancy above ninety-six per cent for a minimum of two consecutive  
88 quarters. The department may consider projected bed need [for no more

89 than five years] into the future at [ninety-seven and one-half per cent]  
90 occupancy above ninety-six per cent using the latest [official population  
91 projections by town and age as published by the Office of Policy and  
92 Management and the latest available state-wide nursing facility  
93 utilization statistics by age cohort from the Department of Public  
94 Health] strategic state-wide long-term rebalancing plan for long-term  
95 care as published by the department. The commissioner may also  
96 consider area specific utilization and reductions in utilization rates to  
97 account for the increased use of less institutional alternatives.

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| This act shall take effect as follows and shall amend the following sections: |  |  |
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| Section 1 | <i>from passage</i> | 17b-354(a) |
| Sec. 2    | <i>from passage</i> | 17b-355    |

***Statement of Legislative Commissioners:***

In Section 2(c), "for long-term care" was added after "strategic state-wide long-term rebalancing plan" for internal consistency.

***HS***            *Joint Favorable Subst. -LCO*