



Senate

General Assembly

File No. 579

January Session, 2025

Senate Bill No. 1395

Senate, April 8, 2025

The Committee on Public Health reported through SEN. ANWAR of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT ESTABLISHING LICENSURE FOR LONG-TERM ACUTE CARE HOSPITALS AND REQUIRING THE DEPARTMENT OF PUBLIC HEALTH TO STUDY THE DESIGNATION OF LONG-TERM CARE FACILITIES AND CHRONIC DISEASE HOSPITALS.

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

1 Section 1. Section 19a-490 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

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

4 (a) "Institution" means a hospital, short-term hospital special hospice,
5 hospice inpatient facility, residential care home, nursing home facility,
6 home health care agency, home health aide agency, behavioral health
7 facility, assisted living services agency, substance abuse treatment
8 facility, outpatient surgical facility, outpatient clinic, clinical laboratory,
9 blood collection facility, source plasma donation center, birth center,
10 long-term acute care hospital, an infirmary operated by an educational
11 institution for the care of students enrolled in, and faculty and
12 employees of, such institution; a facility engaged in providing services

13 for the prevention, diagnosis, treatment or care of human health
14 conditions, including facilities operated and maintained by any state
15 agency; and a residential facility for persons with intellectual disability
16 licensed pursuant to section 17a-227 and certified to participate in the
17 Title XIX Medicaid program as an intermediate care facility for
18 individuals with intellectual disability. "Institution" does not include
19 any facility for the care and treatment of persons with mental illness or
20 substance use disorder operated or maintained by any state agency,
21 except Whiting Forensic Hospital and the hospital and psychiatric
22 residential treatment facility units of the Albert J. Solnit Children's
23 Center;

24 (b) "Hospital" means an establishment for the lodging, care and
25 treatment of persons suffering from disease or other abnormal physical
26 or mental conditions and includes inpatient psychiatric services in
27 general hospitals;

28 (c) "Residential care home" or "rest home" means a community
29 residence that furnishes, in single or multiple facilities, food and shelter
30 to two or more persons unrelated to the proprietor and, in addition,
31 provides services that meet a need beyond the basic provisions of food,
32 shelter and laundry and may qualify as a setting that allows residents to
33 receive home and community-based services funded by state and
34 federal programs;

35 (d) "Home health care agency" means a public or private
36 organization, or a subdivision thereof, engaged in providing
37 professional nursing services and the following services, available
38 twenty-four hours per day, in the patient's home or a substantially
39 equivalent environment: Home health aide services as defined in this
40 section, physical therapy, speech therapy, occupational therapy or
41 medical social services. The agency shall provide professional nursing
42 services and at least one additional service directly and all others
43 directly or through contract. An agency shall be available to enroll new
44 patients seven days a week, twenty-four hours per day;

45 (e) "Home health aide agency" means a public or private

46 organization, except a home health care agency, which provides in the
47 patient's home or a substantially equivalent environment supportive
48 services which may include, but are not limited to, assistance with
49 personal hygiene, dressing, feeding and incidental household tasks
50 essential to achieving adequate household and family management.
51 Such supportive services shall be provided under the supervision of a
52 registered nurse and, if such nurse determines appropriate, shall be
53 provided by a social worker, physical therapist, speech therapist or
54 occupational therapist. Such supervision may be provided directly or
55 through contract;

56 (f) "Home health aide services" as defined in this section shall not
57 include services provided to assist individuals with activities of daily
58 living when such individuals have a disease or condition that is chronic
59 and stable as determined by a physician licensed in the state;

60 (g) "Behavioral health facility" means any facility that provides
61 mental health services to persons eighteen years of age or older or
62 substance use disorder services to persons of any age in an outpatient
63 treatment or residential setting to ameliorate mental, emotional,
64 behavioral or substance use disorder issues;

