



General Assembly

**Amendment**

February Session, 2026

LCO No. 5496



Offered by:

SEN. HOCHADEL, 13<sup>th</sup> Dist.

REP. GARIBAY, 60<sup>th</sup> Dist.

REP. FORTIER, 79<sup>th</sup> Dist.

SEN. HWANG, 28<sup>th</sup> Dist.

To: Subst. Senate Bill No. 125

File No. 69

Cal. No. 69

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

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

3 "Section 1. Subsection (e) of section 19a-564 of the 2026 supplement to  
4 the general statutes is repealed and the following is substituted in lieu  
5 thereof (*Effective October 1, 2026*):

6 (e) An assisted living services agency shall: (1) Ensure that all services  
7 being provided on an individual basis to clients are fully understood  
8 and agreed upon between either the client or the client's representative;  
9 (2) ensure that the client or the client's representative is made aware of  
10 the cost of any such services; (3) disclose fee increases to a resident or a  
11 resident's representative not later than sixty days prior to such fees  
12 taking effect; [and] (4) if a fee increase exceeds ten per cent of the

13 previous fee, hold an informational hearing, not later than thirty days  
14 prior to such fee increase taking effect, that provides an opportunity for  
15 commentary, including, but not limited to, commentary by residents,  
16 residents' representatives and residents' family members; and (5)  
17 provide, upon request, to a resident and a resident's representative the  
18 history of fee increases over the past three calendar years. Nothing in  
19 this subsection shall be construed to limit an assisted living services  
20 agency from immediately adjusting fees to the extent such adjustments  
21 are directly related to a change in the level of care or services necessary  
22 to meet individual resident safety needs at the time of a scheduled  
23 resident care meeting or if a resident's change of condition requires a  
24 change in services.

25 Sec. 2. Section 7-127b of the general statutes is repealed and the  
26 following is substituted in lieu thereof (*Effective from passage*):

27 (a) The chief elected official or the chief executive officer if by  
28 ordinance of each municipality shall appoint a municipal agent for  
29 [elderly persons] aging. Such agent (1) shall be a (A) staff member of a  
30 senior center, [a] (B) member of an agency that serves [elderly persons]  
31 older adults in the municipality, or [a] (C) responsible resident of the  
32 municipality who has demonstrated an interest in assisting [elderly  
33 persons] older adults or has been involved in programs in the field of  
34 aging, and (2) shall not have a conflict of interest or a potential conflict  
35 of interest that may interfere with the municipal agent's ability to  
36 provide unbiased information, assistance or referral services. Two or  
37 more municipalities may jointly appoint one or more municipal agents  
38 to carry out the duties and responsibilities of a municipal agent,  
39 provided such municipalities enter into a memorandum of agreement  
40 or understanding for such purpose, which may include, but need not be  
41 limited to, terms concerning the sharing of any expenses relating to the  
42 municipal agent or agents.

43 (b) The duties of the municipal agent shall include, but need not be  
44 limited to: (1) Disseminating information to [elderly persons] older  
45 adults, assisting such persons in learning about the community

46 resources available to them and publicizing such resources and benefits;  
47 (2) assisting [elderly persons] older adults in applying for federal and  
48 state benefits, and accessing community resources, available to such  
49 persons; and (3) reporting to the chief elected official or chief executive  
50 officer of the municipality and the Department of Aging and Disability  
51 Services any needs and problems of [the elderly] older adults and any  
52 recommendations for action to improve services to [the elderly] older  
53 adults. For the purposes of this subsection, "community resources"  
54 means resources that assist [elderly persons] older adults in gaining  
55 access to housing opportunities, including, but not limited to,  
56 information regarding access to waitlists for housing designated for  
57 [elderly persons] older adults, applications and consumer reports.

58 (c) Each municipal agent shall serve for a term of two or four years,  
59 at the discretion of the appointing authority of each municipality, and  
60 may be reappointed. If more than one agent is necessary to carry out the  
61 purposes of this section, the appointing authority, in its discretion, may  
62 appoint one or more assistant agents. The town clerk in each  
63 municipality shall notify the Department of Aging and Disability  
64 Services immediately of the appointment of a new municipal agent.  
65 Each municipality may provide to its municipal agent resources  
66 sufficient for such agent to perform the duties of the office.

