

# Public Health Committee JOINT FAVORABLE REPORT

**Bill No:** HB-5045 / [Bill Status](#) / [Public Hearing Testimony](#)

**Title:** AN ACT STREAMLINING HEALTH CARE FACILITY APPROVALS.

**Vote Date:** 3/9/2026

**Vote Action:** Joint Favorable

**PH Date:** 3/4/2026

**File No.:** 83

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## SPONSORS OF BILL:

Public Health Committee

## REASONS FOR BILL:

With the need to overhaul the Certificate of Need (CON) process becoming more apparent, HB 5045 replaces the Office of Healthcare Strategy (OHS) CON program with a new program overseen by a 3-person panel comprised of the commissioner of the Department of Public Health (DPH), the commissioner of the Department of Social Services (DSS) and the secretary of the Office of Policy and Management (OPM). It creates a new CON unit within DPH to support the panel and requires the panel to meet at least quarterly. HB 5045 reduces the number of overall categories subject to CON review but expands the types of transactions covered in other categories.

The bill:

1. Shortens the list of required factors to be considered.
2. Allows the panel to create an expedited review pathway.
3. Requires a public hearing for all CON applications unless waived by the applicant.
4. Expands the circumstances under which a CON application for a hospital transfer is subject to a cost and market impact review (CMIR).
5. Increases the maximum daily civil penalty to \$5000 for certain CON-related violations.

## RESPONSE FROM ADMINISTRATION/AGENCY:

### **Manisha Juthani, MD, Commissioner, Department of Public Health (DPH):**

The Commissioner is in full support of HB 5045. States all over the country struggle to find the right balance between cost savings and health care access in their CON processes. This bill seeks to address these challenges through modernizing and streamlining the process based on the realities of the current health care industry. Over the last five years as DPH

Commissioner, I have made a concerted effort to rebuild our agency infrastructure. This rebuild of agency infrastructure is critical to our preparedness and ability to manage CON effectively. This infrastructure is a core competency to ensure the success of CON at DPH. The efficiencies created by the move of the OHS CON team to DPH will allow CON staff to focus on CON, rather than an entire agency of work, adding additional efficiencies to those described in this bill. The CON process is central to ensuring that people have access to the services they need and where they need them. It also plays a significant role in controlling growth in the health care industry that influences the cost of care.

**Andrea Barton Reeves, Commissioner, Department of Social Services (DSS):**

The Department is in full support of HB 5045. This bill will ensure thoughtful review and discussion regarding the planning, access, and delivery of healthcare services for Connecticut residents. Each state agency plays an important role in supporting healthcare delivered to state residents, including access to services, financial feasibility, cost containment, and quality of services. The establishment of a panel, as proposed in this bill, will ensure that all aspects of a CON application are considered and ensures the process will be transparent by requiring information to be accessible to the public.

**W. Boyd Jackson, Director of Legislation and Regulation, Office of Health Strategy (OHS):**

Last year, at the request of the Governor, an emergency CON process was created and utilized in the Prospect Medical Holdings transactions. Each review was successful and completed within the 60-day deadline. The Emergency CON process demonstrated what can be achieved when a CON program is focused on the right criteria, authorized with the right tools and timelines, and granted the flexibility to move a docket forward. HB 5045 addresses each element of the CON program to align it with the goals of the program and to ensure that the process is as efficient and minimally burdensome for applicants as possible while enhancing the state's ability to protect Connecticut residents.

**Kathleen Holt, Healthcare Advocate, Office of the Healthcare Advocate (OHA):**

OHA supports the restructuring proposed by HB 5045, as the goal is to achieve timelier and, hence, more financially stable access to higher quality, more cost-effective health care to better serve the public interest. OHA believes that the public, and the CON process, would be better served by including regular and continuous consumer input. The panel members as currently proposed would bring enhanced perspective to patient safety and quality, state financing, and payment/coverage for lower-income consumers. However, there are further perspectives, such as the state payer mix, where a different expertise may be needed. OHA believes that as an independent state agency, focused on bringing the consumer voice to the CON conversation, stronger inclusion of OHA in the newly proposed CON process would be beneficial to the CON approvals process.

