



General Assembly

February Session, 2014

**Raised Bill No. 460**

LCO No. 2529



Referred to Committee on PUBLIC HEALTH

Introduced by:  
(PH)

**AN ACT CONCERNING HOSPITAL CONVERSIONS AND OTHER MATTERS AFFECTING HOSPITALS.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) No nonprofit hospital  
2 shall enter into an agreement to transfer a material amount of its assets  
3 or operations or a change in control of operations to a person that is  
4 organized or operated for profit, except as provided in subsection (b)  
5 of this section.

6 (b) The provisions of this section shall not apply to (1) a for-profit  
7 hospital that was operating in the state as such on May 12, 2004, or (2)  
8 any agreement for which an application has been filed with the  
9 Commissioner of Public Health and the Attorney General pursuant to  
10 section 19a-486a of the general statutes, as amended by this act, prior  
11 to October 1, 2014.

12 Sec. 2. Section 19a-486 of the general statutes is repealed and the  
13 following is substituted in lieu thereof (*Effective October 1, 2014*):

14 For purposes of sections 19a-486 to 19a-486h, inclusive, as amended  
15 by this act, and sections 1 and 9 to 13, inclusive, of this act:

16 (1) "Nonprofit hospital" means a nonprofit entity licensed as a  
17 hospital pursuant to this chapter and any entity affiliated with such a  
18 hospital through governance or membership, including, but not  
19 limited to, a holding company or subsidiary.

20 (2) "Purchaser" means a person acquiring any assets of a nonprofit  
21 hospital through a transfer.

22 (3) "Person" means any individual, firm, partnership, corporation,  
23 limited liability company, association or other entity.

24 (4) "Transfer" means to sell, transfer, lease, exchange, option,  
25 convey, give or otherwise dispose of or transfer control over,  
26 including, but not limited to, transfer by way of merger or joint  
27 venture not in the ordinary course of business.

28 (5) "Control" has the meaning assigned to it in section 36b-41.

29 (6) "Commissioner" means the Commissioner of Public Health or  
30 the commissioner's designee.

31 (7) "Department" means the Department of Public Health.

32 (8) "Affected community" means a municipality where the hospital  
33 is physically located or a municipality whose inhabitants are regularly  
34 served by the hospital.

35 (9) "Community benefit" means the provision of hospital services  
36 that meet the ongoing needs of the community for primary and  
37 emergency care in a manner that enables members of the community  
38 to maintain a relationship with a family member or other person who  
39 is hospitalized or receiving hospital services and includes, but is not  
40 limited to, uncompensated care.

41 (10) "Conversion" means any transfer by a person or persons of the  
42 assets or operation of a hospital to another person or persons, that  
43 results in (A) a change in the ownership, control or possession of not  
44 less than twenty per cent of (i) the voting rights or interests in a  
45 nonprofit hospital, or (ii) the assets of a nonprofit hospital; (B) a person  
46 previously unaffiliated with a nonprofit hospital possessing not less  
47 than ten per cent of (i) the voting rights or interests in a nonprofit  
48 hospital, or (ii) the assets of the nonprofit hospital; or (C) the removal,  
49 addition or substitution of a person holding an ownership or  
50 membership interest in a nonprofit hospital that results in a previously  
51 unaffiliated person gaining or acquiring a controlling interest or  
52 controlling vote in a nonprofit hospital.

53 (11) "Transacting party" means a person that is a party to a proposed  
54 agreement for a conversion who submits an application to the  
55 commissioner and the Attorney General pursuant to section 19a-486a,  
56 as amended by this act, or section 10 of this act.

57 (12) "New hospital" means a hospital as it exists after the approval  
58 of an agreement pursuant to section 19a-486b, as amended by this act,  
59 or section 10 of this act and the completion of a conversion.

60 (13) "Uncompensated care" has the same meaning as in section 19a-  
61 659.

62 Sec. 3. Section 19a-486a of the general statutes is repealed and the  
63 following is substituted in lieu thereof (*Effective from passage*):

64 (a) No nonprofit hospital shall enter into an agreement to transfer a  
65 material amount of its assets or operations or a change in control of  
66 operations to a person that is organized or operated for profit: (1)  
67 Unless an application was filed with the Attorney General and the  
68 commissioner in accordance with the provisions of this section prior to  
69 October 1, 2014; and (2) without first having received approval of the  
70 agreement by the commissioner and the Attorney General pursuant to  
71 sections 19a-486 to 19a-486h, inclusive, as amended by this act, and

72 pursuant to the Attorney General's authority under section 3-125. On  
73 and after October 1, 2014, no nonprofit hospital shall enter into an  
74 agreement to transfer a material amount of its assets or operations or a  
75 change in control of operations to another nonprofit hospital without  
76 first having received approval of the agreement by the commissioner  
77 and the Attorney General pursuant to sections 19a-486 to 19a-486h,  
78 inclusive, as amended by this act, and sections 9 to 13, inclusive, of this  
79 act. Any such agreement without the approval required by sections  
80 19a-486 to 19a-486h, inclusive, as amended by this act, or sections 9 to  
81 13, inclusive, of this act shall be void.

82 (b) Prior to any transaction described in subsection (a) of this  
83 section, the [nonprofit hospital and the purchaser] transacting parties  
84 shall concurrently submit a certificate of need determination letter as  
85 described in subsection (c) of section 19a-638, as amended by this act,  
86 to the commissioner and the Attorney General by serving it on them  
87 by certified mail, return receipt requested, or delivering it by hand to  
88 each department or office. The certificate of need determination letter  
89 shall contain: (1) The name and address of the nonprofit hospital that  
90 is proposed to be acquired; (2) the name and address of the purchaser;  
91 (3) a brief description of the terms of the proposed agreement; and (4)  
92 the estimated capital expenditure, cost or value associated with the  
93 proposed agreement. The certificate of need determination letter shall  
94 be subject to disclosure pursuant to section 1-210.

95 (c) The commissioner and the Attorney General shall review the  
96 certificate of need determination letter. The Attorney General shall  
97 determine whether the agreement requires approval pursuant to this  
98 chapter. If such approval is required, the commissioner and the  
99 Attorney General shall transmit to the [purchaser and the nonprofit  
100 hospital] transacting parties an application form for approval pursuant  
101 to this chapter or sections 9 to 13, inclusive, of this act, unless the  
102 commissioner refuses to accept a filed or submitted certificate of need  
103 determination letter.

