

# Aging Committee JOINT FAVORABLE REPORT

**Bill No:** SB-125 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT RESTRICTING PRIVATE EQUITY OWNERSHIP OF NURSING

**Title:** HOMES.

**Vote Date:** 3/5/2026

**Vote Action:** Joint Favorable

**PH Date:** 2/19/2026

**File No.:**

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## **SPONSORS OF BILL:**

Aging Committee

## **REASONS FOR BILL:**

This legislation does three things. It requires Dept. of Public Health approval to sell a nursing home's building or land with five years of acquiring it. It requires performance bonds for nursing homes owned by ownership entities, and it establishes a new reporting requirement regarding nursing homes' ownership structures.

Previous bills that were debated during the 2023 and 2025 legislative sessions met with some success but were not enacted.

This bill also authorizes the Dept. of Social Services to impose fines on nursing homes that fail to provide required information within 30 days of the due date.

## **SUBSTITUTE LANGUAGE (IF APPLICABLE):**

None applicable.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

**Ms. Andrea Barton Reeves, Commissioner, Dept. of Social Services:** The Dept. strongly **supports** the passage of this bill. The bill will strengthen the Department's ability to track these relationships and monitor the use of public dollars which are to be used for resident care. While these ownership structures are legal, the Dept. has a duty to ensure that much of the Medicaid dollar is reaching resident care and is supporting improved quality for its residents. This bill would require nursing home ownership arrangements to be fully disclosed to the Dept. and will assist them in monitoring these complex ownership structures and the use of public funds.

**Ms. Mairead Painter, Long-Term Care Ombudsman, Dept. of Aging and Disability**

**Services:** They offered testimony in **support** of this proposal. An important part of this bill is the concept of requiring ownership stability over a period of time. The requirement that an entity maintain ownership for a five-year period is necessary because nursing homes are not short-term assets. From her perspective, the risks associated with complex, or investment driven ownership structures are not theoretical. They appear in very concrete and measurable ways in the daily lives of residents. They see staffing instability and reduced continuity of care when experienced employees leave and are replaced by temporary or agency staff who may not know the residents well. We see deferred maintenance and declining living conditions when necessary, building repairs or environmental improvements are delayed. This bill will help close the gap by setting clearer boundaries on ownership arrangements and reinforcing the principle that a nursing home exists to provide care and not to function primarily as a financial vehicle.

**Mr. Michael Werner, Lead Aging Policy Analyst, Commission on Women, Children, Seniors, Equity & Opportunity:**

The Commission **supports** this legislation. It requires annual detailed reporting of ownership entities, financial arrangements and operational agreements. A layered ownership structure makes it hard for the state to track public dollars spent on care in nursing homes and to determine how ownership impacts the quality of that care. This bill does not prohibit private equity investment but ensures the transparency and oversight necessary to safeguard long-term care residents.

**NATURE AND SOURCES OF SUPPORT:**

**Senate Democrats:**

**Senator Martin Looney, 11<sup>th</sup> District, Senate President Pro Tempore:**

**Senator Bob Duff, 25<sup>th</sup> District, Senate Majority Leader:**

The Senators testified in strong **support** of this bill. Under this legislation these entities would be required to produce detailed information to the Dept. of Social Services annually. Additionally, any private equity entity with a real estate investment trust will not be permitted to sell or offload any nursing home property until five years after the purchase unless the Commissioner of Public Health finds that doing so will increase patient wellbeing or facility stability.

**Ms. Mag Morelli, President, LeadingAge Connecticut & Rhode Island:** They understand the interest in regulating the role of private equity firms in the health care field, but they are concerned about what the unintended consequences might be. Their testimony includes several suggestions concerning definitions, reporting requirements, penalties, performance bond requirements and real property sale restrictions.

**Ms. Jeanette Sullivan-Martinez, President, Statewide Coalition of Presidents of**

**Resident Councils:** She **supports** this bill. When ownership structures are complex and driven by private investment models, the focus can shift away from resident care and toward financial returns. They see it when staffing levels drop, when maintenance is delayed and when supplies feel stretched too thin. They believe it is a safeguard that says if financial trouble occurs, residents will not be left in chaos without care.

**Ms. Jean Mills Aranha, Attorney, Connecticut Legal Services:** They submitted testimony in **support** of this legislation. Their detailed comments set forth reasons for their support and point out that the bill would help to solve the problems created by private equity ownership of nursing homes by requiring extensive information about the private equity entities seeking to purchase them.

**Ms. Liz Dupont-Diehl, Connecticut Citizen Action Group:** They offered their comments in **support** of this proposal. Private equity ownership is different in structure from venture capital and is getting increasing attention for its negative effects on a number of industries. Their acquisitions are geared toward short-term profit, and outcomes in many sectors will suffer as they slash costs and impose risks, and they exist to extract wealth and resources. Bankruptcy can be lucrative for private equity shareholders. They suggest a book by Megan Greenwell, Bad Company which outlines the structure and history of private equity in several different sectors.

**Mr. Zachary van Luling, Town Councilor, Rocky Hill:** He urges the committee to **support** this legislation pointing out that it strengthens accountability around who owns nursing home, how they finance those acquisitions and whether the business structure will support safe and stable care. It gives the state stronger tools to protect residents and families from instability in a sector where instability carries a direct human cost.

**SEIU District 1199, New England:** They offered testimony in **support** of this bill. In recent years our state has experienced repeated instability in healthcare tied to corporate ownership and private equity involvement and we have seen what happens when financial actors structure healthcare facilities around debt, asset transfers, and short-term returns.

**Mr. John Stavola, Resident of Whitney Manor Rehabilitation, Hamden:** He **supports** this bill. He believes private equity ownership is hurting many nursing facilities because they are used to put profits ahead of services.

#### **NATURE AND SOURCES OF OPPOSITION:**

**Mr. Matt Barrett, President, Connecticut Association of Health Care Facilities:** Their comments are in **opposition** to this proposal. He points out that during the 2025 legislative session SB 1417 - LCO 9163 was offered by the committee leadership. Last session's bill included a subsection (g) that is not included in this proposal, and he feels it should be. His testimony includes significant comments and suggestions and detailed language about ways to improve the language.

**Ms. Sarah Dzialo:** She offered her comments in **opposition** to this bill. She points out that banning or restricting ownership based on investor type punishes capital formation and undermines property rights and freedom of contract. That it substitutes political judgement for market discipline. We should target misconduct and not ownership structure.

**Reported by: Richard Ferrari, Assist. Clerk**  
**Reviewed by: Elizabeth Aheart, Clerk**

**Date: 3/11/26**