**Ned Lamont, Governor, State of Connecticut:**

Connecticut's Certificate of Need (CON) program is a critical tool that helps the state ensure access to quality services, control health care costs, and maintain the stability of the health care market across every part of the state. To continue operating efficiently, the CON program needs modernizing to address the realities of the current health care industry. HB 5045 is the necessary update to a very important tool to ensure all Connecticut residents have equitable access to high-quality, affordable healthcare.

**Martin Looney, Senate President Pro Tempore, CT General Assembly:**

In the past few years, our healthcare landscape has undergone dramatic new changes which need new approaches in hospital regulation. We need to regulate the purchases and acquisitions made by private equity and other corporate entities in healthcare and we need to ban the abusive tactics that these firms often use. This legislation would regulate private equity transactions as well as provide updates to the CON statutes. However, Senator Looney does take issue with abolishing OHS, as is outlined in HB 5045. He looks forward to working on updating the regulations on mergers and acquisitions.

**NATURE AND SOURCES OF SUPPORT:**

**Amanda Gunthel, President, Connecticut Association of Ambulatory Surgery Centers (CAASC):**

CAASC applauds the effort to improve the existing CON process. We would welcome working with the members of this committee to further refine and clarify those aspects of the bill that are geared toward reducing the inordinate costs and amount of time that this area of health care regulation currently requires of our members. CAASC asks this Committee to focus on ways that the CON determination process could also be streamlined and expedited. CAASC has questions as to how the quarterly deadlines for submission of CON applications beginning on or after January 1, 2027, are seen as speeding the CON process. CAASC appreciates that HB5045 imposes a firm 90-day deadline within which any public hearing must be held by the CON panel but need clarity that this deadline is not subject to extension for any reason.

**Michael Chuchev:**

HB 5045 makes long overdue reforms to Connecticut's CON process. HB 5045 would eliminate licensing fees and public notification of the application. HB 5045 eliminates and consolidates many of the factors that OHS must presently weigh when considering a CON application. The benefits of the changes proposed would be enormous. Despite improvement in recent years, half of all CON applications are decided 183 days or more after being filed.

**Adam Kaye, MD., Radiological Society of Connecticut (RSC):**

RSC supports the provision in Section 4 that retains CON for the acquisition of imaging equipment that includes MRI, CT-Scan and PET-CT. We believe it is critical that a CON process remain in place, otherwise you would see an immediate migration of the units to affluent areas with a high proportion of self-pay patients. While supporting in general, there are several areas of concern. A three-person panel of the commissioners DSS and the DPH together with the Secretary of OPM, will make all decisions on CON applications but there are no specifics as to how the process will work. Section 1 outlines significant expansions to the government's review of change of ownership and other transactions. We are particularly concerned that small physician practices of two to seven physicians, now exempt, will fall within the new regulations. Sections 6 and 7 outline the process and timing for consideration of CON applications, both standard and expedited. But it appears possible this could make the process longer, not shorter.

## **NATURE AND SOURCES OF OPPOSITION:**

### **Connecticut Hospital Association (CHA):**

CHA opposes the bill as written but wishes to work with legislators and the administration to change the CON process. CHA's concerns with HB 5045:

- The "Change of Ownership or Control" definition may be too broad and needs to be evaluated to ensure it is not affecting transactions outside the intended purposes.
- The broadened "Group Practice" definition may result in significant increases in transactions subject to CON review, slowing down CON approvals and subjecting almost all transactions to a CON process.
- The new process allows unilateral changes in conditions without negotiation.
- The bill needs language requiring CON decisions be "consistent at all times with the guidelines and principles set by the General Assembly in Section 19a-638(a)," and prohibiting requirements not set forth in statute or regulation.
- There should be mandatory minimum staffing at DPH and a provision for transparency in the costs of consultants.
- CHA supports flexibility related to termination of services but believes the expansion of review should include limiting language to capture transactions related to private equity.
- Small bed capacity changes and temporary surge capacity changes should be exempt from CON.
- Conditions for approval should not exceed three years in duration and the bill should require weighing the burden of any condition imposed against the benefit.
- Every CON application should not be subject to a hearing.
- The role of the three-member panel is unclear and the infrequency with which they will meet is concerning.

