



House Bill No. 5165

Special Act No. 26-29

***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:

Section 1. (*Effective from passage*) (a) As used in this section, "a hospital in financial distress or operational crisis" means a hospital that (1) has filed for bankruptcy protection, or (2) is experiencing three or more of the following conditions: (A) The hospital has been issued a negative going concern opinion by its independent auditing firm; (B) the hospital owes fees, taxes or an assessment to one or more public entities and such fees or taxes are, or such assessment is, not less than one hundred eighty days past due, provided the hospital has not (i) commenced a proceeding to contest the payment of such fees, taxes or assessment, or (ii) been granted an extension of time to pay such fees, taxes or assessment; (C) the hospital is in default of a material covenant on a bond contract or similar debt instrument; (D) the hospital has failed to make a payment of wages, as defined in section 31-71a of the general statutes, for two or more consecutive pay periods, provided the amount of such wages is not in dispute pursuant to section 31-71d of the general statutes; or (E) the Commissioner of Public Health has revoked the hospital's license or the Centers for Medicare and Medicaid Services has revoked the hospital's participating provider status.

House Bill No. 5165

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

Governor's Action:

Approved June 4, 2026