104 [Such] (d) Except as provided in section 10 of this act, such  
105 application form shall require the following information, as applicable:  
106 (1) The name, [and] address and telephone number of the nonprofit  
107 hospital that is proposed to be acquired; (2) the name, [and] address  
108 and telephone number of the purchaser; (3) a description of the terms  
109 of the proposed agreement; (4) copies of all contracts, agreements and  
110 memoranda of understanding relating to the proposed agreement; (5)  
111 a fairness evaluation by an independent person who is an expert in  
112 such agreements, that includes an analysis of each of the criteria set  
113 forth in section 19a-486c, as amended by this act; (6) documentation  
114 that the nonprofit hospital that is proposed to be acquired exercised  
115 the due diligence required by subdivision (2) of subsection (a) of  
116 section 19a-486c, as amended by this act, including disclosure of the  
117 terms of any other offers to transfer assets or operations or change  
118 control of operations received by [the] such nonprofit hospital and the  
119 reason for rejection of such offers; [and] (7) the name, address,  
120 telephone number, occupation and tenure of each officer, member of  
121 the board of directors, trustee, executive and senior manager during  
122 the five-year period prior to the submission of the certificate of need  
123 determination letter; (8) a list of all committees, subcommittees, task  
124 forces or similar entities of the board of directors or trustees, including  
125 a short description of the purpose of each committee, subcommittee,  
126 task force or similar entity and the name, address, telephone number,  
127 occupation and tenure of each member; (9) the agenda and minutes for  
128 each meeting of the board of directors or trustees and any of its  
129 committees, subcommittees, task forces or similar entities related to the  
130 conversion, excluding those focused on peer review or concerning  
131 confidential medical matters, that occurred in the five-year period  
132 prior to the submission of the certificate of need determination letter  
133 and, upon the request of the Attorney General or the commissioner,  
134 any documents distributed at such meeting; (10) the articles of  
135 incorporation and certificates of incorporation; (11) the bylaws and  
136 organizational charts; (12) a description of the organizational structure  
137 for existing transacting parties and each partner, affiliate, parent

138 subsidiary or related corporate entity in which the purchaser has a ten  
139 per cent or greater ownership interest; (13) any current conflict of  
140 interest statement, policies or procedures; (14) the names, addresses  
141 and telephone numbers of professional consultants engaged in  
142 connection with the proposed conversion; (15) copies of audited  
143 income statements, balance sheets, other financial statements and  
144 management letters issued during the five years prior to submission of  
145 the certificate of need determination letter and, to the extent they have  
146 been made public, audited interim financial statements and income  
147 statements with a detailed description of the financing structure of the  
148 proposed conversion including equity contribution, debt restructuring,  
149 stock issuance, partnership interest, stock offerings and other  
150 information of a similar nature; (16) a detailed description of real estate  
151 issues including title reports for property owned and lease agreements  
152 between the transacting parties and any entity owned or controlled by  
153 the purchaser and any proposed sale or proposed leaseback that  
154 concerns the proposed conversion; (17) a detailed description of any  
155 proposed transaction concerning any equipment lease, insurance,  
156 regulatory compliance, tax status, pending litigation or pending  
157 regulatory citations, pension plan descriptions and employee benefits,  
158 environmental reports, assessments and organizational goals; (18) a  
159 copy of any report analyzing the proposed conversion during the five-  
160 year period prior to submission of the certificate of need determination  
161 letter, including, but not limited to, reports by appraisers, accountants,  
162 investment bankers, actuaries and other experts; (19) a copy of any  
163 opinion or memorandum addressing the state and federal tax  
164 consequences of the proposed conversion prepared for a transacting  
165 party by an attorney, accountant or other expert; (20) a description of  
166 the manner in which the price was determined including the methods  
167 of valuation and the data that was used, the names and addresses of  
168 any person who prepared such documents; (21) patient statistics for  
169 the five-year period prior to the submission of the certificate of need  
170 determination letter and patient projection for one year after the  
171 submission of the certificate of need determination letter, including the

172 number of patient visits, admissions, emergency room visits, clinical  
173 visits and visits to each hospital unit and admissions to in-hospital  
174 nursing care or visits by affiliated home health care entities; (22) the  
175 name and mailing address of each facility licensed in accordance with  
176 chapter 368v in which a transacting party maintains an ownership  
177 interest or controlling interest or operating authority; (23) a list and  
178 description of any (A) pending or adjudicated citation, violation or  
179 charge against a transacting party or any facility under the ownership  
180 or control of a transacting party, or (B) any pending or adjudicated  
181 investigation involving a transacting party that was brought by a  
182 governmental agency or accrediting agency in the five-year period  
183 prior to submission of the certificate of need determination letter and  
184 the status or disposition of each investigation; (24) a list of costs for  
185 uncompensated care provided by each facility owned or controlled by  
186 a transacting party in the five-year period prior to the submission of  
187 the certificate of need determination letter and a detailed description of  
188 the manner in which the amount was calculated; (25) copies of all  
189 documents relating to: (A) Identification of charitable assets; (B)  
190 accounting of all charitable assets for the five-year period prior to the  
191 submission of the certificate of need determination letter; and (C) the  
192 distribution of charitable assets, including, but not limited to,  
193 endowments and restricted, unrestricted and specific purpose funds as  
194 each relates to the proposed transaction; (26) a description of  
195 uncompensated care provided by the existing hospital for the five-year  
196 period prior to submission of the certificate of need determination  
197 letter including a dollar amount and a description of services provided  
198 to patients; (27) a description of bad debt incurred by the transacting  
199 party that is being purchased for the five-year period prior to the  
200 submission of the certificate of need determination letter for which  
201 payment was anticipated but not received; (28) a description of the  
202 plan for the new hospital's provision of community benefit and  
203 uncompensated care during the first five years of operation; (29) a  
204 description of the new hospital's plan to monitor and value  
205 uncompensated care and community benefits; (30) the names of

