



General Assembly

Amendment

February Session, 2026

LCO No. 3932



Offered by:

REP. MCCARTHY VAHEY, 133rd Dist.

SEN. ANWAR, 3rd Dist.

REP. KLARIDES-DITRIA, 105th Dist.

To: House Bill No. 5165

File No. 22

Cal. No. 46

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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

14 on a bond contract or similar debt instrument; (D) the hospital has failed
15 to make a payment of wages, as defined in section 31-71a of the general
16 statutes, for two or more consecutive pay periods, provided the amount
17 of such wages is not in dispute pursuant to section 31-71d of the general
18 statutes; or (E) the Commissioner of Public Health has revoked the
19 hospital's license or the Centers for Medicare and Medicaid Services has
20 revoked the hospital's participating provider status.

21 (b) The Commissioner of Public Health shall evaluate whether the
22 Attorney General should be authorized to petition the Superior Court
23 for the appointment of a receiver to manage a hospital in financial
24 distress or operational crisis. Not later than October 1, 2027, the
25 commissioner shall report, in accordance with the provisions of section
26 11-4a of the general statutes, to the joint standing committee of the
27 General Assembly having cognizance of matters relating to public
28 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