AN ACT PROMOTING HOSPITAL FINANCIAL STABILITY.

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

Section 1. Subsection (a) of section 19a-494 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2024):

(a) The Commissioner of Public Health, after a hearing held in accordance with the provisions of chapter 54, may take any of the following actions, singly or in combination, in any case in which the commissioner finds that there has been a substantial failure to comply with the requirements established under this chapter or requirements established under this title relating to institutions, the Public Health Code or licensing regulations:

(1) Revoke a license or certificate;

(2) Suspend a license or certificate;

(3) Censure a licensee or certificate holder;
(4) Issue a letter of reprimand to a licensee or certificate holder;

(5) Place a licensee or certificate holder on probationary status and require [him] the licensee or certificate holder to report regularly to the department on the matters which are the basis of the probation;

(6) Restrict the acquisition of other facilities for a period of time set by the commissioner;

(7) Issue an order compelling compliance with applicable statutes or regulations of the department; [or]

(8) Impose a directed plan of correction; or

(9) Assess a civil penalty not to exceed twenty-five thousand dollars.

Sec. 2. (NEW) (Effective July 1, 2024) (a) For the purposes of this section, (1) "emergency department diversion" means the status of a hospital licensed pursuant to chapter 368v of the general statutes that reroutes incoming ambulances to other hospitals due to the diverting hospital's emergency department saturation or lack of medical capability, and (2) "emergency department saturation" means a hospital's emergency department resources are fully committed and are not available for additional incoming ambulance patients.

(b) The Commissioner of Public Health shall establish (1) emergency department diversion requirements for hospitals, including, but not limited to, the requirement that each hospital adopt emergency department diversion policies and the required content of such policies, (2) the permissible grounds for, and procedures to be followed by, a hospital to declare an emergency department diversion and the procedures to be followed by the hospital after declaring such diversion, (3) requirements for hospitals to receive diverted patients, and (4) requirements for emergency medical service organizations licensed or certified under chapter 368d of the general statutes in the event that a hospital declares an emergency department diversion. Prior to declaring an emergency department diversion, a hospital shall provide notice to
the Department of Public Health in the form and manner prescribed by
the Commissioner of Public Health.

(c) The commissioner shall adopt regulations, in accordance with
chapter 54 of the general statutes, to implement the provisions of this
section. The commissioner may implement policies and procedures
necessary to implement the provisions of this section while in the
process of adopting such policies and procedures as regulations,
provided notice of intent to adopt regulations is published on the
eRegulations System not later than twenty days after the date of
implementation. Policies and procedures implemented pursuant to this
section shall be valid until final regulations are adopted in accordance
with the provisions of chapter 54 of the general statutes.

(d) The commissioner may assess a civil penalty not to exceed
twenty-five thousand dollars on a hospital that violates the
requirements established pursuant to the provisions of this section, in
accordance with the provisions of section 19a-494 of the general statutes,
as amended by this act. Failure of an emergency medical service
organization to comply with such requirements shall be grounds for
disciplinary action pursuant to subsection (c) of section 19a-180 of the
general statutes.

Sec. 3. Section 19a-630 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

As used in this chapter, unless the context otherwise requires:

(1) "Affiliate" means a person, entity or organization controlling,
controlled by or under common control with another person, entity or
organization. Affiliate does not include a medical foundation organized
under chapter 594b.

(2) "Applicant" means any person or health care facility that applies
for a certificate of need pursuant to section 19a-639a.

(3) "Bed capacity" means the total number of inpatient beds in a
facility licensed by the Department of Public Health under sections 19a-490 to 19a-503, inclusive.

(4) "Capital expenditure" means an expenditure that under generally accepted accounting principles consistently applied is not properly chargeable as an expense of operation or maintenance and includes acquisition by purchase, transfer, lease or comparable arrangement, or through donation, if the expenditure would have been considered a capital expenditure had the acquisition been by purchase.

(5) "Certificate of need" means a certificate issued by the unit.