206 persons currently holding a position with a transacting party as an  
207 officer, director, board member or senior manager, whether or not  
208 such person is expected to maintain a position with the new hospital  
209 and whether or not such person is expected to receive any salary,  
210 severance stock offering or any financial gain, current or deferred, as a  
211 result of, or in relation to, the proposed conversion; (31) copies of  
212 capital and operating budgets or other financial projections for the new  
213 hospital during the first five years of operation; (32) copies of plans  
214 relating to staffing during the new hospital's first five years of  
215 operation; (33) a list of medical services, hospital units and clinical and  
216 administrative services to be maintained at the new hospital; (34) a  
217 description of criteria established by the board of directors of the  
218 nonprofit hospital that is proposed to be acquired to pursue a  
219 proposed conversion; (35) copies of reports of any due diligence  
220 review performed by a transacting party in relation to the proposed  
221 conversion; (36) a description of any request for proposal issued by the  
222 nonprofit hospital that is proposed to be acquired relating to pursuit of  
223 any proposed conversion; (37) a copy of any report analyzing an  
224 affiliation, merger or other similar transaction considered by a  
225 transacting party during the five-year period prior to the submission of  
226 the certificate of need determination letter, including, but not limited  
227 to, any such report prepared by an appraiser, accountant, investment  
228 banker, actuary or other expert; (38) a copy of a proposed contract or  
229 description of a proposed contract or arrangement with a senior  
230 manager, board member, officer or director of the existing hospital for  
231 severance consulting services or covenant not-to-compete after  
232 completion of the proposed conversion; (39) a copy or description of  
233 any agreement or proposed agreement reflecting any current or future  
234 employment or compensated relationship between the purchaser, or  
235 any related entity, and any officer, director, board member or senior  
236 manager of the nonprofit hospital that is proposed to be acquired, or  
237 any related entity; (40) a copy or description of any agreement that has  
238 been executed or that the transacting parties anticipate shall be  
239 executed by any of the transacting parties in connection with the



240 proposed conversion; (41) a copy of any document or description of  
241 any proposed plan for the creation of an entity for charitable assets,  
242 including, but not limited to, endowments, restricted, unrestricted and  
243 specific purpose funds, the proposed articles of incorporation, bylaws,  
244 mission statement, program agenda, method of appointing board  
245 members, qualifications of board members, duties of board members  
246 and policies concerning conflicts of interest; (42) a description of any  
247 unit and clinical, social, medical or other service that is anticipated to  
248 be eliminated or significantly reduced at the new hospital; (43) a  
249 description of staffing levels for each category of employees, including  
250 full-time, part-time and contract employees who are employed by or  
251 provide services to the nonprofit hospital that is proposed to be  
252 acquired and a description of any anticipated change in current  
253 staffing levels; (44) a copy of each current notice of a conflict of interest  
254 form submitted to auditors for a transacting party in connection with  
255 the preparation of financial statements in the one-year period prior to  
256 submission of the certificate of need determination letter involving an  
257 officer, member of the board of directors or trustees or senior manager,  
258 including the medical director, of a transacting party, that shall be  
259 submitted in a form acceptable to the Attorney General; (45) copies of  
260 Internal Revenue Service Form 990 for any transacting party that is  
261 required by federal law to file such form for the five-year period prior  
262 to the submission of the certificate of need determination letter; and  
263 (46) such other information as the commissioner or the Attorney  
264 General deem necessary to their review pursuant to the provisions of  
265 sections 19a-486 to 19a-486f, inclusive, as amended by this act, section  
266 9 of this act and chapter 368z. The application shall be subject to  
267 disclosure pursuant to section 1-210.

268 [(d) No] (e) Except as provided in section 10 of this act, not later  
269 than sixty days after the date of mailing of the application form, the  
270 nonprofit hospital that is proposed to be acquired and the purchaser  
271 shall concurrently file an application with the commissioner and the  
272 Attorney General containing all the required information. The

273 commissioner and the Attorney General shall review the application  
274 and determine whether the application is complete. The commissioner  
275 and the Attorney General shall, [no] not later than [twenty] sixty days  
276 after the date of their receipt of the application, provide written notice  
277 to the nonprofit hospital that is proposed to be acquired and the  
278 purchaser of any deficiencies in the application. Such application shall  
279 not be deemed complete until such deficiencies are corrected.

280 ~~[(e) No]~~ (f) Except as provided in section 10 of this act, not later than  
281 twenty-five days after the date of their receipt of the completed  
282 application under this section, the commissioner and the Attorney  
283 General shall jointly publish a summary of such agreement in a  
284 newspaper of general circulation where the nonprofit hospital that is  
285 proposed to be acquired is located.

286 ~~[(f)]~~ (g) Any person may seek to intervene in the proceedings under  
287 section 19a-486e, as amended by this act, in the same manner as  
288 provided in section 4-177a.

289 Sec. 4. Section 19a-486b of the general statutes is repealed and the  
290 following is substituted in lieu thereof (*Effective from passage*):

291 ~~[Not]~~ (a) Except as provided in section 10 of this act, not later than  
292 one hundred twenty days after the date of receipt of the completed  
293 application pursuant to [subsection (d) of] section 19a-486a, as  
294 amended by this act, or section 9 of this act, the Attorney General and  
295 the commissioner shall approve the application, with or without  
296 modification, or deny the application. The commissioner shall also  
297 determine, in accordance with the provisions of chapter 368z, whether  
298 to approve, with or without modification, or deny the application for a  
299 certificate of need that is part of the completed application.  
300 Notwithstanding the provisions of section 19a-639a, the commissioner  
301 shall complete the decision on the application for a certificate of need  
302 within the same time period as the completed application. Such one-  
303 hundred-twenty-day period may be extended by agreement of the

304 Attorney General, the commissioner [, the nonprofit hospital and the  
305 purchaser] and the transacting parties. If the Attorney General initiates  
306 a proceeding to enforce a subpoena pursuant to section 19a-486c, as  
307 amended by this act, or 19a-486d, as amended by this act, the one-  
308 hundred-twenty-day period shall be tolled until the final court  
309 decision on the last pending enforcement proceeding, including any  
310 appeal or time for the filing of such appeal. If, in the opinion of the  
311 Attorney General, reasonable cause exists for such one-hundred-  
312 twenty-day period to be extended, which shall include a pending  
313 investigation by a federal agency involving a transacting party, the  
314 Attorney General may extend such period. Unless the one-hundred-  
315 twenty-day period is extended pursuant to this section, if the  
316 commissioner and Attorney General fail to take action on an  
317 agreement prior to the one hundred twenty-first day after the date of  
318 the filing of the completed application, the application shall be deemed  
319 approved.

