



General Assembly

January Session, 2025

Substitute Bill No. 1332



***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 in a nursing home, or (2) any operational or
22 financial control over a nursing home.

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24 repealed and the following is substituted in lieu thereof (*Effective October*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

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

29 (1) (A) The name and business address of the owner and a statement
30 of whether the owner is an individual, partnership, corporation or other
31 legal entity; (B) the names of the officers, directors, trustees, or
32 managing and general partners of the owner, the names of persons
33 having a five per cent or greater ownership interest in the owner, and a
34 description of each such person's occupation with the owner; (C) if the
35 owner is a corporation which is incorporated in another state, a
36 certificate of good standing from the secretary of state of the state of
37 incorporation; and (D) if a private equity company or real estate
38 investment trust owns any portion of the business, evidence of
39 compliance with section 1 of this act and any information regarding
40 such company or trust required to be disclosed (i) on federal Form CMS-
41 855a, and (ii) in accordance with 42 CFR 424.516 or 42 CFR 455.104, as
42 amended from time to time;

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

46 (3) Affidavits signed by the owner, any of the persons described in
47 subdivision (1) of this subsection, the administrator, assistant

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

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

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

73 (6) Audited and certified financial statements of the owner, including
74 (A) a balance sheet as of the end of the most recent fiscal year, and (B)
75 income statements for the most recent fiscal year of the owner or such
76 shorter period of time as the owner shall have been in existence; and

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

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

84 (B) A description of any mortgage loan or any other financing
85 intended to be used for the financing of the nursing home, including the
86 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 Legislative Commissioners:

Section 1(b) was redrafted for clarity, and, in Section 2(a), "evidence of compliance with section 1 of this act" was moved from Subdiv. (6) to Subdiv. (1)(D) for internal consistency.

AGE *Joint Favorable Subst. -LCO*