



House of Representatives

General Assembly

File No. 83

February Session, 2026

Substitute House Bill No. 5045

House of Representatives, March 19, 2026

The Committee on Public Health reported through REP. MCCARTHY VAHEY of the 133rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT STREAMLINING HEALTH CARE FACILITY APPROVALS.

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

1 Section 1. (NEW) (*Effective October 1, 2026*) As used in this section and
2 sections 2 to 12, inclusive, of this act, unless the context otherwise
3 requires:

4 (1) "Affiliate" means a person, entity or organization controlling,
5 controlled by or under common control with another person, entity or
6 organization. "Affiliate" does not include a medical foundation
7 organized under chapter 594b of the general statutes. As used in this
8 subdivision, "controlled by" means the other person, entity or
9 organization, or one of such other person's, entity's or organization's
10 affiliates, officers or management employees, acting in such capacity,
11 acts as a general partner of a general or limited partnership or manager
12 of a limited liability company.

13 (2) "Applicant" means any person or health care facility that applies

14 for a certificate of need pursuant to section 6 or 7 of this act.

15 (3) "Bed capacity" means the total number of inpatient beds in a
16 facility licensed by the Department of Public Health under sections 19a-
17 490 to 19a-503, inclusive, of the general statutes.

18 (4) "Certificate of need" means a certificate issued by the Certificate
19 of Need Unit of the Department of Public Health pursuant to section 6
20 or 7 of this act.

21 (5) "Commissioner" means the Commissioner of Public Health, or the
22 commissioner's designee.

23 (6) "Day" means a calendar day.

24 (7) "Department" means the Department of Public Health.

25 (8) "Free clinic" means a private, nonprofit community-based
26 organization that provides medical, dental, pharmaceutical or mental
27 health services at reduced cost or no cost to low-income, uninsured and
28 underinsured individuals.

29 (9) "Group practice" has the same meaning as provided in section 19a-
30 486i of the general statutes.

31 (10) "Health care facility" means (A) a hospital, including any satellite
32 location licensed by the Department of Public Health under chapter
33 368v of the general statutes; (B) specialty hospital; (C) freestanding
34 emergency department; (D) outpatient surgical facility (i) as defined in
35 section 19a-493b of the general statutes and licensed under chapter 368v
36 of the general statutes, or (ii) as established by a short-term acute care
37 general hospital licensed by the department under said chapter; (E) a
38 hospital or other facility or institution operated by the state that
39 provides services that are eligible for reimbursement under Title XVIII
40 or XIX of the federal Social Security Act, 42 USC 301, as amended from
41 time to time; (F) a central service facility; (G) a mental health facility; (H)
42 a substance abuse treatment facility; (I) any other facility requiring
43 certificate of need review pursuant to section 4 of this act; and (J) any

44 parent company, subsidiary, affiliate or joint venture, or any
45 combination thereof, of any facility described in subparagraphs (A) to
46 (J), inclusive, of this subdivision.

47 (11) "Panel" means the three-person panel established under section
48 2 of this act to decide all certificate of need applications.

49 (12) "Person" means any individual, partnership, corporation, limited
50 liability company, association, governmental subdivision, agency or
51 public or private organization of any character. "Person" does not
52 include the agency conducting the certificate of need application
53 proceeding under section 6 or 7 of this act.

54 (13) "Physician" has the same meaning as provided in section 20-13a
55 of the general statutes.

56 (14) "Change of ownership or control" means any change in the
57 ownership or beneficial ownership or the change of governance of an
58 entity, including (A) a corporate merger, (B) an acquisition of one or
59 more entities by direct or indirect purchase in any manner, including,
60 but not limited to, lease, transfer, exchange, option, receipt of a
61 conveyance, creation of a joint venture or any other manner of purchase,
62 such as by a health care system, private equity group, hedge fund,
63 publicly traded company, real estate investment trust, management
64 services organization or health carrier, or any subsidiaries thereof, of not
65 less than twenty per cent of the assets or operations of a health care
66 entity, (C) any affiliation, arrangement or contract that results in a
67 change of control of an entity by an arrangement or agreement in which
68 any other person, corporation, partnership or entity acquires direct or
69 indirect control over the operations of the entity in whole or in
70 substantial part, (D) the formation of a partnership, joint venture,
71 accountable care organization, parent organization or management
72 services organization for the purpose of administering contracts with
73 health carriers, third-party administrators, pharmacy benefit managers
74 or health care providers, (E) a transfer of control of a board of directors
75 or governing body, sale, purchase, lease or affiliation of an entity, or (F)
76 a real estate sale or lease agreement involving not less than twenty per

77 cent of the assets of an entity.

78 Sec. 2. (NEW) (*Effective October 1, 2026*) (a) There is established within
79 the department, for administrative purposes only, a panel that shall
80 make all final decisions and rulings regarding certificate of need
81 applications submitted on and after January 1, 2027, pursuant to section
82 6 or 7 of this act, civil penalties and cease and desist orders imposed on
83 and after January 1, 2027, pursuant to section 10 of this act, policies and
84 procedures effective on and after January 1, 2027, pursuant to section 11
85 of this act, hospital plans for continued access to care during service
86 termination on and after January 1, 2027, pursuant to section 12 of this
87 act, and sales of nonprofit hospitals pursuant to section 19a-486a of the
88 general statutes. The panel shall consist of three members, who shall
89 include (1) the Commissioner of Public Health, or the commissioner's
90 designee, who shall act as chairperson of the panel, (2) the Secretary of
91 the Office of Policy and Management, or the secretary's designee, and
92 (3) the Commissioner of Social Services, or the commissioner's designee.

93 (b) On and after January 1, 2027, the panel shall hold quarterly
94 meetings to review and decide any certificate of need application that
95 has been presented to the panel. In addition to the quarterly meetings,
96 the chairperson may at any time call a special meeting of the panel to
97 review and decide any application prepared for presentation to the
98 panel.

99 Sec. 3. (NEW) (*Effective October 1, 2026*) (a) There is established within
100 the department a Certificate of Need Unit that shall support the panel
101 in its decision making. The commissioner shall appoint an executive
102 director who shall oversee the unit.

103 (b) On and after January 1, 2027, (1) each person applying for a
104 certificate of need shall file an application with the Certificate of Need
105 Unit, and (2) the unit shall prepare a summary analysis of the record of
106 the certificate of need application and present such analysis at any
107 public hearing and the panel meeting concerning such application.

108 (c) On and after January 1, 2027, the Certificate of Need Unit shall

109 make all determinations as to whether a certificate of need is required
110 pursuant to section 4 of this act.

111 (d) The Certificate of Need Unit shall monitor compliance with the
112 provisions of sections 2 to 12, inclusive, of this act and with any order or
113 decision, including any conditions placed thereon, that is issued by the
114 panel. In any enforcement action made under section 10 of this act, the
115 Certificate of Need Unit shall present the allegations set forth in the
116 enforcement action at the public hearing before the panel.

117 Sec. 4. (NEW) (*Effective October 1, 2026*) (a) On and after January 1,
118 2027, a certificate of need issued by the panel shall be required for:

119 (1) The establishment of a new health care facility;

120 (2) A change of ownership or control of a health care facility;

121 (3) A change of ownership or control of a group practice involving a
122 group practice that has total assets, annual revenues or anticipated
123 combined annual revenues of at least ten million dollars, including both
124 in-state and out-of-state assets or revenues, or that includes a private
125 equity entity;

126 (4) The acquisition of computed tomography scanners, magnetic
127 resonance imaging scanners, positron emission tomography scanners or
128 positron emission tomography-computed tomography scanners, by any
129 person, physician, provider, short-term acute care general hospital or
130 children's hospital, except (A) as provided for in subdivision (22) of
131 subsection (b) of this section, and (B) a certificate of need issued by the
132 panel shall not be required where such scanner is a replacement for a
133 scanner that was previously acquired through certificate of need
134 approval or a certificate of need determination, including a replacement
135 scanner that has dual modalities or functionalities if the applicant
136 already offers similar imaging services for each of the scanner's
137 modalities or functionalities that will be utilized;

138 (5) An increase in the licensed bed capacity of a health care facility;

139 (6) The acquisition of equipment utilizing technology that has not
140 previously been utilized in the state; and

141 (7) An increase of two or more operating rooms within any three-year
142 period by an outpatient surgical facility, as defined in section 19a-493b
143 of the general statutes, or by a short-term acute care general hospital.

144 (b) On and after January 1, 2027, a certificate of need shall not be
145 required for:

146 (1) A health care facility owned and operated by the federal
147 government;

148 (2) The establishment of offices by a licensed private practitioner,
149 whether for individual or group practice, except when a certificate of
150 need is required in accordance with the requirements of section 19a-
151 493b of the general statutes or subdivision (3), (4) or (6) of subsection (a)
152 of this section;

153 (3) A health care facility operated by a religious group that
154 exclusively relies upon spiritual means through prayer for healing;

155 (4) Residential care homes, nursing homes and rest homes, as defined
156 in section 19a-490 of the general statutes;

157 (5) An assisted living services agency, as defined in section 19a-490 of
158 the general statutes;

159 (6) A home health agency, as defined in section 19a-490 of the general
160 statutes;

161 (7) Hospice services, as described in section 19a-122b of the general
162 statutes;

163 (8) An outpatient rehabilitation facility;

164 (9) Outpatient chronic dialysis services;

165 (10) Transplant services;

166 (11) A free clinic;

167 (12) A school-based health center and an expanded school health site,
168 as such terms are defined in section 19a-6r of the general statutes, a
169 community health center, as defined in section 19a-490a of the general
170 statutes, a not-for-profit outpatient clinic licensed in accordance with the
171 provisions of chapter 368v of the general statutes and a federally
172 qualified health center;

173 (13) A program licensed or funded exclusively by the Department of
174 Children and Families, provided such program is not a psychiatric
175 residential treatment facility;

176 (14) Any nonprofit facility, institution or provider solely providing
177 behavioral health or substance use disorder treatment services;

178 (15) A health care facility operated by a nonprofit educational
179 institution exclusively for students, faculty and staff of such institution
180 and their dependents;

181 (16) An outpatient clinic or program operated exclusively by or
182 contracted to be operated exclusively by a municipality, municipal
183 agency, municipal board of education or a health district, as described
184 in section 19a-241 of the general statutes;

185 (17) A residential facility for persons with intellectual disability
186 licensed pursuant to section 17a-227 of the general statutes and certified
187 to participate in the Title XIX Medicaid program as an intermediate care
188 facility for individuals with intellectual disabilities;

189 (18) Replacement of existing computed tomography scanners,
190 magnetic resonance imaging scanners, positron emission tomography
191 scanners or positron emission tomography-computed tomography
192 scanners, if such equipment was acquired through certificate of need
193 approval or a certificate of need determination, provided a health care
194 facility, provider, physician or person notifies the Department of Public
195 Health of the date on which the equipment is replaced and the
196 disposition of the replaced equipment, including if a replacement

197 scanner has dual modalities or functionalities and the applicant already
198 offers similar imaging services for each of the equipment's modalities or
199 functionalities that will be utilized;

200 (19) Acquisition of cone-beam imaging equipment;

201 (20) The partial or total elimination of services provided by an
202 outpatient surgical facility, as defined in section 19a-493b of the general
203 statutes;

204 (21) The termination of services for which the Department of Public
205 Health has requested the facility to relinquish its license;

206 (22) Acquisition of any equipment by any person that is to be used
207 exclusively for scientific research, provided the equipment shall not be
208 used in the diagnosis, treatment or prevention of any medical condition
209 for humans;

210 (23) The establishment of a harm reduction center through the pilot
211 program established pursuant to section 17a-673c of the general
212 statutes;

213 (24) On or before June 30, 2028, a birth center, as defined in
214 section 19a-490 of the general statutes, that is enrolled as a provider in
215 the Connecticut medical assistance program, as defined in section 17b-
216 245g of the general statutes;

217 (25) An association between a group practice and a management
218 services organization under which such management services
219 organization does not directly share in the profits or net revenue of the
220 group practice but rather is paid a fair market value through a contract
221 for services rendered; and

222 (26) The relocation of a health care facility within the same town or
223 within ten miles of the existing facility location, provided such
224 relocation will not result in a substantial change to the payer mix or
225 patient population served by the facility.

226 (c) On and after January 1, 2027, any person or health care facility or
227 institution that is unsure whether a certificate of need is required for a
228 particular proposal under this section shall send a letter to the
229 Certificate of Need Unit that describes the proposal and requests that
230 the Certificate of Need Unit make a determination as to whether a
231 certificate of need is required for such proposal. A person or health care
232 facility or institution making such request shall provide the unit with
233 any information the Certificate of Need Unit requests as part of its
234 determination process. The Certificate of Need Unit shall provide a
235 determination not later than thirty days after receipt of such request.

236 Sec. 5. (NEW) (*Effective October 1, 2026*) (a) In any deliberation
237 involving a certificate of need application filed pursuant to section 6 of
238 this act, the panel shall determine whether the applicant has
239 demonstrated, by a preponderance of the evidence, that the proposal is
240 in the public's interest. In making such determination, the panel shall
241 consider the following:

242 (1) Whether the proposal set forth in the application is consistent with
243 any policies and procedures promulgated by the panel;

244 (2) Whether the proposal promotes delivery of high-quality care in
245 the primary service area of the applicant;

246 (3) Whether the proposal promotes access, including Medicaid
247 access, in the primary service area of the applicant;

248 (4) Whether the proposal promotes delivery of cost-effective care in
249 the primary service area of the applicant;

250 (5) Whether the proposal promotes financial stability of the health
251 care system, including, but not limited to, whether the proposal is
252 financially feasible for the applicant and whether there is any evidence
253 of prior financial mismanagement or misconduct by the applicant;

254 (6) Whether there is a clear public need for the proposal and the
255 services to be provided under the proposal; and

256 (7) Whether the proposal would result in an unnecessary duplication
257 of services.