(6) "Days" means calendar days.

(7) "Executive director" means the executive director of the Office of Health Strategy.

(8) "Free clinic" means a private, nonprofit community-based organization that provides medical, dental, pharmaceutical or mental health services at reduced cost or no cost to low-income, uninsured and underinsured individuals.

(9) "Large group practice" means eight or more full-time equivalent physicians, legally organized in a partnership, professional corporation, limited liability company formed to render professional services, medical foundation, not-for-profit corporation, faculty practice plan or other similar entity (A) in which each physician who is a member of the group provides substantially the full range of services that the physician routinely provides, including, but not limited to, medical care, consultation, diagnosis or treatment, through the joint use of shared office space, facilities, equipment or personnel; (B) for which substantially all of the services of the physicians who are members of the group are provided through the group and are billed in the name of the group practice and amounts so received are treated as receipts of the group; or (C) in which the overhead expenses of, and the income from, the group are distributed in accordance with methods previously determined by members of the group. An entity that otherwise meets
the definition of group practice under this section shall be considered a
group practice although its shareholders, partners or owners of the
group practice include single-physician professional corporations,
limited liability companies formed to render professional services or
other entities in which beneficial owners are individual physicians.

(10) "Health care facility" means (A) hospitals licensed by the
Department of Public Health under chapter 368v; (B) specialty hospitals;
(C) freestanding emergency departments; (D) outpatient surgical
facilities, as defined in section 19a-493b and licensed under chapter
368v; (E) a hospital or other facility or institution operated by the state
that provides services that are eligible for reimbursement under Title
XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended;
(F) a central service facility; (G) mental health facilities; (H) substance
abuse treatment facilities; and (I) any other facility requiring certificate
of need review pursuant to subsection (a) of section 19a-638, as
amended by this act. "Health care facility" includes any parent company,
subsidiary, affiliate or joint venture, or any combination thereof, of any
such facility.

(11) "Nonhospital based" means located at a site other than the main
campus of the hospital.

(12) "Office" means the Office of Health Strategy.

(13) "Person" means any individual, partnership, corporation, limited
liability company, association, public company, entity, as defined in
section 33-602, governmental subdivision, agency or public or private
organization of any character, but does not include the agency
conducting the proceeding.

(14) "Physician" has the same meaning as provided in section 20-13a.

(15) "Termination of services" means the cessation of any services for
a period greater than one hundred eighty days.

(16) "Transfer of ownership" means (A) a transfer that impacts or
changes the governance or controlling body of a health care facility, 
institution or large group practice, including, but not limited to, all 
affiliations [J] or mergers, [or] (B) any sale or transfer of net assets of a 
health care facility, or (C) a transfer of a controlling interest in any entity, 
as defined in section 33-602, that possesses or controls, directly or 
indirectly, an interest of twenty per cent or more of a health care facility, 
institution, as defined in section 19a-490, or large group practice.

(17) "Unit" means the Health Systems Planning Unit.

Sec. 4. Section 19a-638 of the 2024 supplement to the general statutes 
is repealed and the following is substituted in lieu thereof (Effective 
October 1, 2024):

(a) A certificate of need issued by the unit shall be required for:

(1) The establishment of a new health care facility;

(2) A transfer of ownership of a health care facility;

(3) A transfer of ownership of a large group practice to any entity 
other than a (A) physician, or (B) group of two or more physicians, 
legally organized in a partnership, professional corporation or limited 
liability company formed to render professional services and not 
employed by or an affiliate of any hospital, medical foundation, 
insurance company or other similar entity;

(4) The establishment of a freestanding emergency department;

(5) The termination of inpatient or outpatient services offered by a 
hospital, including, but not limited to, the termination by a short-term 
acute care general hospital or children's hospital of inpatient and 
outpatient mental health and substance abuse services;

