



General Assembly

Amendment

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LCO No. 5684



Offered by:

SEN. ANWAR, 3rd Dist.

REP. MCCARTHY VAHEY, 133rd Dist.

SEN. SOMERS, 18th Dist.

To: Subst. Senate Bill No. 9

File No. 381

Cal. No. 243

"AN ACT PROMOTING HOSPITAL FINANCIAL STABILITY."

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

3 "Section 1. Section 19a-630 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective from passage*):

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

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

10 (2) "Applicant" means any person or health care facility that applies
11 for a certificate of need pursuant to section 19a-639a, as amended by this
12 act.

13 (3) "Bed capacity" means the total number of inpatient beds in a
14 facility licensed by the Department of Public Health under sections 19a-
15 490 to 19a-503, inclusive.

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

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

23 (6) "Days" means calendar days.

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

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

30 (9) "Large group practice" means [eight] thirty or more full-time
31 equivalent physicians or advanced practice registered nurses, including
32 physicians or advanced practice registered nurses working under
33 professional service agreements, legally organized in (A) a partnership,
34 (B) a professional corporation, (C) a limited liability company formed to
35 render professional services, (D) a medical foundation, (E) a not-for-
36 profit corporation, (F) a faculty practice plan, (G) a group owned or
37 controlled by a public company or an entity, as defined in section 33-
38 602, (H) an entity, as defined in section 33-602, in which both the payer
39 and provider share the financial risk of managed care or the provider
40 entity serves as both a payer and provider, including, but not limited to,
41 (i) a payer that offers health care, (ii) a provider that offers health care
42 insurance, and (iii) joint ventures between payers and providers, or
43 [other] (I) a similar entity [(A)] (i) in which each physician who is a

44 member of the group, including any physician working under a
45 professional service agreement, provides substantially the full range of
46 services that the physician routinely provides, including, but not limited
47 to, medical care, consultation, diagnosis or treatment, through the joint
48 use of shared office space, facilities, equipment or personnel; [(B)] (ii) for
49 which substantially all of the services of the physicians who are
50 members of the group are provided through the group and are billed in
51 the name of the group practice and amounts so received are treated as
52 receipts of the group; or [(C)] (iii) in which the overhead expenses of,
53 and the income from, the group are distributed in accordance with
54 methods previously determined by members of the group. An entity
55 that otherwise meets the definition of group practice under this section
56 shall be considered a group practice although its shareholders, partners
57 or owners of the group practice include single-physician professional
58 corporations, limited liability companies formed to render professional
59 services or other entities in which beneficial owners are individual
60 physicians.

61 (10) "Health care facility" means (A) hospitals licensed by the
62 Department of Public Health under chapter 368v; (B) specialty hospitals;
63 (C) freestanding emergency departments; (D) outpatient surgical
64 facilities, as defined in section 19a-493b and licensed under chapter
65 368v; (E) a hospital or other facility or institution operated by the state
66 that provides services that are eligible for reimbursement under Title
67 XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended;
68 (F) a central service facility; (G) mental health facilities; (H) substance
69 abuse treatment facilities; and (I) any other facility requiring certificate
70 of need review pursuant to subsection (a) of section 19a-638, as
71 amended by this act. "Health care facility" includes any parent company,
72 subsidiary, affiliate or joint venture, or any combination thereof, of any
73 such facility.

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

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

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

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

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

85 (16) "Transfer of ownership" means (A) a transfer that impacts or
86 changes the governance or controlling body of a health care facility,
87 institution or large group practice, including, but not limited to, all
88 affiliations [] or mergers, [or] (B) any sale or transfer of net assets of a
89 health care facility, or (C) a transfer, except for a transfer described in
90 subsection (c) of section 19a-493b, of a controlling interest in any entity,
91 as defined in section 33-602, that directly or indirectly possesses or
92 controls an interest of thirty per cent or more of a health care facility,
93 institution, as defined in section 19a-490, or large group practice.