258 (b) In analyzing whether a certificate of need application satisfies the
259 certificate of need criteria set forth in subsection (a) of this section, the
260 panel and the Certificate of Need Unit may engage any third-party
261 consultant that the panel or unit deems necessary to analyze the
262 application materials and proposal set forth in the application pursuant
263 to such criteria. All costs associated with such third-party consultant
264 shall be borne by the applicant, provided the total costs for all
265 consultants to the panel and the Certificate of Need Unit for a single
266 application shall not exceed two hundred thousand dollars. Each third-
267 party consultant engaged under this subsection shall submit each
268 invoice for consulting services directly to the applicant for payment not
269 later than thirty days after the issuance of the invoice. The provisions of
270 chapter 57 of the general statutes and sections 4-212 to 4-219, inclusive,
271 and 4e-19 of the general statutes shall not apply to any retainer
272 agreement executed pursuant to this subsection.

273 Sec. 6. (NEW) (*Effective October 1, 2026*) (a) On and after January 1,
274 2027, an applicant seeking a certificate of need shall submit an
275 application to the Certificate of Need Unit, in a form and manner
276 prescribed by the unit, and include all information required pursuant to
277 the policies and procedures promulgated pursuant to section 11 of this
278 act. Each application shall be submitted based on quarterly deadlines
279 established by the panel, including submission dates of March first, June
280 first, September first and December first.

281 (1) For any certificate of need application submitted under this
282 section that includes a change of ownership or control of a health care
283 facility or institution that is required to be approved in accordance with
284 section 19a-493 of the general statutes, such application shall include the
285 application required by said section for such approval.

286 (2) Upon deeming an application made under subdivision (1) of this
287 subsection complete, the Certificate of Need Unit shall submit the
288 change of ownership or control application to the commissioner for

289 review under section 19a-493 of the general statutes. After the
290 commissioner completes the review under said section, the
291 commissioner shall provide the determination of such review and any
292 supporting documentation to the Certificate of Need Unit to be added
293 to the record for the certificate of need application, and the process of
294 reviewing such application under this section shall resume. A certificate
295 of need shall not be issued to an applicant for whom the commissioner
296 has denied an application for change of ownership under section 19a-
297 493 of the general statutes.

298 (3) Nothing in sections 2 to 12, inclusive, of this act shall affect the
299 authority of the Commissioner of Public Health provided under chapter
300 368v of the general statutes.

301 (b) Not later than thirty days prior to the deadline to submit a
302 certificate of need application described in subsection (a) of this section,
303 an applicant for a certificate of need shall submit a notice to the
304 Certificate of Need Unit for posting on the unit's Internet web site. Such
305 notice shall include, but need not be limited to:

306 (1) The identity of the applicant and any known parties to the
307 application;

308 (2) The street address and town where the proposal that is the subject
309 of the application is located; and

310 (3) A brief description in plain language of the proposal, including a
311 reference to the subdivision of subsection (a) of section 4 of this act
312 under which the application is being submitted.

313 (c) Not later than thirty days after the deadline to submit an
314 application described in subsection (a) of this section, the Certificate of
315 Need Unit shall notify each certificate of need applicant whether the
316 applicant's application is deemed complete. For any application that is
317 deemed incomplete, the unit shall, not later than fifteen days after
318 deeming such application incomplete, notify the applicant, in writing,
319 of each application and data element that was not adequately addressed

320 by the applicant. The unit shall not review any incomplete application
321 until the applicant submits a revised and completed application that
322 adequately addresses such application and data elements to the unit in
323 a subsequent application period.

324 (d) The panel shall hold a public hearing on each properly filed and
325 complete certificate of need application filed under this section unless
326 the applicant waives the applicant's right to a public hearing. An
327 applicant may waive the applicant's right to a public hearing if the
328 applicant is the only party to the proceeding and no person is granted
329 intervenor status pursuant to section 4-177a of the general statutes. Such
330 waiver shall constitute a waiver of the applicant's right to appeal under
331 section 4-183 of the general statutes. The panel shall convene a public
332 hearing on an application not later than ninety days after the unit deems
333 the application as properly filed and complete. Any person seeking to
334 participate as an intervenor in the public hearing shall file a request, in
335 a form and manner prescribed by the executive director of the
336 Certificate of Need Unit, not later than thirty days after the posting of
337 the notice of the application. Not later than sixty days after the record of
338 the public hearing is closed, or after the applicant affirmatively waives
339 a public hearing, the hearing officer shall transmit the report required
340 pursuant to subsection (e) of this section and record of such hearing, if
341 any, and the hearing officer's proposed final decision to the panel for
342 consideration at the panel's next quarterly meeting.

343 (e) The executive director of the Certificate of Need Unit shall submit
344 a report summarizing the certificate of need application and providing
345 an analysis of each criterion listed in section 4 of this act to the panel or
346 any designated hearing officer prior to a public hearing held pursuant
347 to subsection (d) of this section or at the panel meeting at which the
348 application is reviewed. The unit shall provide such report to the panel
349 or hearing officer and post such report on the unit's Internet web site not
350 later than five days prior to any public hearing or scheduled meeting on
351 the application.

352 (f) At the panel meeting to review a certificate of need application

353 filed under this section, the panel shall vote on the disposition of the
354 application. The panel may approve the application, with or without
355 conditions, deny the application or remand the application to the
356 hearing officer for further development of the record for presentation at
357 the next panel meeting.

358 (g) The Certificate of Need Unit may recommend, and the panel may
359 impose, any condition on an approval of a certificate of need application
360 filed under this section, provided any such condition is consistent with
361 the purposes of sections 2 to 12, inclusive, of this act. The applicant and
362 any party to the application may request an amendment to or relief from
363 any condition, in a form and manner prescribed by the unit, due to
364 changed circumstances, hardship or for other good cause. The panel
365 may grant or deny any such request. The determination to deny such
366 request shall not be subject to appeal under section 4-183 of the general
367 statutes.

368 Sec. 7. (NEW) (*Effective October 1, 2026*) (a) The panel may create an
369 expedited review pathway and designate categories of applications for
370 certificates of need required under subsection (a) of section 2 of this act,
371 or subcategories thereof, as eligible for expedited review on and after
372 January 1, 2027.

373 (b) On and after January 1, 2027, an applicant requesting expedited
374 review of a certificate of need application shall submit such application
375 pursuant to the deadlines described in subsection (a) of section 6 of this
376 act and provide the same notice to the Certificate of Need Unit as
377 described in subsection (b) of said section.

378 (c) An applicant requesting such expedited review shall submit an
379 application for such expedited review to the Certificate of Need Unit, in
380 a form and manner prescribed by the executive director of the unit.

381 (d) Not later than thirty days after submitting an application for a
382 certificate of need for expedited review under this section, the
383 Certificate of Need Unit shall notify the applicant requesting expedited
384 review whether such applicant's application is deemed complete and

385 whether the application meets the requirements for expedited review.

386 (1) For any application that is deemed incomplete, the Certificate of
387 Need Unit shall, not later than fifteen days after deeming such
388 application incomplete, notify the applicant, in writing, of any
389 application or data elements that were not adequately addressed by the
390 applicant. The department shall not review such an application until the
391 applicant submits an application that adequately addresses such
392 application or data elements to the department in a subsequent
393 application period.

394 (2) For any application that is deemed complete but ineligible for
395 expedited review under this section, the Certificate of Need Unit shall
396 review the application under the standard process set forth in section 6
397 of this act.

398 (e) For any complete application that is eligible for expedited review
399 under this section, the Certificate of Need Unit shall complete its
400 analysis not later than sixty days after the application is deemed
401 complete and eligible for expedited review under this section and
402 present the application to the panel at its next meeting.

403 (f) Notwithstanding the provisions of subsection (d) of section 6 of
404 this act, the panel may hold a public hearing regarding any complete
405 and eligible expedited certificate of need application.

406 (g) At the panel's meeting to consider an expedited application, the
407 panel shall vote on the disposition of the certificate of need application.
408 The panel may approve the application, with or without conditions,
409 deny the application or remand the application to the hearing officer for
410 further development of the record for presentation at the next panel
411 meeting.

412 (h) The Certificate of Need Unit may recommend, and the panel may
413 impose any condition on, an approval of an expedited certificate of need
414 application, provided any such condition is consistent with the
415 purposes of sections 2 to 12, inclusive, of this act. The applicant and any

416 party to the application may request an amendment to or relief from any
417 condition, in a form and manner prescribed by the unit, due to changed
418 circumstances, hardship or for other good cause. The panel may grant
419 or deny any such request. The determination to deny such request shall
420 not be subject to appeal under section 4-183 of the general statutes.

421 Sec. 8. (NEW) (*Effective October 1, 2026*) (a) For a certificate of need
422 issued pursuant to an application filed on or after January 1, 2027, the
423 certificate of need shall be valid (1) only for the proposal described in
424 the application, and (2) for two years from the date of issuance by the
425 panel. During the period of time that such certificate is valid and the
426 thirty-day period following the expiration of the certificate, the holder
427 of the certificate shall provide the Certificate of Need Unit with such
428 information as the unit may request on the development of the proposal
429 covered by the certificate.

430 (b) Upon request from a certificate of need holder, the Certificate of
431 Need Unit may extend the duration of a certificate of need for such
432 additional period of time as the unit determines is reasonably necessary
433 to expeditiously complete the proposal. Not later than five business
434 days after receiving a request to extend the duration of a certificate of
435 need, the unit shall post such request on its Internet web site. Any
436 person who wishes to comment on extending the duration of the
437 certificate of need shall provide written comments to the unit on the
438 requested extension not later than thirty days after the date the unit
439 posts notice of the request for an extension of time on its Internet web
440 site.

441 (c) If the Certificate of Need Unit determines that (1) commencement,
442 construction or other preparation has not been substantially undertaken
443 during a valid certificate of need period, or (2) the certificate of need
444 holder has not made a good-faith effort to complete the proposal as
445 approved, the unit may withdraw, revoke or rescind the certificate of
446 need.

447 (d) For a certificate of need issued pursuant to an application filed on
448 or after January 1, 2027, the (1) certificate of need shall not be

449 transferable or assignable, and (2) project that is the subject of the
450 certificate of need shall not be transferred from a certificate holder to
451 another person.

452 Sec. 9. (NEW) (*Effective October 1, 2026*) (a) On and after January 1,
453 2027, the Certificate of Need Unit shall conduct a cost and market impact
454 review for any transaction where (1) an application for a certificate of
455 need has been filed pursuant to subdivision (2) of subsection (a) of
456 section 4 of this act or a notice of material change has been filed with the
457 Attorney General's office pursuant to section 19a-486i of the general
458 statutes that involves the transfer of ownership of a hospital, as defined
459 in section 19a-639 of the general statutes, as amended by this act, and (2)
460 the purchaser is (A) a hospital, as defined in section 19a-490 of the
461 general statutes, whether located within or outside the state, that had
462 net patient revenue for fiscal year 2025 in an amount greater than one
463 billion dollars, (B) a hospital system, as defined in section 19a-486i of the
464 general statutes, whether located within or outside the state, that had
465 net patient revenue for fiscal year 2025 in an amount greater than one
466 billion dollars, or (C) any person that is organized or operated for profit.

467 (b) The Certificate of Need Unit shall develop a set of data requests
468 to be used for applications filed on and after January 1, 2027, for all cost
469 and market impact reviews. An applicant that is the subject of a cost and
470 market impact review shall submit all data necessary for such review at
471 the same time that the hospital initiates the application process for a
472 certificate of need with the unit or that it submits a notice of material
473 change to the Attorney General under section 19a-486i of the general
474 statutes, whichever is earlier. The unit shall review the data submission
475 for completeness not later than thirty days after submission. If the data
476 submission is incomplete, the unit shall notify the applicant that it is
477 incomplete and identify which data elements are incomplete.

478 (c) The Certificate of Need Unit shall keep confidential all nonpublic
479 information and documents obtained pursuant to this section and shall
480 not disclose the information or documents to any person without the
481 consent of the person that produced the information or documents,

482 except in a preliminary report or final report issued in accordance with
483 this section if the unit believes that such disclosure should be made in
484 the public interest after taking into account any privacy, trade secret or
485 anti-competitive considerations. Such information and documents shall
486 not be deemed a public record under section 1-210 of the general statutes
487 and shall be exempt from disclosure.

