



General Assembly

January Session, 2025

Raised Bill No. 1332

LCO No. 5074



Referred to Committee on AGING

Introduced by:
(AGE)

***AN ACT CONCERNING NURSING HOME FINANCIAL
ACCOUNTABILITY AND NURSING HOME OWNERSHIP BY PRIVATE
EQUITY COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.***

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

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Indirect ownership interest" means an ownership interest in (A)
- 3 an entity that has an ownership interest in a nursing home, or (B) an
- 4 indirect owner of a nursing home;
- 5 (2) "Nursing home" has the same meaning as provided in section 19a-
- 6 490 of the general statutes;
- 7 (3) "Operational control" means to: (A) Influence or direct the actions
- 8 or policies of any part of a nursing home; or (B) choose, appoint or
- 9 terminate a member of the board, manager, managing member, senior
- 10 employee, consultant or other individual or entity that participates in
- 11 the operational oversight of a nursing home;
- 12 (4) "Ownership interest" means possession of equity in capital, stock,

13 profits or ownership of real estate on which a nursing home operates;

14 (5) "Private equity company" means a publicly traded or nonpublicly
15 traded entity that collects capital investments from individuals or
16 entities; and

17 (6) "Real estate investment trust" has the same meaning as provided
18 in 26 USC 856.

19 (b) On and after October 1, 2025, a private equity company or real
20 estate investment trust shall not acquire or increase (1) any direct or
21 indirect ownership interest the private equity company or real estate
22 investment trust has in a nursing home, or (2) any operational or
23 financial control the private equity company or real estate investment
24 trust has over a nursing home.

25 Sec. 2. Subsection (a) of section 19a-491a of the general statutes is
26 repealed and the following is substituted in lieu thereof (*Effective October*
27 *1, 2025*):

28 (a) A person seeking a license to establish, conduct, operate or
29 maintain a nursing home shall provide the Department of Public Health
30 with the following information:

31 (1) (A) The name and business address of the owner and a statement
32 of whether the owner is an individual, partnership, corporation or other
33 legal entity; (B) the names of the officers, directors, trustees, or
34 managing and general partners of the owner, the names of persons
35 having a five per cent or greater ownership interest in the owner, and a
36 description of each such person's occupation with the owner; (C) if the
37 owner is a corporation which is incorporated in another state, a
38 certificate of good standing from the secretary of state of the state of
39 incorporation; and (D) if a private equity company or real estate
40 investment trust owns any portion of the business, any information
41 regarding such company or trust required to be disclosed (i) on federal
42 Form CMS-855a, and (ii) in accordance with 42 CFR 424.516 or 42 CFR

43 455.104, as amended from time to time;

44 (2) A description of the relevant business experience of the owner and
45 of the administrator of the nursing home and evidence that the
46 administrator has a license issued pursuant to section 19a-514;

47 (3) Affidavits signed by the owner, any of the persons described in
48 subdivision (1) of this subsection, the administrator, assistant
49 administrator, the medical director, the director of nursing and assistant
50 director of nursing disclosing any matter in which such person has been
51 convicted of a felony, as defined in section 53a-25, or has pleaded nolo
52 contendere to a felony charge, or has been held liable or enjoined in a
53 civil action by final judgment, if the felony or civil action involved fraud,
54 embezzlement, fraudulent conversion or misappropriation of property;
55 or is subject to an injunction or restrictive or remedial order of a court of
56 record at the time of application, within the past five years has had any
57 state or federal license or permit suspended or revoked as a result of an
58 action brought by a governmental agency or department, arising out of
59 or relating to health care business activity, including, but not limited to,
60 actions affecting the operation of a nursing home, retirement home,
61 residential care home or any facility subject to sections 17b-520 to 17b-
62 535, inclusive, or a similar statute in another state or country;

63 (4) (A) A statement as to whether or not the owner is, or is affiliated
64 with, a religious, charitable or other nonprofit organization; (B) the
65 extent of the affiliation, if any; (C) the extent to which the affiliate
66 organization will be responsible for the financial obligations of the
67 owner; and (D) the provision of the Internal Revenue Code of 1986, or
68 any subsequent corresponding internal revenue code of the United
69 States, as from time to time amended, if any, under which the owner or
70 affiliate is exempt from the payment of income tax;

71 (5) The location and a description of other health care facilities of the
72 owner, existing or proposed, and, if proposed, the estimated completion
73 date or dates and whether or not construction has begun;

74 (6) Audited and certified financial statements of the owner, including
 75 (A) a balance sheet as of the end of the most recent fiscal year, [and] (B)
 76 income statements for the most recent fiscal year of the owner or such
 77 shorter period of time as the owner shall have been in existence, and (C)
 78 evidence demonstrating compliance with the provisions of section 1 of
 79 this act; and

80 (7) If the operation of the nursing home has not yet commenced, a
 81 statement of the anticipated source and application of the funds used or
 82 to be used in the purchase or construction of the home, including:

83 (A) An estimate of such costs as financing expense, legal expense,
 84 land costs, marketing costs and other similar costs which the owner
 85 expects to incur or become obligated for prior to the commencement of
 86 operations; and

87 (B) A description of any mortgage loan or any other financing
 88 intended to be used for the financing of the nursing home, including the
 89 anticipated terms and costs of such financing.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2025</i>	19a-491a(a)

Statement of Purpose:

To prohibit private equity companies and real estate investment trusts from acquiring or increasing (1) any direct or indirect ownership interest in a nursing home, and (2) any operational or financial control in a nursing home.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]