



General Assembly

Amendment

February Session, 2026

LCO No. 5843



Offered by:

SEN. HOCHADEL, 13th Dist.

REP. GARIBAY, 60th Dist.

REP. FORTIER, 79th Dist.

SEN. HWANG, 28th Dist.

To: Subst. Senate Bill No. 125

File No. 69

Cal. No. 69

"AN ACT RESTRICTING PRIVATE EQUITY OWNERSHIP OF NURSING HOMES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2026*) (a) As used in this section,
4 (1) "nursing home" means a nursing home, as defined in section 19a-490
5 of the general statutes, that has a provider agreement with the state to
6 provide services to recipients of benefits obtained through Title XIX of
7 the Social Security Amendments of 1965; and (2) "investment entity"
8 means (A) any entity that collects capital investments from individuals
9 or entities and purchases, as a parent company or through another
10 entity that the entity completely or partially owns or controls, a direct
11 or indirect ownership share of a nursing home, or (B) a real estate
12 investment trust, as defined in 26 USC 856, as amended from time to
13 time.

14 (b) Not later than February 15, 2027, and annually thereafter, each
15 nursing home shall provide the Commissioner of Social Services with
16 the following information: (1) The name and business address of all
17 investment entities with a beneficial ownership interest of five per cent
18 or more in the nursing home and a statement of whether such
19 investment entity is an individual, partnership, corporation or other
20 legal entity; (2) the names of the officers, directors, trustees or managing
21 and general partners of any such investment entity and the number of
22 shares owned or ownership percentage of the investment entity held by
23 each partner; (3) if such investment entity is a corporation that is
24 incorporated in another state, a certificate of good standing from the
25 Secretary of the State of the state of incorporation; (4) the audited and
26 certified financial statements of the investment entity, if applicable,
27 including, but not limited to, (A) a balance sheet as of the end of the
28 most recent fiscal year, (B) income statements for the most recent fiscal
29 year, (C) a cash flow statement from the most recent fiscal year, and (D)
30 an estimate of financing expenses, legal expenses, land costs, marketing
31 costs and other similar costs that the investment entity expects to incur
32 or become obligated to pay within one year of acquisition of the nursing
33 home; (5) a description of any mortgage loan or other financing used for
34 the initial acquisition or construction of the nursing home, subsequent
35 refinancing of any such debt, and any subsequent financing of
36 additional debt incurred, including, but not limited to, the terms and
37 costs of any such mortgage loan or other financing; (6) a copy of the
38 purchase agreement for the nursing home and any agreement providing
39 for the transfer of ownership interests in the nursing home, including,
40 but not limited to, the real estate agreement, asset agreement, stock
41 agreement or other similar agreement; and (7) any documentation
42 regarding escrow or contingency accounts.

43 (c) The Commissioner of Social Services may impose a civil penalty
44 of one thousand dollars per day on any nursing home that fails to
45 provide any information required pursuant to subsection (b) of this
46 section not later than thirty days after the date such information is due,
47 provided the commissioner provides written notice to the nursing home

48 of its failure to provide such information not later than fourteen days
49 after the date such information is due. A nursing home may request a
50 fair hearing on the assessment of any such civil penalty as an aggrieved
51 person pursuant to section 17b-60 of the general statutes.

52 (d) (1) The Commissioner of Social Services shall identify any security
53 instruments, including, but not limited to, surety bonds, escrow
54 accounts or insurance-related products, that may be available to a
55 nursing home to guarantee ninety days of such nursing home's
56 operating costs payable to the state in the event that such nursing home
57 enters a receivership, initiates an emergency closure or experiences
58 imminent financial distress. Not later than January 1, 2028, the
59 commissioner shall communicate to nursing homes any security
60 instruments identified pursuant to the provisions of this subdivision in
61 a form and manner prescribed by the commissioner. The provisions of
62 this subsection shall not apply if the commissioner fails to identify any
63 such security instruments, or determines that such security instruments
64 are not financially feasible.