488 (d) The cost and market impact review conducted pursuant to this
489 section shall examine factors relating to the businesses and relative
490 market positions of the transacting parties as defined in subsection (d)
491 of section 19a-639 of the general statutes, as amended by this act, and
492 may include, but need not be limited to: (1) The transacting parties' size
493 and market share within its primary service area, by major service
494 category and within its dispersed service areas; (2) the transacting
495 parties' prices for services, including the transacting parties' relative
496 prices compared to other health care providers for the same services in
497 the same market; (3) the transacting parties' health status adjusted total
498 medical expense, including the transacting parties' health status
499 adjusted total medical expense compared to that of similar health care
500 providers; (4) the quality of the services provided by the transacting
501 parties, including patient experience; (5) the transacting parties' cost and
502 cost trends in comparison to total health care expenditures state wide;
503 (6) the availability and accessibility of services similar to those provided
504 by each transacting party, or proposed to be provided as a result of the
505 transfer of ownership of a hospital within each transacting party's
506 primary service areas and dispersed service areas; (7) the impact of the
507 proposed transfer of ownership of the hospital on competing options for
508 the delivery of health care services within each transacting party's
509 primary service area and dispersed service area including the impact on
510 existing service providers; (8) the methods used by the transacting
511 parties to attract patient volume and to recruit or acquire health care
512 professionals or facilities; (9) the role of each transacting party in serving
513 at-risk, underserved and government payer patient populations,
514 including those with behavioral, substance use disorder and mental
515 health conditions, within each transacting party's primary service area
516 and dispersed service area; (10) the role of each transacting party in

517 providing low margin or negative margin services within each
518 transacting party's primary service area and dispersed service area; (11)
519 consumer concerns, including, but not limited to, complaints or other
520 allegations that a transacting party has engaged in any unfair method of
521 competition or any unfair or deceptive act or practice; and (12) any other
522 factors that the unit determines to be in the public interest.

523 (e) The Certificate of Need Unit shall submit the preliminary report
524 to the applicant and to the Attorney General not later than ninety days
525 after the data submissions are deemed complete. The applicant shall
526 respond, in writing, not later than fifteen days after receipt of such
527 preliminary report with any comments regarding such report. Once the
528 applicant has submitted such written comments or waived the
529 opportunity to make such a submission, the unit shall make the
530 preliminary report and the applicant's comments public. The unit shall
531 issue a final report not later than one hundred twenty days after the
532 application was deemed complete and make such final report part of the
533 public certificate of need record of such application.

534 (f) Nothing in this section shall prohibit a transfer of ownership of a
535 hospital, provided any such proposed transfer shall not be completed
536 (1) less than thirty days after the unit has issued a final report on a cost
537 and market impact review, if such review is required, or (2) while any
538 action brought by the Attorney General pursuant to subsection (g) of
539 this section is pending and before a final judgment on such action is
540 issued by a court of competent jurisdiction.

541 (g) After the Certificate of Need Unit issues a final report on a transfer
542 of ownership of a hospital under subsection (e) of this section, the
543 Attorney General may: (1) Conduct an investigation to determine
544 whether the transacting parties engaged or, as a result of completing the
545 transfer of ownership of the hospital, are expected to engage in unfair
546 methods of competition, anti-competitive behavior or other conduct in
547 violation of chapter 624 or 735a of the general statutes or any other state
548 or federal law; and (2) if appropriate, take action under chapter 624 or
549 735a of the general statutes or any other state law to protect consumers

550 in the health care market. The unit's final report may be evidence in any
551 such action.

552 (h) For the purposes of this section, the provisions of chapter 735a of
553 the general statutes may be directly enforced by the Attorney General.
554 Nothing in this section shall be construed to modify, impair or
555 supersede the operation of any state antitrust law or otherwise limit the
556 authority of the Attorney General to (1) take any action against a
557 transacting party as authorized by any law, or (2) protect consumers in
558 the health care market under any law. Notwithstanding subdivision (1)
559 of subsection (a) of section 42-110c of the general statutes, the
560 transacting parties shall be subject to chapter 735a of the general
561 statutes.

562 (i) The Certificate of Need Unit shall retain an independent
563 consultant with expertise on the economic analysis of the health care
564 market and health care costs and prices to conduct each cost and market
565 impact review, as described in this section. The unit shall submit bills
566 for such services to the purchaser, as defined in subsection (d) of section
567 19a-639 of the general statutes, as amended by this act. Such purchaser
568 shall pay such bills not later than thirty days after receipt thereof. Such
569 bills shall not exceed two hundred fifty thousand dollars per
570 application. The provisions of chapter 57 of the general statutes, sections
571 4-212 to 4-219, inclusive, of the general statutes and section 4e-19 of the
572 general statutes shall not apply to any agreement executed pursuant to
573 this subsection.

574 Sec. 10. (NEW) (*Effective October 1, 2026*) (a) On and after January 1,
575 2027, the executive director of the Certificate of Need Unit shall
576 investigate all inquiries concerning compliance with the provisions of
577 sections 2 to 12, inclusive, of this act.

578 (b) The panel, or any agent authorized by the panel to conduct any
579 inquiry, investigation or hearing under the provisions of sections 2 to
580 12, inclusive, of this act, shall have authority to administer oaths and
581 take testimony under oath relative to the matter of inquiry or
582 investigation. At any hearing under this section, the panel or such

583 authorized agent may subpoena witnesses and require the production
584 of records, papers and documents pertinent to such inquiry. If any
585 person disobeys such process or, having appeared in obedience thereto,
586 refuses to answer any pertinent question put to such person by the panel
587 or such panel's authorized agent or to produce any records and papers
588 pursuant thereto, the panel or such panel's authorized agent may apply
589 to the superior court for the judicial district of Hartford or for the judicial
590 district wherein the person resides or the business that is the subject of
591 the inquiry has been conducted, or to any judge of said court if the same
592 is not in session, setting forth such disobedience to process or refusal to
593 answer, and said court or such judge shall cite such person to appear
594 before said court or such judge to answer such question or to produce
595 such records and papers.

596 (c) Any person or health care facility or institution that is required to
597 acquire a certificate of need for any of the activities described in
598 subsection (a) of section 4 of this act and negligently undertakes any of
599 the activities described in said section without such certificate of need,
600 and any person or health care facility or institution that is subject to any
601 terms or conditions enumerated in a certificate of need decision or
602 agreed settlement approved by the panel and negligently fails to comply
603 with any such enumerated term or condition, shall be subject to a civil
604 penalty of up to five thousand dollars a day for each day such person or
605 health care facility or institution conducts any of the described activities
606 without certificate of need approval as required by section 4 of this act,
607 or for each day any enumerated term or condition is not met. Any civil
608 penalty proceeding authorized by this section shall be initiated by the
609 Certificate of Need Unit, which shall also present allegations of such
610 negligence at a hearing before the panel in accordance with subsections
611 (b) to (f), inclusive, of this section.

612 (d) If the Certificate of Need Unit has reason to believe that a person
613 or health care facility or institution has committed a violation for which
614 a civil penalty is authorized pursuant to subsection (a) of this section or
615 subsection (e) of section 19a-632 of the general statutes, the unit shall
616 notify such person or health care facility or institution by first class mail

617 or personal service. The notice shall include: (1) A reference to the
618 sections of the statute, regulation or settlement agreement involved; (2)
619 a short and plain statement of the matters asserted or charged; (3) a
620 statement of the amount of the civil penalty or penalties to be imposed;
621 (4) the initial date of the imposition of the penalty; and (5) a statement
622 of the party's right to a hearing.

623 (e) The person or health care facility or institution to whom the notice
624 is addressed shall have fifteen business days after the date of mailing of
625 the notice to make written application to the Certificate of Need Unit to
626 (1) request a hearing to contest the imposition of the penalty, (2) request
627 an extension of time to file the required data, or (3) comply with
628 enumerated conditions of an agreed settlement. A failure to make a
629 timely request for a hearing or an extension of time to file the required
630 data or a denial of a request for an extension of time shall result in a final
631 order for the imposition of the penalty. All hearings under this section
632 shall be conducted pursuant to chapter 54 of the general statutes. The
633 panel may mitigate or waive the penalty upon such terms and
634 conditions as, in its discretion, it deems proper or necessary upon
635 consideration of any extenuating factors or circumstances.

636 (f) A final order of the panel assessing a civil penalty imposed after a
637 hearing before the panel pursuant to subsection (d) of this section shall
638 be subject to appeal as set forth in section 4-183 of the general statutes,
639 except that any such appeal shall be taken to the superior court for the
640 judicial district of New Britain. Such final order shall not be subject to
641 appeal under any other provision of the general statutes. No challenge
642 to any such final order shall be allowed as to any issue which could have
643 been raised by an appeal of an earlier order, denial or other final
644 decision by the panel.

645 (g) If any person or health care facility or institution fails to pay any
646 civil penalty under this section after the assessment of such penalty has
647 become final, the amount of such penalty may be deducted from
648 payments to such person or health care facility or institution from the
649 Medicaid account.

650 (h) In addition to any civil penalty imposed under this section, if the
651 executive director of the Certificate of Need Unit or the executive
652 director's authorized agent has received information and has a
653 reasonable belief that any person or health care facility or institution has
654 violated or is violating any provision of sections 2 to 12, inclusive, of this
655 act, or any policy and procedure or order of the panel, the executive
656 director or such agent shall notify such person or health care facility or
657 institution by first class mail or personal service. The notice shall
658 include: (1) A reference to the sections of the general statutes,
659 regulations of Connecticut state agencies or orders alleged or believed
660 to have been violated; (2) a short and plain language statement of the
661 matters asserted or charged; (3) a description of the activity alleged to
662 have violated a statute or regulation identified pursuant to subdivision
663 (1) of this subsection; (4) a statement concerning the right to a hearing
664 of such person or health care facility or institution; and (5) a statement
665 that such person or health care facility or institution may, not later than
666 ten business days after receipt of such notice, make a written request for
667 a hearing on the matters asserted, to be sent to the commissioner or such
668 agent.

669 (i) The person or health care facility or institution to whom such
670 notice is provided pursuant to subsection (h) of this section may, not
671 later than ten business days after receipt of the notice, make written
672 application to the Certificate of Need Unit to request a hearing to
673 demonstrate that such violation has not occurred, a certificate of need
674 was not required or each required certificate of need was obtained. A
675 failure to make a timely request for a hearing shall result in the panel
676 issuing a cease and desist order. Each hearing held under this subsection
677 shall be conducted as a contested case pursuant to chapter 54 of the
678 general statutes.

679 (j) If the panel finds, by a preponderance of the evidence, following a
680 hearing held under subsection (i) of this section that such person or
681 health care facility or institution has violated or is violating any
682 provision of sections 2 to 12, inclusive, of this act, or any regulation or
683 order of the department, the panel shall issue a cease and desist order to

684 such person or health care facility or institution that shall be considered
685 a final decision subject to appeal to the Superior Court in accordance
686 with section 4-183 of the general statutes.

687 (k) Any cease and desist order issued under this section may be
688 enforced by the Attorney General pursuant to section 19a-642 of the
689 general statutes.

690 (l) Any civil penalty proceeding and any investigation or cease and
691 desist proceeding may be conducted simultaneously in a unified
692 proceeding.

693 Sec. 11. (NEW) (*Effective October 1, 2026*) The executive director of the
694 Certificate of Need Unit may implement policies and procedures
695 necessary to administer the provisions of section 2 to 12, inclusive, of
696 this act, provided (1) the executive director holds a public hearing prior
697 to review by the panel, and (2) such policies and procedures are
698 unanimously approved by the panel. Policies and procedures approved
699 by the panel, or any amendment thereto, shall not take effect until at
700 least thirty days after the panel votes to approve such policies and
701 procedures. Such policies and procedures shall not be required to be
702 adopted as a regulation in accordance with the provisions of chapter 54
703 of the general statutes.

704 Sec. 12. (NEW) (*Effective October 1, 2026*) (a) On and after January 1,
705 2027, a hospital may temporarily pause a service for up to ninety days,
706 provided, if a hospital intends to indefinitely terminate a service or
707 pause a service for more than ninety days, the hospital shall notify the
708 Certificate of Need Unit, in writing, not less than ninety days prior to
709 such pause or termination. For purposes of this section, "service"
710 includes all inpatient and outpatient services but does not include
711 services provided by an emergency department.

712 (b) Not less than ninety days prior to any termination of service by a
713 hospital or any pause of a service intended to last more than ninety days,
714 the hospital shall provide notice, either electronically or in writing, to
715 the Certificate of Need Unit that includes the following information:

- 716 (1) A description of the service to be paused or terminated;
- 717 (2) Current and historical utilization rates for such service;
- 718 (3) A description of the anticipated impact of such pause or
719 termination on individuals and health care facilities in the hospital's
720 primary service area;
- 721 (4) The date set for the pause or termination of service and, if
722 applicable, the anticipated date of resumption of such service;
- 723 (5) A detailed account of any community engagement and planning
724 that has occurred prior to such notice or that is scheduled to occur prior
725 to the pause or termination; and
- 726 (6) Any other information the executive director may require.

727 (c) The hospital shall also send a copy of such notice to the office of
728 the Attorney General, the Department of Social Services, the Office of
729 the Healthcare Advocate, and, if it relates to a behavioral health service
730 or substance use disorder treatment service, the Department of Mental
731 Health and Addiction Services and the Behavioral Health Advocate.

732 (d) The executive director may order a public hearing concerning the
733 proposed pause or termination of service, the impact on the hospital's
734 primary service area and the proposed plans for ensuring continued
735 access to high-quality, affordable health care in such service area.