67 (d) The Department of Aging and Disability Services shall adopt and  
68 disseminate to municipalities guidelines as to the role and duties of  
69 municipal agents and such informational and technical materials as may  
70 assist such agents in performance of their duties. The department, in  
71 cooperation with the area agencies on aging, may provide training for  
72 municipal agents within the available resources of the department and  
73 of the area agencies on aging.

74 (e) On or before January 1, 2025, the Commissioner of Aging and  
75 Disability Services shall create a directory of municipal agents  
76 appointed pursuant to the provisions of this section, which shall  
77 include, but need not be limited to, the name, title, telephone number,  
78 electronic mail address and mailing address of each municipal agent.

79 The commissioner shall post a link to the directory on the Department  
80 of Aging and Disability Services' Internet web site.

81 (f) On and after July 1, 2026, each municipal agent, at the time of such  
82 municipal agent's appointment or reappointment, shall certify, in  
83 writing, that such municipal agent is unaware of any conflict of interest  
84 or potential conflict of interest that may interfere with the municipal  
85 agent's ability to provide unbiased information, assistance or referral  
86 services and submit such certification to the Commissioner of Aging and  
87 Disability Services in a form and manner prescribed by the  
88 commissioner. If, during the term of a municipal agent, such a conflict  
89 of interest or potential conflict of interest arises, any interested party  
90 may, and a municipal agent shall, immediately report such conflict of  
91 interest or potential conflict of interest to the appointing authority to  
92 determine whether another municipal agent or municipal employee can  
93 act in lieu of the affected municipal agent to nullify such conflict of  
94 interest or potential conflict of interest. The appointing authority may  
95 consult with the Department of Aging and Disability Services in making  
96 such determination. For the purposes of this subsection, the term  
97 "conflict of interest" includes, but is not limited to, the receipt of any  
98 financial or personal benefit by a municipal agent, such agent's spouse,  
99 parent, sibling, child or child's spouse or a business associated with such  
100 agent.

101 Sec. 3. (Effective October 1, 2026) (a) As used in this section, (1)  
102 "controlling interest" means the direct or indirect power to direct the  
103 management and policies of a nursing home, whether through  
104 ownership of voting securities, contract or other means; (2) "nursing  
105 home" means a nursing home, as defined in section 19a-490 of the  
106 general statutes, that has a provider agreement with the state to provide  
107 services to recipients of benefits obtained through Title XIX of the Social  
108 Security Amendments of 1965; and (3) "investment entity" means (A)  
109 any entity that collects capital investments from individuals or entities  
110 and purchases, as a parent company or through another entity that the  
111 entity completely or partially owns or controls, a direct or indirect

112 ownership share of a nursing home, or (B) a real estate investment trust,  
113 as defined in 26 USC 856, as amended from time to time.

114 (b) Not later than February 15, 2027, and annually thereafter, each  
115 nursing home shall provide the Commissioner of Social Services with  
116 the following information: (1) The name and business address of all  
117 investment entities with a beneficial ownership interest of five per cent  
118 or more in the nursing home and a statement of whether such  
119 investment entity is an individual, partnership, corporation or other  
120 legal entity; (2) the names of the officers, directors, trustees or managing  
121 and general partners of any such investment entity and the number of  
122 shares owned or ownership percentage of the investment entity held by  
123 each partner; (3) if such investment entity is a corporation that is  
124 incorporated in another state, a certificate of good standing from the  
125 Secretary of the State of the state of incorporation; (4) the audited and  
126 certified financial statements of the investment entity, if applicable,  
127 including, but not limited to, (A) a balance sheet as of the end of the  
128 most recent fiscal year, (B) income statements for the most recent fiscal  
129 year, (C) a cash flow statement from the most recent fiscal year, and (D)  
130 an estimate of financing expenses, legal expenses, land costs, marketing  
131 costs and other similar costs that the investment entity expects to incur  
132 or become obligated to pay within one year of acquisition of the nursing  
133 home; (5) a description of any mortgage loan or other financing used for  
134 the initial acquisition or construction of the nursing home, subsequent  
135 refinancing of any such debt, and any subsequent financing of  
136 additional debt incurred, including, but not limited to, the terms and  
137 costs of any such mortgage loan or other financing; (6) a copy of the  
138 purchase agreement for the nursing home and any agreement providing  
139 for the transfer of ownership interests in the nursing home, including,  
140 but not limited to, the real estate agreement, asset agreement, stock  
141 agreement or other similar agreement; and (7) any documentation  
142 regarding escrow or contingency accounts.

