



Substitute Senate Bill No. 123

Public Act No. 26-74

AN ACT CONCERNING PUBLIC HEARINGS FOR CERTAIN RATE INCREASES AT ASSISTED LIVING FACILITIES, MUNICIPAL AGENTS FOR AGING, EMERGENCY POWER GENERATOR REQUIREMENTS FOR CERTAIN MULTIFAMILY HOUSING PROJECTS, PERSONAL PROTECTIVE EQUIPMENT FOR HOME HEALTH AIDE EMPLOYEES, THE NURSING HOME BED MORATORIUM AND NURSING HOME RESIDENT DATA.

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

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 Subsection (e) of section 19a-564 of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(e) An assisted living services agency shall: (1) Ensure that all services being provided on an individual basis to clients are fully understood and agreed upon between either the client or the client's representative; (2) ensure that the client or the client's representative is made aware of the cost of any such services; (3) disclose fee increases to a resident or a resident's representative not later than sixty days prior to such fees taking effect; [and] (4) if a fee increase exceeds ten per cent of the previous fee, hold an informational hearing, not later than thirty days prior to such fee increase taking effect, that provides an opportunity for commentary, including, but not limited to, commentary by residents, residents' representatives and residents' family members; and (5)

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provide, upon request, to a resident and a resident's representative the history of fee increases over the past three calendar years. Nothing in this subsection shall be construed to limit an assisted living services agency from immediately adjusting fees to the extent such adjustments are directly related to a change in the level of care or services necessary to meet individual resident safety needs at the time of a scheduled resident care meeting or if a resident's change of condition requires a change in services.

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 Section 7-127b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

(b) The duties of the municipal agent shall include, but need not be limited to: (1) Disseminating information to [elderly persons] older adults, assisting such persons in learning about the community resources available to them and publicizing such resources and benefits; (2) assisting [elderly persons] older adults in applying for federal and

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state benefits, and accessing community resources, available to such persons; and (3) reporting to the chief elected official or chief executive officer of the municipality and the Department of Aging and Disability Services any needs and problems of [the elderly] older adults and any recommendations for action to improve services to [the elderly] older adults. For the purposes of this subsection, "community resources" means resources that assist [elderly persons] older adults in gaining access to housing opportunities, including, but not limited to, information regarding access to waitlists for housing designated for [elderly persons] older adults, applications and consumer reports.

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

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

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

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

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

Sec. 3. Section 29-453a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

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

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passenger elevator.

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

Sec. 4. (NEW) (*Effective October 1, 2026*) (a) As used in this section: (1) "Home health aide agency" has the same meaning as provided in section 19a-490 of the general statutes, (2) "home health aide employee" means a person (A) who is employed as a home health aide by a home health aide agency, or (B) with whom such agency has contracted to provide home health aide services on behalf of such agency, (3) "home health aide services" has the same meaning as provided in section 19a-490 of the general statutes, and (4) "personal protective equipment" includes, but is not limited to, disposable gloves, hand sanitizers, aprons, gowns, foot covers, face shields, N95 masks or higher rated masks certified by the National Institute for Occupational Safety and Health and surgical masks.

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

Sec. 5. Subsection (a) of section 17b-354 of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The Department of Social Services shall not accept or approve any requests for additional nursing home beds, except (1) beds restricted to use by patients with acquired immune deficiency syndrome or by

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patients requiring neurological rehabilitation; (2) beds associated with a continuing care facility, as described in section 17b-520, provided such beds are not used in the Medicaid program; [. For the purpose of this subsection, beds associated with a continuing care facility are not subject to the certificate of need provisions pursuant to sections 17b-352 and 17b-353;] (3) Medicaid certified beds either to be relocated from one licensed nursing facility to another licensed nursing facility to meet a priority need identified in the strategic plan developed pursuant to subsection (c) of section 17b-369 or new beds added to an existing facility or a new facility with preference given to a nontraditional, small-house-style nursing home facility that incorporates the goals for nursing facilities referenced in the department's strategic plan for long-term care, as described in section 17b-355, as amended by this act, to address priority needs reflected by area census trends; (4) licensed Medicaid nursing facility beds to be relocated from one or more existing nursing facilities to a new nursing facility, including a replacement facility, provided (A) no new Medicaid certified beds are added, (B) at least one currently licensed facility is closed in the transaction as a result of the relocation, (C) the relocation is done within available appropriations, (D) the facility participates in the Money Follows the Person demonstration project pursuant to section 17b-369, (E) the availability of beds in the area of need will not be adversely affected, (F) the certificate of need approval for such new facility or facility relocation and the associated capital expenditures are obtained pursuant to sections 17b-352 and 17b-353, and (G) the facilities included in the bed relocation and closure shall be in accordance with the strategic plan developed pursuant to subsection (c) of section 17b-369; and (5) proposals to build a nontraditional, small-house style nursing home designed to enhance the quality of life for nursing facility residents, provided that the nursing facility agrees to reduce its total number of licensed beds by a percentage determined by the Commissioner of Social Services in accordance with the department's strategic plan for long-term care. For the purposes of this subsection, beds associated with a continuing care

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facility are not subject to the certificate of need provisions pursuant to sections 17b-352 and 17b-353.