736 (e) Not later than sixty days prior to the pause or termination of a
737 service, the hospital shall submit a plan for ensuring access to such
738 service following the hospital's pause or termination of such service. The
739 plan shall include:

- 740 (1) Information on utilization of such service prior to the proposed
741 pause or termination;
- 742 (2) Information on the location and service capacity of alternative
743 sites that provide such service;

- 744 (3) Travel times to alternative sites that provide such service;
- 745 (4) An assessment of transportation needs after the pause or
746 termination and a plan for meeting such needs;
- 747 (5) A protocol that details mechanisms to maintain continuity of care
748 for patients who receive such paused or terminated service;
- 749 (6) A protocol that describes how patients in the hospital's primary
750 service area will obtain such service at alternative sites that provide such
751 service; and
- 752 (7) A communication plan for ensuring all affected patients in the
753 hospital's primary service area are aware of the pause or termination of
754 such service, where they may obtain such service at an alternative site
755 and the assistance available from the hospital to obtain such service to
756 preserve continuity of care.
- 757 (f) The Certificate of Need Unit shall review the plan submitted by
758 the hospital pursuant to subsection (e) of this section to determine if the
759 plan ensures continued access to the service to be paused or terminated.
760 The unit shall complete its review of the plan and submit to the hospital
761 and panel written recommendations regarding the approval,
762 modification, imposition of conditions upon or rejection of the plan not
763 later than ten days after receiving the plan from the hospital. The panel
764 shall hold a meeting on the plan not later than ten days after receipt of
765 such recommendations. The hospital may submit a response to such
766 recommendations at such meeting. Not later than ten days after such
767 meeting, the panel shall approve the plan, require modifications to the
768 plan, add conditions to the plan or reject the plan.
- 769 (g) The Certificate of Need Unit shall monitor implementation of the
770 hospital's plan for preserving access to a health care service following a
771 pause or termination of such service under this section. If the hospital
772 fails to implement any aspect of the plan as approved by the panel
773 pursuant to subsection (f) of this section, the unit may impose a
774 performance improvement plan on the hospital. Failure to comply with

775 the performance improvement plan and continued failure to perform
776 under the plan may result in the imposition of civil penalties pursuant
777 to section 10 of this act.

778 Sec. 13. Subsection (a) of section 19a-612d of the general statutes is
779 repealed and the following is substituted in lieu thereof (*Effective October*
780 *1, 2026*):

781 (a) The Commissioner of Health Strategy shall oversee the Health
782 Systems Planning Unit and shall exercise independent decision-making
783 authority over all certificate of need decisions for applications for a
784 certificate of need filed on or before December 31, 2026.

785 Sec. 14. Subsections (a) to (e), inclusive, of section 19a-638 of the
786 general statutes are repealed and the following is substituted in lieu
787 thereof (*Effective October 1, 2026*):

788 (a) [A] On and before December 31, 2026, a certificate of need issued
789 by the unit shall be required for:

790 (1) The establishment of a new health care facility;

791 (2) A transfer of ownership of a health care facility;

792 (3) A transfer of ownership of a large group practice to any entity
793 other than a (A) physician, or (B) group of two or more physicians,
794 legally organized in a partnership, professional corporation or limited
795 liability company formed to render professional services and not
796 employed by or an affiliate of any hospital, medical foundation,
797 insurance company or other similar entity;

798 (4) The establishment of a freestanding emergency department;

799 (5) The termination of inpatient or outpatient services offered by a
800 hospital, including, but not limited to, the termination by a short-term
801 acute care general hospital or children's hospital of inpatient and
802 outpatient mental health and substance abuse services;

803 (6) The establishment of an outpatient surgical facility, as defined in

804 section 19a-493b, or as established by a short-term acute care general
805 hospital;

806 (7) The termination of surgical services by an outpatient surgical
807 facility, as defined in section 19a-493b, or a facility that provides
808 outpatient surgical services as part of the outpatient surgery department
809 of a short-term acute care general hospital, provided termination of
810 outpatient surgical services due to (A) insufficient patient volume, or (B)
811 the termination of any subspecialty surgical service, shall not require
812 certificate of need approval;

813 (8) The termination of an emergency department by a short-term
814 acute care general hospital;

815 (9) The establishment of cardiac services, including inpatient and
816 outpatient cardiac catheterization, interventional cardiology and
817 cardiovascular surgery;

818 (10) The acquisition of computed tomography scanners, magnetic
819 resonance imaging scanners, positron emission tomography scanners or
820 positron emission tomography-computed tomography scanners, by any
821 person, physician, provider, short-term acute care general hospital or
822 children's hospital, except (A) as provided for in subdivision (22) of
823 subsection (b) of this section, and (B) a certificate of need issued by the
824 unit shall not be required where such scanner is a replacement for a
825 scanner that was previously acquired through certificate of need
826 approval or a certificate of need determination, including a replacement
827 scanner that has dual modalities or functionalities if the applicant
828 already offers similar imaging services for each of the scanner's
829 modalities or functionalities that will be utilized;

830 (11) The acquisition of nonhospital based linear accelerators, except a
831 certificate of need issued by the unit shall not be required where such
832 accelerator is a replacement for an accelerator that was previously
833 acquired through certificate of need approval or a certificate of need
834 determination;

835 (12) An increase in the licensed bed capacity of a health care facility,
836 except as provided in subdivision (23) of subsection (b) of this section;

837 (13) The acquisition of equipment utilizing technology that has not
838 previously been utilized in the state;

839 (14) An increase of two or more operating rooms within any three-
840 year period, commencing on and after October 1, 2010, by an outpatient
841 surgical facility, as defined in section 19a-493b, or by a short-term acute
842 care general hospital; and

843 (15) The termination of inpatient or outpatient services offered by a
844 hospital or other facility or institution operated by the state that
845 provides services that are eligible for reimbursement under Title XVIII
846 or XIX of the federal Social Security Act, 42 USC 301, as amended.

847 (b) [A] On and before December 31, 2026, a certificate of need issued
848 by the unit shall not be required for:

849 (1) Health care facilities owned and operated by the federal
850 government;

851 (2) The establishment of offices by a licensed private practitioner,
852 whether for individual or group practice, except when a certificate of
853 need is required in accordance with the requirements of section 19a-
854 493b or subdivision (3), (10) or (11) of subsection (a) of this section;

855 (3) A health care facility operated by a religious group that
856 exclusively relies upon spiritual means through prayer for healing;

857 (4) Residential care homes, as defined in subsection (c) of section 19a-
858 490, and nursing homes and rest homes, as defined in subsection (o) of
859 section 19a-490;

860 (5) An assisted living services agency, as defined in section 19a-490;

861 (6) Home health agencies, as defined in section 19a-490;

862 (7) Hospice services, as described in section 19a-122b;

- 863 (8) Outpatient rehabilitation facilities;
- 864 (9) Outpatient chronic dialysis services;
- 865 (10) Transplant services;
- 866 (11) Free clinics, as defined in section 19a-630;
- 867 (12) School-based health centers and expanded school health sites, as
868 such terms are defined in section 19a-6r, community health centers, as
869 defined in section 19a-490a, not-for-profit outpatient clinics licensed in
870 accordance with the provisions of chapter 368v and federally qualified
871 health centers;
- 872 (13) A program licensed or funded by the Department of Children
873 and Families, provided such program is not a psychiatric residential
874 treatment facility;
- 875 (14) Any nonprofit facility, institution or provider that has a contract
876 with, or is certified or licensed to provide a service for, a state agency or
877 department for a service that would otherwise require a certificate of
878 need. The provisions of this subdivision shall not apply to a short-term
879 acute care general hospital or children's hospital, or a hospital or other
880 facility or institution operated by the state that provides services that are
881 eligible for reimbursement under Title XVIII or XIX of the federal Social
882 Security Act, 42 USC 301, as amended;
- 883 (15) A health care facility operated by a nonprofit educational
884 institution exclusively for students, faculty and staff of such institution
885 and their dependents;
- 886 (16) An outpatient clinic or program operated exclusively by or
887 contracted to be operated exclusively by a municipality, municipal
888 agency, municipal board of education or a health district, as described
889 in section 19a-241;
- 890 (17) A residential facility for persons with intellectual disability
891 licensed pursuant to section 17a-227 and certified to participate in the

892 Title XIX Medicaid program as an intermediate care facility for
893 individuals with intellectual disabilities;

894 (18) Replacement of existing computed tomography scanners,
895 magnetic resonance imaging scanners, positron emission tomography
896 scanners, positron emission tomography-computed tomography
897 scanners, or nonhospital based linear accelerators, if such equipment
898 was acquired through certificate of need approval or a certificate of need
899 determination, provided a health care facility, provider, physician or
900 person notifies the unit of the date on which the equipment is replaced
901 and the disposition of the replaced equipment, including if a
902 replacement scanner has dual modalities or functionalities and the
903 applicant already offers similar imaging services for each of the
904 equipment's modalities or functionalities that will be utilized;

905 (19) Acquisition of cone-beam dental imaging equipment that is to be
906 used exclusively by a dentist licensed pursuant to chapter 379;

907 (20) The partial or total elimination of services provided by an
908 outpatient surgical facility, as defined in section 19a-493b, except as
909 provided in subdivision (6) of subsection (a) of this section and section
910 19a-639e, as amended by this act;

911 (21) The termination of services for which the Department of Public
912 Health has requested the facility to relinquish its license;

913 (22) Acquisition of any equipment by any person that is to be used
914 exclusively for scientific research that is not conducted on humans;

915 (23) On or before ~~June 30, 2026~~ December 31, 2026, an increase in the
916 licensed bed capacity of a mental health facility, provided (A) the mental
917 health facility demonstrates to the unit, in a form and manner prescribed
918 by the unit, that it accepts reimbursement for any covered benefit
919 provided to a covered individual under: (i) An individual or group
920 health insurance policy providing coverage of the type specified in
921 subdivisions (1), (2), (4), (11) and (12) of section 38a-469; (ii) a self-
922 insured employee welfare benefit plan established pursuant to the

923 federal Employee Retirement Income Security Act of 1974, as amended
924 from time to time; or (iii) HUSKY Health, as defined in section 17b-290,
925 and (B) if the mental health facility does not accept or stops accepting
926 reimbursement for any covered benefit provided to a covered
927 individual under a policy, plan or program described in clause (i), (ii) or
928 (iii) of subparagraph (A) of this subdivision, a certificate of need for such
929 increase in the licensed bed capacity shall be required; [.]

930 (24) The establishment at harm reduction centers through the pilot
931 program established pursuant to section 17a-673c; or

932 (25) On or before [June 30, 2028] December 31, 2026, a birth center, as
933 defined in section 19a-490, that is enrolled as a provider in the
934 Connecticut medical assistance program, as defined in section 17b-245g.

935 (c) (1) Any person [.] or health care facility or institution that is unsure
936 whether a certificate of need is required under this section, or (2) any
937 health care facility that proposes to relocate pursuant to section 19a-
938 639c, as amended by this act, shall send a letter to the unit that describes
939 the project and requests that the unit make a determination as to
940 whether a certificate of need is required. In the case of a relocation of a
941 health care facility, the letter shall include information described in
942 section 19a-639c, as amended by this act. A person [.] or health care
943 facility or institution making such request shall provide the unit with
944 any information the unit requests as part of its determination process.
945 The unit shall provide a determination within thirty days of receipt of
946 such request.

947 (d) The Commissioner of Health Strategy may implement policies
948 and procedures necessary to administer the provisions of this section
949 while in the process of adopting such policies and procedures as
950 regulation, provided the commissioner holds a public hearing prior to
951 implementing the policies and procedures and posts notice of intent to
952 adopt regulations on the office's Internet web site and the eRegulations
953 System not later than twenty days after the date of implementation.
954 Policies and procedures implemented pursuant to this section shall be
955 valid until the time final regulations are adopted.

956 (e) On or before [June 30, 2026] December 31, 2026, a mental health
957 facility seeking to increase licensed bed capacity without applying for a
958 certificate of need, as permitted pursuant to subdivision (23) of
959 subsection (b) of this section, shall notify the Office of Health Strategy,
960 in a form and manner prescribed by the commissioner, regarding (1)
961 such facility's intent to increase licensed bed capacity, (2) the address of
962 such facility, and (3) a description of all services that are being or will be
963 provided at such facility.

964 Sec. 15. Subsections (a) to (e), inclusive, of section 19a-639 of the 2026
965 supplement to the general statutes are repealed and the following is
966 substituted in lieu thereof (*Effective October 1, 2026*):

967 (a) In any deliberations involving a certificate of need application
968 filed on or before December 31, 2026, pursuant to section 19a-638, as
969 amended by this act, the unit shall take into consideration and make
970 written findings concerning each of the following guidelines and
971 principles:

972 (1) Whether the proposed project is consistent with any applicable
973 policies and standards adopted in regulations by the Office of Health
974 Strategy;

975 (2) The relationship of the proposed project to the state-wide health
976 care facilities and services plan;

977 (3) Whether there is a clear public need for the health care facility or
978 services proposed by the applicant;

979 (4) Whether the applicant has satisfactorily demonstrated how the
980 proposal will impact the financial strength of the health care system in
981 the state or that the proposal is financially feasible for the applicant;

982 (5) Whether the applicant has satisfactorily demonstrated how the
983 proposal will improve quality, accessibility and cost effectiveness of
984 health care delivery in the region, including, but not limited to,
985 provision of or any change in the access to services for Medicaid
986 recipients and indigent persons;

987 (6) The applicant's past and proposed provision of health care
988 services to relevant patient populations and payer mix, including, but
989 not limited to, access to services by Medicaid recipients and indigent
990 persons;

991 (7) Whether the applicant has satisfactorily identified the population
992 to be served by the proposed project and satisfactorily demonstrated
993 that the identified population has a need for the proposed services;

994 (8) The utilization of existing health care facilities and health care
995 services in the service area of the applicant;

996 (9) Whether the applicant has satisfactorily demonstrated that the
997 proposed project shall not result in an unnecessary duplication of
998 existing or approved health care services or facilities;

999 (10) Whether an applicant, who has failed to provide or reduced
1000 access to services by Medicaid recipients or indigent persons, has
1001 demonstrated good cause for doing so, which shall not be demonstrated
1002 solely on the basis of differences in reimbursement rates between
1003 Medicaid and other health care payers;

1004 (11) Whether the applicant has satisfactorily demonstrated that the
1005 proposal will not negatively impact the diversity of health care
1006 providers and patient choice in the geographic region; and

1007 (12) Whether the applicant has satisfactorily demonstrated that any
1008 consolidation resulting from the proposal will not adversely affect
1009 health care costs or accessibility to care.

