



House of Representatives

File No. 755

General Assembly

February Session, 2026 **(Reprint of File No. 83)**

Substitute House Bill No. 5045
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 1, 2026

AN ACT STREAMLINING HEALTH CARE FACILITY APPROVALS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2026*) As used in this section and
2 sections 2 to 12, inclusive, of this act, unless the context otherwise
3 requires:

4 (1) "Affiliate" means a person, entity or organization controlling,
5 controlled by or under common control with another person, entity or
6 organization. "Affiliate" does not include a medical foundation
7 organized under chapter 594b of the general statutes. As used in this
8 subdivision, "controlled by" means the other person, entity or
9 organization, or one of such other person's, entity's or organization's
10 affiliates, officers or management employees, acting in such capacity,
11 acts as a general partner of a general or limited partnership or manager
12 of a limited liability company.

13 (2) "Applicant" means any person or health care facility that applies
14 for a certificate of need pursuant to section 6 or 7 of this act.

15 (3) "Bed capacity" means the total number of inpatient beds in a

16 facility licensed by the Department of Public Health under sections 19a-
17 490 to 19a-503, inclusive, of the general statutes.

18 (4) "Certificate of need" means a certificate issued pursuant to section
19 6 or 7 of this act.

20 (5) "Change of ownership or control" means any change in the
21 ownership or beneficial ownership or the change of control of an entity,
22 including (A) a corporate merger, (B) an acquisition of one or more
23 entities by direct or indirect purchase in any manner of not less than
24 twenty-five per cent of the assets, equity or voting shares of a health care
25 facility, (C) a transfer of control of a board of directors or governing
26 body, or (D) a real estate sale or lease agreement involving not less than
27 twenty per cent of the total assets of a hospital.

28 (6) "Commissioner" means the Commissioner of Public Health, or the
29 commissioner's designee.

30 (7) "Day" means a calendar day.

31 (8) "Department" means the Department of Public Health.

32 (9) "Free clinic" means a private, nonprofit community-based
33 organization that provides medical, dental, pharmaceutical or mental
34 health services at reduced cost or no cost to low-income, uninsured and
35 underinsured individuals.

36 (10) "Health care facility" means (A) a hospital, including any satellite
37 location licensed by the Department of Public Health under chapter
38 368v of the general statutes; (B) specialty hospital; (C) freestanding
39 emergency department; (D) outpatient surgical facility (i) as defined in
40 section 19a-493b of the general statutes and licensed under chapter 368v
41 of the general statutes, or (ii) as established by a short-term acute care
42 general hospital licensed by the department under said chapter; (E) a
43 hospital or other facility or institution operated by the state that
44 provides services that are eligible for reimbursement under Title XVIII
45 or XIX of the federal Social Security Act, 42 USC 301, as amended from

46 time to time; (F) a central service facility; (G) a mental health facility; (H)
47 a substance abuse treatment facility; (I) any other facility requiring
48 certificate of need review pursuant to section 4 of this act; and (J) any
49 parent company, subsidiary, affiliate or joint venture, or any
50 combination thereof, of any facility described in subparagraphs (A) to
51 (J), inclusive, of this subdivision.

52 (11) "Large group practice" means eight or more full-time equivalent
53 physicians, legally organized in a partnership, professional corporation,
54 limited liability company formed to render professional services,
55 medical foundation, not-for-profit corporation, faculty practice plan or
56 other similar entity (A) in which each physician who is a member of the
57 group provides substantially the full range of services that the physician
58 routinely provides, including, but not limited to, medical care,
59 consultation, diagnosis or treatment, through the joint use of shared
60 office space, facilities, equipment or personnel; (B) for which
61 substantially all of the services of the physicians who are members of
62 the group are provided through the group and are billed in the name of
63 the group practice and amounts so received are treated as receipts of the
64 group; or (C) in which the overhead expenses of, and the income from,
65 the group are distributed in accordance with methods previously
66 determined by members of the group. An entity that otherwise meets
67 the definition of group practice under this section shall be considered a
68 group practice although its shareholders, partners or owners of the
69 group practice include single-physician professional corporations,
70 limited liability companies formed to render professional services or
71 other entities in which beneficial owners are individual physicians.

72 (12) "Panel" means the three-person panel established under section
73 2 of this act to decide all certificate of need applications.

74 (13) "Person" means any individual, partnership, corporation, limited
75 liability company, association, governmental subdivision, agency or
76 public or private organization of any character. "Person" does not
77 include the agency conducting the certificate of need application
78 proceeding under section 6 or 7 of this act.

79 (14) "Physician" means an individual licensed to practice medicine
80 pursuant to chapter 370 of the general statutes.

81 (15) "Program" means the certificate of need program established
82 pursuant to section 3 of this act.

83 Sec. 2. (NEW) (*Effective October 1, 2026*) (a) There is established within
84 the department, for administrative purposes only, a panel that shall
85 make all final decisions and rulings regarding certificate of need
86 applications submitted on and after July 1, 2027, pursuant to section 6
87 or 7 of this act, civil penalties and cease and desist orders imposed on
88 and after July 1, 2027, pursuant to section 10 of this act, approvals of
89 policies and procedures effective on and after July 1, 2027, pursuant to
90 section 11 of this act, hospital plans for continued access to care during
91 service termination on and after July 1, 2027, pursuant to section 12 of
92 this act, and sales of nonprofit hospitals pursuant to section 19a-486a of
93 the general statutes. The panel shall consist of three members, who shall
94 include (1) the Commissioner of Public Health, or the commissioner's
95 designee, who shall act as chairperson of the panel, (2) the Secretary of
96 the Office of Policy and Management, or the secretary's designee, and
97 (3) the Commissioner of Social Services, or the Commissioner of Social
98 Services' designee.

99 (b) On and after July 1, 2027, the panel shall hold monthly meetings
100 to review and decide any certificate of need application that has been
101 submitted to the panel at least five days before the meeting date. In
102 addition to the monthly meetings, the chairperson may at any time call
103 a special meeting of the panel to review and decide any application
104 prepared for presentation to the panel or any other matter appropriate
105 for panel review under this section or sections 3 to 12, inclusive, of this
106 act. The panel may cancel a monthly meeting if no application or other
107 business has been appropriately submitted with at least five days' notice
108 to the panel for review at such meeting.

109 Sec. 3. (NEW) (*Effective October 1, 2026*) (a) There is established within
110 the department a Certificate of Need Program that shall support the

111 review of certificate of need applications. The commissioner shall
112 designate a director who shall oversee the program.

113 (b) On and after July 1, 2027, (1) each person applying for a certificate
114 of need shall file an application with the Certificate of Need Program,
115 and (2) the program shall prepare a report regarding the certificate of
116 need application.

117 (c) On and after July 1, 2027, the Certificate of Need Program shall
118 make all determinations as to whether a certificate of need is required
119 pursuant to section 4 of this act.

120 (d) The Certificate of Need Program shall monitor compliance with
121 the provisions of sections 2 to 12, inclusive, of this act and with any order
122 or decision, including any conditions placed thereon, that is issued by
123 the panel. In any enforcement action made under section 10 of this act,
124 the Certificate of Need Program shall present the allegations set forth in
125 the enforcement action at the public hearing before the panel.

126 Sec. 4. (NEW) (*Effective October 1, 2026*) (a) On and after July 1, 2027,
127 a certificate of need issued by the panel shall be required for:

128 (1) The establishment of a new health care facility;

129 (2) A change of ownership or control of a health care facility;

130 (3) A change of ownership or control of a large group practice to any
131 entity other than a (A) physician, or (B) group of two or more physicians
132 legally organized in a partnership, professional corporation or limited
133 liability company formed to render professional services and not
134 employed by or an affiliate of any hospital, medical foundation,
135 insurance company or other similar entity;

136 (4) The acquisition of computed tomography scanners, magnetic
137 resonance imaging scanners, positron emission tomography scanners or
138 positron emission tomography-computed tomography scanners, by any
139 person, physician, provider, short-term acute care general hospital or
140 children's hospital, except (A) as provided for in subdivision (18) of

141 subsection (b) of this section, and (B) a certificate of need issued by the
142 panel shall not be required where such scanner is a replacement for a
143 scanner that was previously acquired through certificate of need
144 approval or a certificate of need determination, including a replacement
145 scanner that has dual modalities or functionalities if the applicant
146 already offers similar imaging services for each of the scanner's
147 modalities or functionalities that will be utilized;

148 (5) An increase in the licensed bed capacity of a health care facility;

149 (6) The acquisition of equipment utilizing technology that has not
150 previously been utilized in the state;

151 (7) An increase of two or more operating rooms within any three-year
152 period by an outpatient surgical facility, as defined in section 19a-493b
153 of the general statutes, or by a short-term acute care general hospital;

154 (8) The establishment of cardiac services, including inpatient and
155 outpatient cardiac catheterization, interventional cardiology and
156 cardiovascular surgery; and

157 (9) The acquisition of nonhospital-based linear accelerators, except a
158 certificate of need issued by the panel shall not be required where such
159 accelerator is a replacement for an accelerator that was previously
160 acquired through certificate of need approval or a certificate of need
161 determination.

162 (b) On and after July 1, 2027, a certificate of need issued by the panel
163 shall not be required for:

164 (1) A health care facility owned and operated by the federal
165 government;

166 (2) The establishment of offices by a licensed private practitioner,
167 whether for individual or group practice, except when a certificate of
168 need is required in accordance with the requirements of section 19a-
169 493b of the general statutes or subdivision (3), (4) or (6) of subsection (a)
170 of this section;

171 (3) A health care facility operated by a religious group that
172 exclusively relies upon spiritual means through prayer for healing;

173 (4) Residential care homes, nursing homes and rest homes, as defined
174 in section 19a-490 of the general statutes;

175 (5) An assisted living services agency, as defined in section 19a-490 of
176 the general statutes;

177 (6) A home health agency, as defined in section 19a-490 of the general
178 statutes;

179 (7) Hospice services, as described in section 19a-122b of the general
180 statutes;

181 (8) An outpatient rehabilitation facility;

182 (9) Outpatient chronic dialysis services;

183 (10) Transplant services;

184 (11) A free clinic;

185 (12) A school-based health center and an expanded school health site,
186 as such terms are defined in section 19a-6r of the general statutes, a
187 community health center, as defined in section 19a-490a of the general
188 statutes, a not-for-profit outpatient clinic licensed in accordance with the
189 provisions of chapter 368v of the general statutes and a federally
190 qualified health center;

191 (13) A program licensed or funded exclusively by the Department of
192 Children and Families, provided such program is not a psychiatric
193 residential treatment facility;

194 (14) Any facility, institution or provider that is (A) operated as a
195 nonprofit or by the state, and (B) solely providing behavioral health or
196 substance use disorder treatment services;

197 (15) A health care facility operated by a nonprofit educational

198 institution exclusively for students, faculty and staff of such institution
199 and their dependents;

200 (16) An outpatient clinic or program operated exclusively by or
201 contracted to be operated exclusively by a municipality, municipal
202 agency, municipal board of education or a health district, as described
203 in section 19a-241 of the general statutes;

204 (17) A residential facility for persons with intellectual disability
205 licensed pursuant to section 17a-227 of the general statutes and certified
206 to participate in the Title XIX Medicaid program as an intermediate care
207 facility for individuals with intellectual disabilities;

208 (18) Replacement of existing computed tomography scanners,
209 magnetic resonance imaging scanners, positron emission tomography
210 scanners or positron emission tomography-computed tomography
211 scanners, if such equipment was acquired through certificate of need
212 approval or a certificate of need determination, provided a health care
213 facility, provider, physician or person notifies the Department of Public
214 Health of the date on which the equipment is replaced and the
215 disposition of the replaced equipment, including if a replacement
216 scanner has dual modalities or functionalities and the applicant already
217 offers similar imaging services for each of the equipment's modalities or
218 functionalities that will be utilized;

219 (19) Acquisition of cone-beam dental imaging equipment that is to be
220 used exclusively by a dentist licensed pursuant to chapter 379 of the
221 general statutes;

222 (20) The partial or total elimination of services provided by an
223 outpatient surgical facility, as defined in section 19a-493b of the general
224 statutes;

225 (21) The termination of services for which the Department of Public
226 Health has requested the facility to relinquish its license;

227 (22) Acquisition of any equipment by any person that is to be used

228 exclusively for scientific research, provided the equipment shall not be
229 used in the diagnosis, treatment or prevention of any medical condition
230 for humans;

231 (23) The establishment of a harm reduction center through the pilot
232 program established pursuant to section 17a-673c of the general
233 statutes;

234 (24) On or before June 30, 2028, a birth center, as defined in
235 section 19a-490 of the general statutes, that is enrolled as a provider in
236 the Connecticut medical assistance program, as defined in section 17b-
237 245g of the general statutes;

238 (25) An association between a group practice and a management
239 services organization under which such management services
240 organization does not directly share in the profits or net revenue of the
241 group practice but rather is paid a fair market value through a contract
242 for services rendered; and

243 (26) The relocation of a health care facility within the same town or
244 within ten miles of the existing facility location, provided such
245 relocation will not result in a substantial change to the payer mix or
246 patient population served by the facility.

247 (c) On and after July 1, 2027, any person, health care facility or
248 institution that is unsure whether a certificate of need is required for a
249 particular proposal under this section shall send a letter to the
250 Certificate of Need Program that describes the proposal and requests
251 that the program make a determination as to whether a certificate of
252 need is required for such proposal. A person, health care facility or
253 institution making such request shall provide the program with any
254 information the program requests as part of its determination process.
255 The program shall provide a determination not later than thirty days
256 after receipt of such request.

257 (d) On and after July 1, 2027, any acquiring person or entity in a
258 change of ownership or control of a large group practice to any person

259 or entity that does not require a certificate of need pursuant to
260 subdivision (3) of subsection (a) of this section shall submit notices to
261 the program, in a form and manner prescribed by the commissioner, of
262 such transfer consistent with this subsection.

263 (1) Not less than thirty days prior to the closing of a transaction, the
264 acquiring person or entity shall submit a notice for each such group
265 practice, in a form and manner prescribed by the commissioner, setting
266 forth: (A) The names and medical specialties of each physician
267 practicing medicine with the group practice; (B) the names of the
268 business entities that provide clinical or managerial services as part of
269 the group practice; (C) the address for each location where clinical
270 services are provided by the group practice; (D) a description of the
271 clinical services provided at each location of the group practice; (E) the
272 zip codes of the primary service area served by each location of the
273 group practice; and (F) the resulting name, ownership, and business
274 type of the group practice after the proposed change of ownership,
275 control or affiliation, including the name and business type of any
276 person or entity that will control, directly or indirectly, at least ten per
277 cent of the large group practice. The program shall, unless otherwise
278 prohibited by federal or state law, post such information on its Internet
279 web site.

280 (2) Not later than thirty days after the close of the transaction or after
281 the abandonment of such transaction, the acquiring person or entity
282 shall submit a report indicating the date on which the transaction closed
283 or was abandoned.

284 (3) When the provision of thirty days' notice pursuant to subdivision
285 (1) of this subsection is not practicable due to circumstances outside of
286 the acquiring person or entity's control, such as death, incapacity or
287 other exigent circumstances, the acquiring person or entity shall provide
288 notice to the program as soon as practicable but in no case later than
289 fourteen days after the close of the transaction.

290 (e) Not later than January 1, 2028, the commissioner shall report to

291 the Governor and, in accordance with the provisions of section 11-4a of
292 the general statutes, to the joint standing committee of the General
293 Assembly having cognizance of matters relating to public health
294 concerning the commissioner's recommendations, if any, regarding an
295 exemption from certificate of need requirements related to temporary
296 increases in licensed bed capacity of a hospital due to a surge in
297 admissions that cannot be accommodated by the hospital's existing
298 licensed bed capacity.