143 (c) The Commissioner of Social Services may impose a civil penalty  
144 of one thousand dollars per day on any nursing home that fails to

145 provide any information required pursuant to subsection (b) of this  
146 section not later than thirty days after the date such information is due,  
147 provided the commissioner provides written notice to the nursing home  
148 of its failure to provide such information not later than fourteen days  
149 after the date such information is due. A nursing home may request a  
150 fair hearing on the assessment of any such civil penalty as an aggrieved  
151 person pursuant to section 17b-60 of the general statutes.

152 (d) (1) The Commissioner of Social Services shall identify any security  
153 instruments, including, but not limited to, surety bonds, escrow  
154 accounts or insurance-related products, that may be available to a  
155 nursing home to guarantee ninety days of such nursing home's  
156 operating costs payable to the state in the event that such nursing home  
157 enters a receivership, initiates an emergency closure or experiences  
158 imminent financial distress. Not later than January 1, 2028, the  
159 commissioner shall communicate to nursing homes any security  
160 instruments identified pursuant to the provisions of this subdivision in  
161 a form and manner prescribed by the commissioner. The provisions of  
162 this subsection shall not apply if the commissioner fails to identify any  
163 such security instruments, or determines that such security instruments  
164 are not financially feasible.

165 (2) On and after July 1, 2028, each nursing home subject to a beneficial  
166 ownership interest of an investment entity of five per cent or more shall,  
167 at the time of application for or renewal of a nursing home license,  
168 demonstrate to the satisfaction of the Commissioner of Social Services  
169 that the nursing home has secured a surety bond or similar form of  
170 security in favor of the state in an amount equal to ninety days of  
171 operating costs for the nursing home and that such bond or similar form  
172 of security shall remain in effect for the duration of the initial license  
173 term and any renewal term.

174 (3) On and after July 1, 2028, each nursing home subject to a beneficial  
175 ownership interest of an investment entity of five per cent or more shall,  
176 at the time of application for or renewal of a nursing home license,  
177 submit to the Department of Public Health a copy of the surety bond or

178 similar form of security required under subdivision (2) of this  
179 subsection.

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

185 (f) Not later than February 1, 2028, and annually thereafter, each  
186 nursing home shall submit to the Commissioner of Public Health, in a  
187 form and manner prescribed by the commissioner, an attestation that (1)  
188 no investment entity has a controlling interest in the nursing home, (2)  
189 the entity holding the nursing home's license maintains full governance  
190 control and authority over the nursing home's assets and activities, and  
191 (3) no investment entity has control over nursing home resident health,  
192 safety or care.

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

196 (h) A nursing home shall, not later than ten business days after receipt  
197 of an order from the commissioner imposing a civil penalty under  
198 subsection (g) of this section, submit a request in writing to the  
199 Department of Public Health for a hearing to contest the order. If the  
200 nursing home fails to submit such a request not later than ten business  
201 days after such receipt, the order shall be deemed a final order of the  
202 department, effective upon the expiration of such ten business days.  
203 After receipt of a timely request for a hearing, the department shall set  
204 the matter down for a hearing as a contested case in accordance with the  
205 provisions of chapter 54 of the general statutes.

206 Sec. 4. (*Effective from passage*) The Commissioner of Social Services, in  
207 consultation with the Commissioner of Public Health, shall review and  
208 evaluate the (1) nursing home disclosures provided in accordance with

209 the provisions of section 3 of this act, (2) quality of care at nursing homes  
210 that are subject to a beneficial ownership interest of an investment entity  
211 compared to the quality of care at nursing homes under other  
212 ownership structures, and (3) implications of prohibiting a person or  
213 entity who acquires ownership of real property on which a licensed  
214 nursing home operates from selling, transferring or otherwise  
215 conveying such property within five years of such acquisition without  
216 written approval from the Commissioner of Public Health. Not later  
217 than February 15, 2028, the Commissioner of Social Services shall report  
218 the results of such review, in accordance with the provisions of section  
219 11-4a of the general statutes, to the joint standing committees of the  
220 General Assembly having cognizance of matters relating to human  
221 services, public health, appropriations and the budgets of state agencies,  
222 and aging.

