



General Assembly

Amendment

February Session, 2026

LCO No. 4394



Offered by:

SEN. ANWAR, 3rd Dist.

REP. MCCARTHY VAHEY, 133rd 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 the main campus of a hospital, whether
8 through ownership 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 the main campus of a hospital, or (B) choose,
15 appoint or terminate a member of the board, manager, managing
16 member, senior employee, consultant or other individual or entity that
17 participates in the operational oversight of the main campus of a
18 hospital;

19 (6) "Private equity entity" means any entity that collects capital
20 investments from individuals or entities and purchases, as a parent
21 company or through another entity that the entity completely or
22 partially owns or controls, a direct or indirect ownership share of a
23 hospital; 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 15,
34 2027, and annually thereafter, each hospital shall submit to the
35 commissioner, in a form and manner prescribed by the commissioner, a
36 document containing the following information:

37 (1) An attestation that no private equity entity has a controlling
38 interest in a hospital and that the entity holding the hospital's license
39 maintains ultimate governance control and authority over the assets and
40 activities of the main campus of the hospital, including, but not limited

41 to, all clinical, operational, managerial, financial and human resources
42 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.

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

70 (d) Nothing in this section shall be construed to (1) prohibit a hospital
71 or any affiliate of a hospital from (A) investing, either directly or
72 indirectly, in a joint venture, or (B) having an agreement with one or

73 more physicians or physician groups to provide services at the hospital,
74 or (2) interfere with a hospital coordinating with its parent health care
75 system."

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