299 Sec. 5. (NEW) (*Effective October 1, 2026*) (a) In any deliberation
300 involving a certificate of need application filed pursuant to section 6 of
301 this act, the panel shall determine whether the applicant has
302 demonstrated, by a preponderance of the evidence, that the proposal is
303 in the public's interest. In making such determination, the panel shall
304 consider, consistent with any relevant regulations, policies or
305 procedures of the department, the following factors:

306 (1) Whether the proposal promotes delivery of high-quality care in
307 the primary service area of the applicant;

308 (2) Whether the proposal promotes access to health care services,
309 including Medicaid access, in the primary service area of the applicant;

310 (3) Whether the proposal promotes delivery of cost-effective care in
311 the primary service area of the applicant;

312 (4) Whether the proposal promotes financial stability of the health
313 care system, including, but not limited to, whether the proposal is
314 financially feasible for the applicant and whether there is any evidence
315 of prior financial mismanagement or misconduct by the applicant;

316 (5) Whether there is a clear public need for the proposal and the
317 services to be provided under the proposal; and

318 (6) Whether the proposal would result in an unnecessary duplication
319 of services.

320 (b) In analyzing whether a certificate of need application satisfies the

321 certificate of need criteria set forth in subsection (a) of this section, the
322 panel and the Certificate of Need Program may engage, when, in the
323 sole discretion of the director, an expert with specialized knowledge is
324 required, any third-party consultant that the panel or program deems
325 necessary to analyze the application materials and proposal set forth in
326 the application pursuant to such criteria. All costs associated with such
327 third-party consultant shall be borne by the applicant, provided the total
328 costs for all consultants to the panel and the program under this
329 subsection for a single application shall not exceed one hundred
330 thousand dollars. Each third-party consultant engaged under this
331 subsection shall submit each invoice for consulting services directly to
332 the applicant for payment not later than thirty days after the issuance of
333 the invoice. The provisions of chapter 57 of the general statutes and
334 sections 4-212 to 4-219, inclusive, and 4e-19 of the general statutes shall
335 not apply to any retainer agreement executed pursuant to this
336 subsection.

337 (1) No consultant shall be retained in connection with the processing
338 of an application under the expedited review process described in
339 section 7 of this act unless such expedited application is referred for a
340 full review pursuant to subsection (g) of section 7 of this act.

341 (2) If the program determines that a consultant is necessary under this
342 subsection, the program shall provide notice to the applicant prior to
343 expending any money and provide the applicant the opportunity to
344 withdraw the application prior to incurring any consulting fees.

345 (3) Not later than July 1, 2028, and annually thereafter, the
346 commissioner shall report to the Governor and, in accordance with the
347 provisions of section 11-4a of the general statutes, to the joint standing
348 committee of the General Assembly having cognizance of matters
349 relating to public health regarding all consultants engaged under this
350 subsection, including (A) the number of engagements, (B) the categories
351 of certificate of need proposals for which the engagements were made,
352 (C) the amount spent on each engagement, (D) the nature of the
353 expertise sought in each engagement, and (E) any reports produced

354 under each engagement.

355 Sec. 6. (NEW) (*Effective October 1, 2026*) (a) On and after July 1, 2027,
356 an applicant seeking a certificate of need shall submit an application to
357 the Certificate of Need Program, in a form and manner prescribed by
358 the commissioner, and include all information required pursuant to the
359 regulations, policies and procedures promulgated pursuant to section
360 11 of this act. Each application shall be submitted based on monthly
361 deadlines, including submission dates of the fifteenth day of each
362 month.

363 (b) The applicant shall include with the application a nonrefundable
364 application fee based on the total cost associated with the project. The
365 amount of the fee shall be as follows: (1) One thousand dollars for a
366 project that will cost not greater than fifty thousand dollars; (2) two
367 thousand dollars for a project that will cost greater than fifty thousand
368 dollars but not greater than one hundred thousand dollars; (3) three
369 thousand dollars for a project that will cost greater than one hundred
370 thousand dollars but not greater than five hundred thousand dollars; (4)
371 four thousand dollars for a project that will cost greater than five
372 hundred thousand dollars but not greater than one million dollars; (5)
373 five thousand dollars for a project that will cost greater than one million
374 dollars but not greater than five million dollars; (6) eight thousand
375 dollars for a project that will cost greater than five million dollars but
376 not greater than ten million dollars; and (7) ten thousand dollars for a
377 project that will cost greater than ten million dollars.

378 (c) Not later than twenty-one days prior to the deadline to submit a
379 certificate of need application described in subsection (a) of this section,
380 an applicant for a certificate of need shall submit a notice to the program
381 for posting on the program's Internet web site. If the applicant has not
382 submitted the application on or before ninety days after submission of
383 such notice, a new notice shall be required under this subsection prior
384 to submitting the application. Such notice shall include, but need not be
385 limited to:

386 (1) The identity of the applicant and any known parties to the
387 application;

388 (2) The street address and town where the proposal that is the subject
389 of the application is located; and

390 (3) A brief description in plain language of the proposal, including a
391 reference to the subdivision of subsection (a) of section 4 of this act
392 under which the application is being submitted.

393 (d) Any person wishing to request party or intervenor status in
394 connection with a certificate of need application shall file a notice of such
395 person's intent, including a statement of whether such person seeks a
396 hearing on the application, with the program not later than twenty days
397 after the posting on the program's Internet web site of the applicant's
398 notice of the intent to file the application. Any person who files such a
399 notice of intent under this subsection, or who demonstrates good cause
400 for failing to file such a notice, may file a petition for party or intervenor
401 status not later than twenty-one days after the applicant's filing of the
402 certificate of need application.

403 (1) If a petition for party or intervenor status is filed, the panel shall
404 appoint a hearing officer to resolve the request.

405 (2) The applicant may object to any request for party or intervenor
406 status not later than five days after the request is filed.

407 (3) The hearing officer shall render a decision on the petition not later
408 than fifteen days after the request is filed.

409 (4) If a request to intervene is granted, the decision granting
410 intervention shall set out the scope of intervention rights granted,
411 including whether or not an intervenor's request for a hearing is granted
412 or whether intervention is limited to submission of written materials.

413 (e) Not later than fifteen days after the deadline to submit an
414 application described in subsection (a) of this section, the program shall
415 notify each certificate of need applicant whether the applicant's

416 application is deemed complete. To be deemed complete, the applicant
417 shall have submitted relevant responses to all application questions and
418 data requests in the application. For any application that is deemed
419 incomplete, the program shall, not later than five days after deeming
420 such application incomplete, notify the applicant, in writing, of each
421 application and data element that was not adequately addressed by the
422 applicant. The program shall not review any incomplete application
423 until the applicant submits a revised and completed application that
424 adequately addresses such application and data elements to the
425 program in a subsequent application period. The subsequent filing of
426 the revised application shall not require any additional filing fee unless
427 the total cost of the proposal is amended such that a different fee would
428 be required under subsection (b) of this section, in which case the
429 applicant shall submit the net difference.

430 (f) The program shall submit a report to the record summarizing the
431 certificate of need application and providing an analysis of each
432 criterion listed in section 5 of this act. The program shall provide such
433 report no later than ten days prior to any public hearing and in no case
434 later than ninety days after the application was deemed complete.

435 (1) The program may request additional information from the
436 applicant during the course of analyzing the certificate of need
437 application. Any such request shall not delay timelines for review of the
438 application except by mutual agreement of the applicant and the
439 program. All additional information shall, unless otherwise prohibited
440 by federal or state law, be made part of the public certificate of need
441 record.

442 (2) The program may supplement the record with relevant data,
443 analyses, reports or other similar evidence not later than seventy-five
444 days after the application is deemed complete, provided the applicant
445 shall have ten days to respond, in writing, to such evidence. Any
446 response from the applicant shall be included in the record.

447 (g) The panel, or a hearing officer designated by the panel, shall hold

448 a public hearing on each properly filed and complete certificate of need
449 application filed under this section unless the applicant waives the
450 applicant's right to a public hearing.

451 (1) An applicant may waive the applicant's right to a public hearing,
452 in writing, not later than thirty days after the application is deemed
453 complete, if the applicant is the only party to the proceeding and no
454 person is granted intervenor status pursuant to section 4-177a of the
455 general statutes and subsection (d) of this section. Such waiver shall
456 constitute a waiver of the applicant's right to appeal under section 4-183
457 of the general statutes.

458 (2) The panel shall convene a public hearing on an application not
459 later than ninety days after the program deems the application as
460 properly filed and complete.

461 (3) The hearing record shall close not later than ten days after the
462 adjournment of the hearing unless the applicant and program mutually
463 agree to maintain the record open for some period. Any transcript of the
464 hearing shall be made part of the record without needing to reopen the
465 record. If no hearing is held, the record shall close ten days after the
466 submission of the report.

467 (4) The panel may appoint a hearing officer to administer any hearing
468 under this section and to draft the proposed final decision consistent
469 with this section and chapter 54 of the general statutes. A hearing officer
470 appointed by the panel may draft a proposed final decision even for
471 dockets in which the applicant waived the right to a hearing and no
472 hearing was held.

473 (h) Not later than sixty days after the record of the public hearing is
474 closed, or one hundred fifty days after the application was deemed
475 complete if the applicant affirmatively waives a public hearing, the
476 hearing officer, if one is appointed, shall transmit the report required
477 pursuant to this section, the record of such hearing, if any, and the
478 hearing officer's proposed final decision to the panel for consideration
479 at the panel's next monthly meeting. If no hearing officer is appointed

480 for a docket that did not have a hearing, the director of the program shall
481 prepare and submit the proposed final decision. If the proposed final
482 decision recommends conditions pursuant to this section, the program
483 or hearing officer shall meet with the applicant, unless otherwise
484 prohibited by law, at least five days before transmitting such proposed
485 final decision, to preview the conditions to be proposed.

486 (i) An applicant may file written briefs or exceptions and request oral
487 argument regarding the proposed final decision not later than fourteen
488 days after the publication of such proposed final decision.

489 (j) At the panel meeting to review one or more certificate of need
490 applications filed under this section, the panel shall vote on the
491 disposition of each application that has been submitted to the panel at
492 least five days prior to such meeting. The panel shall decide any
493 presented application by majority vote. The panel may approve the
494 application, with or without conditions, deny the application or remand
495 the application to the hearing officer for further development of the
496 record for presentation at the next panel meeting, or order the program
497 and applicant to engage in agreed settlement negotiations.

498 (1) Any proposed final decision that is approved by the vote of the
499 panel shall be automatically converted to a final decision upon the
500 approval vote of the panel.

501 (2) Any proposed final decision that is voted to be modified by the
502 panel shall be modified consistent with the direction of the panel and
503 posted as a final decision of the panel not later than thirty days after the
504 panel's vote to modify, provided, at least five days before posting the
505 modified final decision, the program or hearing officer shall meet with
506 the applicant, unless otherwise prohibited by law, to preview the
507 conditions to be finalized.

508 (3) Any docket remanded for further development of the record and
509 presentation at the next meeting shall not be so remanded more than
510 twice by the panel unless by mutual agreement of the panel and the
511 applicant.

512 (4) Any docket referred for settlement negotiations shall have the
513 resulting negotiated proposed settlement presented at the next panel
514 meeting. The panel shall vote on the proposed settlement and may
515 approve the proposed settlement or reject such settlement and move to
516 one of the other available dispositions of the docket.

517 (5) Nothing in this section shall preclude the program and the
518 applicant from engaging in negotiations to reach an agreed settlement
519 at an earlier point in the process, provided such negotiations occur not
520 earlier than thirty days after the application has been deemed complete.
521 Any negotiated agreement shall be presented for review and a vote on
522 the disposition thereof at the next meeting of the panel that is at least
523 five days after the date of the settlement.

524 (k) The Certificate of Need Program may recommend, and the panel
525 may impose, any condition on an approval of a certificate of need
526 application filed under this section, provided (1) any such condition is
527 consistent with the purposes of sections 2 to 12, inclusive, of this act, and
528 (2) the program or hearing officer shall meet with the applicant, unless
529 otherwise prohibited by law, at least five days before issuing a proposed
530 final decision or a final decision that imposes any such condition, to
531 preview each such condition to be met by the applicant. The applicant
532 and any party to the application may request an amendment to or relief
533 from any condition, in a form and manner prescribed by the
534 commissioner, due to changed circumstances, hardship or for other
535 good cause. The panel may grant or deny any such request. The
536 determination to deny such request shall not be subject to appeal under
537 section 4-183 of the general statutes.

538 (l) Any final decision issued pursuant to this section for a docket in
539 which a public hearing was held, either under subsection (e) of this
540 section or as a result of the docket being remanded by the panel for
541 further development of the record pursuant to subsection (j) of this
542 section, shall be subject to appeal under section 4-183 of the general
543 statutes.

544 (m) Any deadlines in this section may be extended by mutual
545 agreement of the program and the applicant.

546 Sec. 7. (NEW) (*Effective October 1, 2026*) (a) Not later than January 1,
547 2028, the panel shall create an expedited review pathway for certain
548 categories of applications for certificates of need required under
549 subsection (a) of section 4 of this act, or subcategories thereof. On and
550 after January 1, 2028, an applicant may request an expedited review of
551 the following categories of applications:

552 (1) The relocation of a health care facility greater than ten miles away
553 from its current location and outside the current town in which it is
554 located;

555 (2) The increase in the number of inpatient or outpatient hospital
556 beds;

557 (3) The acquisition of computed tomography scanners, magnetic
558 resonance imaging scanners, positron emission tomography scanners or
559 positron emission tomography-computed tomography scanners, by any
560 person, physician, provider, short-term acute care general hospital or
561 children's hospital, where certificate of need approval is required for
562 such acquisition;

563 (4) An increase of two or three operating rooms, within any three-
564 year period, by an outpatient surgical facility, as defined in section 19a-
565 493b of the general statutes, or by a short-term acute care general
566 hospital; and

567 (5) Any other category designated by the commissioner in
568 regulations adopted in accordance with the provisions of chapter 54 of
569 the general statutes.

570 (b) On and after January 1, 2028, an applicant requesting expedited
571 review of a certificate of need application shall submit such application,
572 in a form and manner prescribed by the commissioner, pursuant to the
573 deadlines described in subsection (a) of section 6 of this act and provide

574 the same application fee described in subsection (b) of said section and
575 notice of intent to the program as described in subsection (c) of said
576 section.

577 (c) An application processed through the expedited pathway shall
578 not be entitled to a hearing before a hearing officer, except (1) the
579 program may hold a hearing before a hearing officer appointed by the
580 panel not later than thirty days after deeming the application complete
581 without affecting any other timelines under this subsection, or (2) the
582 panel may remove the application from the expedited pathway and
583 have it processed through the standard pathway described in section 6
584 of this act.

585 (d) Not later than fifteen days after submitting an application for a
586 certificate of need for expedited review under this section, the program
587 shall notify the applicant requesting expedited review whether such
588 applicant's application is deemed complete and whether the application
589 meets the requirements for expedited review.

590 (1) For any application that is deemed incomplete, the Certificate of
591 Need Program shall, not later than five days after deeming such
592 application incomplete, notify the applicant, in writing, of any
593 application or data elements that were not adequately addressed by the
594 applicant. The program shall not review such an application until the
595 applicant submits an application that adequately addresses such
596 application or data elements to the program in a subsequent application
597 period.

598 (2) For any application that is deemed complete but ineligible for
599 expedited review under this section, the Certificate of Need Program
600 shall review the application under the standard process set forth in
601 section 6 of this act.

602 (e) Any person who wishes to seek intervenor or party status shall
603 file a request to do so not later than fourteen days after the filing of a
604 certificate of need application filed under the expedited pathway.

605 (1) The panel shall appoint a hearing officer to review any request to
606 intervene or for party status.

607 (2) The applicant may respond to such request not later than five days
608 after filing.

609 (3) The hearing officer shall resolve the request for party or intervenor
610 status not later than five days after the applicant's response.

611 (4) If party or intervenor status is granted, the application shall be
612 removed from the expedited pathway and processed through the
613 standard pathway described in section 6 of this act. In determining
614 whether to grant intervention, the hearing officer shall consider the
615 unique nature of the expedited process and potential burden imposed
616 by permitting intervention.

617 (5) The date of any referral of an application under this subsection to
618 the standard pathway shall be considered the date on which the
619 application was deemed complete.

620 (f) For any complete application that is eligible for expedited review
621 under this section, the Certificate of Need Program shall complete its
622 analysis and the director shall issue a proposed final decision not later
623 than sixty days after the application is deemed complete and eligible for
624 expedited review under this section and present the application to the
625 panel at its next meeting.

