



Senate

General Assembly

File No. 48

February Session, 2026

Substitute Senate Bill No. 196

Senate, March 17, 2026

The Committee on Public Health reported through SEN. ANWAR of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING HOSPITAL SALE-LEASEBACK AGREEMENTS AND ATTESTATIONS CONCERNING LACK OF PRIVATE EQUITY CONTROL OF THE HOSPITAL AND CONTROL OF OR INTERFERENCE WITH THE PROFESSIONAL JUDGMENT AND CLINICAL DECISIONS OF CERTAIN HEALTH CARE PROVIDERS.

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

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Hospital" has the same meaning as provided in section 19a-646
- 3 of the general statutes;
- 4 (2) "Main campus of a hospital" means the licensed premises within
- 5 which the majority of inpatient beds are located;
- 6 (3) "Real estate investment trust" has the same meaning as provided
- 7 in 26 USC 856, as amended from time to time; and
- 8 (4) "Sale-leaseback transaction" means a transaction in which a
- 9 hospital enters into an agreement with a real estate investment trust to

10 sell and lease back hospital-owned real property that constitutes the
11 main campus of a hospital.

12 (b) On and after October 1, 2026, no hospital shall enter into a sale-
13 leaseback transaction.

14 Sec. 2. (NEW) (*Effective from passage*) (a) As used in this section:

15 (1) "Commissioner" means the Commissioner of Public Health;

16 (2) "Hospital" has the same meaning as provided in section 19a-646
17 of the general statutes; and

18 (3) "Private equity entity" means any entity that collects and pools
19 capital investments from individuals or entities and purchases, as a
20 parent company or through an entity that the private equity entity owns
21 or controls, an ownership share of one or more companies.

22 (b) Not later than February 1, 2027, and annually thereafter, each
23 hospital shall submit to the commissioner an attestation that (1) no
24 private equity entity has a controlling interest in the hospital and that
25 the entity holding the hospital's license maintains full governance
26 control and authority over the hospital's assets and activities, including,
27 but not limited to, all clinical, operational, managerial, financial and
28 human resources matters, and (2) no private equity entity is permitted
29 to influence a hospital's adoption of any policy or procedure that would
30 interfere with the professional judgment or clinical decisions of duly
31 authorized clinicians, including (A) the amount of time spent with
32 patients or the number of patients seen in a given time period, (B) the
33 time permitted to triage patients in the emergency department or
34 evaluate admitted patients, (C) the time period within which a patient
35 must be discharged, (D) decisions involving a patient's clinical status,
36 including, but not limited to, whether the patient should be kept in
37 observation status, whether the patient should receive palliative care
38 and where the patient should be placed upon discharge, (E) the final
39 diagnosis, diagnostic terminology or codes that are entered into the
40 medical record, or (F) the appropriate diagnostic test for medical

41 conditions.

42 (c) The commissioner shall develop a uniform template to be used by
43 hospitals for purposes of complying with the provisions of subsection
44 (b) of this section.

45 (d) Nothing in this section shall be construed to prohibit a hospital or
46 any affiliate of a hospital from investing, either directly or indirectly, in
47 a joint venture.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

PH *Joint Favorable Subst.*

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:** None**Municipal Impact:** None**Explanation**

The bill prohibits hospitals from entering sale-leaseback transactions and requires them to make annual attestations to the Department of Public Health concerning private equity control and influence, resulting in no fiscal impact to the state or municipalities.

OLR Bill Analysis**sSB 196****AN ACT CONCERNING HOSPITAL SALE-LEASEBACK AGREEMENTS AND ATTESTATIONS CONCERNING LACK OF PRIVATE EQUITY CONTROL OF THE HOSPITAL AND CONTROL OF OR INTERFERENCE WITH THE PROFESSIONAL JUDGMENT AND CLINICAL DECISIONS OF CERTAIN HEALTH CARE PROVIDERS.****SUMMARY**

This bill prohibits hospitals from entering into sale-leaseback transactions on or after October 1, 2026. These are agreements with a real estate investment trust (REIT) for the hospital to sell and lease back the real property comprising its main campus.

The bill also requires hospitals, starting by February 1, 2027, to annually submit to the Department of Public Health (DPH) an attestation that no private equity entity:

1. has a controlling interest in the hospital and that the hospital license holder has full governance control over the hospital's assets and activities, including (among other things) all clinical matters, and
2. is allowed to influence the hospital's adoption of any policy or procedure that would interfere with clinicians' professional judgment or clinical decisions.

The bill applies to DPH-licensed short-term acute care general or children's hospitals, including UConn's John Dempsey Hospital.

The bill incorporates the REIT definition from the federal Internal Revenue Code (26 U.S.C. § 856). Subject to various conditions, a REIT is generally a corporation, trust, or association (other than a financial institution or insurance company) that owns or finances income-

producing real estate.

Under the bill, a “private equity entity” is any entity that collects and pools capital investments from people or entities and purchases an ownership share of one or more companies. It may buy this share as a parent company or through another entity it owns or controls.

EFFECTIVE DATE: Upon passage

HOSPITAL ATTESTATIONS

Under the bill, hospitals must annually attest that no private equity entity has a controlling interest in the hospital and that the entity holding the hospital’s license has full governance control over the hospital’s assets and activities. This includes all clinical, operational, managerial, financial, and human resources matters.

The bill also requires hospitals to annually attest that no private equity entity may influence the hospital’s adoption of any policy or procedure that would interfere with clinicians’ professional judgment or clinical decisions. This includes:

1. how much time to spend with patients or the number of patients seen in a given period;
2. the time allowed to triage emergency department patients or evaluate admitted patients;
3. the time within which a patient must be discharged;
4. decisions on a patient’s clinical status, including whether the patient should be kept in observation status or receive palliative care and where the patient should be placed when discharged;
5. the final diagnosis, diagnostic terminology, or codes entered into medical records; or
6. appropriate diagnostic tests.

The bill requires the DPH commissioner to develop a uniform

template for hospitals to use when submitting these attestations.

It also specifies that these provisions do not prohibit hospitals, or their affiliates, from investing (directly or indirectly) in a joint venture.

BACKGROUND

Related Bills

HB 5045, favorably reported by the Public Health Committee, replaces the current health care facility certificate of need (CON) program with a new one and, among various other changes, generally requires CON approval for a private equity group's or REIT's acquisition (in any manner) of at least 20% of the assets or operations of a health care entity.

HB 5316, favorably reported by the Banking Committee, prohibits (1) REITs from acquiring operational control over a hospital or health system or increasing any such control that they already have and (2) hospitals or health systems from entering into sale-leaseback transactions.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 29 Nay 2 (03/02/2026)