1010 (b) [In] On or before December 31, 2026, in deliberations as described
1011 in subsection (a) of this section, there shall be a presumption in favor of
1012 approving the certificate of need application for a transfer of ownership
1013 of a large group practice, as described in subdivision (3) of subsection
1014 (a) of section 19a-638, as amended by this act, when an offer was made
1015 in response to a request for proposal or similar voluntary offer for sale.

1016 (c) The unit, as it deems necessary, may revise or supplement the

1017 guidelines and principles, set forth in subsection (a) of this section,
1018 through regulation.

1019 (d) (1) For purposes of this subsection and subsection (e) of this
1020 section:

1021 (A) "Affected community" means a municipality where a hospital is
1022 physically located or a municipality whose inhabitants are regularly
1023 served by a hospital;

1024 (B) "Hospital" has the same meaning as provided in section 19a-490;

1025 (C) "New hospital" means a hospital as it exists after the approval of
1026 an agreement pursuant to section 19a-486b or a certificate of need
1027 application for a transfer of ownership of a hospital;

1028 (D) "Purchaser" means a person who is acquiring, or has acquired,
1029 any assets of a hospital through a transfer of ownership of a hospital;

1030 (E) "Transacting party" means a purchaser and any person who is a
1031 party to a proposed agreement for transfer of ownership of a hospital;

1032 (F) "Transfer" means to sell, transfer, lease, exchange, option, convey,
1033 give or otherwise dispose of or transfer control over, including, but not
1034 limited to, transfer by way of merger or joint venture not in the ordinary
1035 course of business; and

1036 (G) "Transfer of ownership of a hospital" means a transfer that
1037 impacts or changes the governance or controlling body of a hospital,
1038 including, but not limited to, all affiliations, mergers or any sale or
1039 transfer of net assets of a hospital and for which a certificate of need
1040 application or a certificate of need determination letter is filed on or after
1041 December 1, 2015.

1042 (2) In any deliberations involving a certificate of need application
1043 filed on or before December 31, 2026, pursuant to section 19a-638, as
1044 amended by this act, that involves the transfer of ownership of a
1045 hospital, the unit shall, in addition to the guidelines and principles set

1046 forth in subsection (a) of this section and those prescribed through
1047 regulation pursuant to subsection (c) of this section, take into
1048 consideration and make written findings concerning each of the
1049 following guidelines and principles:

1050 (A) Whether the applicant fairly considered alternative proposals or
1051 offers in light of the purpose of maintaining health care provider
1052 diversity and consumer choice in the health care market and access to
1053 affordable quality health care for the affected community; and

1054 (B) Whether the plan submitted pursuant to section 19a-639a, as
1055 amended by this act, demonstrates, in a manner consistent with this
1056 chapter, how health care services will be provided by the new hospital
1057 for the first three years following the transfer of ownership of the
1058 hospital, including any consolidation, reduction, elimination or
1059 expansion of existing services or introduction of new services.

1060 (3) The unit shall deny any certificate of need application involving a
1061 transfer of ownership of a hospital unless the commissioner finds that
1062 the affected community will be assured of continued access to high
1063 quality and affordable health care after accounting for any proposed
1064 change impacting hospital staffing.

1065 (4) The unit may deny any certificate of need application involving a
1066 transfer of ownership of a hospital subject to a cost and market impact
1067 review pursuant to section 19a-639f, as amended by this act, if the
1068 commissioner finds that (A) the affected community will not be assured
1069 of continued access to high quality and affordable health care after
1070 accounting for any consolidation in the hospital and health care market
1071 that may lessen health care provider diversity, consumer choice and
1072 access to care, and (B) any likely increases in the prices for health care
1073 services or total health care spending in the state may negatively impact
1074 the affordability of care.

1075 (5) The unit may place any conditions on the approval of a certificate
1076 of need application involving a transfer of ownership of a hospital
1077 consistent with the provisions of this chapter. Before placing any such

1078 conditions, the unit shall weigh the value of such conditions in
1079 promoting the purposes of this chapter against the individual and
1080 cumulative burden of such conditions on the transacting parties and the
1081 new hospital. For each condition imposed, the unit shall include a
1082 concise statement of the legal and factual basis for such condition and
1083 the provision or provisions of this chapter that it is intended to promote.
1084 Each condition shall be reasonably tailored in time and scope. The
1085 transacting parties or the new hospital shall have the right to make a
1086 request to the unit for an amendment to, or relief from, any condition
1087 based on changed circumstances, hardship or for other good cause.

1088 (6) In any deliberations involving a certificate of need application
1089 filed pursuant to section 19a-638, as amended by this act, that involves
1090 the transfer of ownership of a hospital and is subject to a cost and market
1091 impact review, the unit may consider (A) the preliminary report and
1092 response to the preliminary report, (B) the final report, and (C) any
1093 written comments from the parties regarding the reports issued or
1094 submitted as part of the review. The unit shall not place the preliminary
1095 report in the public record until the transacting parties have had an
1096 opportunity to respond to the findings of the preliminary report
1097 pursuant to subsection (f) of section 19a-639f.

1098 (e) (1) If the certificate of need application filed on or before December
1099 31, 2026, (A) involves the transfer of ownership of a hospital, (B) the
1100 purchaser is a hospital, as defined in section 19a-490, whether located
1101 within or outside the state, that had net patient revenue for fiscal year
1102 2013 in an amount greater than one billion five hundred million dollars
1103 or a hospital system, as defined in section 19a-486i, whether located
1104 within or outside the state, that had net patient revenue for fiscal year
1105 2013 in an amount greater than one billion five hundred million dollars,
1106 or any person that is organized or operated for profit, and (C) such
1107 application is approved, the unit shall hire an independent consultant
1108 to serve as a post-transfer compliance reporter for a period of three years
1109 after completion of the transfer of ownership of the hospital. Such
1110 reporter shall, at a minimum: (i) Meet with representatives of the
1111 purchaser, the new hospital and members of the affected community

1112 served by the new hospital not less than quarterly; and (ii) report to the
1113 unit not less than quarterly concerning (I) efforts the purchaser and
1114 representatives of the new hospital have taken to comply with any
1115 conditions the unit placed on the approval of the certificate of need
1116 application and plans for future compliance, and (II) community
1117 benefits and uncompensated care provided by the new hospital. The
1118 purchaser shall give the reporter access to its records and facilities for
1119 the purposes of carrying out the reporter's duties. The purchaser shall
1120 hold a public hearing in the municipality in which the new hospital is
1121 located not less than annually during the reporting period to provide
1122 for public review and comment on the reporter's reports and findings.

1123 (2) If the reporter finds that the purchaser has breached a condition
1124 of the approval of the certificate of need application, the unit may, in
1125 consultation with the purchaser, the reporter and any other interested
1126 parties it deems appropriate, implement a performance improvement
1127 plan designed to remedy the conditions identified by the reporter and
1128 continue the reporting period for up to one year following a
1129 determination by the unit that such conditions have been resolved.

1130 (3) The purchaser shall provide funds, in an amount determined by
1131 the unit not to exceed two hundred thousand dollars annually, for the
1132 hiring of the post-transfer compliance reporter.

1133 Sec. 16. Section 19a-639a of the general statutes is repealed and the
1134 following is substituted in lieu thereof (*Effective October 1, 2026*):

1135 (a) [An] On or before December 31, 2026, an application for a
1136 certificate of need shall be filed with the unit in accordance with the
1137 provisions of this section and any regulations adopted by the Office of
1138 Health Strategy. The application shall address the guidelines and
1139 principles set forth in (1) subsection (a) of section 19a-639, as amended
1140 by this act, and (2) regulations adopted by the department. The
1141 applicant shall include with the application a nonrefundable application
1142 fee based on the cost of the project. The amount of the fee shall be as
1143 follows: (A) One thousand dollars for a project that will cost not greater
1144 than fifty thousand dollars; (B) two thousand dollars for a project that

1145 will cost greater than fifty thousand dollars but not greater than one
1146 hundred thousand dollars; (C) three thousand dollars for a project that
1147 will cost greater than one hundred thousand dollars but not greater than
1148 five hundred thousand dollars; (D) four thousand dollars for a project
1149 that will cost greater than five hundred thousand dollars but not greater
1150 than one million dollars; (E) five thousand dollars for a project that will
1151 cost greater than one million dollars but not greater than five million
1152 dollars; (F) eight thousand dollars for a project that will cost greater than
1153 five million dollars but not greater than ten million dollars; and (G) ten
1154 thousand dollars for a project that will cost greater than ten million
1155 dollars.

1156 (b) Prior to the filing of a certificate of need application pursuant to
1157 subsection (a) of this section, the applicant shall (1) publish notice that
1158 an application is to be submitted to the unit (A) in a newspaper having
1159 a substantial circulation in the area where the project is to be located,
1160 and (B) on the applicant's Internet web site in a clear and conspicuous
1161 location that is easily accessible by members of the public, (2) request
1162 the publication of notice (A) in at least two sites within the affected
1163 community that are commonly accessed by the public, such as a town
1164 hall or library, and (B) on any existing Internet web site of the
1165 municipality or local health department, and (3) submit such notice to
1166 the unit for posting on such unit's Internet web site. Such newspaper
1167 notice shall be published for not less than three consecutive days, with
1168 the final date of consecutive publication occurring not later than twenty
1169 days prior to the date of filing of the certificate of need application, and
1170 contain a brief description of the nature of the project and the street
1171 address where the project is to be located. Postings in the affected
1172 community and on the applicant's Internet web site shall remain until
1173 the decision on the application is rendered. The unit shall not invalidate
1174 any notice due to changes or removal of the notice from a community
1175 Internet web site of which the applicant has no control. An applicant
1176 shall file the certificate of need application with the unit not later than
1177 ninety days after publishing notice of the application in a newspaper in
1178 accordance with the provisions of this subsection. The unit shall not
1179 accept the applicant's certificate of need application for filing unless the

1180 application is accompanied by the application fee prescribed in
1181 subsection (a) of this section and proof of compliance with the
1182 publication requirements prescribed in this subsection.

1183 (c) (1) Not later than five business days after receipt of a properly filed
1184 certificate of need application under this section, the unit shall publish
1185 notice of the application on its Internet web site. Not later than thirty
1186 days after the date of filing of the application, the unit may request such
1187 additional information as the unit determines necessary to complete the
1188 application. In addition to any information requested by the unit, if the
1189 application involves the transfer of ownership of a hospital, as defined
1190 in section 19a-639, as amended by this act, the applicant shall submit to
1191 the unit (A) a plan demonstrating how health care services will be
1192 provided by the new hospital for the first three years following the
1193 transfer of ownership of the hospital, including any consolidation,
1194 reduction, elimination or expansion of existing services or introduction
1195 of new services, and (B) the names of persons currently holding a
1196 position with the hospital to be purchased or the purchaser, as defined
1197 in section 19a-639, as amended by this act, as an officer, director, board
1198 member or senior manager, whether or not such person is expected to
1199 hold a position with the hospital after completion of the transfer of
1200 ownership of the hospital and any salary, severance, stock offering or
1201 any financial gain, current or deferred, such person is expected to
1202 receive as a result of, or in relation to, the transfer of ownership of the
1203 hospital.

1204 (2) The applicant shall, not later than sixty days after the date of the
1205 unit's request, submit any requested information and any information
1206 required under this subsection to the unit. If an applicant fails to submit
1207 such information to the unit within the sixty-day period, the unit shall
1208 consider the application to have been withdrawn.

1209 (3) The unit shall make reasonable efforts to limit the requests for
1210 additional information to two such requests and, in all cases, cease all
1211 requests for additional information not later than six months after
1212 receiving the application.

1213 (d) Upon deeming an application filed under this section complete,
1214 the unit shall provide notice of this determination to the applicant and
1215 to the public in accordance with regulations adopted by the department.
1216 In addition, the unit shall post such notice on its Internet web site and
1217 notify the applicant not later than five days after deeming the
1218 application complete. The date on which the unit posts such notice on
1219 its Internet web site shall begin the review period. Except as provided
1220 in this subsection, (1) the review period for an application deemed
1221 complete shall be ninety days from the date on which the unit posts such
1222 notice on its Internet web site; and (2) the unit shall issue a decision on
1223 an application deemed complete prior to the expiration of the ninety-
1224 day review period in matters without a public hearing. The review
1225 period for an application deemed complete that involves a transfer of a
1226 large group practice, as described in subdivision (3) of subsection (a) of
1227 section 19a-638, as amended by this act, when the offer was made in
1228 response to a request for proposal or similar voluntary offer for sale,
1229 shall be sixty days from the date on which the unit posts notice on its
1230 Internet web site. Upon request or for good cause shown, the unit may
1231 extend the review period for a period of time not to exceed sixty days.
1232 If the review period is extended, the unit shall issue a decision on the
1233 completed application prior to the expiration of the extended review
1234 period. If the unit holds a public hearing concerning a completed
1235 application in accordance with subsection (e) or (f) of this section, the
1236 unit shall issue a decision on the completed application not later than
1237 sixty days after the date the unit closes the public hearing record.

