

Human Services Committee JOINT FAVORABLE REPORT

Bill No: SB-481 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT ESTABLISHING FINANCIAL SAFEGUARDS FOR PRIVATE EQUITY OWNERSHIP OF NURSING HOMES AND PROHIBITING REQUIRED

Title: ARBITRATION AGREEMENTS.

Vote Date: 3/19/2026

Vote Action: Joint Favorable Substitute

PH Date: 3/17/2026

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

This bill seeks to establish financial safeguards concerning private equity ownership of nursing homes and to prohibit nursing homes from requiring residents or prospective residents to sign arbitration agreements to resolve disputes. Through this bill, the Committee hopes to maintain the affordability and quality of nursing homes and establish further legal protections for their residents.

SUBSTITUTE LANGUAGE (IF APPLICABLE):

LCO 3439 Makes provision voiding required arbitration agreements prospective (in the event any pre-date 2019 CMS rules prohibiting them).

RESPONSE FROM ADMINISTRATION/AGENCY:

Department of Social Services (DSS), Andrea Barton Reeves, Commissioner: supports section 1 of this bill and prefaces it by describing the complicated nature of the nursing home ownership structure. She states that transparency is crucial to understand the use of public funds by nursing homes, and thus believes that section 1 will strengthen DSS's ability to monitor complex ownership relationships and the utilization of public funds for resident care. Moreover, she emphasizes the importance of these provisions because DSS has a responsibility to ensure the proper usage of Medicaid dollars for their intended purposes.

Department of Aging and Disability Services (ADS), Mairead Painter, Long-Term Care

Ombudsman: expresses strong support for the bill and views it as a resident-centered transparency and accountability bill. She states that, “When ownership structures are difficult to understand, facilities are highly leveraged, or real estate and operations are treated primarily as financial assets, residents are the ones who live with the consequences.” Residents and their families, she argues, need ownership transparency and financial safeguards to prevent chaotic transfers or a deterioration in the quality of care. She cites a peer-reviewed study that found increases in hospitalizations along with higher quarterly costs in private-equity-acquired nursing homes. Additionally, the Ombudsman strongly supports the prohibition on required arbitration agreements, as these clauses can limit transparency and legal options for vulnerable residents.

Commission on Women, Children, Seniors, Equity & Opportunity (CWCSEO), Melvette Hill,

Executive Director: supports this bill and cites research indicating that private equity ownership could fail to address the root causes of poor care. The cost-cutting measures, she warns, resulted in a deterioration of care quality and increased costs in the long run, referencing a 2025 systematic review that noted associations between private equity ownership and increased hospitalizations and higher mortality. Similar to the Ombudsman, she argues that this bill is crucial for increasing transparency and accountability of nursing home ownership structures. She testifies that this will ensure the oversight that will safeguard residents and facilitate the evaluation of the state’s long-term care system and market to promote stability and accountability.

NATURE AND SOURCES OF SUPPORT:

Connecticut General Assembly, Senator Martin Looney, President Pro Tempore of the State

Senate, 11th District: Sen. Looney views this bill as a necessary step to establish transparency and financial safeguards for long-term care facilities. He highlights the need to restrict the abilities of entities to orchestrate sale and leaseback agreements, which are often utilized by private equity owners, to generate profit at the expense of nursing homes and residents.

Connecticut Legal Services, Jean Mills Aranha, Elder Law Attorney:

strongly supports this bill, stating that it will protect residents from low-quality care and neglect. Regarding section 1, she argues that this transparency requirement will prevent residents from experiencing sudden closure or a lack of funding for staff. Additionally, she emphasizes the importance of the provision mandating that no person or entity can sell or transfer land on which a nursing home operates within five years of its acquisition without permission from the Commissioner of Public Health. Through this section, she states that this prevents private equity owners from “flipping” nursing home property. This, along with other private equity practices, can impede on nursing homes’ ability to provide quality care for patients. By keeping staffing low and deteriorating care while driving up costs, she argues that private equity firms extract profit at the expense of residents.

LeadingAge CT & RI, Mag Morelli, President:

supports the intention of the bill but raises concerns regarding the definitions and prohibitions in state statute. She approves of the concepts of disclosure and transparency within the provisions but makes several recommendations for language changes. These include replacing “ownership entity” with “investment entity” in Section 1, streamlining reporting requirements, and sending written notice to facilities for noncompliance and granting a 14-day window to address it prior to the imposition of penalties.

CT Citizen Action Group, Liz Diehl, Associate Director:

supports this bill and argues that private equity entities divert public and consumer funds from healthcare to profit, often without public knowledge. She stresses the harm this has caused to the healthcare and nursing home systems, which necessitates this bill’s transparency provisions.

NATURE AND SOURCES OF OPPOSITION:

CT Association of Health Care Facilities/CT Center for Assisted Living (CAHCF/CCAL), Matthew Barrett, President and Chief Executive Officer: opposes this bill and offers substitute language revisions in certain sections. For section 1, the definition of a private equity entity should be changed to match the one that the Centers for Medicare and Medicaid Services (CMS) uses. Additionally, they recommend the addition of a section that mirrors CMS's review and evaluation process of ownership disclosures. Out of concern for increases in nursing home costs and the impact of a mandated performance bond on the state budget, he also advocates for removing subsections (b) and (e) and provides replacement language. Regarding section 2, he suggests that it be changed to match the federal rules found in 42 C.F.R. Section 483.70. Moreover, he requests a new subsection that allows the Department of Social Services and the Department of Public Health, along with other stakeholders and advocates, to work towards streamlining regulations and revise any duplicative reporting requirements under state and federal law. He references SB1417, LCO 9163, An Act Concerning the Establishment of a Nursing Home Workforce Standards Board (2025) as background knowledge for his substitute language recommendations.

Reported by: Mia Giglietti

Date: April 6, 2026