(6) The establishment of an outpatient surgical facility, as defined in 
section 19a-493b, or as established by a short-term acute care general 
hospital;
(7) The termination of surgical services by an outpatient surgical facility, as defined in section 19a-493b, or a facility that provides outpatient surgical services as part of the outpatient surgery department of a short-term acute care general hospital, provided termination of outpatient surgical services due to (A) insufficient patient volume, or (B) the termination of any subspecialty surgical service, shall not require certificate of need approval;

(8) The termination of an emergency department by a short-term acute care general hospital;

(9) The establishment of cardiac services, including inpatient and outpatient cardiac catheterization, interventional cardiology and cardiovascular surgery;

(10) The acquisition of [computed tomography scanners,] magnetic resonance imaging scanners, positron emission tomography scanners or positron emission tomography-computed tomography scanners, by any person, physician, provider, short-term acute care general hospital or children's hospital, except (A) as provided for in subdivision (22) of subsection (b) of this section, and (B) a certificate of need issued by the unit shall not be required where such scanner is a replacement for a scanner that was previously acquired through certificate of need approval or a certificate of need determination, including a replacement scanner that has dual modalities or functionalities if the applicant already offers similar imaging services for each of the scanner's modalities or functionalities that will be utilized;

(11) The acquisition of nonhospital based linear accelerators, except a certificate of need issued by the unit shall not be required where such accelerator is a replacement for an accelerator that was previously acquired through certificate of need approval or a certificate of need determination;

(12) An increase in the licensed bed capacity of a health care facility, except as provided in subdivision (23) of subsection (b) of this section;
(13) The acquisition of equipment utilizing technology that has not previously been utilized in the state;

(14) An increase of two or more operating rooms within any three-year period, commencing on and after October 1, 2010, by an outpatient surgical facility, as defined in section 19a-493b, or by a short-term acute care general hospital; [and]

(15) The termination of inpatient or outpatient services offered by a hospital or other facility or institution operated by the state that provides services that are eligible for reimbursement under Title XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended; 

(16) A transfer of ten per cent or more of the assets owned by a hospital, including, but not limited to, a transfer of real estate; and

(17) The issuance of dividends over the course of any three-year period in excess of twenty per cent of the net worth of a hospital.

(b) A certificate of need shall not be required for:

(1) Health care facilities owned and operated by the federal government;

(2) The establishment of offices by a licensed private practitioner, whether for individual or group practice, except when a certificate of need is required in accordance with the requirements of section 19a-493b or subdivision (3), (10) or (11) of subsection (a) of this section;

(3) A health care facility operated by a religious group that exclusively relies upon spiritual means through prayer for healing;

(4) Residential care homes, as defined in subsection (c) of section 19a-490, and nursing homes and rest homes, as defined in subsection (o) of section 19a-490;

(5) An assisted living services agency, as defined in section 19a-490;

(6) Home health agencies, as defined in section 19a-490;
(7) Hospice services, as described in section 19a-122b;

(8) Outpatient rehabilitation facilities;

(9) Outpatient chronic dialysis services;

(10) Transplant services;

(11) Free clinics, as defined in section 19a-630, as amended by this act;

(12) School-based health centers and expanded school health sites, as such terms are defined in section 19a-6r, community health centers, as defined in section 19a-490a, not-for-profit outpatient clinics licensed in accordance with the provisions of chapter 368v and federally qualified health centers;

(13) A program licensed or funded by the Department of Children and Families, provided such program is not a psychiatric residential treatment facility;

(14) Any nonprofit facility, institution or provider that has a contract with, or is certified or licensed to provide a service for, a state agency or department for a service that would otherwise require a certificate of need. The provisions of this subdivision shall not apply to a short-term acute care general hospital or children's hospital, or a hospital or other facility or institution operated by the state that provides services that are eligible for reimbursement under Title XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended;

(15) A health care facility operated by a nonprofit educational institution exclusively for students, faculty and staff of such institution and their dependents;

(16) An outpatient clinic or program operated exclusively by or contracted to be operated exclusively by a municipality, municipal agency, municipal board of education or a health district, as described in section 19a-241;
(17) A residential facility for persons with intellectual disability licensed pursuant to section 17a-227 and certified to participate in the Title XIX Medicaid program as an intermediate care facility for individuals with intellectual disabilities;