223 Sec. 5. Section 29-453a of the general statutes is repealed and the  
224 following is substituted in lieu thereof (*Effective October 1, 2026*):

225 (a) Any privately owned multifamily housing project, within a  
226 municipality with a population of at least one hundred thirty thousand  
227 but less than one hundred [thirty-five] forty thousand, as enumerated  
228 in the 2020 federal decennial census, shall install and maintain one or  
229 more emergency power generators capable of providing a minimum of  
230 four to twelve hours of sufficient electrical power to (1) each unit for  
231 heating, water, lighting and critical medical equipment, and (2) each  
232 passenger elevator.

233 (b) For purposes of this section, "privately owned multifamily  
234 housing project" means real property that (1) consists of, or  
235 encompasses, a building not less than fifteen stories in height that  
236 contains dwelling units whose occupancy is restricted by age, and (2) is  
237 subject, in whole or in part, to a mortgage insured under the National  
238 Housing Act, 12 USC 1701 et seq.

239 Sec. 6. (NEW) (*Effective October 1, 2026*) (a) As used in this section: (1)  
240 "Home health aide agency" has the same meaning as provided in section

241 19a-490 of the general statutes, (2) "home health aide employee" means  
242 a person (A) who is employed as a home health aide by a home health  
243 aide agency, or (B) with whom such agency has contracted to provide  
244 home health aide services on behalf of such agency, (3) "home health  
245 aide services" has the same meaning as provided in section 19a-490 of  
246 the general statutes, and (4) "personal protective equipment" includes,  
247 but is not limited to, disposable gloves, hand sanitizers, aprons, gowns,  
248 foot covers, face shields, N95 masks or higher rated masks certified by  
249 the National Institute for Occupational Safety and Health and surgical  
250 masks.

251 (b) Each home health aide agency shall provide each home health  
252 aide employee, at no cost, personal protective equipment that is  
253 necessary to safely provide home health aide services to each client of a  
254 home health aide employee.

255 Sec. 7. Subsection (a) of section 17b-354 of the 2026 supplement to the  
256 general statutes is repealed and the following is substituted in lieu  
257 thereof (*Effective from passage*):

258 (a) The Department of Social Services shall not accept or approve any  
259 requests for additional nursing home beds, except (1) beds restricted to  
260 use by patients with acquired immune deficiency syndrome or by  
261 patients requiring neurological rehabilitation; (2) beds associated with a  
262 continuing care facility, as described in section 17b-520, provided such  
263 beds are not used in the Medicaid program; [ For the purpose of this  
264 subsection, beds associated with a continuing care facility are not subject  
265 to the certificate of need provisions pursuant to sections 17b-352 and  
266 17b-353;] (3) Medicaid certified beds either to be relocated from one  
267 licensed nursing facility to another licensed nursing facility to meet a  
268 priority need identified in the strategic plan developed pursuant to  
269 subsection (c) of section 17b-369 or new beds added to an existing  
270 facility or a new facility with preference given to a nontraditional, small-  
271 house-style nursing home facility that incorporates the goals for nursing  
272 facilities referenced in the department's strategic plan for long-term  
273 care, as described in section 17b-355, as amended by this act, to address

274 priority needs reflected by area census trends; (4) licensed Medicaid  
275 nursing facility beds to be relocated from one or more existing nursing  
276 facilities to a new nursing facility, including a replacement facility,  
277 provided (A) no new Medicaid certified beds are added, (B) at least one  
278 currently licensed facility is closed in the transaction as a result of the  
279 relocation, (C) the relocation is done within available appropriations,  
280 (D) the facility participates in the Money Follows the Person  
281 demonstration project pursuant to section 17b-369, (E) the availability of  
282 beds in the area of need will not be adversely affected, (F) the certificate  
283 of need approval for such new facility or facility relocation and the  
284 associated capital expenditures are obtained pursuant to sections 17b-  
285 352 and 17b-353, and (G) the facilities included in the bed relocation and  
286 closure shall be in accordance with the strategic plan developed  
287 pursuant to subsection (c) of section 17b-369; and (5) proposals to build  
288 a nontraditional, small-house style nursing home designed to enhance  
289 the quality of life for nursing facility residents, provided that the  
290 nursing facility agrees to reduce its total number of licensed beds by a  
291 percentage determined by the Commissioner of Social Services in  
292 accordance with the department's strategic plan for long-term care. For  
293 the purposes of this subsection, beds associated with a continuing care  
294 facility are not subject to the certificate of need provisions pursuant to  
295 sections 17b-352 and 17b-353.