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

95 Sec. 2. Section 19a-638 of the 2024 supplement to the general statutes
96 is repealed and the following is substituted in lieu thereof (*Effective*
97 *October 1, 2024*):

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

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

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

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

106 insurance company or other similar entity;

107 (4) The establishment of a freestanding emergency department;

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

112 (6) The establishment of an outpatient surgical facility, as defined in
113 section 19a-493b, or as established by a short-term acute care general
114 hospital;

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

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

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

127 (10) The acquisition of computed tomography scanners, magnetic
128 resonance imaging scanners, positron emission tomography scanners or
129 positron emission tomography-computed tomography scanners, by any
130 person, physician, provider, short-term acute care general hospital or
131 children's hospital, except (A) as provided for in subdivision (22) of
132 subsection (b) of this section, and (B) a certificate of need issued by the
133 unit shall not be required where such scanner is a replacement for a
134 scanner that was previously acquired through certificate of need
135 approval or a certificate of need determination, including a replacement

136 scanner that has dual modalities or functionalities if the applicant
137 already offers similar imaging services for each of the scanner's
138 modalities or functionalities that will be utilized;

139 (11) The acquisition of a proton radiotherapy machine or nonhospital
140 based linear [accelerators] accelerator, except a certificate of need issued
141 by the unit shall not be required where such machine or accelerator is a
142 replacement for [an] a machine or accelerator that was previously
143 acquired through certificate of need approval or a certificate of need
144 determination;

145 (12) An increase in the licensed bed capacity of a health care facility,
146 except as provided in subdivision (23) of subsection (b) of this section;

147 (13) The acquisition of equipment utilizing technology that has not
148 previously been utilized in the state;

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

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

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

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

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

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

164 (2) The establishment of offices by a licensed private practitioner,
165 whether for individual or group practice, except when a certificate of
166 need is required in accordance with the requirements of section 19a-
167 493b or subdivision (3), (10) or (11) of subsection (a) of this section;

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

170 (4) Residential care homes, as defined in subsection (c) of section 19a-
171 490, and nursing homes and rest homes, as defined in subsection (o) of
172 section 19a-490;

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

174 (6) Home health agencies, as defined in section 19a-490;

175 (7) Hospice services, as described in section 19a-122b;

176 (8) Outpatient rehabilitation facilities;

177 (9) Outpatient chronic dialysis services;

178 (10) Transplant services;

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

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

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

188 (14) Any nonprofit facility, institution or provider that has a contract
189 with, or is certified or licensed to provide a service for, a state agency or
190 department for a service that would otherwise require a certificate of

191 need. The provisions of this subdivision shall not apply to a short-term
192 acute care general hospital or children's hospital, or a hospital or other
193 facility or institution operated by the state that provides services that are
194 eligible for reimbursement under Title XVIII or XIX of the federal Social
195 Security Act, 42 USC 301, as amended;

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

199 (16) An outpatient clinic or program operated exclusively by or
200 contracted to be operated exclusively by a municipality, municipal
201 agency, municipal board of education or a health district, as described
202 in section 19a-241;

203 (17) A residential facility for persons with intellectual disability
204 licensed pursuant to section 17a-227 and certified to participate in the
205 Title XIX Medicaid program as an intermediate care facility for
206 individuals with intellectual disabilities;

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

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

220 (20) The partial or total elimination of services provided by an
221 outpatient surgical facility, as defined in section 19a-493b, except as

222 provided in subdivision (6) of subsection (a) of this section and section
223 19a-639e;

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

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

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

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

245 (25) On or before June 30, 2028, a birth center, as defined in section
246 19a-490, that is enrolled as a provider in the Connecticut medical
247 assistance program, as defined in section 17b-245g.

248 (c) (1) Any person, health care facility or institution that is unsure
249 whether a certificate of need is required under this section, or (2) any
250 health care facility that proposes to relocate pursuant to section 19a-
251 639c, shall send a letter to the unit that describes the project and requests
252 that the unit make a determination as to whether a certificate of need is

253 required. In the case of a relocation of a health care facility, the letter
254 shall include information described in section 19a-639c. A person, health
255 care facility or institution making such request shall provide the unit
256 with any information the unit requests as part of its determination
257 process. The unit shall provide a determination within thirty days of
258 receipt of such request.

259 (d) Any large group practice that undergoes a transfer of ownership
260 shall submit a report to the Office of Health Strategy not later than
261 ninety days after the date such transfer is completed, in a form and
262 manner prescribed by the executive director of the Office of Health
263 Strategy, describing such large group practice and transfer of
264 ownership. Such report shall include, but need not be limited to: (1) The
265 names and medical specialties of each physician practicing in the large
266 group practice; (2) the names of any business entities that provide
267 clinical or managerial services for the large group practice; (3) the
268 address of each location where the large group practice provides clinical
269 services; and (4) the name, ownership structure, and legal organization
270 of the large group practice after such large group practice undergoes the
271 transfer of ownership, including the name and legal organization of any
272 person or entity that controls, directly or indirectly, at least ten per cent
273 of the large group practice after the transfer of ownership. On or before
274 April 1, 2025, and annually thereafter, the executive director shall
275 publish a summary of aggregated data related to large group practice
276 transfers of ownership occurring in the preceding calendar year on the
277 Office of Health Strategy's Internet web site.