626 (g) An applicant may file written briefs or exceptions and request oral
627 argument regarding the proposed final decision not later than seven
628 days after the publication of such proposed final decision. The program
629 shall submit the proposed final decision and any subsequent
630 submissions from the applicant to the panel.

631 (h) The panel shall base its decision in the expedited pathway on the
632 same standards and guidelines as those in subsection (a) of section 5 of
633 this act. At the panel's meeting to consider an expedited application, the
634 panel shall vote on the disposition of the certificate of need application.

635 The panel may approve the application, with or without conditions,
636 deny the application, remand the application to the program for further
637 development of the record for presentation at the next panel meeting,
638 remand the application for further development of the record in the
639 standard certificate of need application process pursuant to section 6 of
640 this act, or order the program and applicant to engage in agreed
641 settlement negotiations.

642 (1) Any proposed final decision that is approved by the vote of the
643 panel shall be automatically converted to a final decision upon such
644 approval.

645 (2) Any proposed final decision that is voted to be modified by the
646 panel shall be modified consistent with the direction of the panel and
647 posted as a final decision of the panel not later than twenty-one days
648 after the panel's vote to modify, provided, at least five days before
649 posting the modified final decision, the program or hearing officer shall
650 meet with the applicant, unless otherwise prohibited by law, to preview
651 the conditions to be finalized.

652 (3) Any docket remanded for further development of the record and
653 presentation at the next meeting shall not be so remanded more than
654 twice by the panel unless by mutual agreement of the panel and the
655 applicant.

656 (4) Any docket remanded for processing under the standard
657 certificate of need application pursuant to section 6 of this act shall have
658 the date of the panel's vote be the date on which the application is
659 considered to be deemed complete in the standard process.

660 (5) Any docket referred for settlement negotiations shall have the
661 resulting negotiated proposed settlement presented at the next panel
662 meeting. The panel shall vote on the proposed settlement and may
663 approve the proposed settlement or reject such settlement and move to
664 one of the other available dispositions of the docket.

665 (6) Nothing in this section shall preclude the program and the

666 applicant from engaging in negotiations to reach an agreed settlement
667 at an earlier point in the process, provided such negotiations occur not
668 earlier than fifteen days after the application has been deemed complete.
669 Any negotiated agreement shall be presented for review and a vote on
670 the disposition thereof at the next meeting of the panel that is at least
671 five days after the date of the settlement.

672 (i) The Certificate of Need Program may recommend, and the panel
673 may impose any condition on, an approval of an expedited certificate of
674 need application, provided (1) any such condition is consistent with the
675 purposes of sections 2 to 12, inclusive, of this act, and (2) the program or
676 hearing officer shall meet with the applicant, unless otherwise
677 prohibited by law, at least five days before issuing a proposed final
678 decision or a final decision that imposes any such condition, to preview
679 each such condition to be met by the applicant. The applicant and any
680 party to the application may request an amendment to or relief from any
681 condition, in a form and manner prescribed by the commissioner, due
682 to changed circumstances, hardship or for other good cause. The panel
683 may grant or deny any such request. The determination to deny such
684 request shall not be subject to appeal under section 4-183 of the general
685 statutes.

686 (j) Not later than July 1, 2029, the Certificate of Need Program, in
687 consultation with relevant stakeholders, shall submit a report, in
688 accordance with the provisions of section 11-4a of the general statutes,
689 to the joint standing committee of the General Assembly having
690 cognizance of matters relating to public health regarding the expedited
691 pathway, including (1) the average time from application submission to
692 final decision, (2) the number of applications processed through the
693 expedited process in comparison to the standard process, (3) the number
694 of applications filed under the expedited pathway that have been
695 transferred to the standard pathway and the reasons for such transfer,
696 and (4) any recommendations for process changes to the expedited
697 pathway.

698 (k) Any deadlines in this section may be extended by mutual

699 agreement of the program and the applicant.

700 Sec. 8. (NEW) (*Effective October 1, 2026*) (a) For a certificate of need
701 issued pursuant to an application filed on or after July 1, 2027, the
702 certificate of need shall be valid (1) only for the proposal described in
703 the application, and (2) for two years from the date of issuance by the
704 panel. During the period of time that such certificate is valid and the
705 thirty-day period following the expiration of the certificate, the holder
706 of the certificate shall provide the Certificate of Need Program with such
707 information as the program may request on the development of the
708 proposal covered by the certificate.

709 (b) Upon request from a certificate of need holder, the program may
710 extend the duration of a certificate of need for such additional period of
711 time as the program determines is reasonably necessary to
712 expeditiously complete the proposal. Not later than five business days
713 after receiving a request to extend the duration of a certificate of need,
714 the program shall post such request on its Internet web site. Any person
715 who wishes to comment on extending the duration of the certificate of
716 need shall provide written comments to the program on the requested
717 extension not later than thirty days after the date the program posts
718 notice of the request for an extension of time on its Internet web site.

719 (c) If the program determines that (1) commencement, construction
720 or other preparation has not been substantially undertaken during a
721 valid certificate of need period, or (2) the certificate of need holder has
722 not made a good-faith effort to complete the proposal as approved, the
723 program may withdraw, revoke or rescind the certificate of need
724 pursuant to the requirements set forth in chapter 54 of the general
725 statutes.

726 (d) For a certificate of need issued pursuant to an application filed on
727 or after July 1, 2027, the (1) certificate of need shall not be transferable
728 or assignable, and (2) project that is the subject of the certificate of need
729 shall not be transferred from a certificate holder to another person.

730 Sec. 9. (NEW) (*Effective October 1, 2026*) (a) On and after July 1, 2027,

731 the Certificate of Need Program shall conduct a cost and market impact
732 review for any transaction involving the transfer of ownership or
733 control of a hospital in which (1) an application for a certificate of need
734 has been filed pursuant to subdivision (2) of subsection (a) of section 4
735 of this act or a notice of material change has been filed with the Attorney
736 General's office pursuant to section 19a-486i of the general statutes that
737 involves the transfer of ownership of a hospital, as defined in section
738 19a-639 of the general statutes, as amended by this act, and (2) the
739 purchaser is (A) a hospital, as defined in section 19a-490 of the general
740 statutes, whether located within or outside the state, that had net patient
741 revenue for fiscal year 2025 in an amount greater than one billion
742 dollars, (B) a hospital system, as defined in section 19a-486i of the
743 general statutes, whether located within or outside the state, that had
744 net patient revenue for fiscal year 2025 in an amount greater than one
745 billion dollars, or (C) any person that is organized or operated for profit.

746 (b) The program shall develop a set of data requests to be used for
747 applications filed on and after July 1, 2027, for all cost and market impact
748 reviews. An applicant that is the subject of a cost and market impact
749 review shall submit all data necessary for such review at the same time
750 that the hospital initiates the application process for a certificate of need
751 with the program or that it submits a notice of material change to the
752 Attorney General under section 19a-486i of the general statutes,
753 whichever is earlier. The program shall review the data submission for
754 completeness not later than thirty days after submission. If the data
755 submission is incomplete, the program shall notify the applicant that it
756 is incomplete and identify which data elements are incomplete.

757 (c) The program shall keep confidential all nonpublic information
758 and documents obtained pursuant to this section and shall not disclose
759 the information or documents to any person without the consent of the
760 person that produced the information or documents, except in a
761 preliminary report or final report issued in accordance with this section
762 if the program believes that such disclosure should be made in the
763 public interest after taking into account any privacy, trade secret or anti-
764 competitive considerations. Such information and documents shall not

765 be deemed a public record under section 1-210 of the general statutes
766 and shall be exempt from disclosure.

767 (d) The cost and market impact review conducted pursuant to this
768 section shall examine factors relating to the businesses and relative
769 market positions of the transacting parties as defined in subsection (d)
770 of section 19a-639 of the general statutes, as amended by this act, and
771 may include, but need not be limited to: (1) The transacting parties' size
772 and market share within its primary service area, by major service
773 category and within its dispersed service areas; (2) the transacting
774 parties' prices for services, including the transacting parties' relative
775 prices compared to other health care providers for the same services in
776 the same market; (3) the transacting parties' health status adjusted total
777 medical expense, including the transacting parties' health status
778 adjusted total medical expense compared to that of similar health care
779 providers; (4) the quality of the services provided by the transacting
780 parties, including patient experience; (5) the transacting parties' cost and
781 cost trends in comparison to total health care expenditures state wide;
782 (6) the availability and accessibility of services similar to those provided
783 by each transacting party, or proposed to be provided as a result of the
784 transfer of ownership of a hospital within each transacting party's
785 primary service areas and dispersed service areas; (7) the impact of the
786 proposed transfer of ownership of the hospital on competing options for
787 the delivery of health care services within each transacting party's
788 primary service area and dispersed service area including the impact on
789 existing service providers; (8) the methods used by the transacting
790 parties to attract patient volume and to recruit or acquire health care
791 professionals or facilities; (9) the role of each transacting party in serving
792 at-risk, underserved and government payer patient populations,
793 including those with behavioral, substance use disorder and mental
794 health conditions, within each transacting party's primary service area
795 and dispersed service area; (10) the role of each transacting party in
796 providing low margin or negative margin services within each
797 transacting party's primary service area and dispersed service area; (11)
798 consumer concerns, including, but not limited to, complaints or other

799 allegations that a transacting party has engaged in any unfair method of
800 competition or any unfair or deceptive act or practice; and (12) any other
801 factors that the program determines to be in the public interest.

802 (e) The program shall submit the preliminary report to the applicant
803 and to the Attorney General not later than ninety days after the data
804 submissions are deemed complete. The applicant shall respond, in
805 writing, not later than fifteen days after receipt of such preliminary
806 report with any comments regarding such report. Once the applicant
807 has submitted such written comments or waived the opportunity to
808 make such a submission, the program shall make the preliminary report
809 and the applicant's comments public. The program shall issue a final
810 report not later than one hundred twenty days after the application was
811 deemed complete and make such final report part of the public
812 certificate of need record of such application.

813 (f) Nothing in this section shall prohibit a transfer of ownership of a
814 hospital, provided any such proposed transfer shall not be completed
815 (1) less than thirty days after the program has issued a final report on a
816 cost and market impact review, if such review is required, or (2) while
817 any action brought by the Attorney General pursuant to subsection (g)
818 of this section is pending and before a final judgment on such action is
819 issued by a court of competent jurisdiction.

820 (g) After the program issues a final report on a transfer of ownership
821 of a hospital under subsection (e) of this section, the Attorney General
822 may: (1) Conduct an investigation to determine whether the transacting
823 parties engaged or, as a result of completing the transfer of ownership
824 of the hospital, are expected to engage in unfair methods of competition,
825 anti-competitive behavior or other conduct in violation of chapter 624
826 or 735a of the general statutes or any other state or federal law; and (2)
827 if appropriate, take action under chapter 624 or 735a of the general
828 statutes or any other state law to protect consumers in the health care
829 market. The program's final report may be evidence in any such action.

830 (h) For the purposes of this section, the provisions of chapter 735a of

831 the general statutes may be directly enforced by the Attorney General.
832 Nothing in this section shall be construed to modify, impair or
833 supersede the operation of any state antitrust law or otherwise limit the
834 authority of the Attorney General to (1) take any action against a
835 transacting party as authorized by any law; or (2) protect consumers in
836 the health care market under any law. Notwithstanding subdivision (1)
837 of subsection (a) of section 42-110c of the general statutes, the
838 transacting parties shall be subject to chapter 735a of the general
839 statutes.

840 (i) The program shall retain an independent consultant with expertise
841 on the economic analysis of the health care market and health care costs
842 and prices to conduct each cost and market impact review, as described
843 in this section. The program shall submit bills for such services to the
844 purchaser, as defined in subsection (d) of section 19a-639 of the general
845 statutes, as amended by this act. Such purchaser shall pay such bills not
846 later than thirty days after receipt thereof. Such bills shall not exceed
847 two hundred fifty thousand dollars per application. The provisions of
848 chapter 57 of the general statutes, sections 4-212 to 4-219, inclusive, of
849 the general statutes and section 4e-19 of the general statutes shall not
850 apply to any agreement executed pursuant to this subsection.

851 Sec. 10. (NEW) (*Effective October 1, 2026*) (a) On and after July 1, 2027,
852 the director of the Certificate of Need Program shall investigate all
853 inquiries concerning compliance with the provisions of sections 2 to 12,
854 inclusive, of this act.

855 (b) The panel, or any agent authorized by the panel to conduct any
856 inquiry, investigation or hearing under the provisions of sections 2 to
857 12, inclusive, of this act, shall have authority to administer oaths and
858 take testimony under oath relative to the matter of inquiry or
859 investigation. At any hearing under this section, the panel or such
860 authorized agent may subpoena witnesses and require the production
861 of records, papers and documents pertinent to such inquiry. If any
862 person disobeys such process or, having appeared in obedience thereto,
863 refuses to answer any pertinent question put to such person by the panel

864 or such panel's authorized agent or to produce any records and papers
865 pursuant thereto, the panel or such panel's authorized agent may apply
866 to the superior court for the judicial district of Hartford or for the judicial
867 district wherein the person resides or the business that is the subject of
868 the inquiry has been conducted, or to any judge of said court if the same
869 is not in session, setting forth such disobedience to process or refusal to
870 answer, and said court or such judge shall cite such person to appear
871 before said court or such judge to answer such question or to produce
872 such records and papers.

873 (c) Any person or health care facility or institution that is required to
874 acquire a certificate of need for any of the activities described in
875 subsection (a) of section 4 of this act and negligently undertakes any of
876 the activities described in said section without such certificate of need,
877 any person, or health care facility or institution that is subject to any
878 terms or conditions enumerated in a certificate of need decision or
879 agreed settlement approved by the panel and negligently fails to comply
880 with any such enumerated term or condition, and any person or entity
881 that is required to submit a notice to the program pursuant to subsection
882 (d) of section 4 of this act or section 12 of this act and negligently fails to
883 submit such notice shall be subject to a civil penalty of up to one
884 thousand dollars a day for each day such person, entity or institution
885 conducts any of the described activities without certificate of need
886 approval as required by section 4 of this act, or for each day any
887 enumerated term or condition is not met or for each day that the notice
888 was not timely submitted. Any civil penalty proceeding authorized by
889 this section shall be initiated by the program, which shall also present
890 allegations of such negligence at a hearing before the panel in
891 accordance with subsections (b) to (f), inclusive, of this section.

892 (d) If the program has reason to believe that a person or health care
893 facility or institution has committed a violation for which a civil penalty
894 is authorized pursuant to subsection (c) of this section or subsection (e)
895 of section 19a-632 of the general statutes, the program shall notify such
896 person or health care facility or institution by first class mail or personal
897 service. The notice shall include: (1) A reference to the sections of the

898 statute, regulation or settlement agreement involved; (2) a short and
899 plain statement of the matters asserted or charged; (3) a statement of the
900 amount of the civil penalty or penalties to be imposed; (4) the initial date
901 of the imposition of the penalty; and (5) a statement of the party's right
902 to a hearing.

903 (e) The person or health care facility or institution to whom the notice
904 is addressed shall have fifteen business days after the date of mailing of
905 the notice to make written application to the program to (1) request a
906 hearing to contest the imposition of the penalty, (2) request an extension
907 of time to file the required data, or (3) comply with enumerated
908 conditions of an agreed settlement. A failure to make a timely request
909 for a hearing or an extension of time to file the required data or a denial
910 of a request for an extension of time shall result in a final order for the
911 imposition of the penalty. All hearings under this section shall be
912 conducted pursuant to chapter 54 of the general statutes. The panel may
913 mitigate or waive the penalty upon such terms and conditions as, in its
914 discretion, it deems proper or necessary upon consideration of any
915 extenuating factors or circumstances.

916 (f) A final order of the panel assessing a civil penalty imposed after a
917 hearing before the panel pursuant to subsection (d) of this section shall
918 be subject to appeal as set forth in section 4-183 of the general statutes,
919 except that any such appeal shall be taken to the superior court for the
920 judicial district of New Britain. Such final order shall not be subject to
921 appeal under any other provision of the general statutes. No challenge
922 to any such final order shall be allowed as to any issue which could have
923 been raised by an appeal of an earlier order, denial or other final
924 decision by the panel.