65 (h) "Clinical laboratory" means any facility or other area used for
66 microbiological, serological, chemical, hematological,
67 immunohematological, biophysical, cytological, pathological or other
68 examinations of human body fluids, secretions, excretions or excised or
69 exfoliated tissues for the purpose of providing information for the (1)
70 diagnosis, prevention or treatment of any human disease or
71 impairment, (2) assessment of human health, or (3) assessment of the
72 presence of drugs, poisons or other toxicological substances;

73 (i) "Person" means any individual, firm, partnership, corporation,
74 limited liability company or association;

75 (j) "Commissioner" means the Commissioner of Public Health or the
76 commissioner's designee;

77 (k) "Home health agency" means an agency licensed as a home health
78 care agency or a home health aide agency;

79 (l) "Assisted living services agency" means an agency that provides
80 chronic and stable individuals with services that include, but need not
81 be limited to, nursing services and assistance with activities of daily
82 living and may have a dementia special care unit or program as defined
83 in section 19a-562;

84 (m) "Outpatient clinic" means an organization operated by a
85 municipality or a corporation, other than a hospital, that provides (1)
86 ambulatory medical care, including preventive and health promotion
87 services, (2) dental care, or (3) mental health services in conjunction with
88 medical or dental care for the purpose of diagnosing or treating a health
89 condition that does not require the patient's overnight care;

90 (n) "Multicare institution" means a hospital that provides outpatient
91 behavioral health services or other health care services, psychiatric
92 outpatient clinic for adults, free-standing facility for the care or
93 treatment of substance abusive or dependent persons, hospital for
94 psychiatric disabilities, as defined in section 17a-495, or a general acute
95 care hospital that provides outpatient behavioral health services that (1)
96 is licensed in accordance with this chapter, (2) has more than one facility
97 or one or more satellite units owned and operated by a single licensee,
98 and (3) offers complex patient health care services at each facility or
99 satellite unit. For purposes of this subsection, "satellite unit" means a
100 location where a segregated unit of services is provided by the multicare
101 institution;

102 (o) "Nursing home" or "nursing home facility" means (1) any chronic
103 and convalescent nursing home or any rest home with nursing
104 supervision that provides nursing supervision under a medical director
105 twenty-four hours per day, or (2) any chronic and convalescent nursing
106 home that provides skilled nursing care under medical supervision and
107 direction to carry out nonsurgical treatment and dietary procedures for
108 chronic diseases, convalescent stages, acute diseases or injuries;

109 (p) "Outpatient dialysis unit" means (1) an out-of-hospital out-patient
110 dialysis unit that is licensed by the department to provide (A) services
111 on an out-patient basis to persons requiring dialysis on a short-term
112 basis or for a chronic condition, or (B) training for home dialysis, or (2)
113 an in-hospital dialysis unit that is a special unit of a licensed hospital
114 designed, equipped and staffed to (A) offer dialysis therapy on an out-
115 patient basis, (B) provide training for home dialysis, and (C) perform
116 renal transplantations;

117 (q) "Hospice agency" means a public or private organization that
118 provides home care and hospice services to terminally ill patients;

119 (r) "Psychiatric residential treatment facility" means a nonhospital
120 facility with a provider agreement with the Department of Social
121 Services to provide inpatient services to Medicaid-eligible individuals
122 under the age of twenty-one;

123 (s) "Chronic disease hospital" means a long-term hospital having
124 facilities, medical staff and all necessary personnel for the diagnosis,
125 care and treatment of chronic diseases;

126 (t) "Blood collection facility" means a facility that performs blood
127 component collection activities where blood is removed from a human
128 being for the purpose of administering such blood or any of its
129 components to any human being. "Blood collection facility" does not
130 include a facility that performs blood component collection activities to
131 collect source plasma or perform testing that would require licensure as
132 a clinical laboratory. For the purposes of this subsection, "source
133 plasma" means the liquid portion of human blood collected by
134 plasmapheresis and intended as source material for further
135 manufacturing use and does not include single donor plasma products
136 intended for intravenous use, and "plasmapheresis" means a procedure
137 in which blood is removed from a blood donor, the plasma is separated
138 from the formed elements and at least the red blood cells are returned
139 to the blood donor at the time of the donation;