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

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

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

302 Sec. 3. Section 19a-639a of the 2024 supplement to the general statutes
303 is repealed and the following is substituted in lieu thereof (*Effective*
304 *October 1, 2024*):

305 (a) An application for a certificate of need shall be filed with the unit
306 in accordance with the provisions of this section and any regulations
307 adopted by the Office of Health Strategy. The application shall address
308 the guidelines and principles set forth in (1) subsection (a) of section 19a-
309 639, as amended by this act, and (2) regulations adopted by the
310 department. The applicant shall include with the application a
311 nonrefundable application fee based on the cost of the project. The
312 amount of the fee shall be as follows: (A) One thousand dollars for a
313 project that will cost not greater than fifty thousand dollars; (B) two
314 thousand dollars for a project that will cost greater than fifty thousand
315 dollars but not greater than one hundred thousand dollars; (C) three
316 thousand dollars for a project that will cost greater than one hundred
317 thousand dollars but not greater than five hundred thousand dollars;
318 (D) four thousand dollars for a project that will cost greater than five
319 hundred thousand dollars but not greater than one million dollars; (E)

320 five thousand dollars for a project that will cost greater than one million
321 dollars but not greater than five million dollars; (F) eight thousand
322 dollars for a project that will cost greater than five million dollars but
323 not greater than ten million dollars; and (G) ten thousand dollars for a
324 project that will cost greater than ten million dollars.

325 (b) Prior to the filing of a certificate of need application, the applicant
326 shall (1) not less than twenty-one days before filing such application,
327 request a meeting with the Office of Health Strategy, in a form and
328 manner prescribed by the executive director of the Office of Health
329 Strategy to review the certificate of need application process, which
330 shall be held not more than fourteen days after the date the applicant
331 submits such request, (2) publish notice that an application is to be
332 submitted to the unit (A) in a newspaper having a substantial circulation
333 in the area where the project is to be located, and (B) on the applicant's
334 Internet web site in a clear and conspicuous location that is easily
335 accessible by members of the public, [(2)] (3) request the publication of
336 notice (A) in at least two sites within the affected community that are
337 commonly accessed by the public, such as a town hall or library, and (B)
338 on any existing Internet web site of the municipality or local health
339 department, and [(3)] (4) submit such notice to the unit for posting on
340 such unit's Internet web site. Such newspaper notice shall be published
341 for not less than three consecutive days, with the final date of
342 consecutive publication occurring not later than twenty days prior to the
343 date of filing of the certificate of need application, and contain a brief
344 description of the nature of the project and the street address where the
345 project is to be located. Postings in the affected community and on the
346 applicant's Internet web site shall remain until the decision on the
347 application is rendered. The unit shall not invalidate any notice due to
348 changes or removal of the notice from a community Internet web site of
349 which the applicant has no control. An applicant shall file the certificate
350 of need application with the unit not later than ninety days after
351 publishing notice of the application in a newspaper in accordance with
352 the provisions of this subsection. The unit shall not accept the
353 applicant's certificate of need application for filing unless the

354 application is accompanied by the application fee prescribed in
355 subsection (a) of this section and proof of compliance with the
356 publication requirements prescribed in this subsection.

357 (c) (1) Not later than five business days after receipt of a properly filed
358 certificate of need application, the unit shall publish notice of the
359 application on its Internet web site. Not later than [thirty] sixty days
360 after the date of filing of the application, the unit may request such
361 additional information as the unit determines necessary to complete the
362 application. In addition to any information requested by the unit, if the
363 application involves the transfer of ownership of a hospital, as defined
364 in section 19a-639, as amended by this act, the applicant shall submit to
365 the unit (A) a plan demonstrating how health care services will be
366 provided by the new hospital for the first three years following the
367 transfer of ownership of the hospital, including any consolidation,
368 reduction, elimination or expansion of existing services or introduction
369 of new services, and (B) the names of persons currently holding a
370 position with the hospital to be purchased or the purchaser, as defined
371 in section 19a-639, as amended by this act, as an officer, director, board
372 member or senior manager, whether or not such person is expected to
373 hold a position with the hospital after completion of the transfer of
374 ownership of the hospital and any salary, severance, stock offering or
375 any financial gain, current or deferred, such person is expected to
376 receive as a result of, or in relation to, the transfer of ownership of the
377 hospital.

378 (2) The applicant shall, not later than sixty days after the date of the
379 unit's request, submit any requested information and any information
380 required under this subsection to the unit. If an applicant fails to submit
381 such information to the unit within the sixty-day period, the unit shall
382 consider the application to have been withdrawn, provided the unit
383 shall not consider the application to have been withdrawn if the unit
384 and applicant agree to an extension of time to submit such information.