925 (g) If any person or health care facility or institution fails to pay any
926 civil penalty under this section after the assessment of such penalty has
927 become final, the amount of such penalty may be deducted from
928 payments to such person or health care facility or institution from the
929 Medicaid account.

930 (h) In addition to any civil penalty imposed under this section, if the
931 director of the program or the director's authorized agent has received
932 information and has a reasonable belief that any person or health care
933 facility or institution has violated or is violating any provision of
934 sections 2 to 12, inclusive, of this act, or any policy and procedure or
935 order of the panel, the director or such agent shall notify such person or
936 health care facility or institution by first class mail or personal service.
937 The notice shall include: (1) A reference to the sections of the general
938 statutes, regulations of Connecticut state agencies or orders alleged or
939 believed to have been violated; (2) a short and plain language statement
940 of the matters asserted or charged; (3) a description of the activity
941 alleged to have violated a statute or regulation identified pursuant to
942 subdivision (1) of this subsection; (4) a statement concerning the right to
943 a hearing of such person or health care facility or institution; and (5) a
944 statement that such person or health care facility or institution may, not
945 later than ten business days after receipt of such notice, make a written
946 request for a hearing on the matters asserted, to be sent to the
947 commissioner or such agent.

948 (i) The person or health care facility or institution to whom such
949 notice is provided pursuant to subsection (h) of this section may, not
950 later than ten business days after receipt of the notice, make written
951 application to the program to request a hearing to demonstrate that such
952 violation has not occurred, a certificate of need was not required or each
953 required certificate of need was obtained. A failure to make a timely
954 request for a hearing shall result in the panel issuing a cease and desist
955 order. Each hearing held under this subsection shall be conducted as a
956 contested case pursuant to chapter 54 of the general statutes.

957 (j) If the panel finds, by a preponderance of the evidence, following a
958 hearing held under subsection (i) of this section that such person or
959 health care facility or institution has violated or is violating any
960 provision of sections 2 to 12, inclusive, of this act, or any regulation or
961 order of the department, the panel shall issue a cease and desist order to
962 such person or health care facility or institution that shall be considered
963 a final decision subject to appeal to the Superior Court in accordance

964 with section 4-183 of the general statutes.

965 (k) Any cease and desist order issued under this section may be
966 enforced by the Attorney General pursuant to section 19a-642 of the
967 general statutes.

968 (l) Any civil penalty proceeding and any investigation or cease and
969 desist proceeding may be conducted simultaneously in a unified
970 proceeding.

971 Sec. 11. (NEW) (*Effective October 1, 2026*) The commissioner shall
972 adopt regulations, in accordance with the provisions of chapter 54 of the
973 general statutes, to implement the provisions of sections 2 to 12,
974 inclusive, of this act. The commissioner may implement policies and
975 procedures necessary to administer the provisions of said sections while
976 in the process of adopting such policies and procedures as regulation,
977 provided, prior to implementing such policies and procedures, the
978 department shall convene a working group with relevant stakeholders
979 to provide input on the development of such policies and procedures.
980 The commissioner shall convene the working group not later than
981 January 1, 2027. Policies and procedures implemented pursuant to this
982 section shall be valid until the earlier of two years from the date of their
983 implementation or the time final regulations are adopted.

984 Sec. 12. (NEW) (*Effective October 1, 2026*) (a) On and after July 1, 2027,
985 a hospital may temporarily pause a service for up to ninety days,
986 provided, if a hospital intends to indefinitely terminate a service line or
987 pause a service line for more than ninety days, the hospital shall notify
988 the Certificate of Need Program, in writing, not less than ninety days
989 prior to commencing such pause or termination. For purposes of this
990 section, "service line" means a category of inpatient and outpatient
991 services but does not include services provided by an emergency
992 department.

993 (b) Except as provided in subsection (d) of this section, not less than
994 ninety days prior to commencing any termination of service by a
995 hospital or any pause of a service intended to last more than ninety days,

996 the hospital shall provide notice, either electronically or in writing, to
997 the program that includes the following information:

998 (1) A description of the service to be paused or terminated;

999 (2) Current and historical utilization rates for such service;

1000 (3) A description of the anticipated impact of such pause or
1001 termination on individuals and health care facilities in the hospital's
1002 primary service area;

1003 (4) The date set for the pause or termination of service and, if
1004 applicable, the anticipated date of resumption of such service;

1005 (5) A detailed account of any community engagement and planning
1006 that has occurred prior to such notice or that is scheduled to occur prior
1007 to the pause or termination; and

1008 (6) Any other information the director may require.

1009 (c) The hospital shall also send a copy of such notice to the office of
1010 the Attorney General, the Department of Social Services, the Office of
1011 the Healthcare Advocate, and, if it relates to a behavioral health service
1012 or substance use disorder treatment service, the Department of Mental
1013 Health and Addiction Services and the Behavioral Health Advocate.

1014 (d) When the provision of ninety days' notice of the cessation of a
1015 service line is not practicable due to circumstances outside of the
1016 hospital's control, such as the death of the provider of such service or
1017 due to natural disaster, the hospital shall provide notice to the program
1018 as soon as practicable but in no case later than fourteen days after the
1019 initiation of the unanticipated cessation.

1020 (e) The program shall hold a public hearing concerning the proposed
1021 pause or termination of service, the impact on the hospital's primary
1022 service area and the proposed plans for ensuring continued access to
1023 high-quality, affordable health care in such service area. The hearing
1024 record and any submitted public comments shall inform the panel's

1025 review of the proposed plan and any imposed conditions pursuant to
1026 subsection (f) of this section.

1027 (f) Not later than sixty days prior to commencing the pause or
1028 termination of a service, the hospital shall submit a plan for ensuring
1029 access to such service following the hospital's pause or termination of
1030 such service. If the cessation of the service is due to an unplanned event
1031 outside the control of the hospital, as described in subsection (d) of this
1032 section, the hospital shall submit the plan for ensuring access to the
1033 service within fourteen days of the hospital's cessation of the service
1034 line. The plan shall include:

1035 (1) Information on utilization of such service prior to the proposed
1036 pause or termination;

1037 (2) Information on the location and service capacity of alternative
1038 sites that provide such service;

1039 (3) Travel times to alternative sites that provide such service;

1040 (4) An assessment of transportation needs after the pause or
1041 termination and a plan for meeting such needs;

1042 (5) A protocol that details mechanisms to maintain continuity of care
1043 for patients who receive such paused or terminated service;

1044 (6) A protocol that describes how patients in the hospital's primary
1045 service area will obtain such service at alternative sites that provide such
1046 service; and

1047 (7) A communication plan for ensuring all affected patients in the
1048 hospital's primary service area are aware of the pause or termination of
1049 such service, where they may obtain such service at an alternative site
1050 and the assistance available from the hospital to obtain such service to
1051 preserve continuity of care.

1052 (g) The program shall review the plan submitted by the hospital
1053 pursuant to subsection (f) of this section to determine if the plan ensures

1054 continued access to the service to be paused or terminated. The program
1055 shall complete its review of the plan and submit to the hospital and
1056 panel written recommendations regarding the approval, modification
1057 or imposition of conditions upon the plan not later than ten days after
1058 receiving the plan from the hospital. The panel shall hold a meeting on
1059 the plan not later than ten days after receipt of such recommendations.
1060 The hospital may submit a response to such recommendations at or
1061 prior to such meeting. Not later than ten days after such meeting, the
1062 panel shall approve the plan, require modifications to the plan or add
1063 conditions to the plan.

1064 (h) The panel's decision approving or modifying the plan shall
1065 constitute a final decision subject to appeal under section 4-183 of the
1066 general statutes.

1067 (i) The program shall monitor implementation of the hospital's plan
1068 for preserving access to a health care service following a pause of
1069 termination of such service under this section. If the hospital fails to
1070 implement any aspect of the plan as approved by the panel pursuant to
1071 subsection (g) of this section, the program may impose a performance
1072 improvement plan on the hospital. Failure to comply with the
1073 performance improvement plan and continued failure to perform under
1074 the plan may result in the imposition of civil penalties pursuant to
1075 section 10 of this act.

1076 Sec. 13. Subsection (a) of section 19a-612d of the general statutes is
1077 repealed and the following is substituted in lieu thereof (*Effective October*
1078 *1, 2026*):

1079 (a) The Commissioner of Health Strategy shall oversee the Health
1080 Systems Planning Unit and shall exercise independent decision-making
1081 authority over all certificate of need decisions for applications for a
1082 certificate of need filed on or before June 30, 2027.

1083 Sec. 14. Subsections (a) to (e), inclusive, of section 19a-638 of the
1084 general statutes are repealed and the following is substituted in lieu
1085 thereof (*Effective October 1, 2026*):

1086 (a) [A] On and before June 30, 2027, a certificate of need issued by the
1087 unit shall be required for:

1088 (1) The establishment of a new health care facility;

1089 (2) A transfer of ownership of a health care facility;

1090 (3) A transfer of ownership of a large group practice to any entity
1091 other than a (A) physician, or (B) group of two or more physicians,
1092 legally organized in a partnership, professional corporation or limited
1093 liability company formed to render professional services and not
1094 employed by or an affiliate of any hospital, medical foundation,
1095 insurance company or other similar entity;

1096 (4) The establishment of a freestanding emergency department;

1097 (5) The termination of inpatient or outpatient services offered by a
1098 hospital, including, but not limited to, the termination by a short-term
1099 acute care general hospital or children's hospital of inpatient and
1100 outpatient mental health and substance abuse services;

1101 (6) The establishment of an outpatient surgical facility, as defined in
1102 section 19a-493b, or as established by a short-term acute care general
1103 hospital;

1104 (7) The termination of surgical services by an outpatient surgical
1105 facility, as defined in section 19a-493b, or a facility that provides
1106 outpatient surgical services as part of the outpatient surgery department
1107 of a short-term acute care general hospital, provided termination of
1108 outpatient surgical services due to (A) insufficient patient volume, or (B)
1109 the termination of any subspecialty surgical service, shall not require
1110 certificate of need approval;

1111 (8) The termination of an emergency department by a short-term
1112 acute care general hospital;

1113 (9) The establishment of cardiac services, including inpatient and
1114 outpatient cardiac catheterization, interventional cardiology and

1115 cardiovascular surgery;

1116 (10) The acquisition of computed tomography scanners, magnetic
1117 resonance imaging scanners, positron emission tomography scanners or
1118 positron emission tomography-computed tomography scanners, by any
1119 person, physician, provider, short-term acute care general hospital or
1120 children's hospital, except (A) as provided for in subdivision (22) of
1121 subsection (b) of this section, and (B) a certificate of need issued by the
1122 unit shall not be required where such scanner is a replacement for a
1123 scanner that was previously acquired through certificate of need
1124 approval or a certificate of need determination, including a replacement
1125 scanner that has dual modalities or functionalities if the applicant
1126 already offers similar imaging services for each of the scanner's
1127 modalities or functionalities that will be utilized;

1128 (11) The acquisition of nonhospital based linear accelerators, except a
1129 certificate of need issued by the unit shall not be required where such
1130 accelerator is a replacement for an accelerator that was previously
1131 acquired through certificate of need approval or a certificate of need
1132 determination;

1133 (12) An increase in the licensed bed capacity of a health care facility,
1134 except as provided in subdivision (23) of subsection (b) of this section;

1135 (13) The acquisition of equipment utilizing technology that has not
1136 previously been utilized in the state;

1137 (14) An increase of two or more operating rooms within any three-
1138 year period, commencing on and after October 1, 2010, by an outpatient
1139 surgical facility, as defined in section 19a-493b, or by a short-term acute
1140 care general hospital; and

1141 (15) The termination of inpatient or outpatient services offered by a
1142 hospital or other facility or institution operated by the state that
1143 provides services that are eligible for reimbursement under Title XVIII
1144 or XIX of the federal Social Security Act, 42 USC 301, as amended.

1145 (b) [A] On and before June 30, 2027, a certificate of need issued by the
1146 unit shall not be required for:

1147 (1) Health care facilities owned and operated by the federal
1148 government;

1149 (2) The establishment of offices by a licensed private practitioner,
1150 whether for individual or group practice, except when a certificate of
1151 need is required in accordance with the requirements of section 19a-
1152 493b or subdivision (3), (10) or (11) of subsection (a) of this section;

1153 (3) A health care facility operated by a religious group that
1154 exclusively relies upon spiritual means through prayer for healing;

1155 (4) Residential care homes, as defined in subsection (c) of section 19a-
1156 490, and nursing homes and rest homes, as defined in subsection (o) of
1157 section 19a-490;

1158 (5) An assisted living services agency, as defined in section 19a-490;

1159 (6) Home health agencies, as defined in section 19a-490;

1160 (7) Hospice services, as described in section 19a-122b;

1161 (8) Outpatient rehabilitation facilities;

1162 (9) Outpatient chronic dialysis services;

1163 (10) Transplant services;

1164 (11) Free clinics, as defined in section 19a-630;

1165 (12) School-based health centers and expanded school health sites, as
1166 such terms are defined in section 19a-6r, community health centers, as
1167 defined in section 19a-490a, not-for-profit outpatient clinics licensed in
1168 accordance with the provisions of chapter 368v and federally qualified
1169 health centers;

1170 (13) A program licensed or funded by the Department of Children

1171 and Families, provided such program is not a psychiatric residential
1172 treatment facility;

1173 (14) Any nonprofit facility, institution or provider that has a contract
1174 with, or is certified or licensed to provide a service for, a state agency or
1175 department for a service that would otherwise require a certificate of
1176 need. The provisions of this subdivision shall not apply to a short-term
1177 acute care general hospital or children's hospital, or a hospital or other
1178 facility or institution operated by the state that provides services that are
1179 eligible for reimbursement under Title XVIII or XIX of the federal Social
1180 Security Act, 42 USC 301, as amended;

1181 (15) A health care facility operated by a nonprofit educational
1182 institution exclusively for students, faculty and staff of such institution
1183 and their dependents;

1184 (16) An outpatient clinic or program operated exclusively by or
1185 contracted to be operated exclusively by a municipality, municipal
1186 agency, municipal board of education or a health district, as described
1187 in section 19a-241;

1188 (17) A residential facility for persons with intellectual disability
1189 licensed pursuant to section 17a-227 and certified to participate in the
1190 Title XIX Medicaid program as an intermediate care facility for
1191 individuals with intellectual disabilities;

1192 (18) Replacement of existing computed tomography scanners,
1193 magnetic resonance imaging scanners, positron emission tomography
1194 scanners, positron emission tomography-computed tomography
1195 scanners, or nonhospital based linear accelerators, if such equipment
1196 was acquired through certificate of need approval or a certificate of need
1197 determination, provided a health care facility, provider, physician or
1198 person notifies the unit of the date on which the equipment is replaced
1199 and the disposition of the replaced equipment, including if a
1200 replacement scanner has dual modalities or functionalities and the
1201 applicant already offers similar imaging services for each of the
1202 equipment's modalities or functionalities that will be utilized;

1203 (19) Acquisition of cone-beam dental imaging equipment that is to be
1204 used exclusively by a dentist licensed pursuant to chapter 379;

1205 (20) The partial or total elimination of services provided by an
1206 outpatient surgical facility, as defined in section 19a-493b, except as
1207 provided in subdivision (6) of subsection (a) of this section and section
1208 19a-639e, as amended by this act;

1209 (21) The termination of services for which the Department of Public
1210 Health has requested the facility to relinquish its license;

1211 (22) Acquisition of any equipment by any person that is to be used
1212 exclusively for scientific research that is not conducted on humans;

1213 (23) On or before [June 30, 2026] June 30, 2027, an increase in the
1214 licensed bed capacity of a mental health facility, provided (A) the mental
1215 health facility demonstrates to the unit, in a form and manner prescribed
1216 by the unit, that it accepts reimbursement for any covered benefit
1217 provided to a covered individual under: (i) An individual or group
1218 health insurance policy providing coverage of the type specified in
1219 subdivisions (1), (2), (4), (11) and (12) of section 38a-469; (ii) a self-
1220 insured employee welfare benefit plan established pursuant to the
1221 federal Employee Retirement Income Security Act of 1974, as amended
1222 from time to time; or (iii) HUSKY Health, as defined in section 17b-290,
1223 and (B) if the mental health facility does not accept or stops accepting
1224 reimbursement for any covered benefit provided to a covered
1225 individual under a policy, plan or program described in clause (i), (ii) or
1226 (iii) of subparagraph (A) of this subdivision, a certificate of need for such
1227 increase in the licensed bed capacity shall be required; [.]

