



General Assembly

Substitute Bill No. 196

February Session, 2026



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.