385 (3) The unit shall make reasonable efforts to limit the requests for
386 additional information to [two] one such set of requests and, in all cases,

387 cease all requests for additional information not later than six months
388 after receiving the application unless the applicant and unit agree to
389 extend such time period. The unit shall determine whether an
390 application is complete not later than fifteen days after the applicant
391 submits responses to a request for additional information.

392 (d) Upon deeming an application complete, the unit shall provide
393 notice of this determination to the applicant and to the public in
394 accordance with regulations adopted by the department. In addition,
395 the unit shall post such notice on its Internet web site and notify the
396 applicant not later than five days after deeming the application
397 complete. The date on which the unit [posts such notice on its Internet
398 web site] deems the application complete shall begin the review period.
399 Except as provided in this subsection, (1) the review period for an
400 application deemed complete shall be [ninety] seventy-five days from
401 the date on which the unit [posts such notice on its Internet web site]
402 deems the application complete; and (2) the unit shall issue a decision
403 on an application deemed complete prior to the expiration of the
404 [ninety-day] seventy-five-day review period in matters without a public
405 hearing. The review period for an application deemed complete that
406 involves a transfer of a large group practice, as described in subdivision
407 (3) of subsection (a) of section 19a-638, as amended by this act, when the
408 offer was made in response to a request for proposal or similar
409 voluntary offer for sale, shall be sixty days from the date on which the
410 unit [posts notice on its Internet web site] deems the application
411 complete. Upon [request] agreement with the applicant or for good
412 cause shown, the unit may extend the review period for a period of time
413 not to exceed [sixty] thirty days. If the review period is extended, the
414 unit shall issue a decision on the completed application prior to the
415 expiration of the extended review period. If the unit holds a public
416 hearing concerning a completed application in accordance with
417 subsection (e) or (f) of this section, the unit shall issue a decision on the
418 completed application not later than sixty days after the date the unit
419 closes the public hearing record.

420 (e) Except as provided in this subsection, the unit shall hold a public

421 hearing on a properly filed and completed certificate of need application
422 if three or more individuals or an individual representing an entity with
423 five or more people submits a request, in writing, that a public hearing
424 be held on the application. For a properly filed and completed certificate
425 of need application involving a transfer of ownership of a large group
426 practice, as described in subdivision (3) of subsection (a) of section 19a-
427 638, as amended by this act, when an offer was made in response to a
428 request for proposal or similar voluntary offer for sale, a public hearing
429 shall be held if twenty-five or more individuals or an individual
430 representing twenty-five or more people submits a request, in writing,
431 that a public hearing be held on the application. Any request for a public
432 hearing shall be made to the unit not later than [thirty] fifteen days after
433 the date the unit deems the application to be complete.

434 (f) (1) The unit shall hold a public hearing with respect to each
435 certificate of need application filed pursuant to section 19a-638, as
436 amended by this act, after December 1, 2015, that concerns any transfer
437 of ownership involving a hospital. Such hearing shall be held in the
438 municipality in which the hospital that is the subject of the application
439 is located.

440 (2) The unit may hold a public hearing with respect to any certificate
441 of need application submitted under this chapter. The unit shall provide
442 not less than two weeks' advance notice to the applicant, in writing, and
443 to the public by publication in a newspaper having a substantial
444 circulation in the area served by the health care facility or provider. Such
445 notice shall be provided not more than forty-five days after the
446 application is deemed complete. In conducting its activities under this
447 chapter, the unit may hold hearings with respect to applications of a
448 similar nature at the same time. The applicant shall post a copy of the
449 unit's hearing notice on the applicant's Internet web site in a clear and
450 conspicuous location that is easily accessible by members of the public.
451 Such applicant shall request the publication of notice in at least two sites
452 within the affected community that are commonly accessed by the
453 public, such as a town hall or library, as well as on any existing Internet
454 web site of the municipality or local health department. The unit shall

455 not invalidate any notice due to changes or removal of the notice from
456 a community Internet web site of which the applicant has no control.

457 (g) For applications submitted on or after October 1, 2023, the unit
458 may retain an independent consultant with expertise in the specific area
459 of health care that is the subject of the application filed by an applicant
460 if the review and analysis of an application cannot reasonably be
461 conducted by the unit without the expertise of an industry analyst or
462 other actuarial consultant. The unit shall submit bills for independent
463 consultant services to the applicant. Such applicant shall pay such bills
464 not later than thirty days after receipt of such bills. Such bills shall be a
465 reasonable amount per application. The provisions of chapter 57 and
466 sections 4-212 to 4-219, inclusive, and 4e-19 shall not apply to any
467 retainer agreement executed pursuant to this subsection.