Sec. 6. Section 17b-355 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) In determining whether a request submitted pursuant to sections 17b-352 to 17b-354, inclusive, as amended by this act, will be granted, modified or denied, the Commissioner of Social Services shall consider the following: (1) The financial feasibility of the request and its impact on the applicant's rates and financial condition, (2) the contribution of the request to the quality, accessibility and cost-effectiveness of the delivery of long-term care in the region, including consideration of the nursing home's star rating on the five-star quality rating system for nursing homes published by the Centers for Medicare and Medicaid Services, (3) whether there is clear public need for the request, (4) the relationship of any proposed change to the applicant's current utilization statistics and the effect of the proposal on the utilization statistics of other facilities in the applicant's service area, (5) the business interests of all owners, partners, associates, incorporators, directors, sponsors, stockholders and operators and the personal background of such persons, and (6) any other factor which the Department of Social Services deems relevant. In considering whether there is clear public need for any request for the relocation of beds to a replacement facility, or for new beds added to an existing facility or a new facility, the commissioner shall consider whether there is a demonstrated bed need in the towns within a fifteen-mile radius of the town in which the beds are proposed to be located and whether the availability of beds in the applicant's service area will be adversely affected.

(b) Any proposal to relocate nursing home beds from an existing facility to a new facility shall not increase the number of Medicaid certified beds and shall result in the closure of at least one currently licensed facility. The commissioner may request that any applicant

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seeking to replace an existing facility reduce the number of beds in the new facility by a percentage that is consistent with the department's strategic state-wide long-term rebalancing plan for long-term care. If an applicant seeking to replace an existing facility with a new facility owns or operates more than one nursing facility, the commissioner may request that the applicant close two or more facilities before approving the proposal to build a new facility. The commissioner shall also consider whether an application to establish a new or replacement nursing facility proposes a nontraditional, small-house style nursing facility and incorporates goals for nursing facilities referenced in the department's strategic state-wide long-term rebalancing plan for long-term care, including, but not limited to, (1) promoting person-centered care, (2) providing enhanced quality of care, (3) creating community space for all nursing facility residents, and (4) developing stronger connections between the nursing facility residents and the surrounding community. [Bed]

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

Sec. 7. Section 17b-99a of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July*

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1, 2026):

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

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

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

(c) Any clerical error, including, but not limited to, recordkeeping, typographical, scrivener's or computer error, discovered in a record or document produced for any such audit, shall not of itself constitute a wilful violation of the rules of a medical assistance program administered by the Department of Social Services unless proof of intent

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to commit fraud or otherwise violate program rules is established. In determining which facilities shall be subject to audits, the Commissioner of Social Services may give consideration to the history of a facility's compliance in addition to other criteria used to select a facility for an audit.

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

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

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

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

(h) The commissioner shall produce a final written report concerning any audit conducted pursuant to this subsection. Such final written report shall be provided to the facility that was the subject of the audit not later than sixty days after the date of the exit conference conducted

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pursuant to subsection (g) of this section, unless the commissioner and the facility agree to a later date or there are other referrals or investigations pending concerning the facility.

(i) Any facility aggrieved by a final report issued pursuant to subsection (h) of this section may request a rehearing. A rehearing shall be held by the commissioner or the commissioner's designee, provided a detailed written description of all items of aggrievement in the final report is filed by the facility not later than ninety days following the date of written notice of the commissioner's decision. The rehearing shall be held not later than thirty days following the date of filing of the detailed written description of each specific item of aggrievement. The commissioner shall issue a final decision not later than sixty days following the close of evidence or the date on which final briefs are filed, whichever occurs later. Any items not resolved at such rehearing to the satisfaction of the facility or the commissioner shall be submitted to binding arbitration by an arbitration board consisting of one member appointed by the facility, one member appointed by the commissioner and one member appointed by the Chief Court Administrator from among the retired judges of the Superior Court, which retired judge shall be compensated for his services on such board in the same manner as a state referee is compensated for his services under section 52-434. The proceedings of the arbitration board and any decisions rendered by such board shall be conducted in accordance with the provisions of the Social Security Act, 42 USC 1396, as amended from time to time, and chapter 54.

(j) The commissioner shall conduct audits of minimum data set information used in the calculation of Medicaid acuity-based per diem rates paid to licensed nursing homes. The commissioner shall conduct an audit of minimum data set information in accordance with the provisions of this section, except a nursing home shall provide all documentation requested by the commissioner pursuant to the

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minimum data set audit not later than ten days after the date on which the commissioner requests such documentation. The commissioner shall not accept any documentation submitted by a nursing home after the completion of the exit conference portion of the audit unless the commissioner and the nursing home agree to such submission of documentation.

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

[(k)] (l) The commissioner, or any agent authorized by the commissioner to conduct any inquiry, investigation or hearing under the provisions of this section, shall have power to administer oaths and take testimony under oath relative to the matter of inquiry or investigation. At any hearing ordered by the commissioner, the commissioner or such agent having authority by law to issue such process may subpoena witnesses and require the production of records, papers and documents pertinent to such inquiry. If any person disobeys such process or, having appeared in obedience thereto, refuses to answer any pertinent question put to the person by the commissioner or the commissioner's authorized agent or to produce any records and papers pursuant thereto, the commissioner or the commissioner's agent may apply to the superior court for the judicial district of Hartford or for the judicial district wherein the person resides or wherein the business has been conducted, or to any judge of such court if the same is not in session, setting forth such disobedience to process or refusal to

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answer, and such court or judge shall cite such person to appear before such court or judge to answer such question or to produce such records and papers.

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

Governor's Action:
Approved May 27, 2026