65 (2) On and after July 1, 2028, each nursing home subject to a beneficial
66 ownership interest of an investment entity of five per cent or more shall,
67 at the time of application for or renewal of a nursing home license,
68 demonstrate to the satisfaction of the Commissioner of Social Services
69 that the nursing home has secured a surety bond or similar form of
70 security in favor of the state in an amount equal to ninety days of
71 operating costs for the nursing home and that such bond or similar form
72 of security shall remain in effect for the duration of the initial license
73 term and any renewal term.

74 (3) On and after July 1, 2028, each nursing home subject to a beneficial
75 ownership interest of an investment entity of five per cent or more shall,
76 at the time of application for or renewal of a nursing home license,
77 submit to the Department of Public Health a copy of the surety bond or
78 similar form of security required under subdivision (2) of this
79 subsection.

80 (e) On and after February 1, 2028, each entity holding a nursing
81 home's license shall maintain full governance control and authority over
82 such nursing home's assets and activities, including, but not limited to,
83 all clinical, operational, managerial, financial and human resources
84 matters.

85 (f) Not later than February 1, 2028, and annually thereafter, each
86 nursing home shall submit to the Commissioner of Public Health, in a
87 form and manner prescribed by the commissioner, an attestation that no
88 investment entity has control over nursing home resident health, safety
89 or care.

90 (g) Notwithstanding the provisions of subsection (e) of this section, if
91 a nursing home anticipates that it will not be able to comply with the
92 provisions of said subsection, the nursing home may, not later than six
93 months before becoming subject to the provisions of said subsection,
94 apply to the Commissioner of Social Services, in a form and manner
95 prescribed by the commissioner, for a one-year waiver from the
96 provisions of said subsection. The commissioner may request any
97 information or documentation deemed necessary to assess any such
98 application and place any terms or conditions deemed necessary by the
99 commissioner in granting any such waiver. The commissioner shall not
100 grant a waiver pursuant to the provisions of this subsection unless the
101 commissioner determines that the granting of such waiver will benefit
102 resident care, maintain access to resident care or improve operational
103 stability.

104 (h) The Commissioner of Public Health may impose a civil penalty of
105 up to two thousand dollars per violation on any nursing home that fails
106 to provide an attestation required under subsection (f) of this section.

107 (i) A nursing home shall, not later than ten business days after receipt
108 of an order from the commissioner imposing a civil penalty under
109 subsection (h) of this section, submit a request in writing to the
110 Department of Public Health for a hearing to contest the order. If the
111 nursing home fails to submit such a request not later than ten business

112 days after such receipt, the order shall be deemed a final order of the
 113 department, effective upon the expiration of such ten business days.
 114 After receipt of a timely request for a hearing, the department shall set
 115 the matter down for a hearing as a contested case in accordance with the
 116 provisions of chapter 54 of the general statutes.

117 Sec. 2. (*Effective from passage*) The Commissioner of Social Services, in
 118 consultation with the Commissioner of Public Health, shall review and
 119 evaluate the (1) nursing home disclosures provided in accordance with
 120 the provisions of section 1 of this act, (2) quality of care at nursing homes
 121 that are subject to a beneficial ownership interest of an investment entity
 122 compared to the quality of care at nursing homes under other
 123 ownership structures, and (3) implications of prohibiting a person or
 124 entity who acquires ownership of real property on which a licensed
 125 nursing home operates from selling, transferring or otherwise
 126 conveying such property within five years of such acquisition without
 127 written approval from the Commissioner of Public Health. Not later
 128 than February 15, 2028, the Commissioner of Social Services shall report
 129 the results of such review, in accordance with the provisions of section
 130 11-4a of the general statutes, to the joint standing committees of the
 131 General Assembly having cognizance of matters relating to human
 132 services, public health, appropriations and the budgets of state agencies,
 133 and aging."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	New section
Sec. 2	<i>from passage</i>	New section