296 Sec. 8. Section 17b-355 of the general statutes is repealed and the  
297 following is substituted in lieu thereof (*Effective from passage*):

298 (a) In determining whether a request submitted pursuant to sections  
299 17b-352 to 17b-354, inclusive, as amended by this act, will be granted,  
300 modified or denied, the Commissioner of Social Services shall consider  
301 the following: (1) The financial feasibility of the request and its impact  
302 on the applicant's rates and financial condition, (2) the contribution of  
303 the request to the quality, accessibility and cost-effectiveness of the  
304 delivery of long-term care in the region, including consideration of the  
305 nursing home's star rating on the five-star quality rating system for  
306 nursing homes published by the Centers for Medicare and Medicaid

307 Services, (3) whether there is clear public need for the request, (4) the  
308 relationship of any proposed change to the applicant's current  
309 utilization statistics and the effect of the proposal on the utilization  
310 statistics of other facilities in the applicant's service area, (5) the business  
311 interests of all owners, partners, associates, incorporators, directors,  
312 sponsors, stockholders and operators and the personal background of  
313 such persons, and (6) any other factor which the Department of Social  
314 Services deems relevant. In considering whether there is clear public  
315 need for any request for the relocation of beds to a replacement facility,  
316 or for new beds added to an existing facility or a new facility, the  
317 commissioner shall consider whether there is a demonstrated bed need  
318 in the towns within a fifteen-mile radius of the town in which the beds  
319 are proposed to be located and whether the availability of beds in the  
320 applicant's service area will be adversely affected.

321 (b) Any proposal to relocate nursing home beds from an existing  
322 facility to a new facility shall not increase the number of Medicaid  
323 certified beds and shall result in the closure of at least one currently  
324 licensed facility. The commissioner may request that any applicant  
325 seeking to replace an existing facility reduce the number of beds in the  
326 new facility by a percentage that is consistent with the department's  
327 strategic state-wide long-term rebalancing plan for long-term care. If an  
328 applicant seeking to replace an existing facility with a new facility owns  
329 or operates more than one nursing facility, the commissioner may  
330 request that the applicant close two or more facilities before approving  
331 the proposal to build a new facility. The commissioner shall also  
332 consider whether an application to establish a new or replacement  
333 nursing facility proposes a nontraditional, small-house style nursing  
334 facility and incorporates goals for nursing facilities referenced in the  
335 department's strategic state-wide long-term rebalancing plan for long-  
336 term care, including, but not limited to, (1) promoting person-centered  
337 care, (2) providing enhanced quality of care, (3) creating community  
338 space for all nursing facility residents, and (4) developing stronger  
339 connections between the nursing facility residents and the surrounding  
340 community. [Bed]

341 (c) Demonstrated bed need shall be based on the recent occupancy  
342 percentage of area nursing facilities [and the] with occupancy above  
343 ninety-six per cent for a minimum of two consecutive quarters. The  
344 department may consider projected bed need [for no more than five  
345 years] into the future at [ninety-seven and one-half per cent] occupancy  
346 above ninety-six per cent using the latest [official population projections  
347 by town and age as published by the Office of Policy and Management  
348 and the latest available state-wide nursing facility utilization statistics  
349 by age cohort from the Department of Public Health] strategic state-  
350 wide long-term rebalancing plan for long-term care as published by the  
351 department. The commissioner may also consider area specific  
352 utilization and reductions in utilization rates to account for the  
353 increased use of less institutional alternatives.

354 Sec. 9. Section 17b-99a of the 2026 supplement to the general statutes  
355 is repealed and the following is substituted in lieu thereof (*Effective July*  
356 *1, 2026*):

357 (a) (1) For purposes of this section, (A) "extrapolation" means the  
358 determination of an unknown value by projecting the results of the  
359 review of a sample to the universe from which the sample was drawn,  
360 (B) "facility" means any facility described in this subsection and for  
361 which rates are established pursuant to section 17b-340, (C) "minimum  
362 data set" means the federal resident assessment tool required by the  
363 Centers for Medicare and Medicaid Services, and [(C)] (D) "universe"  
364 means a defined population of claims submitted by a facility during a  
365 specific time period.