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

477 (i) (1) Notwithstanding the provisions of this section, on or before
478 January 1, 2025, the unit shall develop and implement an expedited
479 certificate of need review process for (A) certificate of need applications
480 for (i) a service, facility or equipment identified as having an unmet need
481 in the geographic region of the applicant in the most recent state-wide
482 health care facilities and services plan, established pursuant to section
483 19a-634, as amended by this act, (ii) the acquisition of a computed
484 tomography scanner, and (B) any other certificate of need application in
485 which the applicant, pursuant to subdivision (2) of this subsection, (i)
486 requests an expedited review of a certificate of need application, and (ii)
487 demonstrates that the subject of the application addresses an unmet

488 need in the geographic region of the applicant. The unit shall issue a
489 decision on any certificate of need application eligible for expedited
490 review pursuant to the provisions of this subdivision not more than
491 thirty days after the unit receives an applicant's complete certificate of
492 need application.

493 (2) An applicant may request, in a form and manner prescribed by
494 the executive director of the Office of Health Strategy, an expedited
495 review of a certificate of need application pursuant to subparagraph (B)
496 of subdivision (1) of this subsection. Such request shall include, but need
497 not be limited to, (A) a description of the target population to be served
498 by the subject of the certificate of need application, (B) a clear
499 demonstration of an unmet need for the subject of the certificate of need
500 application in the geographic region of the applicant based on patient
501 diagnoses, utilization or other recent data, and (C) a description of the
502 availability of the subject of the certificate of need application in the
503 primary service area of the applicant. The unit shall determine whether
504 an applicant who requests an expedited review pursuant to the
505 provisions of this subdivision is eligible for such expedited review not
506 more than thirty days after the date that the unit receives the applicant's
507 request.

508 (3) Notwithstanding the provisions of this section, the expedited
509 certificate of need review process established pursuant to the provisions
510 of this subsection shall (A) allow the unit to resolve an expedited
511 certificate of need application by (i) agreed settlement with the
512 applicant, (ii) making a determination approving the expedited
513 certificate of need application, or (iii) for good cause, requiring the
514 applicant to submit a certificate of need application pursuant to the
515 provisions of subsections (a) to (f), inclusive, of this section, and (B) not
516 require a public hearing on an expedited certificate of need application.
517 For the purposes of this subdivision, "good cause" includes, but is not
518 limited to, a finding by the unit that the certificate of need application is
519 not eligible for expedited review pursuant to the provisions of this
520 subsection or the certificate of need application would likely fail to
521 satisfy at least one of the guidelines or principles described in section

522 19a-639, as amended by this act.

523 (4) The expedited certificate of need review process established
524 pursuant to the provisions of this subsection shall not be considered a
525 contested case, as defined in section 4-166. The unit's decision on any
526 expedited certificate of need application submitted pursuant to the
527 provisions of this subsection shall not be considered a final decision, as
528 defined in section 4-166.

529 Sec. 4. Section 19a-639 of the general statutes is repealed and the
530 following is substituted in lieu thereof (*Effective July 1, 2024*):

531 (a) In any deliberations involving a certificate of need application
532 filed pursuant to section 19a-638, as amended by this act, the unit shall
533 take into consideration and make written findings concerning each of
534 the following guidelines and principles:

535 (1) Whether the proposed project is consistent with any applicable
536 policies and standards adopted in regulations by the Office of Health
537 Strategy;

538 (2) [The relationship of the] Whether the proposed project [to] is
539 consistent with any applicable policies and standards as set forth in the
540 state-wide health care facilities and services plan;

541 (3) Whether [there is a clear] the applicant has satisfactorily
542 demonstrated that the proposed project is consistent with a public need,
543 [for the health care facility or services proposed by the applicant]
544 including, but not limited to, a public health or community health need
545 identified in a community health needs assessment, community service
546 plan, community health improvement plan, community profile, the
547 applicant's long-term plan or other similar report characterizing the
548 health needs of the community;

549 (4) Whether the applicant has satisfactorily demonstrated [how] that
550 the proposal will not negatively impact the financial strength of the
551 health care system in the region and state; [or that the proposal is

552 financially feasible for the applicant;]

553 (5) Whether the applicant has satisfactorily demonstrated how the
554 proposal will improve the quality [, accessibility and cost effectiveness]
555 of health care delivery in the region; [, including, but not limited to,
556 provision of or any change in the access to services for Medicaid
557 recipients and indigent persons;]