320 (b) The commissioner and the Attorney General may place any  
321 conditions on the approval of an application that relate to the purposes  
322 of sections 19a-486a to 19a-486h, inclusive, as amended by this act, or  
323 sections 9 to 13, inclusive, of this act.

324 (c) After approval of an application pursuant to sections 19a-486a to  
325 19a-486h, as amended by this act, and sections 9 to 13, inclusive, of this  
326 act, the Attorney General may halt or place specific conditions on the  
327 new hospital's sale, lease or acquisition of any real property if the real  
328 property is sold for more than the purchase price, after deducting the  
329 value of any capital improvements, or may require any moneys  
330 resulting from a sale of such real property to be deposited in a  
331 charitable trust closely related to the purpose of the nonprofit hospital  
332 that was acquired. The Attorney General may recover any proceeds of  
333 a previous sale or lease in which the new hospital's real property was  
334 sold for more than the purchase price, after deducting the value of any  
335 capital improvements, and may order the proceeds of the sale or lease  
336 of the real property be used for capital improvements to the new

337 hospital or be deposited in a charitable trust closely related to the  
338 purpose of the nonprofit hospital that was acquired.

339 Sec. 5. Section 19a-486c of the 2014 supplement to the general  
340 statutes is repealed and the following is substituted in lieu thereof  
341 (*Effective from passage*):

342 (a) [The] Except as provided in sections 9 and 10 of this act, the  
343 Attorney General shall deny an application as not in the public interest  
344 if the Attorney General determines that one or more of the following  
345 conditions exist: (1) The transaction is prohibited by Connecticut  
346 statutory or common law governing nonprofit entities, trusts or  
347 charities; (2) the nonprofit hospital that is proposed to be acquired  
348 failed to exercise due diligence in (A) deciding to transfer, (B) selecting  
349 the purchaser, (C) obtaining a fairness evaluation from an independent  
350 person expert in such agreements, or (D) negotiating the terms and  
351 conditions of the transfer; (3) the nonprofit hospital that is proposed to  
352 be acquired failed to disclose any conflict of interest, including, but not  
353 limited to, conflicts of interest pertaining to board members, officers,  
354 key employees and experts of the hospital, the purchaser or any other  
355 [party to the transaction] transacting party; (4) the nonprofit hospital  
356 that is proposed to be acquired will not receive fair market value for its  
357 assets, which, for purposes of this subsection, means the most likely  
358 price that the assets would bring in a sale in a competitive and open  
359 market under all conditions requisite to a fair sale, with the buyer and  
360 seller each acting prudently, knowledgeably and in their own best  
361 interest, and with a reasonable time being allowed for exposure in the  
362 open market; (5) the fair market value of the assets has been  
363 manipulated by any person in a manner that causes the value of the  
364 assets to decrease; (6) the financing of the transaction by the nonprofit  
365 hospital that is proposed to be acquired will place [the] such nonprofit  
366 hospital's assets at an unreasonable risk; (7) any management contract  
367 contemplated under the transaction is not for reasonable fair value; (8)  
368 a sum equal to the fair market value of [the] such nonprofit hospital's  
369 assets (A) is not being transferred to one or more persons to be selected

370 by the superior court for the judicial district where [the] such nonprofit  
371 hospital is located who are not affiliated through corporate structure,  
372 governance or membership with either [the] such nonprofit hospital or  
373 the purchaser, unless [the] such nonprofit hospital continues to operate  
374 on a nonprofit basis after the transaction and such sum is transferred  
375 to [the] such nonprofit hospital to provide health care services, and (B)  
376 is not being used for one of the following purposes: (i) For appropriate  
377 charitable health care purposes consistent with [the] such nonprofit  
378 hospital's original purpose, (ii) for the support and promotion of health  
379 care generally in the affected community, or (iii) with respect to any  
380 assets held by [the] such nonprofit hospital that are subject to a use  
381 restriction imposed by a donor, for a purpose consistent with the intent  
382 of said donor; or (9) [the] such nonprofit hospital or the purchaser has  
383 failed to provide the Attorney General with information and data  
384 sufficient to evaluate the proposed agreement adequately, provided  
385 the Attorney General has notified [the] such nonprofit hospital or the  
386 purchaser of the inadequacy of the information or data and has  
387 provided a reasonable opportunity to remedy such inadequacy.

388 (b) The Attorney General may, during the course of a review  
389 required by section 19a-486b, as amended by this act, or sections 9 and  
390 10 of this act: (1) Issue in writing and cause to be served upon any  
391 person, by subpoena, a demand that such person appear before the  
392 Attorney General and give testimony or produce documents as to any  
393 matters relevant to the scope of the review; or (2) issue written  
394 interrogatories, to be answered under oath, as to any matters relevant  
395 to the scope of the review and prescribing a return date that would  
396 allow a reasonable time to respond. If any person fails to comply with  
397 the provisions of this subsection, the Attorney General may apply to  
398 the superior court for the judicial district of Hartford seeking  
399 enforcement of the subpoena. The superior court may, upon notice to  
400 such person, issue and cause to be served an order requiring  
401 compliance. Service of subpoenas ad testificandum, subpoenas duces  
402 tecum, notices of deposition and written interrogatories as provided in

403 this subsection may be made by personal service at the usual place of  
404 abode or by certified mail, return receipt requested, addressed to the  
405 person to be served at such person's principal place of business within  
406 or without this state or such person's residence.

407 (c) The Attorney General may contract with experts or consultants  
408 to assist in reviewing the proposed agreement, including, but not  
409 limited to, assistance in independently determining the fair market  
410 value of the [nonprofit hospital's] assets of the nonprofit hospital that  
411 is proposed to be acquired. The Attorney General may appoint, or  
412 contract with, another person to conduct the review required by this  
413 section and make recommendations to the Attorney General. The  
414 Attorney General shall submit any bills for such contracts to the  
415 purchaser. The purchaser shall pay such bills not later than thirty days  
416 after receipt. Such bills shall not exceed five hundred thousand dollars.

417 Sec. 6. Section 19a-486e of the general statutes is repealed and the  
418 following is substituted in lieu thereof (*Effective from passage*):

419 Prior to making any decision to approve, with or without  
420 modification, or deny any application filed pursuant to subsection (d)  
421 of section 19a-486a, as amended by this act, or section 9 or 10 of this  
422 act, the Attorney General and the commissioner shall jointly conduct  
423 one or more public hearings, one of which shall be in the [primary  
424 service area] affected community of the nonprofit hospital that is  
425 proposed to be acquired. At least fourteen days before conducting the  
426 public hearing, the Attorney General and the commissioner shall  
427 provide notice of the time and place of the hearing through publication  
428 in one or more newspapers of general circulation in the affected  
429 community.