1228 (24) The establishment at harm reduction centers through the pilot
1229 program established pursuant to section 17a-673c; or

1230 (25) On or before [June 30, 2028] June 30, 2027, a birth center, as
1231 defined in section 19a-490, that is enrolled as a provider in the
1232 Connecticut medical assistance program, as defined in section 17b-245g.

1233 (c) (1) Any person [,] or health care facility or institution that is unsure
1234 whether a certificate of need is required under this section, or (2) any
1235 health care facility that proposes to relocate pursuant to section 19a-
1236 639c,as amended by this act, shall send a letter to the unit that describes
1237 the project and requests that the unit make a determination as to
1238 whether a certificate of need is required. In the case of a relocation of a
1239 health care facility, the letter shall include information described in
1240 section 19a-639c,as amended by this act. A person [,] or health care
1241 facility or institution making such request shall provide the unit with
1242 any information the unit requests as part of its determination process.
1243 The unit shall provide a determination within thirty days of receipt of
1244 such request.

1245 (d) The Commissioner of Health Strategy may implement policies
1246 and procedures necessary to administer the provisions of this section
1247 while in the process of adopting such policies and procedures as
1248 regulation, provided the commissioner holds a public hearing prior to
1249 implementing the policies and procedures and posts notice of intent to
1250 adopt regulations on the office's Internet web site and the eRegulations
1251 System not later than twenty days after the date of implementation.
1252 Policies and procedures implemented pursuant to this section shall be
1253 valid until the time final regulations are adopted.

1254 (e) On or before [~~June 30, 2026~~] June 30, 2027, a mental health facility
1255 seeking to increase licensed bed capacity without applying for a
1256 certificate of need, as permitted pursuant to subdivision (23) of
1257 subsection (b) of this section, shall notify the Office of Health Strategy,
1258 in a form and manner prescribed by the commissioner, regarding (1)
1259 such facility's intent to increase licensed bed capacity, (2) the address of
1260 such facility, and (3) a description of all services that are being or will be
1261 provided at such facility.

1262 Sec. 15. Subsections (a) to (e), inclusive, of section 19a-639 of the 2026
1263 supplement to the general statutes are repealed and the following is
1264 substituted in lieu thereof (*Effective October 1, 2026*):

1265 (a) In any deliberations involving a certificate of need application
1266 filed on or before June 30, 2027, pursuant to section 19a-638, as amended
1267 by this act, the unit shall take into consideration and make written
1268 findings concerning each of the following guidelines and principles:

1269 (1) Whether the proposed project is consistent with any applicable
1270 policies and standards adopted in regulations by the Office of Health
1271 Strategy;

1272 (2) The relationship of the proposed project to the state-wide health
1273 care facilities and services plan;

1274 (3) Whether there is a clear public need for the health care facility or
1275 services proposed by the applicant;

1276 (4) Whether the applicant has satisfactorily demonstrated how the
1277 proposal will impact the financial strength of the health care system in
1278 the state or that the proposal is financially feasible for the applicant;

1279 (5) Whether the applicant has satisfactorily demonstrated how the
1280 proposal will improve quality, accessibility and cost effectiveness of
1281 health care delivery in the region, including, but not limited to,
1282 provision of or any change in the access to services for Medicaid
1283 recipients and indigent persons;

1284 (6) The applicant's past and proposed provision of health care
1285 services to relevant patient populations and payer mix, including, but
1286 not limited to, access to services by Medicaid recipients and indigent
1287 persons;

1288 (7) Whether the applicant has satisfactorily identified the population
1289 to be served by the proposed project and satisfactorily demonstrated
1290 that the identified population has a need for the proposed services;

1291 (8) The utilization of existing health care facilities and health care
1292 services in the service area of the applicant;

1293 (9) Whether the applicant has satisfactorily demonstrated that the

1294 proposed project shall not result in an unnecessary duplication of
1295 existing or approved health care services or facilities;

1296 (10) Whether an applicant, who has failed to provide or reduced
1297 access to services by Medicaid recipients or indigent persons, has
1298 demonstrated good cause for doing so, which shall not be demonstrated
1299 solely on the basis of differences in reimbursement rates between
1300 Medicaid and other health care payers;

1301 (11) Whether the applicant has satisfactorily demonstrated that the
1302 proposal will not negatively impact the diversity of health care
1303 providers and patient choice in the geographic region; and

1304 (12) Whether the applicant has satisfactorily demonstrated that any
1305 consolidation resulting from the proposal will not adversely affect
1306 health care costs or accessibility to care.

1307 (b) [In] On or before June 30, 2027, in deliberations as described in
1308 subsection (a) of this section, there shall be a presumption in favor of
1309 approving the certificate of need application for a transfer of ownership
1310 of a large group practice, as described in subdivision (3) of subsection
1311 (a) of section 19a-638, as amended by this act, when an offer was made
1312 in response to a request for proposal or similar voluntary offer for sale.

1313 (c) The unit, as it deems necessary, may revise or supplement the
1314 guidelines and principles, set forth in subsection (a) of this section,
1315 through regulation.

1316 (d) (1) For purposes of this subsection and subsection (e) of this
1317 section:

1318 (A) "Affected community" means a municipality where a hospital is
1319 physically located or a municipality whose inhabitants are regularly
1320 served by a hospital;

1321 (B) "Hospital" has the same meaning as provided in section 19a-490;

1322 (C) "New hospital" means a hospital as it exists after the approval of

1323 an agreement pursuant to section 19a-486b or a certificate of need
1324 application for a transfer of ownership of a hospital;

1325 (D) "Purchaser" means a person who is acquiring, or has acquired,
1326 any assets of a hospital through a transfer of ownership of a hospital;

1327 (E) "Transacting party" means a purchaser and any person who is a
1328 party to a proposed agreement for transfer of ownership of a hospital;

1329 (F) "Transfer" means to sell, transfer, lease, exchange, option, convey,
1330 give or otherwise dispose of or transfer control over, including, but not
1331 limited to, transfer by way of merger or joint venture not in the ordinary
1332 course of business; and

1333 (G) "Transfer of ownership of a hospital" means a transfer that
1334 impacts or changes the governance or controlling body of a hospital,
1335 including, but not limited to, all affiliations, mergers or any sale or
1336 transfer of net assets of a hospital and for which a certificate of need
1337 application or a certificate of need determination letter is filed on or after
1338 December 1, 2015.

1339 (2) In any deliberations involving a certificate of need application
1340 filed on or before June 30, 2027, pursuant to section 19a-638, as amended
1341 by this act, that involves the transfer of ownership of a hospital, the unit
1342 shall, in addition to the guidelines and principles set forth in subsection
1343 (a) of this section and those prescribed through regulation pursuant to
1344 subsection (c) of this section, take into consideration and make written
1345 findings concerning each of the following guidelines and principles:

1346 (A) Whether the applicant fairly considered alternative proposals or
1347 offers in light of the purpose of maintaining health care provider
1348 diversity and consumer choice in the health care market and access to
1349 affordable quality health care for the affected community; and

1350 (B) Whether the plan submitted pursuant to section 19a-639a, as
1351 amended by this act, demonstrates, in a manner consistent with this
1352 chapter, how health care services will be provided by the new hospital

1353 for the first three years following the transfer of ownership of the
1354 hospital, including any consolidation, reduction, elimination or
1355 expansion of existing services or introduction of new services.

1356 (3) The unit shall deny any certificate of need application involving a
1357 transfer of ownership of a hospital unless the commissioner finds that
1358 the affected community will be assured of continued access to high
1359 quality and affordable health care after accounting for any proposed
1360 change impacting hospital staffing.

1361 (4) The unit may deny any certificate of need application involving a
1362 transfer of ownership of a hospital subject to a cost and market impact
1363 review pursuant to section 19a-639f, as amended by this act, if the
1364 commissioner finds that (A) the affected community will not be assured
1365 of continued access to high quality and affordable health care after
1366 accounting for any consolidation in the hospital and health care market
1367 that may lessen health care provider diversity, consumer choice and
1368 access to care, and (B) any likely increases in the prices for health care
1369 services or total health care spending in the state may negatively impact
1370 the affordability of care.

1371 (5) The unit may place any conditions on the approval of a certificate
1372 of need application involving a transfer of ownership of a hospital
1373 consistent with the provisions of this chapter. Before placing any such
1374 conditions, the unit shall weigh the value of such conditions in
1375 promoting the purposes of this chapter against the individual and
1376 cumulative burden of such conditions on the transacting parties and the
1377 new hospital. For each condition imposed, the unit shall include a
1378 concise statement of the legal and factual basis for such condition and
1379 the provision or provisions of this chapter that it is intended to promote.
1380 Each condition shall be reasonably tailored in time and scope. The
1381 transacting parties or the new hospital shall have the right to make a
1382 request to the unit for an amendment to, or relief from, any condition
1383 based on changed circumstances, hardship or for other good cause.

1384 (6) In any deliberations involving a certificate of need application

1385 filed pursuant to section 19a-638, as amended by this act, that involves
1386 the transfer of ownership of a hospital and is subject to a cost and market
1387 impact review, the unit may consider (A) the preliminary report and
1388 response to the preliminary report, (B) the final report, and (C) any
1389 written comments from the parties regarding the reports issued or
1390 submitted as part of the review. The unit shall not place the preliminary
1391 report in the public record until the transacting parties have had an
1392 opportunity to respond to the findings of the preliminary report
1393 pursuant to subsection (f) of section 19a-639f.

1394 (e) (1) If the certificate of need application filed on or before June 30,
1395 2027, (A) involves the transfer of ownership of a hospital, (B) the
1396 purchaser is a hospital, as defined in section 19a-490, whether located
1397 within or outside the state, that had net patient revenue for fiscal year
1398 2013 in an amount greater than one billion five hundred million dollars
1399 or a hospital system, as defined in section 19a-486i, whether located
1400 within or outside the state, that had net patient revenue for fiscal year
1401 2013 in an amount greater than one billion five hundred million dollars,
1402 or any person that is organized or operated for profit, and (C) such
1403 application is approved, the unit shall hire an independent consultant
1404 to serve as a post-transfer compliance reporter for a period of three years
1405 after completion of the transfer of ownership of the hospital. Such
1406 reporter shall, at a minimum: (i) Meet with representatives of the
1407 purchaser, the new hospital and members of the affected community
1408 served by the new hospital not less than quarterly; and (ii) report to the
1409 unit not less than quarterly concerning (I) efforts the purchaser and
1410 representatives of the new hospital have taken to comply with any
1411 conditions the unit placed on the approval of the certificate of need
1412 application and plans for future compliance, and (II) community
1413 benefits and uncompensated care provided by the new hospital. The
1414 purchaser shall give the reporter access to its records and facilities for
1415 the purposes of carrying out the reporter's duties. The purchaser shall
1416 hold a public hearing in the municipality in which the new hospital is
1417 located not less than annually during the reporting period to provide
1418 for public review and comment on the reporter's reports and findings.

1419 (2) If the reporter finds that the purchaser has breached a condition
1420 of the approval of the certificate of need application, the unit may, in
1421 consultation with the purchaser, the reporter and any other interested
1422 parties it deems appropriate, implement a performance improvement
1423 plan designed to remedy the conditions identified by the reporter and
1424 continue the reporting period for up to one year following a
1425 determination by the unit that such conditions have been resolved.

1426 (3) The purchaser shall provide funds, in an amount determined by
1427 the unit not to exceed two hundred thousand dollars annually, for the
1428 hiring of the post-transfer compliance reporter.

1429 Sec. 16. Section 19a-639a of the general statutes is repealed and the
1430 following is substituted in lieu thereof (*Effective October 1, 2026*):

1431 (a) [An] On or before June 30, 2027, an application for a certificate of
1432 need shall be filed with the unit in accordance with the provisions of this
1433 section and any regulations adopted by the Office of Health Strategy.
1434 The application shall address the guidelines and principles set forth in
1435 (1) subsection (a) of section 19a-639, as amended by this act, and (2)
1436 regulations adopted by the department. The applicant shall include
1437 with the application a nonrefundable application fee based on the cost
1438 of the project. The amount of the fee shall be as follows: (A) One
1439 thousand dollars for a project that will cost not greater than fifty
1440 thousand dollars; (B) two thousand dollars for a project that will cost
1441 greater than fifty thousand dollars but not greater than one hundred
1442 thousand dollars; (C) three thousand dollars for a project that will cost
1443 greater than one hundred thousand dollars but not greater than five
1444 hundred thousand dollars; (D) four thousand dollars for a project that
1445 will cost greater than five hundred thousand dollars but not greater than
1446 one million dollars; (E) five thousand dollars for a project that will cost
1447 greater than one million dollars but not greater than five million dollars;
1448 (F) eight thousand dollars for a project that will cost greater than five
1449 million dollars but not greater than ten million dollars; and (G) ten
1450 thousand dollars for a project that will cost greater than ten million
1451 dollars.

1452 (b) Prior to the filing of a certificate of need application pursuant to
1453 subsection (a) of this section, the applicant shall (1) publish notice that
1454 an application is to be submitted to the unit (A) in a newspaper having
1455 a substantial circulation in the area where the project is to be located,
1456 and (B) on the applicant's Internet web site in a clear and conspicuous
1457 location that is easily accessible by members of the public, (2) request
1458 the publication of notice (A) in at least two sites within the affected
1459 community that are commonly accessed by the public, such as a town
1460 hall or library, and (B) on any existing Internet web site of the
1461 municipality or local health department, and (3) submit such notice to
1462 the unit for posting on such unit's Internet web site. Such newspaper
1463 notice shall be published for not less than three consecutive days, with
1464 the final date of consecutive publication occurring not later than twenty
1465 days prior to the date of filing of the certificate of need application, and
1466 contain a brief description of the nature of the project and the street
1467 address where the project is to be located. Postings in the affected
1468 community and on the applicant's Internet web site shall remain until
1469 the decision on the application is rendered. The unit shall not invalidate
1470 any notice due to changes or removal of the notice from a community
1471 Internet web site of which the applicant has no control. An applicant
1472 shall file the certificate of need application with the unit not later than
1473 ninety days after publishing notice of the application in a newspaper in
1474 accordance with the provisions of this subsection. The unit shall not
1475 accept the applicant's certificate of need application for filing unless the
1476 application is accompanied by the application fee prescribed in
1477 subsection (a) of this section and proof of compliance with the
1478 publication requirements prescribed in this subsection.

1479 (c) (1) Not later than five business days after receipt of a properly filed
1480 certificate of need application under this section, the unit shall publish
1481 notice of the application on its Internet web site. Not later than thirty
1482 days after the date of filing of the application, the unit may request such
1483 additional information as the unit determines necessary to complete the
1484 application. In addition to any information requested by the unit, if the
1485 application involves the transfer of ownership of a hospital, as defined

1486 in section 19a-639, as amended by this act, the applicant shall submit to
1487 the unit (A) a plan demonstrating how health care services will be
1488 provided by the new hospital for the first three years following the
1489 transfer of ownership of the hospital, including any consolidation,
1490 reduction, elimination or expansion of existing services or introduction
1491 of new services, and (B) the names of persons currently holding a
1492 position with the hospital to be purchased or the purchaser, as defined
1493 in section 19a-639, as amended by this act, as an officer, director, board
1494 member or senior manager, whether or not such person is expected to
1495 hold a position with the hospital after completion of the transfer of
1496 ownership of the hospital and any salary, severance, stock offering or
1497 any financial gain, current or deferred, such person is expected to
1498 receive as a result of, or in relation to, the transfer of ownership of the
1499 hospital.