140 (u) "Source plasma donation center" means a facility where source

141 plasma is collected by plasmapheresis. For the purposes of this
142 subsection, "source plasma" means the liquid portion of human blood
143 collected by plasmapheresis and intended as source material for further
144 manufacturing use and does not include single donor plasma products
145 intended for intravenous use, and "plasmapheresis" means a procedure
146 in which blood is removed from a blood donor, the plasma is separated
147 from the formed elements and at least the red blood cells are returned
148 to the blood donor at the time of the donation; [and]

149 (v) "Birth center" means a freestanding facility that is licensed by the
150 department (1) to provide perinatal, labor, delivery and postpartum
151 care during and immediately after delivery to persons presenting with
152 a low-risk pregnancy and healthy newborns for a period typically less
153 than twenty-four hours, and (2) that is not a hospital licensed pursuant
154 to the provisions of this chapter, or attached to or located in such a
155 hospital. For the purposes of this subsection, "low-risk pregnancy"
156 means an uncomplicated, singleton pregnancy that has vertex
157 presentation and is at low risk for developing complications during
158 labor and birth, as determined by an evaluation and examination
159 conducted by a licensed health care provider acting within the scope of
160 such provider's practice; and

161 (w) "Long-term acute care hospital" means a hospital that is a long-
162 term care hospital, as defined in 42 USC 1395x, as amended from time
163 to time.

164 Sec. 2. (*Effective from passage*) The Commissioner of Public Health shall
165 conduct a study of the regulatory framework of long-term acute care
166 hospitals, including, but not limited to, (1) any regulatory burdens, such
167 as duplicative employee fingerprinting requirements, (2) the
168 appropriateness of current oversight mechanisms, and (3) any
169 regulatory inconsistencies and their impact on the ability of such
170 hospitals to deliver timely and effective care. Not later than January 1,
171 2026, the commissioner shall submit a report, in accordance with the
172 provisions of section 11-4a of the general statutes, on the results of the
173 study and any recommendations for legislative action as a result of such

174 study to the joint standing committee of the General Assembly having
175 cognizance of matters relating to public health.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2025</i>	19a-490
Sec. 2	<i>from passage</i>	New section

PH *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Public Health, Dept.	GF - Cost	50,900	43,100
Resources of the General Fund	GF - Potential Revenue Loss	Up to 37,500	Up to 50,000
State Comptroller - Fringe Benefits ¹	GF - Cost	17,600	17,600
Department of Emergency Services and Public Protection	Applicant Fingerprint Card Submission Account - Potential Revenue Loss	Up to 7,500	Up to 10,000
Public Health, Dept.	GF - Potential Revenue Impact	See Below	See Below
Department of Emergency Services and Public Protection	GF - Potential Savings	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipal Police Departments	Potential Revenue Loss	See Below	See Below

Explanation

The bill creates a new licensure category for long-term acute care hospitals. This results in an estimated total General Fund cost of up to

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

\$68,500 in FY 26 and \$60,700 in FY 27. Additionally, potential revenue losses may result: (1) to General Fund of up to \$37,500 in FY 26 and up to \$50,000 in FY 27; and (2) to the Applicant Fingerprint Card Submission Account of up to \$7,500 in FY 26 and \$10,000 in FY 27.

Department of Public Health Licensure Category Establishment

The bill requires the Department of Public Health (DPH) to establish a new licensure category for long-term acute care hospitals and study the designation of long-term care facilities and chronic disease hospitals (CDH). This results in an estimated cost to the agency of \$50,900 in FY 26 and \$43,100 in FY 27, with an estimated cost to the Office of the State Comptroller for associated fringe benefits of \$17,600 annually.