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

562 (7) Whether the applicant has satisfactorily demonstrated how the
563 proposal will increase cost effectiveness of health care delivery in the
564 region;

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

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

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

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

579 (10) Whether an applicant, who has failed to provide or reduced
580 access to services by Medicaid or Medicare recipients or indigent
581 persons, has demonstrated good cause for doing so, which shall not be

582 demonstrated solely on the basis of differences in reimbursement rates
583 between [Medicaid and other] public and private health care payers;

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

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

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

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

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

603 (c) The unit, as it deems necessary, may revise or supplement the
604 guidelines and principles, set forth in subsection (a) of this section,
605 through regulation. The executive director may implement policies and
606 procedures necessary to implement the provisions of this section while
607 in the process of adopting such policies and procedures as regulations,
608 provided the executive director holds a public hearing at least thirty
609 days prior to implementing such policies and procedures and publishes
610 notice of intent to adopt the regulations on the Office of Health
611 Strategy's Internet web site and the eRegulations System not later than
612 twenty days after implementing such policies and procedures. Policies

613 and procedures implemented pursuant to this subsection shall be valid
614 until final regulations are adopted in accordance with the provisions of
615 chapter 54.

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

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

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

622 (C) "New hospital" means a hospital as it exists after the approval of
623 an agreement pursuant to section 19a-486b₂, or a certificate of need
624 application for a transfer of ownership of a hospital;

625 (D) "Purchaser" means a person who is acquiring, or has acquired,
626 any assets of a hospital through a transfer of ownership of a hospital;

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

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

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

639 (2) In any deliberations involving a certificate of need application
640 filed pursuant to section 19a-638, as amended by this act, that involves
641 the transfer of ownership of a hospital, the unit shall, in addition to the

642 guidelines and principles set forth in subsection (a) of this section and
643 those prescribed through regulation pursuant to subsection (c) of this
644 section, take into consideration and make written findings concerning
645 each of the following guidelines and principles:

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

650 (B) Whether the plan submitted pursuant to section 19a-639a, as
651 amended by this act, demonstrates, in a manner consistent with this
652 chapter, how health care services will be provided by the new hospital
653 for the first three years following the transfer of ownership of the
654 hospital, including any consolidation, reduction, elimination or
655 expansion of existing services or introduction of new services.

656 (3) The unit shall deny any certificate of need application involving a
657 transfer of ownership of a hospital unless the executive director finds
658 that the affected community will be assured of continued access to high
659 quality and affordable health care after accounting for any proposed
660 change impacting hospital staffing.

661 (4) The unit may deny any certificate of need application involving a
662 transfer of ownership of a hospital subject to a cost and market impact
663 review pursuant to section 19a-639f, if the executive director finds that
664 (A) the affected community will not be assured of continued access to
665 high quality and affordable health care after accounting for any
666 consolidation in the hospital and health care market that may lessen
667 health care provider diversity, consumer choice and access to care, and
668 (B) any likely increases in the prices for health care services or total
669 health care spending in the state may negatively impact the affordability
670 of care.

671 (5) The unit may place any conditions on the approval of a certificate
672 of need application involving a transfer of ownership of a hospital
673 consistent with the provisions of this chapter. Before placing any such

674 conditions, the unit shall weigh the value of such conditions in
675 promoting the purposes of this chapter against the individual and
676 cumulative burden of such conditions on the transacting parties and the
677 new hospital. For each condition imposed, the unit shall include a
678 concise statement of the legal and factual basis for such condition and
679 the provision or provisions of this chapter that it is intended to promote.
680 Each condition shall be reasonably tailored in time and scope. The
681 transacting parties or the new hospital shall have the right to make a
682 request to the unit for an amendment to, or relief from, any condition
683 based on changed circumstances, hardship or for other good cause.

684 (6) In any deliberations involving a certificate of need application
685 filed pursuant to section 19a-638, as amended by this act, that involves
686 the transfer of ownership of a hospital and that is subject to a cost and
687 market impact review, the unit shall be permitted to consider the
688 preliminary report, response to the preliminary report, final report and
689 any written comments from the parties regarding the reports issued or
690 submitted as part of the review, provided the unit has determined that
691 the disclosure of any such reports is appropriate in light of the
692 considerations set forth in subsection (c) of section 19a-639f and each
693 party in the certificate of need proceeding was provided an opportunity
694 of not less than fourteen days after the date of issuance of the final report
695 to provide written comments on the reports issued as part of the review
696 process. The unit shall develop a process through which each party to a
697 certificate of need proceeding may obtain the data used in a cost and
698 market impact review.