1500 (2) The applicant shall, not later than sixty days after the date of the
1501 unit's request, submit any requested information and any information
1502 required under this subsection to the unit. If an applicant fails to submit
1503 such information to the unit within the sixty-day period, the unit shall
1504 consider the application to have been withdrawn.

1505 (3) The unit shall make reasonable efforts to limit the requests for
1506 additional information to two such requests and, in all cases, cease all
1507 requests for additional information not later than six months after
1508 receiving the application.

1509 (d) Upon deeming an application filed under this section complete,
1510 the unit shall provide notice of this determination to the applicant and
1511 to the public in accordance with regulations adopted by the department.
1512 In addition, the unit shall post such notice on its Internet web site and
1513 notify the applicant not later than five days after deeming the
1514 application complete. The date on which the unit posts such notice on
1515 its Internet web site shall begin the review period. Except as provided
1516 in this subsection, (1) the review period for an application deemed
1517 complete shall be ninety days from the date on which the unit posts such
1518 notice on its Internet web site; and (2) the unit shall issue a decision on

1519 an application deemed complete prior to the expiration of the ninety-
1520 day review period in matters without a public hearing. The review
1521 period for an application deemed complete that involves a transfer of a
1522 large group practice, as described in subdivision (3) of subsection (a) of
1523 section 19a-638, as amended by this act, when the offer was made in
1524 response to a request for proposal or similar voluntary offer for sale,
1525 shall be sixty days from the date on which the unit posts notice on its
1526 Internet web site. Upon request or for good cause shown, the unit may
1527 extend the review period for a period of time not to exceed sixty days.
1528 If the review period is extended, the unit shall issue a decision on the
1529 completed application prior to the expiration of the extended review
1530 period. If the unit holds a public hearing concerning a completed
1531 application in accordance with subsection (e) or (f) of this section, the
1532 unit shall issue a decision on the completed application not later than
1533 sixty days after the date the unit closes the public hearing record.

1534 (e) Except as provided in this subsection, the unit shall hold a public
1535 hearing on a [properly filed and completed] certificate of need
1536 application properly filed and completed under this section if three or
1537 more individuals or an individual representing an entity with five or
1538 more people submits a request, in writing, that a public hearing be held
1539 on the application. For a [properly filed and completed] certificate of
1540 need application properly filed and completed under this section
1541 involving a transfer of ownership of a large group practice, as described
1542 in subdivision (3) of subsection (a) of section 19a-638, as amended by
1543 this act, when an offer was made in response to a request for proposal
1544 or similar voluntary offer for sale, a public hearing shall be held if
1545 twenty-five or more individuals or an individual representing twenty-
1546 five or more people submits a request, in writing, that a public hearing
1547 be held on the application. Any request for a public hearing shall be
1548 made to the unit not later than thirty days after the date the unit deems
1549 the application to be complete.

1550 (f) (1) The unit shall hold a public hearing with respect to each
1551 certificate of need application filed pursuant to section 19a-638, as
1552 amended by this act, after December 1, 2015, and on or before June 30,

1553 2027, that concerns any transfer of ownership involving a hospital. Such
1554 hearing shall be held in the municipality in which the hospital that is the
1555 subject of the application is located.

1556 (2) The unit may hold a public hearing with respect to any certificate
1557 of need application submitted under this [chapter] section. The unit
1558 shall provide not less than two weeks' advance notice to the applicant,
1559 in writing, and to the public by publication in a newspaper having a
1560 substantial circulation in the area served by the health care facility or
1561 provider. In conducting its activities under this chapter, the unit may
1562 hold hearings with respect to applications of a similar nature at the same
1563 time. The applicant shall post a copy of the unit's hearing notice on the
1564 applicant's Internet web site in a clear and conspicuous location that is
1565 easily accessible by members of the public. Such applicant shall request
1566 the publication of notice in at least two sites within the affected
1567 community that are commonly accessed by the public, such as a town
1568 hall or library, as well as on any existing Internet web site of the
1569 municipality or local health department. The unit shall not invalidate
1570 any notice due to changes or removal of the notice from a community
1571 Internet web site of which the applicant has no control.

1572 (g) For applications submitted on or after October 1, 2023, and on or
1573 before June 30, 2027, the unit may retain an independent consultant with
1574 expertise in the specific area of health care that is the subject of the
1575 application filed by an applicant if the review and analysis of an
1576 application cannot reasonably be conducted by the unit without the
1577 expertise of an industry analyst or other actuarial consultant. The unit
1578 shall submit bills for independent consultant services to the applicant.
1579 Such applicant shall pay such bills not later than thirty days after receipt
1580 of such bills. Such bills shall be a reasonable amount per application.
1581 The provisions of chapter 57 and sections 4-212 to 4-219, inclusive, and
1582 4e-19 shall not apply to any retainer agreement executed pursuant to
1583 this subsection.

1584 [(h) The Commissioner of Health Strategy may implement policies
1585 and procedures necessary to administer the provisions of this section

1586 while in the process of adopting such policies and procedures as
1587 regulation, provided the commissioner holds a public hearing prior to
1588 implementing the policies and procedures and posts notice of intent to
1589 adopt regulations on the office's Internet web site and the eRegulations
1590 System not later than twenty days after the date of implementation.
1591 Policies and procedures implemented pursuant to this section shall be
1592 valid until the time final regulations are adopted.]

1593 Sec. 17. Section 19a-639b of the general statutes is repealed and the
1594 following is substituted in lieu thereof (*Effective October 1, 2026*):

1595 (a) A certificate of need issued under section 19a-638a shall be valid
1596 only for the project described in the application. A certificate of need
1597 issued under said section shall be valid for two years from the date of
1598 issuance by the unit. During the period of time that such certificate is
1599 valid and the thirty-day period following the expiration of the
1600 certificate, the holder of the certificate shall provide the unit with such
1601 information as the unit may request on the development of the project
1602 covered by the certificate.

1603 (b) [Upon] On or before June 30, 2027, upon request from a certificate
1604 holder, the unit may extend the duration of a certificate of need for such
1605 additional period of time as the unit determines is reasonably necessary
1606 to expeditiously complete the project. Not later than five business days
1607 after receiving a request to extend the duration of a certificate of need,
1608 the unit shall post such request on its web site. Any person who wishes
1609 to comment on extending the duration of the certificate of need shall
1610 provide written comments to the unit on the requested extension not
1611 later than thirty days after the date the unit posts notice of the request
1612 for an extension of time on its web site. The unit shall hold a public
1613 hearing on any request to extend the duration of a certificate of need
1614 made under this subsection if three or more individuals or an individual
1615 representing an entity with five or more people submits a request, in
1616 writing, that a public hearing be held on the request to extend the
1617 duration of a certificate of need.

1618 (c) [In] On or before June 30, 2027, in the event that the unit
1619 determines that: (1) Commencement, construction or other preparation
1620 has not been substantially undertaken during a valid certificate of need
1621 period; or (2) the certificate holder has not made a good-faith effort to
1622 complete the project as approved, the unit may withdraw, revoke or
1623 rescind the certificate of need.

1624 (d) [A] On or before June 30, 2027, a certificate of need shall not be
1625 transferable or assignable nor shall a project be transferred from a
1626 certificate holder to another person.

1627 (e) The Commissioner of Health Strategy may implement policies
1628 and procedures necessary to administer the provisions of this section
1629 while in the process of adopting such policies and procedures as
1630 regulation, provided the commissioner holds a public hearing prior to
1631 implementing the policies and procedures and posts notice of intent to
1632 adopt regulations on the office's Internet web site and the eRegulations
1633 System not later than twenty days after the date of implementation.
1634 Policies and procedures implemented pursuant to this section shall be
1635 valid until the time final regulations are adopted.

1636 Sec. 18. Subsection (a) of section 19a-639c of the general statutes is
1637 repealed and the following is substituted in lieu thereof (*Effective October*
1638 *1, 2026*):

1639 (a) [Any] On or before June 30, 2027, any health care facility that
1640 proposes to relocate a facility shall submit a letter to the unit, as
1641 described in subsection (c) of section 19a-638, as amended by this act. In
1642 addition to the requirements prescribed in said subsection (c), in such
1643 letter the health care facility shall demonstrate to the satisfaction of the
1644 unit that the population served by the health care facility and the payer
1645 mix will not substantially change as a result of the facility's proposed
1646 relocation. If the facility is unable to demonstrate to the satisfaction of
1647 the unit that the population served and the payer mix will not
1648 substantially change as a result of the proposed relocation, the health
1649 care facility shall apply for certificate of need approval pursuant to

1650 subdivision (1) of subsection (a) of section 19a-638, as amended by this
1651 act, in order to effectuate the proposed relocation. The unit shall provide
1652 a determination not later than thirty days after receipt of such letter.

1653 Sec. 19. Subsections (a) to (c), inclusive, of section 19a-639e of the
1654 general statutes are repealed and the following is substituted in lieu
1655 thereof (*Effective October 1, 2026*):

1656 (a) Unless otherwise required to file a certificate of need application
1657 pursuant to the provisions of subsection (a) of section 19a-638, as
1658 amended by this act, any health care facility that proposes on or before
1659 June 30, 2027, to terminate a service that was authorized pursuant to a
1660 certificate of need issued under [this chapter] section 19a-638a shall file
1661 a modification request with the unit not later than sixty days prior to the
1662 proposed date of the termination of the service. The unit may request
1663 additional information from the health care facility as necessary to
1664 process the modification request. In addition, the unit shall hold a public
1665 hearing on any request from a health care facility to terminate a service
1666 pursuant to this section if three or more individuals or an individual
1667 representing an entity with five or more people submits a request, in
1668 writing, that a public hearing be held on the health care facility's
1669 proposal to terminate a service.

1670 (b) Unless otherwise required to file a certificate of need application
1671 pursuant to the provisions of subsection (a) of section 19a-638, as
1672 amended by this act, any health care facility that proposes on or before
1673 June 30, 2027, to terminate all services offered by such facility, that were
1674 authorized pursuant to one or more certificates of need issued under
1675 [this chapter] section 19a-639a, as amended by this act, shall provide
1676 notification to the unit not later than sixty days prior to the termination
1677 of services and such facility shall surrender its certificate of need not
1678 later than thirty days prior to the termination of services.

1679 (c) Unless otherwise required to file a certificate of need application
1680 pursuant to the provisions of subsection (a) of section 19a-638, as
1681 amended by this act, any health care facility that proposes on or before

1682 June 30, 2027, to terminate the operation of a facility or service for which
1683 a certificate of need was not obtained shall notify the unit not later than
1684 sixty days prior to terminating the operation of the facility or service.

1685 Sec. 20. Subsections (a) and (b) of section 19a-639f of the general
1686 statutes are repealed and the following is substituted in lieu thereof
1687 (*Effective October 1, 2026*):

1688 (a) The Health Systems Planning Unit of the Office of Health Strategy
1689 shall conduct a cost and market impact review in each case where (1) an
1690 application for a certificate of need filed on or before June 30, 2027,
1691 pursuant to section 19a-638, as amended by this act, involves the
1692 transfer of ownership of a hospital, as defined in section 19a-639, as
1693 amended by this act, and (2) the purchaser in a transaction occurring on
1694 or before June 30, 2027, is a hospital, as defined in section 19a-490,
1695 whether located within or outside the state, that had net patient revenue
1696 for fiscal year 2013 in an amount greater than one billion five hundred
1697 million dollars, or a hospital system, as defined in section 19a-486i,
1698 whether located within or outside the state, that had net patient revenue
1699 for fiscal year 2013 in an amount greater than one billion five hundred
1700 million dollars or any person that is organized or operated for profit.

1701 (b) Not later than twenty-one days after receipt of a properly filed
1702 certificate of need application involving the transfer of ownership of a
1703 hospital filed on or after December 1, 2015, and on or before June 30,
1704 2027, as described in subsection (a) of this section, the unit shall initiate
1705 such cost and market impact review by sending the transacting parties
1706 a written notice that shall contain a description of the basis for the cost
1707 and market impact review as well as a request for information and
1708 documents. Not later than thirty days after receipt of such notice, the
1709 transacting parties shall submit to the unit a written response. Such
1710 response shall include, but need not be limited to, any information or
1711 documents requested by the unit concerning the transfer of ownership
1712 of the hospital. The unit shall have the powers with respect to the cost
1713 and market impact review as provided in section 19a-633.

1714 Sec. 21. Section 19a-641 of the general statutes is repealed and the

1715 following is substituted in lieu thereof (*Effective October 1, 2026*):

1716 Any health care facility or institution and any state health care facility
 1717 or institution aggrieved by any final decision of said unit issued on an
 1718 application filed on or before June 30, 2027, under the provisions of
 1719 sections 19a-630 to 19a-639e, inclusive, as amended by this act, may
 1720 appeal from such decision in accordance with the provisions of section
 1721 4-183, except venue shall be in the judicial district in which it is located.
 1722 Such appeal shall have precedence in respect to order of trial over all
 1723 other cases except writs of habeas corpus, actions brought by or on
 1724 behalf of the state, including information on the relation of private
 1725 individuals, and appeals from awards or decisions of administrative
 1726 law judges.

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>October 1, 2026</i>	New section
Sec. 3	<i>October 1, 2026</i>	New section
Sec. 4	<i>October 1, 2026</i>	New section
Sec. 5	<i>October 1, 2026</i>	New section
Sec. 6	<i>October 1, 2026</i>	New section
Sec. 7	<i>October 1, 2026</i>	New section
Sec. 8	<i>October 1, 2026</i>	New section
Sec. 9	<i>October 1, 2026</i>	New section
Sec. 10	<i>October 1, 2026</i>	New section
Sec. 11	<i>October 1, 2026</i>	New section
Sec. 12	<i>October 1, 2026</i>	New section
Sec. 13	<i>October 1, 2026</i>	19a-612d(a)
Sec. 14	<i>October 1, 2026</i>	19a-638(a) to (e)
Sec. 15	<i>October 1, 2026</i>	19a-639(a) to (e)
Sec. 16	<i>October 1, 2026</i>	19a-639a
Sec. 17	<i>October 1, 2026</i>	19a-639b
Sec. 18	<i>October 1, 2026</i>	19a-639c(a)
Sec. 19	<i>October 1, 2026</i>	19a-639e(a) to (c)
Sec. 20	<i>October 1, 2026</i>	19a-639f(a) and (b)
Sec. 21	<i>October 1, 2026</i>	19a-641

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Office of Health Strategy	GF - Transfer from	2,029,146	None
Public Health, Dept.	GF - Transfer to	2,029,146	None
Office of Health Strategy	IF - Transfer from	784,018	None
Public Health, Dept.	IF - Transfer to	784,018	None
UConn Health Ctr.	OF - Potential Cost	See Below	See Below
UConn Health Ctr.	OF - Savings	See Below	See Below

Note: GF=General Fund; IF=Insurance Fund; OF=Operating Fund

Municipal Impact: None

Explanation

The bill makes various changes to the Certificate of Need (CON) process, resulting in the fiscal impacts described below.

Sections 2, 3, and 13 transfer the Certificate of Need (CON) program operations from the Office of Health Strategy to a new CON unit in the Department of Public Health (DPH), resulting in FY 27 transfers of: (1) General Fund funding of \$2,029,146 and 19 supported positions; and (2) Insurance Fund funding of \$784,018 and four supported positions. This unit will support a new CON panel,¹ placed within DPH for administrative purposes only, that will make final decisions on CON-related determinations.

¹ The panel consists of the DPH and Department of Social Services commissioners and the Office of Policy and Management secretary (or their designees), with the DPH commissioner or their designee serving as the panel's chair.

Section 5 results in a potential savings to the UConn Health Center, beginning in FY 27, by capping consultant costs² incurred during certain kinds of CON review. Savings will vary to the extent that these consultant costs currently exceed the bill's cap.

Section 9 results in a potential cost of up to \$250,000³ to the UConn Health Center to the extent that it must conduct a cost and market impact review under the Certificate of Need (CON) process. The bill lowers the net patient revenue threshold, from above \$1.5 billion in FY 13 to above \$1 billion in FY 25, that requires hospitals to conduct such reviews during the CON process, for certain transactions. UConn Health's net patient revenue in FY 26 is estimated to be \$1.2 billion.

