

OFFICE OF FISCAL ANALYSIS

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sSB-193

AN ACT ESTABLISHING LICENSURE FOR LONG-TERM ACUTE CARE HOSPITALS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Public Health, Dept.	GF - Cost	Up to 100,000	None
Public Health, Dept.	GF - Potential Revenue Impact	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill creates a new licensure category for long-term acute care hospitals (LTACHs), resulting in a one-time General Fund cost of up to \$100,000 in FY 27 and potential annual revenue impacts related to chronic disease hospitals (CDHs) potentially shifting to the new license.

The Department of Public Health (DPH) requires support from a Legal Healthcare Consultant to research, draft, and implement regulations for the LTACH license, resulting in a one-time cost to the agency of up to \$100,000 in FY 27.

Additionally, there is a potential annual revenue change to the General Fund beginning as early as FY 27, depending on: (1) what, if any, licensure fees are created for the new category; (2) how these

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3/12/26

licensure fees compare to the CDH license fees¹; and (3) the extent existing CDHs change to the LTACH license. The department currently licenses four hospitals under the CDH category, but only two are certified as LTACHs as required for participation in the federal Medicare program. It is unclear whether any CDHs would transition to the new LTACH licensure category once it is created.

¹ Chronic disease hospitals currently pay the biennial hospital licensure fee of \$940 per site and \$7.50 per bed as outlined in CGS Sec. 19a-491.