699 (e) (1) If the certificate of need application (A) involves the transfer of
700 ownership of a hospital, (B) the purchaser is a hospital, as defined in
701 section 19a-490, whether located within or outside the state, that had net
702 patient revenue for fiscal year 2013 in an amount greater than one billion
703 five hundred million dollars or a hospital system, as defined in section
704 19a-486i, whether located within or outside the state, that had net
705 patient revenue for fiscal year 2013 in an amount greater than one billion
706 five hundred million dollars, or any person that is organized or operated
707 for profit, and (C) such application is approved, the unit shall hire an

708 independent consultant to serve as a post-transfer compliance reporter
709 for a period of not less than three years after completion of the transfer
710 of ownership of the hospital. Such reporter shall, at a minimum: (i) Meet
711 with representatives of the purchaser, the new hospital and members of
712 the affected community served by the new hospital not less than
713 quarterly; and (ii) report to the unit not less than quarterly concerning
714 (I) efforts the purchaser and representatives of the new hospital have
715 taken to comply with any conditions the unit placed on the approval of
716 the certificate of need application and plans for future compliance, and
717 (II) community benefits and uncompensated care provided by the new
718 hospital. The purchaser shall give the reporter access to its records and
719 facilities for the purposes of carrying out the reporter's duties. The
720 purchaser shall hold a public hearing in the municipality in which the
721 new hospital is located not less than annually during the reporting
722 period to provide for public review and comment on the reporter's
723 reports and findings.

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

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

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

739 Sec. 5. Section 19a-634 of the general statutes is repealed and the

740 following is substituted in lieu thereof (*Effective from passage*):

741 (a) The Health Systems Planning Unit shall conduct, on a biennial
742 basis, a state-wide health care facility utilization study. Such study (1)
743 may include an assessment of [:(1) Current] (A) current availability and
744 utilization of acute hospital care, hospital emergency care, specialty
745 hospital care, outpatient surgical care, primary care and clinic care, [;]
746 (2)] (B) geographic areas and subpopulations that may be underserved
747 or have reduced access to specific types of health care services, [;] and
748 [(3)] (C) other factors that the unit deems pertinent to health care facility
749 utilization, and (2) on and after January 1, 2025, shall include an
750 assessment of current availability and utilization of percutaneous
751 coronary intervention and other cardiac services. Not later than June
752 thirtieth of the year in which the biennial study is conducted, the
753 executive director of the Office of Health Strategy shall report, in
754 accordance with section 11-4a, to the Governor and the joint standing
755 committees of the General Assembly having cognizance of matters
756 relating to public health and human services on the findings of the
757 study. Such report may also include the unit's recommendations for
758 addressing identified gaps in the provision of health care services and
759 recommendations concerning a lack of access to health care services.

760 (b) The unit, in consultation with such other state agencies as the
761 executive director deems appropriate, shall establish and maintain a
762 state-wide health care facilities and services plan. Such plan (1) may
763 include, but not be limited to [:(1) An] (A) an assessment of the
764 availability of acute hospital care, hospital emergency care, specialty
765 hospital care, outpatient surgical care, primary care and clinic care, [;]
766 (2)] (B) an evaluation of the unmet needs of persons at risk and
767 vulnerable populations as determined by the executive director, [; (3)]
768 (C) a projection of future demand for health care services and the impact
769 that technology may have on the demand, capacity or need for such
770 services, [;] and [(4)] (D) recommendations for the expansion, reduction
771 or modification of health care facilities or services, and (2) shall (A)
772 include recommendations regarding percutaneous coronary
773 intervention and other cardiac services, and (B) identify geographic

774 areas of unmet need for services, facilities or equipment and the types
775 of such services, facilities or equipment, if any. In the development of
776 the plan, the unit shall consider the recommendations of any advisory
777 bodies which may be established by the executive director. The
778 executive director may also incorporate the recommendations of
779 authoritative organizations whose mission is to promote policies based
780 on best practices or evidence-based research. The executive director, in
781 consultation with hospital representatives, shall develop a process that
782 encourages hospitals to incorporate the state-wide health care facilities
783 and services plan into hospital long-range planning and shall facilitate
784 communication between appropriate state agencies concerning
785 innovations or changes that may affect future health planning. The unit
786 shall update the state-wide health care facilities and services plan not
787 less than once every two years.

