



General Assembly

**Amendment**

February Session, 2026

LCO No. 4425



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 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) "Private equity entity" means any entity that collects capital  
14 investments from individuals or entities and purchases, as a parent  
15 company or through another entity that the entity completely or  
16 partially owns or controls, a direct or indirect ownership share of a  
17 hospital; and

18 (6) "Sale-leaseback transaction" means a transaction in which a  
19 hospital enters into an agreement with a person or another entity to sell  
20 and lease back hospital-owned real property that constitutes the main  
21 campus of a hospital.

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

24 Sec. 2. (NEW) (*Effective from passage*) (a) Not later than February 15,  
25 2027, and annually thereafter, each hospital shall submit to the  
26 commissioner, in a form and manner prescribed by the commissioner, a  
27 document containing the following information:

28 (1) An attestation that no private equity entity has a controlling  
29 interest in a hospital and that the entity holding the hospital's license  
30 maintains ultimate governance control and authority over the assets and  
31 activities of the main campus of the hospital, including, but not limited  
32 to, all clinical, operational, managerial, financial and human resources  
33 matters; and

34 (2) An attestation that no private equity entity is permitted to  
35 influence a hospital's adoption of any policy or procedure that would  
36 interfere with the professional judgment or clinical decisions of duly  
37 authorized clinicians, including (A) the amount of time spent with  
38 patients or the number of patients seen in a given time period, (B) the  
39 time permitted to triage patients in the emergency department or  
40 evaluate admitted patients, (C) the time period within which a patient  
41 must be discharged, (D) decisions involving a patient's clinical status,

42 including, but not limited to, whether the patient should be kept in  
 43 observation status, whether the patient should receive palliative care  
 44 and where the patient should be placed upon discharge, (E) the final  
 45 diagnosis, diagnostic terminology or codes that are entered into the  
 46 medical record, or (F) the appropriate diagnostic test for medical  
 47 conditions.

48 (b) The commissioner may impose a civil penalty of up to two  
 49 thousand dollars per violation on any hospital that fails to provide an  
 50 attestation required under subsection (a) of this section.

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

61 (d) Nothing in this section shall be construed to (1) prohibit a hospital  
 62 or any affiliate of a hospital from (A) investing, either directly or  
 63 indirectly, in a joint venture, or (B) having an agreement with one or  
 64 more physicians or physician groups to provide services at the hospital,  
 65 or (2) interfere with a hospital coordinating with its parent health care  
 66 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