To draft and implement regulations for the new long-term acute care hospital license, DPH needs support from two additional part-time (0.25 FTE) positions with a salary cost to the department of \$43,100 in both FY 26 and FY 27: (1) a Staff Attorney 1, at an annual salary of \$21,400 (plus \$8,700 fringe benefits); and (2) a Nurse Consultant, at an annual salary of \$21,700 (plus \$8,900 fringe benefits). The Nurse Consultant will also participate in conducting a study of long-term care facilities and CDH designations, as well as assist with the development of a report to the legislature, as required by the bill.

An additional one-time cost to DPH of \$7,800 in FY 26 for 150 hours of consultation with a healthcare consultant to assist with in the required study and the final report.

DPH currently licenses three hospitals under the CDH category, but it is unclear whether the three existing CDHs would transition to the new long-term acute care licensure category once it is created. There is a potential annual revenue change to the General Fund beginning in FY 26 depending on what licensure fees are created for the new category, if any, and to the extent existing CDHs change to it.

Criminal Background Checks

Current law generally requires CDH employees with direct access to

patients to submit to state criminal history records checks. The bill does not include this requirement for long-term acute care hospitals, which may result in the following impacts, to the extent that facilities currently licensed as CDHs switch to be licensed as long-term acute care hospitals: (1) potential savings to the Department of Emergency Services and Public Protection (DESPP); (2) a potential revenue loss to the General Fund of up to \$50,000 per fiscal year;² and (3) a potential revenue loss to the Applicant Fingerprint Card Submission Account or various municipal police departments of up to \$10,000 per fiscal year,³ beginning in FY 26. On average, about 660 CDH employees submit to state criminal history checks annually. The potential savings to DESPP would only occur if the decrease in workload is significant enough to require fewer employees. The FY 26 costs above reflect the bill's partial year implementation.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation. It is anticipated that the DPH personnel costs will be limited to the biennium, as the new staff are needed only for reporting and regulations development.

² DESPP conducts state criminal history records checks for a fee of \$75. The revenue that is collected from this fee is deposited into the General Fund.

³ DESPP conducts fingerprinting for a fee of \$15 fee per person paid to the Applicant Fingerprint Card Submission Account. Municipal police departments may also conduct the required fingerprinting for state criminal history records checks and typically charge a fee of \$10 to \$15. Funds in the non-lapsing Applicant Fingerprint Card Submission Account are used for IT support and maintenance for the fingerprinting systems.

OLR Bill Analysis**SB 1395*****AN ACT ESTABLISHING LICENSURE FOR LONG-TERM ACUTE CARE HOSPITALS AND REQUIRING THE DEPARTMENT OF PUBLIC HEALTH TO STUDY THE DESIGNATION OF LONG-TERM CARE FACILITIES AND CHRONIC DISEASE HOSPITALS.*****SUMMARY**

This bill specifically adds long-term acute care hospitals (that is, those that qualify as long-term care hospitals under federal Medicare law) to the list of health care institutions that require Department of Public Health (DPH) licensure. The law already requires them to be licensed (they are currently licensed as chronic disease hospitals).

Generally, under federal Medicare law, long-term care hospitals are those (1) primarily engaged in providing inpatient services to Medicare patients with complex conditions requiring a long hospital stay (with average stays exceeding 25 days) and (2) that meet various criteria on services, patient screening, staffing, and related matters.

The bill also requires the DPH commissioner to study the regulatory framework of long-term acute care hospitals, including (1) any regulatory burdens, such as duplicative employee fingerprinting requirements; (2) whether current oversight mechanisms are appropriate; and (3) any regulatory inconsistencies and how they impact these hospitals' timely and effective delivery of care. By January 1, 2026, she must report on the study and any related legislative recommendations to the Public Health Committee.

EFFECTIVE DATE: October 1, 2025, except the study provisions take effect upon passage.

COMMITTEE ACTION

Public Health Committee

Joint Favorable

Yea 32 Nay 0 (03/21/2025)