430 Sec. 7. Section 19a-486f of the general statutes is repealed and the  
431 following is substituted in lieu thereof (*Effective from passage*):

432 If the commissioner or the Attorney General denies an application  
433 filed pursuant to subsection (d) of section 19a-486a, as amended by this

434 act, or section 9 or 10 of this act or approves it with modification, the  
435 nonprofit hospital that is proposed to be acquired or the purchaser  
436 may appeal such decision in the same manner as provided in section 4-  
437 183, provided that nothing in sections 19a-486 to 19a-486f, inclusive, as  
438 amended by this act, or sections 9 to 13, inclusive, of this act shall be  
439 construed to apply the provisions of chapter 54 to the proceedings of  
440 the Attorney General.

441 Sec. 8. Section 19a-486g of the general statutes is repealed and the  
442 following is substituted in lieu thereof (*Effective from passage*):

443 The Commissioner of Public Health shall refuse to issue a license to  
444 [ or if issued shall suspend or revoke the license of,] a hospital if the  
445 commissioner finds, after a hearing and opportunity to be heard, that:

446 (1) There was a transaction described in section 19a-486a, as  
447 amended by this act, or section 9 or 10 of this act that occurred without  
448 the approval of the commissioner, if such approval was required by  
449 sections 19a-486 to 19a-486h, inclusive, [;] as amended by this act,  
450 section 1 or sections 9 to 13, inclusive, of this act; or

451 (2) There was a transaction described in section 19a-486a, as  
452 amended by this act, or section 9 or 10 of this act without the approval  
453 of the Attorney General, if such approval was required by sections 19a-  
454 486 to 19a-486h, inclusive, as amended by this act, section 1 or sections  
455 9 to 13 of this act, inclusive, of this act and the Attorney General  
456 certifies to the Commissioner of Public Health that such transaction  
457 involved a material amount of [the] a nonprofit hospital's assets or  
458 operations or a change in control of operations. [; or]

459 [(3) The hospital is not complying with the terms of an agreement  
460 approved by the Attorney General and commissioner pursuant to  
461 sections 19a-486 to 19a-486h, inclusive.]

462 Sec. 9. (NEW) (*Effective October 1, 2014*) (a) The Attorney General  
463 and the Commissioner of Public Health shall process an application for

464 conversion where all of the transacting parties are nonprofit hospitals  
465 in accordance with the provisions of this section, sections 19a-486a to  
466 19a-486h, inclusive, as amended by this act, and, as applicable, section  
467 10 of this act.

468 (b) The Attorney General may consider the following criteria in  
469 making a determination on an application for conversion involving  
470 only transacting parties that are nonprofit hospitals: (1) Whether the  
471 proposed conversion will harm the public's interest in trust property  
472 given, devised or bequeathed to the transacting parties for charitable,  
473 educational or religious purposes located or administered in the state;  
474 (2) whether any trustee of any charitable trust located or administered  
475 in the state is likely to be deemed to have exercised reasonable care,  
476 diligence and prudence in performing as a fiduciary in connection  
477 with the proposed conversion; (3) whether the transacting parties  
478 established appropriate criteria in deciding to pursue a conversion in  
479 relation to carrying out their missions and purposes; (4) whether the  
480 applicants considered the proposed conversion as the only alternative  
481 or as the best alternative in carrying out their missions and purposes;  
482 (5) whether any conflict of interest exists concerning the proposed  
483 conversion relative to members of the transacting parties, boards of  
484 directors, officers, directors, senior managers, experts or consultants  
485 engaged in connection with the proposed conversion, including, but  
486 not limited to, attorneys, accountants, investment bankers, actuaries,  
487 health care experts or industry analysts; (6) whether individuals  
488 described in subdivision (5) of this subsection were provided with  
489 contracts or consulting agreements or arrangements that included  
490 pecuniary rewards based in whole, or in part, on the contingency of  
491 the completion of the conversion; (7) whether the transacting parties  
492 exercised due care in engaging consultants with the appropriate level  
493 of independence, education and experience in similar conversions; (8)  
494 whether the transacting parties exercised due care in accepting  
495 assumptions and conclusions provided by consultants engaged to  
496 assist in the proposed conversion; (9) whether the transacting parties'



497 officers, directors, board members or senior managers are expected to  
498 receive future contracts; (10) whether any member of the transacting  
499 parties' boards of directors are expected to retain any authority in the  
500 new hospital; (11) whether the members of the transacting parties'  
501 boards of directors accepted fair consideration and value for any  
502 management contract made part of the proposed conversion; (12)  
503 whether any of the transacting parties' individual officers, directors,  
504 board members or senior managers engaged legal counsel to consider  
505 their individual rights or duties in acting in their capacity as a  
506 fiduciary in connection with the proposed conversion; (13) whether the  
507 proposed conversion is likely to result in an abandonment of a  
508 transacting party's original purposes or whether the new hospital is  
509 expected to depart from the traditional purposes and missions of a  
510 transacting party such that a cy pres proceeding is likely to be  
511 necessary; (14) whether the proposed conversion is based upon the  
512 appropriate and reasonable fair market value; (15) whether the  
513 proposed conversion is based upon appropriate valuation methods,  
514 including, but not limited to, market approach, third-party report or  
515 fairness opinion; (16) whether the conversion is proper under state  
516 laws and regulations concerning nonprofit status; (17) whether the  
517 conversion is proper under applicable state tax code provisions; (18)  
518 whether the proposed conversion jeopardizes the tax status of a  
519 transacting party; (19) whether the persons who represent a  
520 transacting party in negotiations avoided conflicts of interest; (20)  
521 whether the transacting parties' officers, board members, directors or  
522 senior managers deliberately acted or failed to act in a manner that  
523 impacted negatively on the value or purchase price; and (21) whether  
524 the transacting parties are in compliance with state laws and  
525 regulations concerning charitable trusts.