(18) Replacement of existing computed tomography scanners, magnetic resonance imaging scanners, positron emission tomography scanners, positron emission tomography-computed tomography scanners, or nonhospital based linear accelerators, if such equipment was acquired through certificate of need approval or a certificate of need determination, provided a health care facility, provider, physician or person notifies the unit of the date on which the equipment is replaced and the disposition of the replaced equipment, including if a replacement scanner has dual modalities or functionalities and the applicant already offers similar imaging services for each of the equipment's modalities or functionalities that will be utilized;

(19) Acquisition of cone-beam dental imaging equipment that is to be used exclusively by a dentist licensed pursuant to chapter 379;

(20) The partial or total elimination of services provided by an outpatient surgical facility, as defined in section 19a-493b, except as provided in subdivision (6) of subsection (a) of this section and section 19a-639e;

(21) The termination of services for which the Department of Public Health has requested the facility to relinquish its license;

(22) Acquisition of any equipment by any person that is to be used exclusively for scientific research that is not conducted on humans;

(23) On or before June 30, 2026, an increase in the licensed bed capacity of a mental health facility, provided (A) the mental health facility demonstrates to the unit, in a form and manner prescribed by the unit, that it accepts reimbursement for any covered benefit provided to a covered individual under: (i) An individual or group health insurance policy providing coverage of the type specified in
subdivisions (1), (2), (4), (11) and (12) of section 38a-469; (ii) a self-insured employee welfare benefit plan established pursuant to the federal Employee Retirement Income Security Act of 1974, as amended from time to time; or (iii) HUSKY Health, as defined in section 17b-290, and (B) if the mental health facility does not accept or stops accepting reimbursement for any covered benefit provided to a covered individual under a policy, plan or program described in clause (i), (ii) or (iii) of subparagraph (A) of this subdivision, a certificate of need for such increase in the licensed bed capacity shall be required.

(24) The establishment at harm reduction centers through the pilot program established pursuant to section 17a-673c; or

(25) On or before June 30, 2028, a birth center, as defined in section 19a-490, that is enrolled as a provider in the Connecticut medical assistance program, as defined in section 17b-245g.

(c) (1) Any person, health care facility or institution that is unsure whether a certificate of need is required under this section, or (2) any health care facility that proposes to relocate pursuant to section 19a-639c, shall send a letter to the unit that describes the project and requests that the unit make a determination as to whether a certificate of need is required. In the case of a relocation of a health care facility, the letter shall include information described in section 19a-639c. A person, health care facility or institution making such request shall provide the unit with any information the unit requests as part of its determination process. The unit shall provide a determination within thirty days of receipt of such request.

(d) The executive director of the Office of Health Strategy may implement policies and procedures necessary to administer the provisions of this section while in the process of adopting such policies and procedures as regulation, provided the executive director holds a public hearing prior to implementing the policies and procedures and posts notice of intent to adopt regulations on the office's Internet web site and the eRegulations System not later than twenty days after the
date of implementation. Policies and procedures implemented pursuant
to this section shall be valid until the time final regulations are adopted.

(e) On or before June 30, 2026, a mental health facility seeking to
increase licensed bed capacity without applying for a certificate of need,
as permitted pursuant to subdivision (23) of subsection (b) of this
section, shall notify the Office of Health Strategy, in a form and manner
prescribed by the executive director of said office, regarding (1) such
facility's intent to increase licensed bed capacity, (2) the address of such
facility, and (3) a description of all services that are being or will be
provided at such facility.

(f) Notwithstanding the provisions of this section and sections 19a-
639, as amended by this act, and 19a-639a, on or before December 31,
2025, the unit shall automatically issue a certificate of need to any large
group practice or health care facility, except a hospital licensed pursuant
to chapter 368v, for a transfer of ownership, as defined in subparagraph
(C) of subdivision (16) of section 19a-630, as amended by this act, upon
such practice or facility's submission of a certificate of need request for
determination to the unit.