788 (c) For purposes of conducting the state-wide health care facility
789 utilization study and preparing the state-wide health care facilities and
790 services plan, the unit shall establish and maintain an inventory of all
791 health care facilities, the equipment identified in subdivisions (9) and
792 (10) of subsection (a) of section 19a-638, as amended by this act, and
793 services in the state, including health care facilities that are exempt from
794 certificate of need requirements under subsection (b) of section 19a-638,
795 as amended by this act. The unit shall develop an inventory
796 questionnaire to obtain the following information: (1) The name and
797 location of the facility; (2) the type of facility; (3) the hours of operation;
798 (4) the type of services provided at that location; and (5) the total number
799 of clients, treatments, patient visits, procedures performed or scans
800 performed in a calendar year. The inventory shall be completed
801 biennially by health care facilities and providers and such health care
802 facilities and providers shall not be required to provide patient specific
803 or financial data.

804 (d) (1) The unit shall convene a technical expert panel to (A) review
805 (i) the supply of the full range of cardiac services in the state, (ii) the
806 need and demand for cardiac services by geographic region of the state,
807 (iii) the best evidence concerning utilization volumes, quality of care

808 and distance between cardiac care centers, and (iv) the most recent
809 professional guidelines relating to cardiac care, and (B) identify
810 geographic areas of unmet need for services, facilities or equipment and
811 the types of such services, facilities or equipment, if any.

812 (2) The technical expert panel shall consist of the following members,
813 who shall be experts in the area of cardiac care quality and guidelines:
814 (A) Four appointed by the Governor; (B) one appointed by the Senate
815 chairperson of the joint standing committee of the General Assembly
816 having cognizance of matters relating to public health; (C) one
817 appointed by the House chairperson of said joint standing committee;
818 (D) one appointed by the Senate ranking member of said joint standing
819 committee; and (E) one appointed by the House ranking member of said
820 joint standing committee. The technical expert panel shall terminate
821 ninety days after the unit updates the 2024 state-wide health care
822 facilities and services plan with a supplemental report pursuant to the
823 provisions of subdivision (3) of this subsection.

824 (3) Not later than January 1, 2025, the unit shall, in consultation with
825 the technical expert panel, update the 2024 state-wide health care
826 facilities and services plan with a supplemental report on cardiac
827 services in the state and submit such report to the Governor and, in
828 accordance with the provisions of section 11-4a, to the joint standing
829 committee of the General Assembly having cognizance of matters
830 relating to public health. Such supplemental report shall include, but
831 need not be limited to, (A) a review of (i) the supply of the full range of
832 cardiac services in the state, (ii) the need and demand for cardiac
833 services by geographic region of the state, (iii) the best evidence
834 concerning utilization volumes, quality of care and distance between
835 cardiac care centers, and (iv) the most recent professional guidelines
836 relating to cardiac care, and (B) identification of any geographic areas of
837 unmet need for services, facilities or equipment and the types of such
838 services, facilities or equipment if any such areas and services, facilities
839 or equipment are identified pursuant to subdivision (1) of this
840 subsection.

841 Sec. 6. (NEW) (*Effective July 1, 2024*) (a) On or before October 31, 2024,
842 and quarterly thereafter, each hospital, as defined in section 12-263p of
843 the general statutes, shall submit a report to the executive director of the
844 Office of Health Strategy that identifies, for the prior calendar quarter,
845 (1) any vendor invoices that remained unpaid for more than ninety days
846 after receipt, regardless of whether the hospital disputes such invoice,
847 (2) the outstanding balances on such invoices, (3) the number of days of
848 cash on hand, (4) the operating margin, (5) the total margin, (6) unpaid
849 rent, (7) unpaid utilities, (8) fees, taxes or assessments owed to public
850 utilities, and (9) unpaid employee health insurance premiums,
851 including unpaid contributions, claims or other obligations supporting
852 employees under a self-funded insurance plan. The executive director
853 shall develop a uniform template, including definitions of terms used in
854 such template, to be used by hospitals for the purposes of complying
855 with the provisions of this subsection and post such template on the
856 Office of Health Strategy's Internet web site. Such template shall allow
857 for an explanation of any disputed charges. A hospital may request an
858 extension of not more than fifteen days to comply with the requirements
859 of this subsection in a form and manner prescribed by the executive
860 director. The executive director may grant such request for good cause,
861 as determined by the executive director.

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

873 (c) On or before November 30, 2024, and quarterly thereafter, the
874 executive director shall provide to the Secretary of the Office of Policy

875 and Management a summary of the reports received in accordance with
876 subsection (a) of this section for the prior calendar quarter."

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|---|------------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | 19a-630 |
| Sec. 2 | <i>October 1, 2024</i> | 19a-638 |
| Sec. 3 | <i>October 1, 2024</i> | 19a-639a |
| Sec. 4 | <i>July 1, 2024</i> | 19a-639 |
| Sec. 5 | <i>from passage</i> | 19a-634 |
| Sec. 6 | <i>July 1, 2024</i> | New section |