526 (c) The commissioner shall consider the following criteria in making  
527 a determination on an application for conversion involving only  
528 transacting parties that are nonprofit hospitals: (1) Whether the  
529 character, commitment, competence and standing in the communities

530 served by the transacting parties are satisfactory; (2) whether sufficient  
531 safeguards are included to ensure the affected community has  
532 continued access to affordable health care; (3) whether the transacting  
533 parties have provided satisfactory evidence that the new hospital will  
534 provide health care and appropriate access with respect to  
535 traditionally underserved populations in the community it will serve;  
536 (4) whether procedures or safeguards are likely to ensure ownership  
537 interests will not be used as incentives for hospital employees or  
538 physicians to refer patients to the hospital; (5) whether the transacting  
539 parties have made a commitment to ensure the continuation of  
540 collective bargaining rights, if applicable, and retention of the  
541 workforce; (6) whether the transacting parties have appropriately  
542 accounted for employment needs at the new hospital and addressed  
543 workforce retraining that may be needed as a result of any proposed  
544 restructuring; and (7) whether the conversion demonstrates that the  
545 public interest is likely to be served considering the essential medical  
546 services necessary to provide safe and adequate treatment, appropriate  
547 access to health care and balanced health care delivery to residents of  
548 the state.

549       Sec. 10. (NEW) (*Effective October 1, 2014*) (a) An application for  
550 conversion that meets the requirements of this subsection shall be  
551 reviewed by the Attorney General and the Commissioner of Public  
552 Health using an expedited review process. Such application shall  
553 involve: (1) Two or more hospitals that are not in common control with  
554 another hospital; (2) one hospital not under common control with  
555 another hospital and a hospital or hospital system parent corporation;  
556 or (3) two affiliated hospitals, the conversion of which has been  
557 previously approved and another hospital or hospital system parent  
558 corporation. Additionally, (A) each transacting party shall be a  
559 nonprofit Connecticut corporation that has directly or indirectly  
560 continuously operated one or more hospitals licensed in the state for a  
561 period of three years; and (C) the nonprofit hospital that is proposed to  
562 be acquired shall operate a distressed hospital in the state facing

563 significant financial hardship that may impair its ability to continue to  
564 operate effectively without the proposed conversion and has been  
565 determined to be distressed by the commissioner based upon  
566 consideration of the following criteria: (i) Such hospital has operated at  
567 a loss for the two most recent fiscal years; (ii) such hospital has less  
568 than fifty days of cash-on-hand; (iii) such hospital's current asset-to-  
569 liability ratio is less than one and one-half; (iv) such hospital's long-  
570 term debt to capitalization is greater than seventy-five per cent; (v)  
571 such hospital has an inpatient occupancy rate of less than fifty per cent;  
572 and (vi) such hospital is or is likely to be classified as below investment  
573 grade by a major rating agency.

574 (b) Prior to any transaction described in subsection (a) of this  
575 section, the transacting parties shall concurrently submit a certificate of  
576 need determination letter as described in subsection (c) of section 19a-  
577 638, as amended by this act, to the commissioner and the Attorney  
578 General by serving it on them by certified mail, return receipt  
579 requested, or delivering it by hand to each department or office. The  
580 certificate of need determination letter shall contain: (1) The name and  
581 address of the nonprofit hospital that is proposed to be acquired; (2)  
582 the name and address of the purchaser; (3) a brief description of the  
583 terms of the proposed agreement; and (4) the estimated capital  
584 expenditure, cost or value associated with the proposed agreement.  
585 The certificate of need determination letter shall be subject to  
586 disclosure pursuant to section 1-210.

587 (c) The commissioner and the Attorney General shall review the  
588 certificate of need determination letter. The Attorney General shall  
589 determine whether the agreement requires approval pursuant to this  
590 chapter. If such approval is required, the commissioner and the  
591 Attorney General shall transmit to the transacting parties an  
592 application form for approval pursuant to this chapter or sections 9 to  
593 13, inclusive, of this act, unless the commissioner refuses to accept a  
594 filed or submitted certificate of need determination letter.

595 (d) The transacting parties that meet the requirements for expedited  
596 review in accordance with subsection (a) of this section shall submit an  
597 application to the commissioner and the Attorney General along with  
598 the following information: (1) A detailed summary of the proposed  
599 conversion; (2) the charter, articles of incorporation or certificate of  
600 incorporation for each transacting party and its affiliated hospitals,  
601 including any attachments to such documents; (3) the bylaws and  
602 organizational charts for each transacting party and its affiliated  
603 hospitals; (4) a description of the organizational structure for each  
604 transacting party and each partner, affiliate, parent, subsidiary or  
605 related legal entity in which a transacting party has a ten per cent or  
606 greater ownership interest or control; (5) all documents, including  
607 reports, meeting minutes and documents used for presentations, that  
608 are relevant to each transacting party's board of directors' decision to  
609 propose the conversion; (6) a description of each transacting party's  
610 conflict-of-interest policies and procedures; (7) copies of each of the  
611 transacting party's audited income statements, balance sheets and  
612 other financial statements for the three-year period prior to submission  
613 of the certificate of need determination letter and audited interim  
614 financial statements and income statement with detailed descriptions  
615 of the financing structure of the proposed conversion, including equity  
616 contribution, debt restructuring, stock issuance and partnership  
617 interests; (8) a copy of each report analyzing the proposed conversion,  
618 including, but not limited to, any such report by any appraiser,  
619 accountant, investment banker, actuary or other expert, during the  
620 three-year period prior to the submission of the certificate of need  
621 determination letter; (9) a copy of each current conflict of interest form  
622 submitted to auditors for a transacting party in connection with the  
623 preparation of financial statements in the one-year period prior to  
624 submission of the certificate of need determination letter involving an  
625 officer, member of the board of directors or trustees or senior manager,  
626 including the medical director, of a transacting party, that shall be  
627 submitted in a form acceptable to the commissioner and the Attorney  
628 General; (10) a copy of each document related to a transacting party's

629 (A) identification of current charitable assets, (B) accounting of  
630 charitable assets for the three-year period prior to submission of the  
631 certificate of need determination letter, and (C) distribution of  
632 charitable assets, including, but not limited to, endowments and  
633 restricted, unrestricted and specific purpose funds as each relates to  
634 the proposed conversion for the three-year period prior to submission  
635 of the certificate of need determination letter; (11) a description of the  
636 transacting parties' plan as to the manner in which any affiliated  
637 hospitals intend to provide consolidated health care services during  
638 the first three years after the conversion; (12) a description of hospital  
639 units and services that the transacting parties expect will be eliminated  
640 or significantly reduced during the first three years after the  
641 conversion; and (13) a description of anticipated staffing levels for each  
642 category of employee during the first three years after the conversion.