[(f)] (g) Not later than January 1, 2025, the executive director of the
Office of Health Strategy shall report to the Governor and, in accordance
with the provisions of section 11-4a, to the joint standing committee of
the General Assembly having cognizance of matters relating to public
health concerning the executive director's recommendations, if any,
regarding the establishment of an expedited certificate of need process
for mental health facilities.

Sec. 5. Section 19a-639 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective October 1, 2024):

(a) In any deliberations involving a certificate of need application
filed pursuant to section 19a-638, as amended by this act, the unit shall
take into consideration and make written findings concerning each of
the following guidelines and principles:
(1) Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the Office of Health Strategy;

(2) Whether the proposed project is consistent with any applicable policies and standards as set forth in the state-wide health care facilities and services plan;

(3) Whether the applicant has satisfactorily demonstrated that the proposed project is consistent with a public need identified in a community health needs assessment, community service plan, community health improvement plan, community profile, the applicant's long-term plan or other similar report characterizing the health needs of the community;

(4) Whether the applicant has satisfactorily demonstrated how the proposal will not negatively impact the financial strength of the health care system in the region and state; or that the proposal is financially feasible for the applicant;

(5) Whether the applicant has satisfactorily demonstrated how the proposal will improve the quality of health care delivery in the region; including, but not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons;

(6) Whether the applicant has satisfactorily demonstrated how the proposal will improve access to health care in the region, including the provision of or any change in the access to services for Medicaid and Medicare recipients and indigent persons;

(7) Whether the applicant has satisfactorily demonstrated how the proposal will increase cost effectiveness of health care delivery in the region;
[(6) The] (8) Whether the applicant has satisfactorily demonstrated that the proposal will not negatively affect the applicant's [past and proposed] provision of health care services to relevant patient populations [and] or alter the applicant's payer mix, including, but not limited to, [access to] a decrease in the provision of services [by] to Medicaid and Medicare recipients and indigent persons;

[(7) Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services;

(8) The utilization of existing health care facilities and health care services in the service area of the applicant;]

(9) Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care services or facilities;

(10) Whether an applicant, who has failed to provide or reduced access to services by Medicaid or Medicare recipients or indigent persons, has demonstrated good cause for doing so, which shall not be demonstrated solely on the basis of differences in reimbursement rates between [Medicaid and other] public and private health care payers;

(11) Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region; [and]

(12) Whether the applicant has satisfactorily demonstrated that any consolidation resulting from the proposal will not adversely affect health care costs or [accessibility] access to care;

(13) If the application is for the termination of services, whether and to what extent the applicant's actions or inactions caused or contributed to the conditions that resulted in the filing of the application; and

(14) Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the finances of the health care
facility so as to jeopardize or substantially impair the facility's future operations.

(b) In deliberations as described in subsection (a) of this section, there shall be a presumption in favor of approving the certificate of need application for a transfer of ownership of a large group practice, as described in subdivision (3) of subsection (a) of section 19a-638, as amended by this act, when an offer was made in response to a request for proposal or similar voluntary offer for sale.

(c) The unit, as it deems necessary, may revise or supplement the guidelines and principles, set forth in subsection (a) of this section, through regulation. The executive director may implement policies and procedures necessary to implement the provisions of this section while in the process of adopting such policies and procedures as regulations, provided the executive director holds a public hearing at least thirty days prior to implementing such policies and procedures and publishes notice of intent to adopt the regulations on the Office of Health Strategy's Internet web site and the eRegulations System not later than twenty days after implementing such policies and procedures. Policies and procedures implemented pursuant to this subsection shall be valid until final regulations are adopted in accordance with the provisions of chapter 54.

