



General Assembly

**Amendment**

February Session, 2026

LCO No. 4273



Offered by:

SEN. ANWAR, 3<sup>rd</sup> Dist.

REP. MCCARTHY VAHEY, 133<sup>rd</sup> Dist.

To: Subst. Senate Bill No. 196

File No. 48

Cal. No. 58

**"AN ACT CONCERNING HOSPITAL SALE-LEASEBACK AGREEMENTS AND ATTESTATIONS CONCERNING LACK OF PRIVATE EQUITY CONTROL OF THE HOSPITAL AND CONTROL OF OR INTERFERENCE WITH THE PROFESSIONAL JUDGMENT AND CLINICAL DECISIONS OF CERTAIN HEALTH CARE PROVIDERS."**

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

3 "Section 1. (NEW) (*Effective from passage*) (a) As used in this section  
4 and section 2 of this act:

5 (1) "Commissioner" means the Commissioner of Public Health;

6 (2) "Controlling interest" means the direct or indirect power to direct  
7 the management and policies of a hospital, whether through ownership  
8 of voting securities, contract or other means;

9 (3) "Hospital" has the same meaning as provided in section 19a-646  
10 of the general statutes;

11 (4) "Main campus of a hospital" means the licensed premises within  
12 which the majority of inpatient beds are located;

13 (5) "Operational control" means the power to (A) influence or direct  
14 the actions or policies of any part of a hospital, or (B) choose, appoint or  
15 terminate a member of the board, manager, managing member, senior  
16 employee, consultant or other individual or entity that participates in  
17 the operational oversight of a hospital;

18 (6) "Private equity entity" means any entity that collects capital  
19 investments from individuals or entities and purchases, as a parent  
20 company or through another entity that the entity completely or  
21 partially owns or controls, a direct or indirect ownership share of a  
22 hospital, and includes a real estate investment trust, as defined in 26  
23 USC 856, as amended from time to time; and

24 (7) "Sale-leaseback transaction" means a transaction in which a  
25 hospital enters into an agreement with a person or another entity to sell  
26 and lease back hospital-owned real property that constitutes the main  
27 campus of a hospital.

28 (b) On and after October 1, 2026, no hospital shall enter into a sale-  
29 leaseback transaction.

30 (c) On and after October 1, 2026, no private equity entity shall (1)  
31 acquire any operational control over a hospital; or (2) increase any  
32 operational control that the private equity entity has over a hospital.

33 Sec. 2. (NEW) (*Effective from passage*) (a) Not later than January 1, 2027,  
34 and annually thereafter, each hospital shall submit to the commissioner,  
35 in a form and manner prescribed by the commissioner, a document  
36 containing the following information:

37 (1) An attestation that no private equity entity has a controlling  
38 interest in the main campus of a hospital and that the entity holding the  
39 hospital's license maintains full governance control and authority over  
40 the assets and activities of the main campus of the hospital, including,

41 but not limited to, all clinical, operational, managerial, financial and  
42 human resources matters; and

43 (2) An attestation that no private equity entity is permitted to  
44 influence a hospital's adoption of any policy or procedure that would  
45 interfere with the professional judgment or clinical decisions of duly  
46 authorized clinicians, including (A) the amount of time spent with  
47 patients or the number of patients seen in a given time period, (B) the  
48 time permitted to triage patients in the emergency department or  
49 evaluate admitted patients, (C) the time period within which a patient  
50 must be discharged, (D) decisions involving a patient's clinical status,  
51 including, but not limited to, whether the patient should be kept in  
52 observation status, whether the patient should receive palliative care  
53 and where the patient should be placed upon discharge, (E) the final  
54 diagnosis, diagnostic terminology or codes that are entered into the  
55 medical record, or (F) the appropriate diagnostic test for medical  
56 conditions.

57 (b) The commissioner may impose a civil penalty of up to two  
58 thousand dollars per violation on any hospital that fails to provide an  
59 attestation required under subsection (a) of this section on or before ten  
60 days after the deadline by which the hospital was required to submit  
61 such attestation to the commissioner.

62 (c) A hospital shall, not later than five business days after receipt of  
63 an order from the commissioner imposing a civil penalty under  
64 subsection (b) of this section, submit a request in writing to the  
65 Department of Public Health for a hearing to contest the order. If the  
66 hospital fails to submit such a request not later than five business days  
67 after such receipt, the order shall be deemed a final order of the  
68 department, effective upon the expiration of such five business days.  
69 After receipt of a timely request for a hearing, the department shall set  
70 the matter down for a hearing as a contested case in accordance with the  
71 provisions of chapter 54 of the general statutes.

72 (d) Nothing in this section shall be construed to prohibit a hospital or

73 any affiliate of a hospital from investing, either directly or indirectly, in  
74 a joint venture."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section