366 (2) The Commissioner of Social Services shall conduct any audit of a  
367 licensed chronic and convalescent nursing home, chronic disease  
368 hospital associated with a chronic and convalescent nursing home, a rest  
369 home with nursing supervision, a licensed residential care home, as  
370 defined in section 19a-490, and a residential facility for persons with  
371 intellectual disability which is licensed pursuant to section 17a-227 and  
372 certified to participate in the Medicaid program as an intermediate care  
373 facility for individuals with intellectual disabilities in accordance with

374 the provisions of this section.

375 (b) Not less than thirty days prior to the commencement of any such  
376 audit, the commissioner shall provide written notification of the audit  
377 to such facility, unless the commissioner makes a good-faith  
378 determination that (1) the health or safety of a recipient of services is at  
379 risk; or (2) the facility is engaging in vendor fraud under sections 53a-  
380 290 to 53a-296, inclusive.

381 (c) Any clerical error, including, but not limited to, recordkeeping,  
382 typographical, scrivener's or computer error, discovered in a record or  
383 document produced for any such audit, shall not of itself constitute a  
384 wilful violation of the rules of a medical assistance program  
385 administered by the Department of Social Services unless proof of intent  
386 to commit fraud or otherwise violate program rules is established. In  
387 determining which facilities shall be subject to audits, the Commissioner  
388 of Social Services may give consideration to the history of a facility's  
389 compliance in addition to other criteria used to select a facility for an  
390 audit.

391 (d) A finding of overpayment or underpayment to such facility shall  
392 not be based on extrapolation unless (1) there is a determination of  
393 sustained or high level of payment error involving the facility, (2)  
394 documented educational intervention has failed to correct the level of  
395 payment error, or (3) the value of the claims in aggregate exceeds two  
396 hundred thousand dollars on an annual basis.

397 (e) A facility, in complying with the requirements of any such audit,  
398 shall be allowed not less than thirty days to provide documentation in  
399 connection with any discrepancy discovered and brought to the  
400 attention of such facility in the course of any such audit.

401 (f) The commissioner shall produce a preliminary written report  
402 concerning any audit conducted pursuant to this section and such  
403 preliminary report shall be provided to the facility that was the subject  
404 of the audit not later than sixty days after the conclusion of such audit.

405 (g) The commissioner shall, following the issuance of the preliminary  
406 report pursuant to subsection (f) of this section, hold an exit conference  
407 with any facility that was the subject of any audit pursuant to this  
408 subsection for the purpose of discussing the preliminary report. Such  
409 facility may present evidence at such exit conference refuting findings  
410 in the preliminary report.

411 (h) The commissioner shall produce a final written report concerning  
412 any audit conducted pursuant to this subsection. Such final written  
413 report shall be provided to the facility that was the subject of the audit  
414 not later than sixty days after the date of the exit conference conducted  
415 pursuant to subsection (g) of this section, unless the commissioner and  
416 the facility agree to a later date or there are other referrals or  
417 investigations pending concerning the facility.

418 (i) Any facility aggrieved by a final report issued pursuant to  
419 subsection (h) of this section may request a rehearing. A rehearing shall  
420 be held by the commissioner or the commissioner's designee, provided  
421 a detailed written description of all items of aggrievement in the final  
422 report is filed by the facility not later than ninety days following the date  
423 of written notice of the commissioner's decision. The rehearing shall be  
424 held not later than thirty days following the date of filing of the detailed  
425 written description of each specific item of aggrievement. The  
426 commissioner shall issue a final decision not later than sixty days  
427 following the close of evidence or the date on which final briefs are filed,  
428 whichever occurs later. Any items not resolved at such rehearing to the  
429 satisfaction of the facility or the commissioner shall be submitted to  
430 binding arbitration by an arbitration board consisting of one member  
431 appointed by the facility, one member appointed by the commissioner  
432 and one member appointed by the Chief Court Administrator from  
433 among the retired judges of the Superior Court, which retired judge  
434 shall be compensated for his services on such board in the same manner  
435 as a state referee is compensated for his services under section 52-434.  
436 The proceedings of the arbitration board and any decisions rendered by  
437 such board shall be conducted in accordance with the provisions of the

