

Public Health Committee JOINT FAVORABLE REPORT

Bill No: HB-5165 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT REQUIRING AN EVALUATION OF THE APPOINTMENT OF A RECEIVER TO MANAGE HOSPITALS IN FINANCIAL DISTRESS OR

Title: OPERATIONAL CRISIS.

Vote Date: 3/2/2026

Vote Action: Joint Favorable

PH Date: 2/18/2026

File No.: 22

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SPONSORS OF BILL:

The Public Health Committee.

REASONS FOR BILL:

To mitigate and control financial crises like those that have recently plagued several Connecticut hospitals, this bill would require the commissioner of the Department of Public health (DPH) to evaluate whether the Attorney General (AG) should have the authority to petition the Superior Court for the appointment of a receiver to manage hospitals in financial distress or operational crisis. The commissioner of DPH must report on the evaluation to the Public Health Committee by October 1,2027.

SUBSTITUTE LANGUAGE:

None submitted.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

Liz Dupont-Diel, CT Citizen Action Group (CCAG):

CCAG believes giving the commissioner of DPH the ability to evaluate whether the AG should be authorized to appoint a receiver to manage hospitals in financial distress or operational crisis has the potential to prevent the bankruptcy of another Connecticut hospital.

John Brady, Executive Vice President, American Federation of Teachers CT (AFT);

The AFT supports this bill and believes that the appointment and oversight of a receiver could prevent the bankruptcy of another Connecticut hospital.

The Connecticut Hospital Association (CHA):

CHA supports the intent of this bill. However, before a receivership is considered, CHA believes the legislature should evaluate and report all other feasible solutions the state could adopt to avoid financial distress or operational crisis for hospitals. CHA suggests that the commissioners of DPH and the Department of Social Services (DSS) as well as the secretary of the Office of Policy and Management (OPM) be involved in these discussions. One area to evaluate would be a reasonable and stable Medicaid reimbursement rate for hospitals. This would help to create financial sustainability. CHA urges the bill be amended to require the DPH commissioner to include stakeholder participation in the process. Finally, CHA believes a receivership appointment should be defined in a narrow way. A receiver should be used only after all other remedies, including an expedited Certificate of Need (CON) process, are utilized. CHA believes these approaches are imperative especially the Medicaid reimbursement policies that are helping to create stress and crisis for hospitals.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Kathleen Panazza

Date: March 3, 2026