643 (e) (1) In reviewing an application under an expedited review, as  
644 described in this section, the commissioner and the Attorney General  
645 shall consider the criteria described in section 9 of this act.

646 (2) Not later than twenty business days after acceptance of an  
647 application under the provisions of this section, the commissioner and  
648 the Attorney General shall notify the public of submission of the  
649 application and present members of the public an opportunity to  
650 comment on the application.

651 (3) The commissioner and the Attorney General shall render a  
652 decision on such application not later than ninety days after acceptance  
653 of the application.

654 (f) The Attorney General shall review an application for conversion  
655 submitted under this section to determine its impact upon the  
656 charitable assets of each transacting party and may review any other  
657 aspect of such application as the Attorney General deems appropriate.  
658 The Attorney General shall conduct such review concurrently with the  
659 commissioner's review of such application. The Attorney General shall

660 be entitled to costs incurred for such review in accordance with section  
661 19a-486c of the general statutes, as amended by this act, and subsection  
662 (g) of this section.

663 (g) The costs payable to the Attorney General and the commissioner  
664 by the transacting parties for expedited review of an application for  
665 conversion under this section shall not exceed twenty-five thousand  
666 dollars for each one hundred million dollars of total net patient  
667 services revenue of the transacting parties in the most recent fiscal year  
668 for which audited financial statements are available.

669 (h) On or before March first of each calendar year after the approval  
670 of an application submitted under this section, the new hospital shall  
671 submit to the commissioner and the Attorney General, in a form  
672 acceptable to the commissioner and the Attorney General, updated  
673 financial information as described in subdivision (7) of subsection (d)  
674 of this section.

675 Sec. 11. (NEW) (*Effective October 1, 2014*) (a) Not later than sixty days  
676 after the approval of a conversion pursuant to sections 19a-486a to 19a-  
677 486h, inclusive, of the general statutes, as amended by this act, in  
678 which the purchaser is a for-profit hospital, such purchaser shall  
679 provide funds, in an amount determined by the Commissioner of  
680 Public Health, for the hiring of an independent health care access  
681 monitor for the new hospital. The independent health care access  
682 monitor shall, for a period of five years after completion of the  
683 conversion: (1) Meet with representatives of the new hospital and  
684 members of the community served by the new hospital not less than  
685 quarterly; (2) report to the Attorney General and the commissioner not  
686 less than quarterly concerning (A) the new hospital's compliance with  
687 applicable state laws and regulations, (B) community benefits  
688 provided by the new hospital, (C) uncompensated care provided by  
689 the new hospital, (D) identification of any sale, lease or acquisition of  
690 real property by the new hospital, and (E) a description of efforts the  
691 new hospital has taken to comply with any conditions of the approval

692 of the application for conversion; and (3) report to the Attorney  
693 General any reasonable belief that the new hospital has breached, or  
694 intends to breach, a condition of the approval of the application for  
695 conversion.

696 Sec. 12. (NEW) (*Effective October 1, 2014*) When a for-profit  
697 corporation and a nonprofit hospital are transacting parties to a  
698 conversion that is approved by the Attorney General and the  
699 Commissioner of Public Health pursuant to sections 19a-486a to 19a-  
700 486h, inclusive, of the general statutes, as amended by this act, and the  
701 Attorney General and the commissioner approve the conversion  
702 during a municipality's assessment year, the purchaser that is a for-  
703 profit corporation shall reimburse the municipality in which the new  
704 hospital is located for grants in lieu of taxes, as provided in section 12-  
705 20a of the general statutes that the municipality would have received  
706 for real property formerly owned by the nonprofit hospital except for  
707 such conversion for the portion of the year that the hospital conversion  
708 has been completed.

709 Sec. 13. (NEW) (*Effective October 1, 2014*) The Commissioner of  
710 Public Health, in consultation with the Attorney General, may adopt  
711 regulations, in accordance with the provisions of chapter 54 of the  
712 general statutes, to carry out the purposes of sections 19a-486a to 19a-  
713 486h, inclusive, of the general statutes, as amended by this act, section  
714 1 and sections 9 to 12, inclusive, of this act.

715 Sec. 14. Subsection (a) of section 19a-638 of the 2014 supplement to  
716 the general statutes is repealed and the following is substituted in lieu  
717 thereof (*Effective October 1, 2014*):

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

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

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

- 721 (3) The establishment of a freestanding emergency department;
- 722 (4) The termination of inpatient or outpatient services offered by a  
723 hospital, including, but not limited to, the termination by a short-term  
724 acute care general hospital or children's hospital of inpatient and  
725 outpatient mental health and substance abuse services;
- 726 (5) The establishment of an outpatient surgical facility, as defined in  
727 section 19a-493b, or as established by a short-term acute care general  
728 hospital;
- 729 (6) The termination of surgical services by an outpatient surgical  
730 facility, as defined in section 19a-493b, or a facility that provides  
731 outpatient surgical services as part of the outpatient surgery  
732 department of a short-term acute care general hospital, provided  
733 termination of outpatient surgical services due to (A) insufficient  
734 patient volume, or (B) the termination of any subspecialty surgical  
735 service, shall not require certificate of need approval;
- 736 (7) The termination of an emergency department by a short-term  
737 acute care general hospital;
- 738 (8) The establishment of cardiac services, including inpatient and  
739 outpatient cardiac catheterization, interventional cardiology and  
740 cardiovascular surgery;
- 741 (9) The acquisition of computed tomography scanners, magnetic  
742 resonance imaging scanners, positron emission tomography scanners  
743 or positron emission tomography-computed tomography scanners, by  
744 any person, physician, provider, short-term acute care general hospital  
745 or children's hospital, except as provided for in subdivision (22) of  
746 subsection (b) of this section;
- 747 (10) The acquisition of nonhospital based linear accelerators;
- 748 (11) An increase in the licensed bed capacity of a health care facility;



749 (12) The acquisition of equipment utilizing technology that has not  
750 previously been utilized in the state;

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

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

759 (15) The termination of inpatient or outpatient reproductive services  
760 offered by a hospital or other facility or institution operated in the  
761 state.

