



House of Representatives

File No. 606

General Assembly

February Session, 2026

(Reprint of File No. 22)

House Bill No. 5165
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 13, 2026

AN ACT REQUIRING AN EVALUATION OF THE APPOINTMENT OF A RECEIVER TO MANAGE HOSPITALS IN FINANCIAL DISTRESS OR OPERATIONAL CRISIS.

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

1 Section 1. (*Effective from passage*) (a) As used in this section, "a hospital
2 in financial distress or operational crisis" means a hospital that (1) has
3 filed for bankruptcy protection, or (2) is experiencing three or more of
4 the following conditions: (A) The hospital has been issued a negative
5 going concern opinion by its independent auditing firm; (B) the hospital
6 owes fees, taxes or an assessment to one or more public entities and such
7 fees or taxes are, or such assessment is, not less than one hundred eighty
8 days past due, provided the hospital has not (i) commenced a
9 proceeding to contest the payment of such fees, taxes or assessment, or
10 (ii) been granted an extension of time to pay such fees, taxes or
11 assessment; (C) the hospital is in default of a material covenant on a
12 bond contract or similar debt instrument; (D) the hospital has failed to
13 make a payment of wages, as defined in section 31-71a of the general

14 statutes, for two or more consecutive pay periods, provided the amount
 15 of such wages is not in dispute pursuant to section 31-71d of the general
 16 statutes; or (E) the Commissioner of Public Health has revoked the
 17 hospital's license or the Centers for Medicare and Medicaid Services has
 18 revoked the hospital's participating provider status.

19 (b) The Commissioner of Public Health shall evaluate whether the
 20 Attorney General should be authorized to petition the Superior Court
 21 for the appointment of a receiver to manage a hospital in financial
 22 distress or operational crisis. Not later than October 1, 2027, the
 23 commissioner shall report, in accordance with the provisions of section
 24 11-4a of the general statutes, to the joint standing committee of the
 25 General Assembly having cognizance of matters relating to public
 26 health regarding such evaluation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

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: None

Municipal Impact: None

Explanation

The bill requires the Department of Public Health (DPH) Commissioner to evaluate whether the Attorney General should be authorized to petition the Superior Court to appoint a receiver to manage hospitals in financial distress or operational crisis, resulting in no fiscal impact. The department has the necessary expertise to conduct the evaluation and reporting required by the bill.

House "A" makes clarifying changes to the underlying bill, resulting in no fiscal impact.

OLR Bill Analysis

HB 5165 (as amended by House "A")

AN ACT REQUIRING AN EVALUATION OF THE APPOINTMENT OF A RECEIVER TO MANAGE HOSPITALS IN FINANCIAL DISTRESS OR OPERATIONAL CRISIS.

SUMMARY

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Public Health Committee

Joint Favorable

Yea 31 Nay 0 (03/02/2026)