1238 (e) Except as provided in this subsection, the unit shall hold a public
1239 hearing on a [properly filed and completed] certificate of need
1240 application properly filed and completed under this section if three or
1241 more individuals or an individual representing an entity with five or
1242 more people submits a request, in writing, that a public hearing be held
1243 on the application. For a [properly filed and completed] certificate of
1244 need application properly filed and completed under this section
1245 involving a transfer of ownership of a large group practice, as described
1246 in subdivision (3) of subsection (a) of section 19a-638, as amended by
1247 this act, when an offer was made in response to a request for proposal

1248 or similar voluntary offer for sale, a public hearing shall be held if
1249 twenty-five or more individuals or an individual representing twenty-
1250 five or more people submits a request, in writing, that a public hearing
1251 be held on the application. Any request for a public hearing shall be
1252 made to the unit not later than thirty days after the date the unit deems
1253 the application to be complete.

1254 (f) (1) The unit shall hold a public hearing with respect to each
1255 certificate of need application filed pursuant to section 19a-638, as
1256 amended by this act, after December 1, 2015, and on or before December
1257 31, 2026, that concerns any transfer of ownership involving a hospital.
1258 Such hearing shall be held in the municipality in which the hospital that
1259 is the subject of the application is located.

1260 (2) The unit may hold a public hearing with respect to any certificate
1261 of need application submitted under this [chapter] section. The unit
1262 shall provide not less than two weeks' advance notice to the applicant,
1263 in writing, and to the public by publication in a newspaper having a
1264 substantial circulation in the area served by the health care facility or
1265 provider. In conducting its activities under this chapter, the unit may
1266 hold hearings with respect to applications of a similar nature at the same
1267 time. The applicant shall post a copy of the unit's hearing notice on the
1268 applicant's Internet web site in a clear and conspicuous location that is
1269 easily accessible by members of the public. Such applicant shall request
1270 the publication of notice in at least two sites within the affected
1271 community that are commonly accessed by the public, such as a town
1272 hall or library, as well as on any existing Internet web site of the
1273 municipality or local health department. The unit shall not invalidate
1274 any notice due to changes or removal of the notice from a community
1275 Internet web site of which the applicant has no control.

1276 (g) For applications submitted on or after October 1, 2023, and on or
1277 before December 31, 2026, the unit may retain an independent
1278 consultant with expertise in the specific area of health care that is the
1279 subject of the application filed by an applicant if the review and analysis
1280 of an application cannot reasonably be conducted by the unit without

1281 the expertise of an industry analyst or other actuarial consultant. The
1282 unit shall submit bills for independent consultant services to the
1283 applicant. Such applicant shall pay such bills not later than thirty days
1284 after receipt of such bills. Such bills shall be a reasonable amount per
1285 application. The provisions of chapter 57 and sections 4-212 to 4-219,
1286 inclusive, and 4e-19 shall not apply to any retainer agreement executed
1287 pursuant to this subsection.

1288 [(h) The Commissioner of Health Strategy may implement policies
1289 and procedures necessary to administer the provisions of this section
1290 while in the process of adopting such policies and procedures as
1291 regulation, provided the commissioner holds a public hearing prior to
1292 implementing the policies and procedures and posts notice of intent to
1293 adopt regulations on the office's Internet web site and the eRegulations
1294 System not later than twenty days after the date of implementation.
1295 Policies and procedures implemented pursuant to this section shall be
1296 valid until the time final regulations are adopted.]

1297 Sec. 17. Section 19a-639b of the general statutes is repealed and the
1298 following is substituted in lieu thereof (*Effective October 1, 2026*):

1299 (a) A certificate of need issued under section 19a-638a shall be valid
1300 only for the project described in the application. A certificate of need
1301 issued under said section shall be valid for two years from the date of
1302 issuance by the unit. During the period of time that such certificate is
1303 valid and the thirty-day period following the expiration of the
1304 certificate, the holder of the certificate shall provide the unit with such
1305 information as the unit may request on the development of the project
1306 covered by the certificate.

1307 (b) [Upon] On or before December 31, 2026, upon request from a
1308 certificate holder, the unit may extend the duration of a certificate of
1309 need for such additional period of time as the unit determines is
1310 reasonably necessary to expeditiously complete the project. Not later
1311 than five business days after receiving a request to extend the duration
1312 of a certificate of need, the unit shall post such request on its web site.
1313 Any person who wishes to comment on extending the duration of the

1314 certificate of need shall provide written comments to the unit on the
1315 requested extension not later than thirty days after the date the unit
1316 posts notice of the request for an extension of time on its web site. The
1317 unit shall hold a public hearing on any request to extend the duration of
1318 a certificate of need made under this subsection if three or more
1319 individuals or an individual representing an entity with five or more
1320 people submits a request, in writing, that a public hearing be held on
1321 the request to extend the duration of a certificate of need.

1322 (c) [In] On or before December 31, 2026, in the event that the unit
1323 determines that: (1) Commencement, construction or other preparation
1324 has not been substantially undertaken during a valid certificate of need
1325 period; or (2) the certificate holder has not made a good-faith effort to
1326 complete the project as approved, the unit may withdraw, revoke or
1327 rescind the certificate of need.

1328 (d) [A] On or before December 31, 2026, a certificate of need shall not
1329 be transferable or assignable nor shall a project be transferred from a
1330 certificate holder to another person.

1331 (e) The Commissioner of Health Strategy may implement policies
1332 and procedures necessary to administer the provisions of this section
1333 while in the process of adopting such policies and procedures as
1334 regulation, provided the commissioner holds a public hearing prior to
1335 implementing the policies and procedures and posts notice of intent to
1336 adopt regulations on the office's Internet web site and the eRegulations
1337 System not later than twenty days after the date of implementation.
1338 Policies and procedures implemented pursuant to this section shall be
1339 valid until the time final regulations are adopted.

1340 Sec. 18. Subsection (a) of section 19a-639c of the general statutes is
1341 repealed and the following is substituted in lieu thereof (*Effective October*
1342 *1, 2026*):

1343 (a) [Any] On or before December 31, 2026, any health care facility that
1344 proposes to relocate a facility shall submit a letter to the unit, as
1345 described in subsection (c) of section 19a-638, as amended by this act. In

1346 addition to the requirements prescribed in said subsection (c), in such
1347 letter the health care facility shall demonstrate to the satisfaction of the
1348 unit that the population served by the health care facility and the payer
1349 mix will not substantially change as a result of the facility's proposed
1350 relocation. If the facility is unable to demonstrate to the satisfaction of
1351 the unit that the population served and the payer mix will not
1352 substantially change as a result of the proposed relocation, the health
1353 care facility shall apply for certificate of need approval pursuant to
1354 subdivision (1) of subsection (a) of section 19a-638, as amended by this
1355 act, in order to effectuate the proposed relocation. The unit shall provide
1356 a determination not later than thirty days after receipt of such letter.

1357 Sec. 19. Subsections (a) to (c), inclusive, of section 19a-639e of the
1358 general statutes are repealed and the following is substituted in lieu
1359 thereof (*Effective October 1, 2026*):

1360 (a) Unless otherwise required to file a certificate of need application
1361 pursuant to the provisions of subsection (a) of section 19a-638, as
1362 amended by this act, any health care facility that proposes on or before
1363 December 31, 2026, to terminate a service that was authorized pursuant
1364 to a certificate of need issued under [this chapter] section 19a-638a shall
1365 file a modification request with the unit not later than sixty days prior
1366 to the proposed date of the termination of the service. The unit may
1367 request additional information from the health care facility as necessary
1368 to process the modification request. In addition, the unit shall hold a
1369 public hearing on any request from a health care facility to terminate a
1370 service pursuant to this section if three or more individuals or an
1371 individual representing an entity with five or more people submits a
1372 request, in writing, that a public hearing be held on the health care
1373 facility's proposal to terminate a service.

1374 (b) Unless otherwise required to file a certificate of need application
1375 pursuant to the provisions of subsection (a) of section 19a-638, as
1376 amended by this act, any health care facility that proposes on or before
1377 December 31, 2026, to terminate all services offered by such facility, that
1378 were authorized pursuant to one or more certificates of need issued

1379 under [this chapter] section 19a-639a, as amended by this act, shall
1380 provide notification to the unit not later than sixty days prior to the
1381 termination of services and such facility shall surrender its certificate of
1382 need not later than thirty days prior to the termination of services.

1383 (c) Unless otherwise required to file a certificate of need application
1384 pursuant to the provisions of subsection (a) of section 19a-638, as
1385 amended by this act, any health care facility that proposes on or before
1386 December 31, 2026, to terminate the operation of a facility or service for
1387 which a certificate of need was not obtained shall notify the unit not later
1388 than sixty days prior to terminating the operation of the facility or
1389 service.

1390 Sec. 20. Subsections (a) and (b) of section 19a-639f of the general
1391 statutes are repealed and the following is substituted in lieu thereof
1392 (*Effective October 1, 2026*):

1393 (a) The Health Systems Planning Unit of the Office of Health Strategy
1394 shall conduct a cost and market impact review in each case where (1) an
1395 application for a certificate of need filed on or before December 31, 2026,
1396 pursuant to section 19a-638, as amended by this act, involves the
1397 transfer of ownership of a hospital, as defined in section 19a-639, as
1398 amended by this act, and (2) the purchaser in a transaction occurring on
1399 or before December 31, 2026, is a hospital, as defined in section 19a-490,
1400 whether located within or outside the state, that had net patient revenue
1401 for fiscal year 2013 in an amount greater than one billion five hundred
1402 million dollars, or a hospital system, as defined in section 19a-486i,
1403 whether located within or outside the state, that had net patient revenue
1404 for fiscal year 2013 in an amount greater than one billion five hundred
1405 million dollars or any person that is organized or operated for profit.

1406 (b) Not later than twenty-one days after receipt of a properly filed
1407 certificate of need application involving the transfer of ownership of a
1408 hospital filed on or after December 1, 2015, and on or before December
1409 31, 2026, as described in subsection (a) of this section, the unit shall
1410 initiate such cost and market impact review by sending the transacting
1411 parties a written notice that shall contain a description of the basis for

1412 the cost and market impact review as well as a request for information
 1413 and documents. Not later than thirty days after receipt of such notice,
 1414 the transacting parties shall submit to the unit a written response. Such
 1415 response shall include, but need not be limited to, any information or
 1416 documents requested by the unit concerning the transfer of ownership
 1417 of the hospital. The unit shall have the powers with respect to the cost
 1418 and market impact review as provided in section 19a-633.

1419 Sec. 21. Section 19a-641 of the general statutes is repealed and the
 1420 following is substituted in lieu thereof (*Effective October 1, 2026*):

1421 Any health care facility or institution and any state health care facility
 1422 or institution aggrieved by any final decision of said unit issued on an
 1423 application filed on or before December 31, 2026, under the provisions
 1424 of sections 19a-630 to 19a-639e, inclusive, as amended by this act, may
 1425 appeal from such decision in accordance with the provisions of section
 1426 4-183, except venue shall be in the judicial district in which it is located.
 1427 Such appeal shall have precedence in respect to order of trial over all
 1428 other cases except writs of habeas corpus, actions brought by or on
 1429 behalf of the state, including information on the relation of private
 1430 individuals, and appeals from awards or decisions of administrative
 1431 law judges.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	New section
Sec. 2	<i>October 1, 2026</i>	New section
Sec. 3	<i>October 1, 2026</i>	New section
Sec. 4	<i>October 1, 2026</i>	New section
Sec. 5	<i>October 1, 2026</i>	New section
Sec. 6	<i>October 1, 2026</i>	New section
Sec. 7	<i>October 1, 2026</i>	New section
Sec. 8	<i>October 1, 2026</i>	New section
Sec. 9	<i>October 1, 2026</i>	New section
Sec. 10	<i>October 1, 2026</i>	New section
Sec. 11	<i>October 1, 2026</i>	New section
Sec. 12	<i>October 1, 2026</i>	New section

Sec. 13	October 1, 2026	19a-612d(a)
Sec. 14	October 1, 2026	19a-638(a) to (e)
Sec. 15	October 1, 2026	19a-639(a) to (e)
Sec. 16	October 1, 2026	19a-639a
Sec. 17	October 1, 2026	19a-639b
Sec. 18	October 1, 2026	19a-639c(a)
Sec. 19	October 1, 2026	19a-639e(a) to (c)
Sec. 20	October 1, 2026	19a-639f(a) and (b)
Sec. 21	October 1, 2026	19a-641

Statement of Legislative Commissioners:

In Section 6(a)(3), "this section, sections 2 to 5, inclusive, of this act or sections 7 to 12, inclusive" was changed to "sections 2 to 12, inclusive" for consistency of drafting style, and in Section 6(b), "include but not be limited to" was changed to "include, but need not be limited to" for clarity.

PH *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Office of Health Strategy	GF - Transfer from	2,029,146	None
Public Health, Dept.	GF - Transfer to	2,029,146	None
Office of Health Strategy	IF - Transfer from	784,018	None
Public Health, Dept.	IF - Transfer to	784,018	None
Public Health, Dept.	GF - Revenue Loss	50,000	100,000
Public Health, Dept.	GF - Potential Revenue Gain	See Below	See Below
UConn Health Ctr.	OF - Potential Cost	See Below	See Below
UConn Health Ctr.	OF - Savings	See Below	See Below

Note: GF=General Fund; IF=Insurance Fund; OF=UConn Health Operating Funds

Municipal Impact: None

Explanation

The bill makes various changes to the Certificate of Need (CON) process, resulting in the fiscal impacts described below.