(d) (1) For purposes of this subsection and subsection (e) of this section:

(A) "Affected community" means a municipality where a hospital is physically located or a municipality whose inhabitants are regularly served by a hospital;

(B) "Hospital" has the same meaning as provided in section 19a-490;

(C) "New hospital" means a hospital as it exists after the approval of an agreement pursuant to section 19a-486b, or a certificate of need application for a transfer of ownership of a hospital;
(D) "Purchaser" means a person who is acquiring, or has acquired, any assets of a hospital through a transfer of ownership of a hospital;

(E) "Transacting party" means a purchaser and any person who is a party to a proposed agreement for transfer of ownership of a hospital;

(F) "Transfer" means to sell, transfer, lease, exchange, option, convey, give or otherwise dispose of or transfer control over, including, but not limited to, transfer by way of merger or joint venture not in the ordinary course of business; and

(G) "Transfer of ownership of a hospital" means a transfer that impacts or changes the governance or controlling body of a hospital, including, but not limited to, all affiliations, mergers or any sale or transfer of net assets of a hospital and for which a certificate of need application or a certificate of need determination letter is filed on or after December 1, 2015.

(2) In any deliberations involving a certificate of need application filed pursuant to section 19a-638, as amended by this act, that involves the transfer of ownership of a hospital, the unit shall, in addition to the guidelines and principles set forth in subsection (a) of this section and those prescribed through regulation pursuant to subsection (c) of this section, take into consideration and make written findings concerning each of the following guidelines and principles:

(A) Whether the applicant fairly considered alternative proposals or offers in light of the purpose of maintaining health care provider diversity and consumer choice in the health care market and access to affordable quality health care for the affected community; and

(B) Whether the plan submitted pursuant to section 19a-639a demonstrates, in a manner consistent with this chapter, how health care services will be provided by the new hospital for the first three years following the transfer of ownership of the hospital, including any consolidation, reduction, elimination or expansion of existing services or introduction of new services.
(3) The unit shall deny any certificate of need application involving a transfer of ownership of a hospital unless the executive director finds that the affected community will be assured of continued access to high quality and affordable health care after accounting for any proposed change impacting hospital staffing.

(4) The unit may deny any certificate of need application involving a transfer of ownership of a hospital subject to a cost and market impact review pursuant to section 19a-639f, if the executive director finds that:

(A) the affected community will not be assured of continued access to high quality and affordable health care after accounting for any consolidation in the hospital and health care market that may lessen health care provider diversity, consumer choice and access to care, and

(B) any likely increases in the prices for health care services or total health care spending in the state may negatively impact the affordability of care.

(5) The unit may place any conditions on the approval of a certificate of need application involving a transfer of ownership of a hospital consistent with the provisions of this chapter. Before placing any such conditions, the unit shall weigh the value of such conditions in promoting the purposes of this chapter against the individual and cumulative burden of such conditions on the transacting parties and the new hospital. For each condition imposed, the unit shall include a concise statement of the legal and factual basis for such condition and the provision or provisions of this chapter that it is intended to promote. Each condition shall be reasonably tailored in time and scope. The transacting parties or the new hospital shall have the right to make a request to the unit for an amendment to, or relief from, any condition based on changed circumstances, hardship or for other good cause.

(6) In any deliberations involving a certificate of need application filed pursuant to section 19a-638, as amended by this act, that involves the transfer of ownership of a hospital and that is subject to a cost and market impact review, the unit shall be permitted to consider the preliminary report, response to the preliminary report, final report and
any written comments from the parties regarding the reports issued or submitted as part of the review, provided the unit has determined that the disclosure of any such reports is appropriate in light of the considerations set forth in subsection (c) of section 19a-639f and each party in the certificate of need proceeding was provided an opportunity of not less than fourteen days after the date of issuance of the final report to provide written comments on the reports issued as part of the review process.