Sections 9 and 10 also allow the Office of the Attorney General (OAG) to conduct investigations or take action on a transfer of ownership of a hospital, resulting in no fiscal impact to the state because the OAG has the expertise to meet the requirements of the bill. These sections also make various conforming changes regarding the OAG which result in no fiscal impact.

House "A" strikes the underlying bill and its associated fiscal impact, resulting in the impacts above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

² The bill limits fees charged to the applicant for consultancy services to \$200,000 per application (current law has no cap except that the fee be reasonable).

³ The bill increases the maximum billable amount per application that requires a cost and market impact review to \$250,000 (compared to \$200,000 under current law).

OLR Bill Analysis**sHB 5045 (as amended by House "A")******AN ACT STREAMLINING HEALTH CARE FACILITY APPROVALS.*****SUMMARY**

Starting July 1, 2027, this bill replaces the Office of Health Strategy (OHS)-administered health care facility certificate of need (CON) program with a new program overseen by a panel comprised of the public health (DPH) and social services (DSS) commissioners and Office of Policy and Management (OPM) secretary or their designees. It creates a new CON program within DPH to support the review of CON applications, and requires the panel to meet at least monthly to review and decide these applications.

The bill's new process differs in various respects from the current one. For example, it:

1. eliminates required CON approval for certain service terminations, and creates a separate process to oversee only hospital service pauses or terminations;
2. makes other changes to when CON approval is required, including by modifying certain exemptions;
3. shortens the list of factors that must be considered in the CON review process;
4. generally requires a public hearing for all CON applications (unless waived by the applicant under certain conditions), instead of only a subset as under current law;
5. requires the panel to create an expedited CON review pathway for certain application categories or subcategories; and

6. expands the circumstances when a CON application for a hospital transfer is subject to a cost and market impact review.

Under the bill, the current OHS CON program continues for applications submitted on or before June 30, 2027 (§§ 13-21). As under current law, that program is administered by OHS's Health Systems Planning Unit, with the OHS commissioner having independent decision-making authority over CON decisions. For the current program, the bill extends from June 30, 2026, to June 30, 2027, an existing CON exemption for increases in the licensed bed capacity for mental health facilities under certain situations (§ 14).

The bill also makes minor, technical, and conforming changes.

*House Amendment "A" replaces the underlying bill and makes several changes, such as (1) delaying the start date for the new CON process by six months; (2) changing the categories of activities subject to CON approval to more closely mirror current law; (3) adding applications fees, mirroring current law; (4) requiring the panel to meet at least monthly rather than quarterly; (5) adding a notice requirement for certain large group practice transactions that are not subject to CON review; (6) requiring, rather than allowing, the panel to create an expedited review pathway; (7) adding several reporting requirements; and (8) making various other changes to program deadlines and procedures.

EFFECTIVE DATE: October 1, 2026

§§ 2, 3 & 13 — CON PANEL AND DPH CON PROGRAM

The bill creates a three-person panel, placed within DPH for administrative purposes only, to make final decisions on CON-related determinations under the new process. The panel consists of the DPH and DSS commissioners and OPM secretary or their designees. The DPH commissioner or her designee serves as the panel's chairperson.

Specifically, the panel must make final decisions and rulings on the following (under the bill, except where noted):

1. CON applications submitted on or after July 1, 2027;
2. civil penalties and cease and desist orders imposed on or after that date;
3. approvals of policies and procedures effective on and after that date;
4. hospital plans for continued access to care during service terminations on and after that date; and
5. nonprofit hospital sales under existing law's procedures (see BACKGROUND).

Starting July 1, 2027, the panel generally must meet at least monthly to review and decide CON applications that were submitted to the panel at least five days before the meeting. The panel chairperson may call special meetings at other times to review and decide these applications or any other matter appropriate for panel review under the bill. The panel may cancel a monthly meeting if no CON applications or other business has been appropriately submitted to it with at least five days' notice before the scheduled meeting.

The bill also creates a CON program within DPH to support the review of CON applications. The DPH commissioner must designate a director to oversee the program. Under the bill, starting July 1, 2027:

1. anyone applying for a CON must file the application with DPH's CON program (rather than with OHS as under current law),
2. the program must prepare a report on the application, and
3. the program must make all determinations as to whether a CON is required (subject to the panel's final decision).

The program must also monitor compliance with the bill's new CON process and with any panel-issued order or decision, including any associated panel-imposed conditions. In any enforcement action under

the bill (see § 10 below), the program must present the allegations at the panel’s public hearing.

The provisions described below apply on and after July 1, 2027, or to CON applications filed on or after that date, as applicable.

§§ 1, 4, 14 & 18 — CON REQUIREMENT AND EXEMPTIONS

The following table compares the activities requiring CON approval under the current OHS program and the bill’s new process.

Table: Activities Requiring CON Approval

<i>Current Law</i>	<i>Bill</i>
Establishment of a new “health care facility” (see below)	Same as current law
Transfer of ownership of a health care facility	“Change of ownership or control” of a health care facility (see below)
Transfer of ownership of a large group practice (eight or more physicians) to any entity other than a (1) physician or (2) physician group meeting certain requirements (for example, not affiliated with a hospital)	Change of ownership or control of a large group practice (with the same exceptions) (The bill does not carry forward a current provision that creates a presumption in favor of approving a CON for group practice ownership transfers when the offer was made in response to a voluntary offer for sale) See below for required notice of certain other large group practice transactions
Establishment of a freestanding emergency department	Same as current law (under bill’s definition of “health care facility”)
Establishment of an outpatient surgical facility	Same as current law (under bill’s definition of “health care facility”)
Establishment of cardiac services, including inpatient and outpatient cardiac catheterization, interventional cardiology, and cardiovascular surgery	Same as current law
Acquisition of CT, MRI, PET, or PET-CT scanners, with certain exceptions (for example, replacements under specified conditions)	Same as current law
Acquisition of non-hospital based linear accelerators, except for replacements under	Same as current law

<i>Current Law</i>	<i>Bill</i>
specified conditions	
Increase in a facility’s licensed bed capacity, except for certain mental health facilities	Same as current law, other than the exception (see below) See below for related DPH reporting requirement
Acquisition of equipment using technology that is new to the state	Same as current law
Increase of two or more operating rooms within a three-year period by an outpatient surgical facility or short-term acute care general hospital	Same as current law
Termination of the following: <ul style="list-style-type: none"> • hospital inpatient or outpatient services • certain outpatient surgical services by outpatient surgical facilities or certain hospitals • a short-term acute care hospital’s emergency department • inpatient or outpatient services offered by state-operated facilities that provide services eligible for Medicare or Medicaid reimbursement Under this law, a termination is the combined stop to a service for more than 180 days over a two-year period	Not required, but the bill creates a new review process for certain hospital service pauses or terminations (see § 12 below)

The bill’s list of exemptions from CON requirements under the new process is generally similar to the current OHS-led process. For example, the exemptions include, among several others, (1) nursing homes and certain other long-term care facilities (they are subject to a separate DSS CON process), (2) free clinics, and (3) school-based health centers.

The bill adds new exemptions for:

1. a state-operated or nonprofit facility, institution, or provider solely providing behavioral health or substance use disorder treatment services; and

2. an association between a group practice and management service organization (MSO) in which the MSO is paid fair market value through a contract rather than being paid through profit or revenue sharing.

The bill differs from current law in some other respects, including the following:

1. specifying that the exemption for Department of Children and Families (DCF)-funded programs only applies if DCF exclusively funds them (as under current law, psychiatric residential treatment facilities are not exempt);
2. not carrying forward a current exemption for certain nonprofits that contract with, or are certified or licensed to provide a service for, a state agency for services otherwise requiring CON approval; and
3. not carrying forward a current exemption for increases in the licensed bed capacity of mental health facilities that meet specified criteria (the bill extends the current exemption under the OHS CON program by one year).

Also, under current law, a facility seeking to relocate must first show that doing so will not substantially change the population served or the payer mix; if the facility cannot show this, then it must get CON approval. The bill instead creates a specific CON exemption for a health care facility's relocation within the same town or within 10 miles of the existing location, as long as the move does not substantially change the facility's patient population or payer mix.

Additionally, the bill requires the DPH commissioner, by January 1, 2028, to report to the governor and Public Health Committee any recommendations regarding a CON exemption for temporary increases in a hospital's licensed bed capacity due to an admissions surge that cannot be met by the hospital's existing licensed bed capacity.

“Health Care Facilities” Definition

Under the current CON law, “health care facilities” are hospitals; specialty hospitals; freestanding emergency departments; outpatient surgical facilities; state-operated facilities that provide services eligible for Medicare or Medicaid reimbursement; central service facilities; mental health facilities; substance abuse treatment facilities; any other facilities requiring a CON; and any of these facilities’ parent companies, subsidiaries, affiliates, or joint ventures, or any combination of them.

The bill specifies that the term includes hospitals’ satellite locations.

It also includes within the term outpatient surgical facilities that are established by acute-care hospitals, in addition to those that are independently licensed as under current law. (While current law does not include the former in the “health care facility” definition, it requires CON approval to establish either type of outpatient surgical facility.)

“Change of Ownership or Control” Definition

For the current CON program, ownership transfers requiring CON approval are those transfers that impact or change the facility’s (or other applicable group practice’s) governance or controlling body, including all affiliations, mergers, or any sale or transfer of the facility’s net assets.

The bill instead requires CON approval for a “change of ownership or control” of a health care facility or certain group practices (see above). This is any change in the entity’s ownership, beneficial ownership, or control, specifically including:

1. a corporate merger;
2. an acquisition, by direct or indirect purchase in any way, of at least 25% of a health care entity’s assets, equity, or voting shares;
3. a transfer of control of the entity’s board or governing body; or
4. a real estate sale or lease of at least 20% of a hospital’s assets.

CON Determination Letter

Similar to current law, the bill requires anyone who is unsure whether a CON is required to send a letter to the CON program describing the proposal and asking the program to determine if a CON is required. The person or facility making the request must give the program any information it needs to determine this. The program must make its decision within 30 days after getting the request.

Notice of Certain Large Group Practice Transactions

Starting July 1, 2027, if anyone acquires ownership or control of a large group practice and CON approval is not required (because the buyer is a physician or physician group meeting certain criteria), the acquiring person or entity must notify the CON program about the transaction.

Generally, at least 30 days before the transaction's closing, the acquiring person or entity must submit a notice with certain information about the group practice, and (unless otherwise prohibited by law) the CON program must post this information on its website. If 30 days' prior notice is not practicable due to circumstances beyond the acquiring person's or entity's control, they must give the notice as soon as practicable, but no later than 14 days after the transaction closes.

The notice must include the following:

1. the names and medical specialties of the group's physicians;
2. the names of the businesses providing clinical or managerial services as part of the group practice;
3. the address for the locations where the practice provides clinical services and a description of these services for each location;
4. the zip codes of the primary service area served by each of these locations; and
5. the resulting name, ownership, and business type of the group practice after the proposed change of ownership, control, or

affiliation, including the name and business type of any person or entity that will directly or indirectly control at least 10% of the practice.

Also, the bill requires the acquiring person or entity, within 30 days after the transaction is closed (or abandoned), to report the date it occurred.

§§ 5 & 15 — REVIEW FACTORS AND CONSULTANTS

The bill requires the panel, in any deliberation on a CON application, to determine by a preponderance of the evidence whether the application shows that the proposal is in the public's interest. In doing so, the panel must consider certain factors, consistent with any relevant DPH regulations, policies, or procedures. Specifically, the panel must consider whether the proposal:

1. promotes delivery of high-quality and cost-effective care in the applicant's primary service area;
2. promotes health care services access, including Medicaid access, in that area;
3. promotes the health care system's financial stability, including whether the proposal is financially feasible for the applicant and whether there is any evidence of the applicant's prior financial mismanagement or misconduct;
4. meets a clear public need (for the proposal and services provided under it); and
5. would result in an unnecessary duplication of services.

Current law requires consideration of a longer list of factors, including similar matters as under the bill and other factors such as (1) the applicant's past and proposed provision of health care services to relevant populations and payer mix and (2) whether the applicant has shown that the proposal will not negatively impact provider diversity

and patient choice in the region. Current law, unlike the bill, also requires additional factors to be considered in deliberations for hospital ownership transfers.

Generally similar to current law, the bill allows the panel and the CON program to engage a third-party consultant to help in this analysis. But they may do so only if the CON program director, in his or her sole discretion, determines that there is a need for an expert with specialized knowledge. As under current law, the consultant must submit the bills for its services directly to the applicant, who must pay within 30 days after receiving them. The bill sets a \$100,000 limit on these bills per application.

Under the bill, before retaining a consultant, the program must notify the applicant and give them the opportunity to withdraw the application before incurring any consulting fees. The bill prohibits the panel and program from retaining a consultant for an application under the expedited review process (see § 7 below) unless the application is referred for a full review.

Starting by July 1, 2028, the DPH commissioner must annually report to the governor and Public Health Committee on consultants engaged under this process, including (1) the number, (2) the categories of CON proposals for which they were engaged, (3) the amount spent for each engagement, (4) the type of expertise sought, and (5) any reports they produced.

§§ 6 & 16 — APPLICATION PROCESS

The bill requires CON applicants under the new process to submit applications to DPH's CON program, in a way the commissioner sets. The applications must (1) include all information required under DPH regulations, policies, and procedures (see § 11 below) and (2) be submitted based on monthly deadlines, including submission dates on the 15th of each month. As under current law, applicants must submit a nonrefundable application fee ranging from \$1,000 to \$10,000, based on the project's costs.

Notice Posting and Determination of Application's Completeness

Under the bill, within 21 days before the CON application deadline, the applicant must give the CON program a notice for posting on the program's website. The notice must (1) identify the applicant, any known parties to the application, and the proposal's address and (2) briefly describe the proposal in plain language, including a reference to the bill's provision requiring CON approval (see § 4). If the applicant does not submit the application within 90 days after submitting this notice, the applicant must submit a new notice before applying.

Within 15 days after the application deadline, the program must notify the applicant whether the application is deemed complete. To be deemed complete, the applicant must have submitted relevant responses to all of the application's questions and data requests. Within five days after deeming an application incomplete, the program must give the applicant written notice about any application or data elements that were inadequately addressed. The program must not review the application until the applicant resubmits it, with the missing elements, in a subsequent application period. When submitting a revised application, no additional filing fee is required unless the proposal's total cost differs from the previous projected costs, in which case the applicant must submit the net difference in fees.

The bill's notice and application process differs in several respects from the current process. Among other things, current law requires the applicant to also post a notice in the newspaper and at least two community locations.

Request for Party or Intervenor Status

Under the bill, someone wishing to request party or intervenor status in connection with a CON application must file a notice with the program within 20 days after the CON applicant's notice was posted on the program's website. The proposed party's or intervenor's notice must indicate whether they seek a hearing on the application. Someone who files this notice (or shows good cause for failing to do so) may file a petition for party or intervenor status up to 21 days after the CON

applicant files the application.

After someone files a petition for party or intervenor status, the (1) panel must appoint a hearing officer to decide the matter, (2) applicant has five days to object, and (3) hearing officer must issue a decision within 15 days. If the hearing officer grants a request to intervene, the decision must set the scope of the approval, including whether the (1) intervenor's hearing request is granted or (2) intervention is limited to submitting written materials.

Program Report and Requests for Additional Information

Under the bill, the CON program must submit a report to the record summarizing the application and analyzing each of the required review factors (see above). The program must do so at least 10 days before any public hearing and no later than 90 days after the application was deemed complete.

The bill allows the program to request additional information from the applicant while analyzing the application. These requests must not delay review timelines unless mutually agreed to by the applicant and program. Unless otherwise prohibited by law, all additional information becomes part of the public CON record.

The bill also allows the program to supplement the record with relevant data, analyses, reports, or other similar evidence within 75 days after the application is deemed complete. The applicant must have 10 days to submit a written response to this evidence, and those responses must be included in the record.

Public Hearings and Proposed Decisions

With certain exceptions, current law requires a hearing on CON applications only if requested by a specified number of people. By contrast, under the bill, the panel, or a hearing officer the panel designates, generally must hold a public hearing on any application within 90 days after the program deems it as properly filed and complete.