Sections 2, 3, and 13 transfer the Certificate of Need (CON) program operations from the Office of Health Strategy to a new CON unit in the Department of Public Health (DPH), resulting in FY 27 transfers of: (1) General Fund funding of \$2,029,146 and 19 supported positions; and (2) Insurance Fund funding of \$784,018 and four supported positions. This unit will support a new CON panel,¹ placed within DPH for

¹ The panel consists of the DPH and Department of Social Services commissioners and the Office of Policy and Management secretary (or their designees), with the DPH commissioner or their designee serving as the panel's chair.

administrative purposes only, that will make final decisions on CON-related determinations.

Section 5 results in a potential savings to the UConn Health Center, beginning in FY 27, by capping consultant costs² incurred during certain kinds of CON review. Savings will vary to the extent that these consultant costs currently exceed the bill's cap.

Section 9 results in a potential cost of up to \$250,000³ to the UConn Health Center to the extent that it must conduct a cost and market impact review under the Certificate of Need (CON) process. The bill lowers the net patient revenue threshold, from above \$1.5 billion in FY 13 to above \$1.0 billion in FY 25, that requires hospitals to conduct such reviews during the CON process, for certain transactions. UConn Health's net patient revenue in FY 26 is estimated to be \$1.2 billion.

Section 10 increases the maximum CON enforcement civil penalty to \$5,000 per day of non-compliance (compared to \$1,000 per day under current law), resulting in a potential revenue gain to the General Fund beginning in FY 27. The extent of the revenue gain, if any, is dependent on the number of violations and the CON panel's discretion regarding civil penalties.

Sections 9 and 10 also allow the Office of the Attorney General (OAG) to conduct investigations or take action on a transfer of ownership of a hospital, resulting in no fiscal impact to the state because the OAG has the expertise to meet the requirements of the bill. These sections also make various conforming changes regarding the OAG which result in no fiscal impact.

Section 16 eliminates CON application fees for any proposal filed

² The bill limits fees charged to the applicant for consultancy services to \$200,000 per application (current law has no cap except that the fee be reasonable).

³ The bill increases the maximum billable amount per application that requires a cost and market impact review to \$250,000 (compared to \$200,000 under current law).

after December 31, 2026, resulting in a General Fund revenue loss⁴ of an estimated \$50,000 in FY 27 and \$100,000 annually thereafter. The current CON application fees range from \$1,000 (involving a project cost of \$50,000 or less) to \$10,000 (for a project cost exceeding \$10 million). The CON fee elimination additionally results in a savings to UConn Health. The extent and timing of the savings is dependent on the fee that would otherwise have been charged for a CON application and when UConn Health applies for a CON.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to: (1) the frequency of cost and market impact reviews UConn Health conducts; (2) the frequency and project cost of UConn Health CON applications; and (3) the frequency of CON violations and the penalties imposed.

⁴ CON application fee revenues were \$95,300 in FY 24 and \$105,000 in FY 25. Annual fee revenues are dependent on the number of applications filed per year and the estimated project cost.

OLR Bill Analysis**sHB 5045*****AN ACT STREAMLINING HEALTH CARE FACILITY APPROVALS.*****SUMMARY**

Starting in 2027, this bill replaces the Office of Health Strategy (OHS)-administered health care facility certificate of need (CON) program with a new program overseen by a panel comprised of the public health (DPH) and social services (DSS) commissioners and Office of Policy and Management (OPM) secretary or their designees. It creates a new CON unit within DPH to support the panel, and requires the panel to meet at least quarterly to review and decide CON applications.

The bill's new program differs in various respects from the current program. It reduces the overall number of categories requiring CON approval (for example, by eliminating required approval for certain service terminations and creating a separate process to oversee only hospital service pauses or terminations), but expands the types of transactions covered by certain other categories. For example, it expands the circumstances when physician group practice transfers require CON approval, replacing the current eight-physician threshold with a \$10 million asset or revenue threshold and requiring review of any practice transfer involving a private equity entity. More generally, it expands the types of ownership or control changes subject to CON approval for all health care entities covered by the program.

Among other things, it:

1. shortens the list of required factors that must be considered in the CON determination process;
2. generally requires a public hearing for all CON applications (unless waived by the applicant under certain conditions),

- instead of only a subset as under current law;
3. allows the panel to create an expedited CON review pathway and designate application categories that are eligible for this pathway;
 4. expands the circumstances when a CON application for a hospital transfer is subject to a cost and market impact review; and
 5. increases, from \$1,000 to \$5,000, the maximum daily civil penalties for CON-related violations.

Under the bill, the current OHS CON program continues for applications submitted on or before December 31, 2026 (§§ 13-21). As under current law, that program is administered by OHS's Health Systems Planning Unit, with the OHS commissioner having independent decision-making authority over CON decisions. For the current program, the bill extends from June 30, 2026, to December 31, 2026, an existing CON exemption for increases in the licensed bed capacity for mental health facilities under certain situations (§ 14).

The bill also makes minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2026

§§ 2, 3 & 13 — CON PANEL AND DPH CON UNIT

The bill creates a three-person panel, placed within DPH for administrative purposes only, to make final decisions on CON-related determinations under the new process. The panel consists of the DPH and DSS commissioners and OPM secretary or their designees. The DPH commissioner or her designee serves as the panel's chairperson.

Specifically, the panel must make final decisions and rulings on the following (under the bill, except where noted):

1. CON applications submitted on or after January 1, 2027;

2. civil penalties and cease and desist orders imposed on or after that date;
3. policies and procedures effective on and after that date;
4. hospital plans for continued access to care during service terminations on and after that date; and
5. sales of nonprofit hospitals under existing law's procedures (see BACKGROUND).

Starting in 2027, the panel must meet at least quarterly to review and decide CON applications. The panel chairperson may call special meetings at other times do so.

The bill also creates a CON unit within DPH to support the panel in its decision-making. The DPH commissioner must appoint an executive director to oversee the unit. Under the bill, starting in 2027:

1. anyone applying for a CON must file the application with the DPH unit (rather than with OHS as under current law),
2. the unit must prepare a summary analysis of the application record and present it at any public hearing and panel meeting on the application, and
3. the unit must make all determinations as to whether a CON is required (subject to the panel's final decision).

The unit must also monitor compliance with the bill's new CON process and with any panel-issued order or decision, including any associated panel-imposed conditions. In any enforcement action under the bill (see § 10 below), the unit must present the allegations at the panel's public hearing.

The provisions described below apply on and after January 1, 2027, or to CON applications filed on or after that date, as applicable.

§§ 1, 4, 14 & 18 — CON REQUIREMENT AND EXEMPTIONS

The following table compares the activities requiring CON approval under the current OHS program and the bill's new program.

Table: Activities Requiring CON Approval

Current Law	Bill
Establishment of a new "health care facility" (see below)	Same as current law
Transfer of ownership of a health care facility	"Change of ownership or control" of a health care facility (see below)
Transfer of ownership of a large group practice (eight or more physicians) to any entity other than a (1) physician or (2) physician group meeting certain requirements (for example, not affiliated with a hospital)	Change of ownership or control of a group practice (of any size): <ul style="list-style-type: none"> with at least \$10 million in total assets, annual revenue, or anticipated combined annual revenue (including out-of-state assets or revenue) or that includes a private equity entity (The bill does not carry forward a current provision that creates a presumption in favor of approving a CON for group practice ownership transfers when the offer was made in response to a voluntary offer for sale)
Establishment of a freestanding emergency department	Same as current law (under bill's definition of "health care facility")
Establishment of an outpatient surgical facility	Same as current law (under bill's definition of "health care facility")
Establishment of cardiac services, including inpatient and outpatient cardiac catheterization, interventional cardiology, and cardiovascular surgery	Not required
Acquisition of CT, MRI, PET, or PET-CT scanners, with certain exceptions (for example, replacements under specified conditions)	Same as current law
Acquisition of non-hospital based linear accelerators, except for replacements under specified conditions	Not required
Increase in a licensed facility's licensed bed capacity, except for certain mental health facilities	Same as current law, other than the exception (see below)
Acquisition of equipment using technology that is new to the state	Same as current law
Increase of two or more operating rooms within a three-year period by an outpatient surgical facility or short-term acute care	Same as current law

Current Law	Bill
<p>general hospital</p> <p>Termination of the following:</p> <ul style="list-style-type: none"> • hospital inpatient or outpatient services • certain outpatient surgical services by outpatient surgical facilities or certain hospitals • a short-term acute care hospital's emergency department • inpatient or outpatient services offered by state-operated facilities that provide services eligible for Medicare or Medicaid reimbursement <p>Under this law, a termination is the combined stop to a service for more than 180 days over a two-year period</p>	<p>Not required, but the bill creates a new review process for certain hospital service pauses or terminations; see § 12 below</p>

The bill’s list of exemptions from CON requirements under the new process is generally similar to the current OHS-led process. For example, the exemptions include, among several others, (1) nursing homes and certain other long-term care facilities (they are subject to a separate DSS CON process), (2) free clinics, and (3) school-based health centers.

The bill adds new exemptions for:

1. a nonprofit facility, institution, or provider solely providing behavioral health or substance use disorder treatment services; and
2. an association between a group practice and management service organization (MSO) in which the MSO is paid fair market value through a contract rather than being paid through profit or revenue sharing.

The bill differs from current law in some other respects, including the following:

1. specifying that the exemption for Department of Children and Families-funded programs only applies if DCF exclusively funds

- them (as under current law, psychiatric residential treatment facilities are not exempt);
2. exempting the acquisition of cone-beam imaging equipment generally, rather than only exempting this equipment if it is to be used exclusively by dentists;
 3. not carrying forward a current exemption for certain nonprofits that contract with, or are certified or licensed to provide a service for, a state agency for services otherwise requiring CON approval; and
 4. not carrying forward a current exemption for increases in the licensed bed capacity of mental health facilities that meet specified criteria (the bill extends the current exemption under the OHS CON program by six months).

Also, under current law, a facility seeking to relocate must first show that doing so will not substantially change the population served or the payer mix; if the facility cannot show this, then it must get CON approval. The bill instead creates a specific CON exemption for a health care facility's relocation within the same town or within 10 miles of the existing location, as long as the move does not substantially change the facility's patient population or payer mix.

“Health Care Facilities” Definition

Under the current CON law, “health care facilities” are hospitals; specialty hospitals; freestanding emergency departments; outpatient surgical facilities; state-operated facilities that provide services eligible for Medicare or Medicaid reimbursement; central service facilities; mental health facilities; substance abuse treatment facilities; any other facilities requiring a CON; and any of these facilities' parent companies, subsidiaries, affiliates, or joint ventures, or any combination of them.

The bill specifies that the term includes hospitals' satellite locations.

It also includes within the term outpatient surgical facilities that are

established by acute-care hospitals, in addition to those that are independently licensed as under current law. (While current law does not include the former in the “health care facility” definition, it requires CON approval to establish either type of outpatient surgical facility.)

“Change of Ownership or Control” Definition

For the current CON program, ownership transfers requiring CON approval are those transfers that impact or change the facility’s (or other applicable group practice’s) governance or controlling body, including all affiliations, mergers, or any sale or transfer of the facility’s net assets.

The bill instead requires CON approval for a “change of ownership or control” of a health care facility or certain group practices (see above). This is defined as any change in the entity’s ownership, beneficial ownership, or governance, specifically including:

1. a corporate merger;
2. an acquisition of 20% or more of the entity’s assets or operations by direct or indirect purchase in any way (for example, lease, transfer, or exchange), such as by a health care system, private equity group, hedge fund, publicly traded company, real estate investment trust, MSO, health carrier, or their subsidiaries;
3. any affiliation or arrangement that leads to a change in the entity’s control in which another person or entity acquires direct or indirect control over all or most of its operations;
4. the formation of a partnership, joint venture, accountable care organization, parent organization, or MSO for the purpose of administering contracts with carriers, third-party administrators, pharmacy benefit managers, or providers;
5. a sale, purchase, lease, affiliation, or transfer of control of the entity’s board or governing body; or
6. a real estate sale or lease of 20% or more of the entity’s assets.

CON Determination Letter

Similar to current law, the bill requires anyone who is unsure whether a CON is required to send a letter to the CON unit describing the proposal and asking the unit to determine if a CON is required. The person or facility making the request must give the unit any information it needs to determine this. The unit must make its decision within 30 days of getting the request.

§§ 5 & 15 — REVIEW FACTORS

The bill requires the panel, in any deliberation on a CON application, to determine by a preponderance of the evidence whether the application shows that the proposal is in the public's interest. In doing so, the panel must consider whether the proposal:

1. is consistent with any policies and procedures the panel has adopted;
2. promotes delivery of high-quality care in the applicant's primary service area;
3. promotes access, including Medicaid access, in that area;
4. promotes delivery of cost-effective care in that area;
5. promotes the health care system's financial stability, including whether the proposal is financially feasible for the applicant and whether there is any evidence of the applicant's prior financial mismanagement or misconduct;
6. meets a clear public need (for the proposal and services provided under it); and
7. would result in an unnecessary duplication of services.