438 Social Security Act, 42 USC 1396, as amended from time to time, and  
439 chapter 54.

440 (j) The commissioner shall conduct audits of minimum data set  
441 information used in the calculation of Medicaid acuity-based per diem  
442 rates paid to licensed nursing homes. The commissioner shall conduct  
443 an audit of minimum data set information in accordance with the  
444 provisions of this section, except a nursing home shall provide all  
445 documentation requested by the commissioner pursuant to the  
446 minimum data set audit not later than ten days after the date on which  
447 the commissioner requests such documentation. The commissioner  
448 shall not accept any documentation submitted by a nursing home after  
449 the completion of the exit conference portion of the audit unless the  
450 commissioner and the nursing home agree to such submission of  
451 documentation.

452 [(j)] (k) The submission of any false or misleading [fiscal] information  
453 or data to the commissioner shall be grounds for suspension of  
454 payments by the state under sections 17b-239 to 17b-246, inclusive, and  
455 sections 17b-340, and 17b-343, in accordance with regulations adopted  
456 by the commissioner. In addition, any person, including any  
457 corporation, who knowingly makes or causes to be made any false or  
458 misleading statement or who knowingly submits false or misleading  
459 fiscal information or data on the forms approved by the commissioner  
460 shall be guilty of a class D felony.

461 [(k)] (l) The commissioner, or any agent authorized by the  
462 commissioner to conduct any inquiry, investigation or hearing under  
463 the provisions of this section, shall have power to administer oaths and  
464 take testimony under oath relative to the matter of inquiry or  
465 investigation. At any hearing ordered by the commissioner, the  
466 commissioner or such agent having authority by law to issue such  
467 process may subpoena witnesses and require the production of records,  
468 papers and documents pertinent to such inquiry. If any person disobeys  
469 such process or, having appeared in obedience thereto, refuses to  
470 answer any pertinent question put to the person by the commissioner or

471 the commissioner's authorized agent or to produce any records and  
472 papers pursuant thereto, the commissioner or the commissioner's agent  
473 may apply to the superior court for the judicial district of Hartford or  
474 for the judicial district wherein the person resides or wherein the  
475 business has been conducted, or to any judge of such court if the same  
476 is not in session, setting forth such disobedience to process or refusal to  
477 answer, and such court or judge shall cite such person to appear before  
478 such court or judge to answer such question or to produce such records  
479 and papers.

480 [(l)] (m) The commissioner shall provide free training to facilities on  
481 the preparation of cost reports to avoid clerical errors and shall post  
482 information on the department's Internet web site concerning the  
483 auditing process and methods to avoid clerical errors. Not later than  
484 April 1, 2015, the commissioner shall establish audit protocols to assist  
485 facilities subject to audit pursuant to this section in developing  
486 programs to improve compliance with Medicaid requirements under  
487 state and federal laws and regulations, provided audit protocols may  
488 not be relied upon to create a substantive or procedural right or benefit  
489 enforceable at law or in equity by any person, including a corporation.  
490 The commissioner shall establish and publish on the department's  
491 Internet web site audit protocols for: (1) Licensed chronic and  
492 convalescent nursing homes, (2) chronic disease hospitals associated  
493 with chronic and convalescent nursing homes, (3) rest homes with  
494 nursing supervision, (4) licensed residential care homes, as defined in  
495 section 19a-490, and (5) residential facilities for persons with intellectual  
496 disability that are licensed pursuant to section 17a-227 and certified to  
497 participate in the Medicaid program as intermediate care facilities for  
498 individuals with intellectual disabilities. The commissioner shall ensure  
499 that the Department of Social Services, or any entity with which the  
500 commissioner contracts to conduct an audit pursuant to this section, has  
501 on staff or consults with, as needed, licensed health professionals with  
502 experience in treatment, billing and coding procedures used by the  
503 facilities being audited pursuant to this section."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	19a-564(e)
Sec. 2	<i>from passage</i>	7-127b
Sec. 3	<i>October 1, 2026</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>October 1, 2026</i>	29-453a
Sec. 6	<i>October 1, 2026</i>	New section
Sec. 7	<i>from passage</i>	17b-354(a)
Sec. 8	<i>from passage</i>	17b-355
Sec. 9	<i>July 1, 2026</i>	17b-99a