762 Sec. 15. Section 19a-644 of the general statutes is repealed and the  
763 following is substituted in lieu thereof (*Effective October 1, 2014*):

764 (a) On or before February twenty-eighth annually, for the fiscal year  
765 ending on September thirtieth of the immediately preceding year, each  
766 short-term acute care general or children's hospital shall report to the  
767 office with respect to its operations in such fiscal year, in such form as  
768 the office may by regulation require. Such report shall include: (1)  
769 Salaries and fringe benefits for the ten highest paid positions; (2) the  
770 name of each joint venture, partnership, subsidiary and corporation  
771 related to the hospital; and (3) the salaries paid to hospital employees  
772 by each such joint venture, partnership, subsidiary and related  
773 corporation and by the hospital to the employees of related  
774 corporations.

775 (b) The Department of Public Health shall adopt regulations in  
776 accordance with chapter 54 to provide for the collection of data and  
777 information in addition to the annual report required in subsection (a)  
778 of this section. Such regulations shall provide for the submission of

779 information about the operations of the following entities: Persons or  
780 parent corporations that own or control the health care facility,  
781 institution or provider; corporations, including limited liability  
782 corporations, in which the health care facility, institution, provider, its  
783 parent, any type of affiliate or any combination thereof, owns more  
784 than an aggregate of fifty per cent of the stock or, in the case of  
785 nonstock corporations, is the sole member; and any partnerships in  
786 which the person, health care facility, institution, provider, its parent  
787 or an affiliate or any combination thereof, or any combination of health  
788 care providers or related persons, owns a greater than fifty per cent  
789 interest. For purposes of this section, "affiliate" means any person that  
790 directly or indirectly through one or more intermediaries, controls or is  
791 controlled by or is under common control with any health care facility,  
792 institution, provider or person that is regulated in any way under this  
793 chapter. A person is deemed controlled by another person if the other  
794 person, or one of that other person's affiliates, officers, agents or  
795 management employees, acts as a general partner or manager of the  
796 person in question.

797 (c) Each [nonprofit] short-term acute care general or children's  
798 hospital shall include in the annual report required pursuant to  
799 subsection (a) of this section a report of all transfers of assets, transfers  
800 of operations or changes of control involving its clinical or nonclinical  
801 services or functions from [such] the hospital to a person or entity  
802 organized or operated for profit.

803 (d) The office shall require each hospital licensed by the Department  
804 of Public Health, that is not subject to the provisions of subsection (a)  
805 of this section, to report to said office on its operations in the preceding  
806 fiscal year by filing copies of the hospital's audited financial  
807 statements. Such report shall be due at the office on or before the close  
808 of business on the last business day of the fifth month following the  
809 month in which a hospital's fiscal year ends.

810 Sec. 16. (*Effective July 1, 2014*) (a) For the purposes described in

811 subsection (b) of this section, the State Bond Commission shall have  
812 the power from time to time to authorize the issuance of bonds of the  
813 state in one or more series and in principal amounts not exceeding in  
814 the aggregate \_\_\_\_ dollars.

815 (b) The proceeds of the sale of said bonds, to the extent of the  
816 amount stated in subsection (a) of this section, shall be used by the  
817 Department of Public Health for the purpose of grants-in-aid to  
818 nonprofit hospitals for capital improvements.

819 (c) All provisions of section 3-20 of the general statutes, or the  
820 exercise of any right or power granted thereby, which are not  
821 inconsistent with the provisions of this section are hereby adopted and  
822 shall apply to all bonds authorized by the State Bond Commission  
823 pursuant to this section, and temporary notes in anticipation of the  
824 money to be derived from the sale of any such bonds so authorized  
825 may be issued in accordance with said section 3-20 and from time to  
826 time renewed. Such bonds shall mature at such time or times not  
827 exceeding twenty years from their respective dates as may be provided  
828 in or pursuant to the resolution or resolutions of the State Bond  
829 Commission authorizing such bonds. None of said bonds shall be  
830 authorized except upon a finding by the State Bond Commission that  
831 there has been filed with it a request for such authorization which is  
832 signed by or on behalf of the Secretary of the Office of Policy and  
833 Management and states such terms and conditions as said commission,  
834 in its discretion, may require. Said bonds issued pursuant to this  
835 section shall be general obligations of the state and the full faith and  
836 credit of the state of Connecticut are pledged for the payment of the  
837 principal of and interest on said bonds as the same become due, and  
838 accordingly and as part of the contract of the state with the holders of  
839 said bonds, appropriation of all amounts necessary for punctual  
840 payment of such principal and interest is hereby made, and the State  
841 Treasurer shall pay such principal and interest as the same become  
842 due.

843        Sec. 17. (*Effective from passage*) The Commissioners of Public Health  
 844        and Social Services shall jointly review regulations of the Departments  
 845        of Public Health and Social Services relating to hospitals to determine  
 846        whether any such regulations should be amended or repealed to  
 847        ensure that the profitability of such hospitals does not outweigh  
 848        patient health and safety. Said commissioners shall, not later than July  
 849        1, 2015, jointly report, in accordance with section 11-4a of the general  
 850        statutes, to the joint standing committees of the General Assembly  
 851        having cognizance of matters relating to public health and human  
 852        services concerning the results of such review.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2014</i>	19a-486
Sec. 3	<i>from passage</i>	19a-486a
Sec. 4	<i>from passage</i>	19a-486b
Sec. 5	<i>from passage</i>	19a-486c
Sec. 6	<i>from passage</i>	19a-486e
Sec. 7	<i>from passage</i>	19a-486f
Sec. 8	<i>from passage</i>	19a-486g
Sec. 9	<i>October 1, 2014</i>	New section
Sec. 10	<i>October 1, 2014</i>	New section
Sec. 11	<i>October 1, 2014</i>	New section
Sec. 12	<i>October 1, 2014</i>	New section
Sec. 13	<i>October 1, 2014</i>	New section
Sec. 14	<i>October 1, 2014</i>	19a-638(a)
Sec. 15	<i>October 1, 2014</i>	19a-644
Sec. 16	<i>July 1, 2014</i>	New section
Sec. 17	<i>from passage</i>	New section

**Statement of Purpose:**

To establish and amend requirements relating to the conversion of hospitals, to require certificates of need for the termination of inpatient and outpatient reproductive services, to require that certain information be reported by for-profit hospitals to the Office of Health Care Access, to allow the Department of Public Health to award

grants-in-aid to nonprofit hospitals for capital improvements and to require the Department of Public Health to review its regulations and to report to the public health and human services committees.

*[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.]*