Current law requires consideration of a longer list of factors, including similar matters as under the bill and other factors such as (1) the applicant's past and proposed provision of health care to relevant populations and payer mix and (2) whether the applicant has shown

that the proposal will not negatively impact provider diversity and patient choice in the region. Current law, unlike the bill, also requires additional factors to be considered in deliberations for hospital ownership transfers.

Generally similar to current law, the bill allows the panel and the CON unit to engage a third-party consultant to help in this analysis. As under current law, the consultant must submit the bills for its services directly to the applicant. The bill sets a \$200,000 limit on these bills per application.

§§ 6 & 16 — APPLICATION PROCESS

The bill requires CON applicants under the new process to submit applications to DPH's CON unit, in a way the unit sets. The applications must (1) include all information required under the unit's policies and procedures (see § 11 below) and (2) be submitted based on quarterly deadlines the panel sets, including submission dates on the first of March, June, September, and December. Unlike current law, there is no application fee (the current fee ranges from \$1,000 to \$10,000 based on the project's costs).

The bill specifies that it does not affect DPH's authority under the laws on health care institutions (for example, licensure requirements).

Ownership Changes Requiring DPH Approval

For proposals that include a facility's change of ownership or control requiring DPH approval under existing law (see BACKGROUND), the bill requires the CON application to include that separation application as well. The CON unit (after deeming the application complete) must submit the change of ownership or control application to DPH. After DPH completes its review, it must give the unit its decision and any supporting documents, to be added to the CON application record. If DPH denied the application, the CON cannot be issued; otherwise, the CON review process must resume.

Notice Posting and Determination of Application's Completeness

Under the bill, within 30 days before the CON application deadline,

the applicant must give the CON unit a notice for posting on the unit's website. The notice must (1) identify the applicant, any known parties to the application, and the proposal's address and (2) briefly describe the proposal in plain language, including a reference to the bill's provision requiring CON approval (see § 4).

Within 30 days after the application deadline, the unit must notify the applicant whether the application is deemed complete. Within 15 days after deeming an application incomplete, the unit must give the applicant written notice of any application or data elements that were inadequately addressed. DPH must not review the application until the applicant resubmits it, with the missing elements, in a subsequent application period.

The bill's notice and application process differs in several respects from the current process. Among other things, current law requires the applicant to also post a notice in the newspaper and at least two community locations.

Public Hearings and Summary Report

With certain exceptions, current law requires a hearing on CON applications only if requested by a specified number of people. By contrast, under the bill, the panel generally must hold a public hearing on any application within 90 days after the unit deems it as properly filed and complete. But the applicant may waive the right to a hearing if the applicant is the only party and no one has been granted intervenor status. Applicants that waive a hearing also waive their right to appeal. Someone seeking to intervene must apply within 30 days after the application notice was posted, in a manner set by the CON unit executive director.

Under the bill, the unit's executive director must submit a report to the panel and any designated hearing officer before the hearing or at the panel meeting reviewing the application. The report must summarize the application and analyze the bill's relevant criteria for the CON requirement. The unit must give the report to the panel or hearing

officer and post it online within five days before the hearing or scheduled meeting.

Within 60 days after the hearing record is closed (or after the applicant waives the hearing), the hearing officer must send the report, the hearing record (if any), and his or her proposed final decision to the panel for its consideration at the next meeting.

Panel Meeting and Decision

Under the bill, the panel must vote on an application at a meeting. The panel may approve the application with or without conditions, deny it, or send it back to the hearing officer to further develop the record for presentation at the next meeting.

The bill allows the CON unit to recommend, and the panel to impose, any conditions on a CON approval that are consistent with the bill's purposes. The applicant and any party to the application may request an amendment or relief from any condition due to changed circumstances, hardship, or other good cause. The panel may grant or deny the request, and its decision is not subject to appeal.

§ 7 — EXPEDITED REVIEW PATHWAY

The bill allows the panel to create an expedited review pathway and designate CON application categories or subcategories that are eligible for it. An applicant requesting expedited review must submit its CON application under the same deadlines and notice requirements as described above (see § 6.)

The applicant also must submit an application for expedited review to the CON unit, in a way the unit's executive director decides. Within 30 days, the unit must notify the applicant whether the application is deemed complete and whether it qualifies for expedited review.

If the unit deems an application incomplete, it must give the applicant written notice within 15 days of which elements of the submitted application or data were inadequate. DPH must not review the application until the applicant resubmits it, with the missing elements,

in a subsequent application period.

If the unit deems the application complete but ineligible for expedited review, it must review the application under the bill's standard process. On the other hand, if the unit deems the application eligible for expedited review, the unit must complete its analysis within 60 days after that determination and present the application to the panel at its next meeting. The panel may hold a hearing on eligible applications but is not required to do so.

As with applications under the bill's standard process, the panel must vote on an expedited application and approve it, deny it, or remand it to the hearing officer to further develop the record for the next panel meeting. The bill applies to expedited approvals the same provisions as under the standard process on the (1) panel's authority to set conditions on its approval and (2) applicant's or party's ability to request an amendment or relief from any condition.

PA 25-2, unchanged by the bill, created a separate OHS-administered emergency CON process for bankruptcy-related hospital ownership transfers.

§§ 8 & 17 — VALIDITY, REVOCATION, AND RELATED MATTERS

Generally mirroring current law, the bill provides that:

1. a CON is valid only for (a) the proposal described in the application and (b) two years from the date it is issued;
2. the CON holder must give the unit any information it requests on the proposal's development during these two years and for 30 days after it expires;
3. if the CON holder asks, the unit may extend the CON's duration as it deems necessary, subject to a public comment period (unlike current law, the bill does not require a public hearing on these requests if a certain number of people ask for it);
4. the unit may withdraw, revoke, or rescind the CON if it

determines that the (a) project has not substantially begun during a valid CON period or (b) CON holder has not made a good-faith effort to complete the proposal as approved; and

5. a CON is not transferable or assignable and the project cannot be transferred to someone else.

§§ 9 & 20 — COST AND MARKET IMPACT REVIEW

Under a generally similar process as current law, the bill requires the CON unit to conduct a Cost and Market Impact Review (CMIR) of certain CON applications that propose to transfer a hospital's ownership, to examine the businesses and relative market provisions of the transacting parties. The bill's requirement also applies to notice of material change filings (see BACKGROUND) with the attorney general's office for these same transfers.

In either case, the bill's requirement applies to hospital ownership transfers when the purchaser is (1) an in- or out-of-state hospital or a hospital system that had net patient revenue exceeding \$1 billion for FY 25 or (2) organized or operated for profit. (The current threshold for (1) is \$1.5 billion revenue for FY 13.)

The CON unit must hire an independent consultant to conduct the review at the purchaser's expense, with similar requirements as under current law, except the maximum bills per application are \$250,000 under the bill compared to \$200,000 currently.

The bill requires the unit to develop a set of data requests for these CMIRs. The applicant must submit all necessary CMIR data when the applicant begins the CON application process or submits its material change notice, whichever is earlier. The unit must review the data submission for completeness within 30 days, and notify the applicant of any missing elements.

Under the bill, the CON unit must submit a preliminary CMIR report to the applicant and the attorney general within 90 days after the data submissions are complete. The applicant then has 15 days to respond in

writing. After the applicant responds (or waives the opportunity to do so), the unit must make the preliminary report and the applicant's comments public. Within 120 days after the CON application was completed, the unit must issue a final CMIR report and make it part of the public CON record for that application.

In several respects, the bill's CMIR provisions mirror those under current law. These include provisions on the:

1. confidentiality of submitted nonpublic information and limited exceptions to it;
2. factors that may be examined in the review, such as the parties' size and market share, prices for services, and service quality;
3. attorney general's authority, after the final CMIR report is issued, to investigate certain matters (for example, possible antitrust violations) or take related actions; and
4. required stay of the proposed transfer for a 30-day period after the CMIR final report is issued or while a court case brought by the attorney general is pending.

§ 10 — INVESTIGATIONS AND ENFORCEMENT

The bill requires the CON unit's executive director to investigate all inquiries about compliance with the bill's new CON process. It gives the panel similar enforcement authority as OHS has under current law to investigate alleged CON violations. For example, it allows the panel, or its authorized agent, to (1) administer oaths and take testimony under oath relating to the matter under investigation and (2) subpoena witnesses or require the production of documents or other materials, subject to judicial enforcement.

Similar to current law, it sets a civil penalty (through proceedings brought by the CON unit) for any person or health care facility or institution that negligently (1) undertakes an activity without a required CON approval or (2) fails to comply with a CON decision's terms or

conditions or a panel-approved agreed settlement. The maximum penalty is \$5,000 per day, compared to \$1,000 per day under current law. The CON unit must present allegations of this negligence at a hearing before the panel.

The bill generally mirrors current procedures (and related deadlines) for these penalties, such as prior notice, the right to a hearing, and the right to appeal. It similarly mirrors a current provision that makes failing to pay the penalty after the final assessment grounds for deducting Medicaid payments.

It also generally mirrors current law for cease and desist orders, by allowing the CON unit to pursue this remedy when the executive director (or his or her agent) has received information or reasonably believes that someone has or is violating the bill's new CON procedures or requirements. The bill includes prior notice, hearing, and appeal provisions that are similar to current law, with the panel holding the hearings.

The bill allows any civil penalty proceeding and investigation or cease and desist proceeding to be held together in one proceeding.

§§ 11 & 16 — POLICIES AND PROCEDURES

The bill allows the CON unit's executive director to implement policies and procedures to administer the new CON process, as long as (1) he or she first holds a public hearing and (2) the policies and procedures are then unanimously approved by the panel. The policies and procedures, or any amendment to them, must not take effect until at least 30 days after the panel votes to approve them. They need not be adopted as regulations. The bill eliminates OHS's ability under current law to implement policies and procedures while adopting regulations for the CON process

§§ 12 & 19 — HOSPITAL SERVICE PAUSES OR TERMINATIONS

Under current law, in addition to required CON approval for certain service terminations (see above), health care facilities must give OHS 60

days' notice of other service terminations, with the specific procedures differing based on whether the service originally needed CON approval.

By contrast, the bill's new process generally addresses service terminations only by hospitals and does not set related notification requirements for other facilities. It allows a hospital to temporarily pause a service for up to 90 days. If the hospital intends to pause a service for longer than that or to indefinitely terminate a service, it must notify the CON unit at least 90 days in advance. These provisions apply to any inpatient or outpatient service, except for emergency department services.

The notice may be in writing or electronic, and must include:

1. a description of the service to be paused or terminated;
2. current and historical utilization rates for it;
3. the anticipated impact of the pause or termination on people and health care facilities in the hospital's primary service area;
4. the date set for the pause or termination and, if applicable, the anticipated date to resume the service;
5. a detailed account of any community engagement and planning that has been done or that is scheduled to take place before the pause or termination; and
6. any other information the executive director requires.

The hospital must also send a copy of the notice to (1) the attorney general's office, DSS, and the Office of the Healthcare Advocate, and (2) if it relates to a behavioral health or substance use disorder treatment service, the Department of Mental Health and Addiction Services and Behavioral Health Advocate.

The CON unit executive director may order a public hearing on the proposed pause or termination, the impact on the hospital's primary

service area, and the proposed plan for ensuring continued access to high-quality affordable health care in that area.

Plan for Continued Access

The bill requires a hospital, at least 60 days before the pause or termination, to submit a plan for ensuring access to the service afterwards. The plan must include:

1. information on service utilization before the proposed pause or termination;
2. information on the location and service capacity of alternative sites that provide the service and travel times to them;
3. an assessment of transportation needs after the pause or termination and a plan to meet them;
4. a protocol that details ways to maintain continuity of care for patients and describes how patients in the hospital's primary service area will get the service at other sites; and
5. a communication plan to ensure that all affected patients in that area are aware of the pause or termination, where else they may get the service, and the hospital's available help to get it.

Under the bill, the CON unit must review the hospital's plan to determine if it ensures continued access to the service. Within 10 days after receiving the plan, the unit must review it and give the hospital and panel written recommendations to approve (with or without conditions), modify, or reject it.

The panel then must hold a meeting on the plan within 10 days. The hospital may submit a response to the recommendations at the meeting. Within 10 days after the meeting, the panel must make its decision.

The CON unit must monitor the plan's implementation. If the hospital fails to implement any aspect of the approved plan, the unit may impose a performance improvement plan. The hospital may be

subject to civil penalties (see § 10 above) for failure to comply with the performance improvement plan and continued failure to perform under the plan.

BACKGROUND

Nonprofit Hospital Sales

Under existing law, a nonprofit hospital needs approval from the OHS commissioner and attorney general before entering into an agreement to transfer a material amount of its assets or operations or change control of its operations to a for-profit purchaser. Among other things, the hospital and purchaser must submit a CON determination letter as part of this process. OHS and the attorney general’s office must evaluate several factors in deciding whether to approve the transaction (CGS § 19a-486 et seq.).

Ownership Changes Requiring DPH Approval

Existing law generally requires prior approval from DPH for changes to the ownership or beneficial ownership of licensed health care facilities. The department must evaluate the application based on specified factors (for example, the proposed new owner’s history of compliance with licensing and regulatory requirements) (CGS § 19a-493).

Notice of Material Change

Existing law requires prior notice to the attorney general before parties may complete a transaction resulting in (1) a material change to a physician group practice’s business or corporate structure or (2) an affiliation between one hospital or hospital system and another, so the attorney general can review the transaction under the antitrust laws (CGS § 19a-486i).

COMMITTEE ACTION

Public Health Committee

Joint Favorable
Yea 22 Nay 10 (03/09/2026)