### **Vincent Capece, President and CEO, Middlesex Health:**

HB 5045 introduces a significantly broader definition than the current "transfer of ownership" definition, explicitly capturing private equity transactions, hedge funds, management services organizations (MSOs), real estate investment trusts (REITs), and transactions involving 20% or more of assets. We believe this change in definition should be further discussed to ensure that it is not capturing transactions outside of the intended purposes. HB 5045 replaces the "large group practice" definition (eight or more full-time equivalent physicians) with a cross-reference to the broader "group practice" definition. This new definition will likely result in a significant increase in the number of transactions subject to CON review and capture some unintended transactions. We are concerned that this will slow down CON approvals generally and subject almost all transactions to a CON process. We are concerned that the new decision-making process would allow the imposition of conditions without those conditions being subject to negotiation. The bill should include language requiring that CON decisions be "consistent at all times with the guidelines and principles set by the General Assembly." The bill eliminates CON review for service terminations (though a new process is provided for terminations). However, the bill increases CON oversight for changes of ownership/control. We are concerned that the infrequency with which the new three-member panel will meet will mean CON applications are delayed and not determined timely.

**Paul Mounds, Jr., Vice President, Yale New Haven Health:**

As proposed, the reformed CON process is not favorable to hospitals and health systems, with problematic redesign provisions, including:

1. The 3-member panel adds an unnecessary layer of review requiring multi state-agency coordination likely to cause delay in the CON review and overall independence in this regulatory decision-making process.
2. Automatic public hearings for all applications will clog up the process.
3. Removing proposals for termination of services to an alternative track provides the Executive Director with excessive discretion allowing applicants to be treated differently and requires an access plan approved by the panel.
4. The expedited review provision is vague and does not establish eligibility requirements nor state what categories of CON could benefit.

HB 5045 increases regulatory oversight and control over hospitals without addressing key issues impacting hospitals such as workforce shortages and financial hardship. The bill does not address hospital assessment which has increased by more than 40% over the past five years, but increases civil penalties and regulatory burden, which will not help ensure increased access to care.

**Kathleen Silard, President and CEO, Stamford Health:**

HB 5045 focuses more on transfers of ownership and control as opposed to quality and access. Presumably, this reflects ongoing concern about private capital acquisition and consolidation. Currently, a CON is required for the establishment of cardiac services including inpatient and outpatient cardiac catheterization, interventional cardiology, and cardiovascular surgery. Under the pending bill, no CON is required for this very complex care. We recognize that there are certain parts of the state that are lacking these services, but a future regulatory approach must recognize the importance of ensuring that programs – both existing and new – have sufficient volume to maintain the high-quality standards Connecticut residents have come to expect so that financial motivations don't overweigh what is best for the community. Stamford Health opposes eliminating the need for a CON review of nonhospital based linear accelerators ( non-hospital radiation procedures). Exempting this from review is contrary to the numerous CON review criteria the bill includes. We suggest that eliminating this CON review for nonhospital based linear accelerators invites capital-based investments that could lead to a proliferation of costly services that do not benefit all of Connecticut's residents.

**Others in Opposition to the Bill:**

- Connecticut State Medical Society
- Liam Sigaud, Research Analyst, Knee Regulatory Research Center, West Virginia University.
- Dr. Margaret McGovern, Deputy Dean for Clinical Affairs, Yale School of Medicine

**Reported by: David Rackliffe, Asst. Clerk**

**Date: March 12, 2026**