(e) (1) If the certificate of need application (A) involves the transfer of ownership of a hospital, (B) the purchaser is a hospital, as defined in section 19a-490, whether located within or outside the state, that had net patient revenue for fiscal year 2013 in an amount greater than one billion five hundred million dollars or a hospital system, as defined in section 19a-486i, whether located within or outside the state, that had net patient revenue for fiscal year 2013 in an amount greater than one billion five hundred million dollars, or any person that is organized or operated for profit, and (C) such application is approved, the unit shall hire an independent consultant to serve as a post-transfer compliance reporter for a period of not less than three years after completion of the transfer of ownership of the hospital. Such reporter shall, at a minimum: (i) Meet with representatives of the purchaser, the new hospital and members of the affected community served by the new hospital not less than quarterly; and (ii) report to the unit not less than quarterly concerning (I) efforts the purchaser and representatives of the new hospital have taken to comply with any conditions the unit placed on the approval of the certificate of need application and plans for future compliance, and (II) community benefits and uncompensated care provided by the new hospital. The purchaser shall give the reporter access to its records and facilities for the purposes of carrying out the reporter's duties. The purchaser shall hold a public hearing in the municipality in which the new hospital is located not less than annually during the reporting period to provide for public review and comment on the reporter's reports and findings.

(2) If the reporter finds that the purchaser has breached a condition
of the approval of the certificate of need application, the unit may, in consultation with the purchaser, the reporter and any other interested parties it deems appropriate, implement a performance improvement plan designed to remedy the conditions identified by the reporter and continue the [reporting] compliance monitoring period for up to one year following a determination by the unit that [such] all conditions have been [resolved] met.

(3) The purchaser shall provide funds, in an amount determined by the unit not to exceed two hundred thousand dollars annually, for the hiring of the post-transfer compliance reporter.

(f) Nothing in subsection (d) or (e) of this section shall apply to a transfer of ownership of a hospital in which either a certificate of need application is filed on or before December 1, 2015, or where a certificate of need determination letter is filed on or before December 1, 2015.

Sec. 6. (NEW) (Effective July 1, 2024) (a) On or before October 31, 2024, and quarterly thereafter, each hospital, as defined in section 12-263p of the general statutes, shall submit a report to the executive director of the Office of Health Strategy that identifies (1) any vendor invoices that remained unpaid for more than ninety days after receipt, regardless of whether the hospital disputes such invoice, at the end of the prior calendar quarter, (2) the outstanding balances on such invoices at the end of the prior calendar quarter, (3) the number of days of cash on hand at the end of the prior calendar quarter, (4) the operating margin for the prior calendar quarter, and (5) the total margin for the prior calendar quarter. The executive director shall develop a uniform template, including definitions of terms used in such template, to be used by hospitals for the purposes of complying with the provisions of this subsection and post such template on the Office of Health Strategy's Internet web site. Such template shall allow for an explanation of any disputed charges. A hospital may request an extension of not more than fifteen days to comply with the requirements of this subsection in a form and manner prescribed by the executive director. The executive director may grant such request for good cause, as determined by the executive
director.

(b) Any hospital that violates or fails to comply with the provisions of this section shall be subject to a civil penalty not to exceed ten thousand dollars for each incident of noncompliance. Prior to imposing any penalty pursuant to this subsection, the executive director shall notify the hospital of the alleged violation and the accompanying penalty and shall permit such hospital to request that the office review its findings. A hospital shall request such review not later than fifteen days after the date of receipt of the notice of violation. The executive director shall stay the imposition of any penalty pending the outcome of the review. Payments of penalties received pursuant to this subsection shall be deposited in the General Fund.

(c) On or before November 30, 2024, and quarterly thereafter, the executive director shall provide to the Secretary of the Office of Policy and Management a summary of the reports received in accordance with subsection (a) of this section for the prior calendar quarter.

| Section 1 | July 1, 2024 | 19a-494(a) |
| Sec. 2 | July 1, 2024 | New section |
| Sec. 3 | from passage | 19a-630 |
| Sec. 4 | October 1, 2024 | 19a-638 |
| Sec. 5 | October 1, 2024 | 19a-639 |
| Sec. 6 | July 1, 2024 | New section |

**Statement of Purpose:**

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]