But the applicant may waive the right to a hearing if the applicant is the only party and no one has been granted intervenor status. The applicant must do so in writing within 30 days after the application is deemed complete. Applicants that waive a hearing also waive their right to appeal.

Under the bill, the hearing record closes no later than 10 days after the hearing adjourns, unless the applicant and program both agree to keep the record open for a period. Any hearing transcript becomes part of the record without needing to reopen it. If a hearing is not held, the record closes 10 days after the program's report is submitted.

The bill allows the panel to appoint a hearing officer to administer any hearing under these provisions and to draft a proposed final decision (even when no hearing was held) consistent with the bill and the Uniform Administrative Procedure Act.

If a hearing officer was appointed, he or she must send the program report, the hearing record (if any), and his or her proposed final decision to the panel for its consideration at the next monthly meeting. The hearing officer must do so within 60 days after the hearing record is closed (or 150 days after the application was deemed complete, if the applicant waives the hearing). If there was no appointed hearing officer and no hearing, the program director must prepare and submit the proposed final decision. If the hearing officer's or director's proposed decision recommends conditions, the hearing officer or director, as applicable, must meet with the applicant (unless the law otherwise prohibits this) at least five days before sending the proposed decision, to preview the proposed conditions.

The bill allows applicants, within 14 days after a proposed final decision is published, to file written briefs or exceptions and request oral argument.

Panel Meeting and Decision

Under the bill, when the panel holds a meeting to review CON

applications, it must vote on each application that was submitted to it at least five days earlier. The panel must make its decisions by majority vote and may:

1. approve the application with or without conditions,
2. deny it,
3. send it back to the hearing officer to further develop the record for presentation at the next meeting (this may occur no more than twice unless the panel and applicant both agree), or
4. order the program and applicant to engage in agreed settlement negotiations.

Under the bill, any proposed final decision that the panel votes to approve is automatically converted to a final decision. If the panel votes to modify a proposed final decision, it must be modified as the panel directs and posted as a final decision no later than 30 days after the vote. Unless otherwise prohibited by law, at least five days before the modified final decision is posted, the program or hearing officer must meet with the applicant to preview the conditions to be finalized.

If the docket is referred for settlement negotiations, the negotiated proposed settlement must be presented at the next panel meeting. The panel must vote on the proposed settlement and may approve it or reject it and choose another available option.

The bill does not prevent the program and an applicant from engaging in negotiations to reach an agreed settlement earlier in the process, starting 30 days after the application is deemed complete. Any negotiated agreement must be presented for review and a vote at the next panel meeting that is at least five days after the settlement's date.

The bill allows the CON program to recommend, and the panel to impose, any conditions on a CON approval that are consistent with the bill's purposes. Unless otherwise prohibited by law, the program or hearing officer must meet with the applicant at least five days before

issuing a proposed final decision or final decision imposing conditions, to preview them. The applicant and any party to the application may request an amendment or relief from any condition due to changed circumstances, hardship, or other good cause. The panel may grant or deny the request, and its decision is not subject to appeal.

Under the bill, if there was a hearing on the application (including in cases where the panel remanded the matter to further develop the record), any final decision is subject to appeal to Superior Court.

Deadline Extension

The bill specifies that the CON program and applicant may agree to extend any of these deadlines.

§ 7 — EXPEDITED REVIEW PATHWAY

The bill requires the panel, by January 1, 2028, to create an expedited review pathway for certain CON application categories or subcategories. This applies to:

1. the relocation of a health care facility more than 10 miles from its current location and outside its current town;
2. an increase in inpatient or outpatient hospital beds;
3. the acquisition of CT, MRI, PET, or PET-CT scanners by any person, physician, provider, short-term acute care general hospital, or children's hospital (when CON approval is required for these acquisitions);
4. an increase of two or three operating rooms within a three-year period by an outpatient surgical facility or short-term acute care general hospital; and
5. any other category the DPH commissioner designates in regulations.

Applicants may request expedited review starting January 1, 2028, and must submit their CON applications under the same deadlines,

application fee, and notice of intent requirements as described above for the standard pathway (see § 6). Applications under the expedited pathway are not entitled to a hearing before a hearing officer, except the (1) program may hold a hearing before an appointed hearing officer no later than 30 days after deeming the application complete, without affecting other timelines, or (2) panel may transfer the application from the expedited pathway to the standard pathway described above.

Within 15 days after an expedited review is submitted, the program must notify the applicant whether the application is deemed complete and whether it qualifies for expedited review.

If the program deems an application incomplete, within five days it must give the applicant written notice about which elements of the submitted application or data were inadequate. The program must not review the application until the applicant resubmits it, with the missing elements, in a subsequent application period.

If the program deems the application complete but ineligible for expedited review, it must review the application under the bill's standard process. On the other hand, if the program deems the application eligible for expedited review, it must complete its analysis, and the director must issue a proposed final decision, within 60 days after that determination and present the application to the panel at its next meeting.

Request for Party or Intervenor Status

As with the standard pathway, the bill allows anyone to seek intervenor or party status for expedited applications, but under a streamlined process. The person must file the request within 14 days after the CON application was filed.

After someone makes such a request, the (1) panel must appoint a hearing officer to review the matter, (2) applicant has five days to respond, and (3) hearing officer must make a decision within five days.

If the hearing officer grants the request, the application must be

removed from the expedited pathway and processed through the standard one (and the referral date to the standard pathway is considered to be the date the application was deemed complete). In making the decision, the hearing officer must consider the unique nature of the expedited process and potential burden of allowing intervention.

Panel Decision

The bill allows applicants under the expedited process to file written briefs or exceptions and request oral argument on the proposed final decision, no later than seven days after it is published. The program must submit to the panel the proposed final decision and any of the applicant's subsequent submissions.

Under the bill, the panel must vote on an expedited application and approve it (with or without conditions), deny it, remand it to the program to further develop the record for the next panel meeting, remand it to further develop the record under the standard process, or order the program and applicant to engage in agreed settlement negotiations. The panel must base its decision on the same standards and guidelines that apply to the standard pathway.

The bill applies to expedited approvals similar provisions as under the standard process on (1) the automatic conversion of approved proposed final decisions to final decisions, (2) panel decisions that are voted to be modified, (3) dockets remanded for further development of the record or referred for settlement negotiations, (4) settlement negotiations earlier in the process, (5) the panel's authority to set conditions on its approval, and (6) the applicant's or party's ability to request an amendment or relief from any condition. (In a few cases, the deadlines under the expedited process are shorter.)

Additionally, for any docket remanded for processing under the standard process, the date of the panel's vote is the date the application is considered to be deemed complete under the standard process.

(PA 25-2, unchanged by the bill, created a separate OHS-administered emergency CON process for bankruptcy-related hospital ownership transfers.)

Deadline Extension

As under the standard process, the program and applicant may agree to extend any of these deadlines.

Reporting Requirement

The bill requires the CON program, by July 1, 2029, and in consultation with relevant stakeholders, to report to the Public Health Committee on the expedited pathway, including (1) the average time from application submission to final decision, (2) the number of applications processed through the expedited process compared to the standard process, (3) the number of applications filed under the expedited pathway that were transferred to the standard pathway and the reasons why, and (4) any recommended changes to the expedited pathway.

§§ 8 & 17 — VALIDITY, REVOCATION, AND RELATED MATTERS

Generally mirroring current law, under the bill:

1. a CON is valid only for (a) the proposal described in the application and (b) two years from the date it is issued;
2. the CON holder must give the program any information it requests about the proposal's development during these two years and for 30 days after it expires;
3. if the CON holder asks, the program may extend the CON's duration as it deems necessary, subject to a public comment period (unlike current law, the bill does not require a public hearing on these requests if a certain number of people ask for it);
4. the program may withdraw, revoke, or rescind the CON, under the Uniform Administrative Procedure Act, if it determines that the (a) project has not substantially begun during a valid CON

period or (b) CON holder has not made a good-faith effort to complete the proposal as approved; and

5. a CON is not transferable or assignable and the project cannot be transferred to someone else.

§§ 9 & 20 — COST AND MARKET IMPACT REVIEW

Under a generally similar process as current law, the bill requires the CON program to conduct a Cost and Market Impact Review (CMIR) of certain CON applications that propose to transfer a hospital's ownership or control, to examine the businesses and relative market provisions of the transacting parties. The bill's requirement also applies to notice of material change filings (see BACKGROUND) with the attorney general's office for these same transfers.

In either case, the bill's requirement applies to hospital ownership transfers when the purchaser is (1) an in- or out-of-state hospital or a hospital system that had net patient revenue exceeding \$1 billion for FY 25 or (2) organized or operated for profit. (The current threshold for (1) is \$1.5 billion revenue for FY 13.)

The CON program must hire an independent consultant to conduct the review at the purchaser's expense, with similar requirements as under current law, except the maximum bills per application are \$250,000 under the bill compared to \$200,000 currently.

The bill requires the program to develop a set of data requests for these CMIRs. The applicant must submit all necessary CMIR data when the applicant begins the CON application process or submits its material change notice, whichever is earlier. The program must review the data submission for completeness within 30 days, and notify the applicant about any missing elements.

Under the bill, the CON program must submit a preliminary CMIR report to the applicant and the attorney general within 90 days after the data submissions are complete. The applicant then has 15 days to respond in writing. After the applicant responds (or waives the

opportunity to do so), the program must make the preliminary report and the applicant's comments public. Within 120 days after the CON application was completed, the program must issue a final CMIR report and make it part of the public CON record for that application.

In several respects, the bill's CMIR provisions mirror those under current law. These include provisions on the:

1. confidentiality of submitted nonpublic information and limited exceptions to it;
2. factors that may be examined in the review, such as the parties' size and market share, prices for services, and service quality;
3. attorney general's authority, after the final CMIR report is issued, to investigate certain matters (for example, possible antitrust violations) or take related actions; and
4. required stay of the proposed transfer for a 30-day period after the CMIR final report is issued or while a court case brought by the attorney general is pending.

§ 10 — INVESTIGATIONS AND ENFORCEMENT

The bill requires the CON program's director to investigate all inquiries about compliance with the bill's new CON process. It gives the panel similar enforcement authority as OHS has under current law to investigate alleged CON violations. For example, it allows the panel, or its authorized agent, to (1) administer oaths and take testimony under oath relating to the matter under investigation and (2) subpoena witnesses or require the production of documents or other materials, subject to judicial enforcement.

Similar to current law, it sets a civil penalty (through proceedings brought by the CON program) for any person or health care facility or institution that negligently (1) undertakes an activity without a required CON approval or (2) fails to comply with a CON decision's terms or conditions or a panel-approved agreed settlement. It also sets this

penalty for any person or entity who negligently fails to submit a required notice about (1) changes in ownership or control of a large group practice that is not subject to CON approval (see § 4) or (2) a hospital's pause for more than 90 days or indefinite termination of a service line (see § 12). As under current law, the maximum penalty is \$1,000 per day. The CON program must present allegations of this negligence at a hearing before the panel.

The bill generally mirrors current procedures (and related deadlines) for these penalties, such as prior notice, the right to a hearing, and the right to appeal. It similarly mirrors a current provision that makes failing to pay the penalty after the final assessment grounds for deducting Medicaid payments.

It also generally mirrors current law for cease and desist orders, by allowing the CON program to pursue this remedy when the director (or his or her agent) has received information or reasonably believes that someone has or is violating the bill's new CON procedures or requirements. The bill includes prior notice, hearing, and appeal provisions that are similar to current law, with the panel holding the hearings and issuing the order.

The bill allows any civil penalty proceeding and investigation or cease and desist proceeding to be held together in one proceeding.

§§ 11 & 16 — REGULATIONS AND POLICIES AND PROCEDURES

The bill requires the DPH commissioner to adopt regulations to implement the new CON process. It also allows her to implement policies and procedures while in the process of adopting regulations, as long as she first convenes a working group by January 1, 2027, with relevant stakeholders to give input. The policies and procedures are valid for a maximum of two years or until the regulations are adopted, whichever is earlier.

The bill eliminates OHS's ability under current law to implement policies and procedures while adopting regulations for the CON

process.

§§ 12 & 19 — HOSPITAL SERVICE PAUSES OR TERMINATIONS

Under current law, in addition to required CON approval for certain service terminations (see above), health care facilities must give OHS 60 days' notice of other service terminations, with the specific procedures differing based on whether the service originally needed CON approval.

By contrast, the bill's new process generally addresses service terminations only by hospitals and does not set related notification requirements for other facilities. It allows a hospital to temporarily pause a service for up to 90 days. If the hospital intends to pause a service line for longer than that or to indefinitely terminate a service line, it must generally notify the CON program at least 90 days in advance. If 90 days' notice is not practicable due to circumstances beyond the hospital's control (such as a provider's death), the hospital must give notice as soon as practicable but no later than 14 days. Under the bill, a "service line" is a category of inpatient or outpatient service, except for emergency department services.

The notice may be in writing or electronic, and must include:

1. a description of the service to be paused or terminated;
2. current and historical utilization rates for it;
3. the anticipated impact of the pause or termination on people and health care facilities in the hospital's primary service area;
4. the date set for the pause or termination and, if applicable, the anticipated date to resume the service;
5. a detailed account of any community engagement and planning that has been done or that is scheduled to take place before the pause or termination; and
6. any other information the director requires.

The hospital must also send a copy of the notice to (1) the attorney general's office, DSS, and the Office of the Healthcare Advocate, and (2) if it relates to a behavioral health or substance use disorder treatment service, the Department of Mental Health and Addiction Services and Behavioral Health Advocate.

Under the bill, the program must hold a public hearing on the proposed pause or termination, the impact on the hospital's primary service area, and the proposed plan for ensuring continued access to high-quality affordable health care in that area. The hearing record and any submitted public comments must inform the panel's review of the proposal plan and any imposed conditions (see below).

Plan for Continued Access

The bill requires a hospital, generally at least 60 days before the pause or termination, to submit a plan for ensuring access to the service afterwards. If the service ended due to an unplanned event outside of the hospital's control, the hospital must submit the plan within 14 days. The plan must include:

1. information on service utilization before the proposed pause or termination;
2. information on the location and service capacity of alternative sites that provide the service and travel times to them;
3. an assessment of transportation needs after the pause or termination and a plan to meet them;
4. a protocol that details ways to maintain continuity of care for patients and describes how patients in the hospital's primary service area will get the service at other sites; and
5. a communication plan to ensure that all affected patients in that area are aware of the pause or termination, where else they may get the service, and the hospital's available help to get it.

Under the bill, the CON program must review the hospital's plan to determine if it ensures continued access to the service. Within 10 days after receiving the plan, the program must review it and give the hospital and panel written recommendations to approve the plan, modify it, or impose conditions on it.

The panel then must hold a meeting on the plan within 10 days. The hospital may submit a response to the recommendations at the meeting. Within 10 days after the meeting, the panel must make its decision, and the panel's decision approving or modifying a plan is a final decision subject to appeal to Superior Court.

The CON program must monitor the plan's implementation. If the hospital fails to implement any aspect of the approved plan, the program may impose a performance improvement plan. The hospital may be subject to civil penalties (see § 10 above) for failure to comply with the performance improvement plan and continued failure to perform under the plan.

BACKGROUND

Nonprofit Hospital Sales

Under existing law, a nonprofit hospital needs approval from the OHS commissioner and attorney general before entering into an agreement to transfer a material amount of its assets or operations or change control of its operations to a for-profit purchaser. Among other things, the hospital and purchaser must submit a CON determination letter as part of this process. OHS and the attorney general's office must evaluate several factors in deciding whether to approve the transaction (CGS § 19a-486 et seq.).

Notice of Material Change

Existing law requires prior notice to the attorney general before parties may complete a transaction resulting in (1) a material change to a physician group practice's business or corporate structure or (2) an affiliation between one hospital or hospital system and another, so the attorney general can review the transaction under the antitrust laws

(CGS § 19a-486i).

Related Bill

sHB 5030 (File 680), favorably reported by the Appropriations Committee, eliminates OHS and transfers the CON program to DPH.

COMMITTEE ACTION

Public Health Committee

Joint Favorable

Yea 22 Nay 10 (03/09/2026)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 43 Nay 11 (04/14/2026)