



General Assembly

February Session, 2022

Raised Bill No. 5449

LCO No. 3155



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING CERTIFICATES OF NEED.

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

1 Section 1. (NEW) (*Effective from passage*) No health care provider
2 required to obtain approval for a certificate of need to build a new
3 facility or expand an existing facility pursuant to chapter 319y or 368z
4 of the general statutes shall break ground on any new facility or
5 expansion of an existing facility until obtaining approval pursuant to
6 said chapters.

7 Sec. 2. (NEW) (*Effective October 1, 2022*) (a) The State of Connecticut
8 Health and Educational Facilities Authority shall not issue a bond to a
9 health care provider when such provider is required to obtain approval
10 for a certificate of need to build a new facility or expand an existing
11 facility pursuant to chapter 319y or 368z of the general statutes, unless
12 the authority has reviewed a capital budget with recommendations
13 provided by the Office of Health Strategy.

14 (b) The Office of Health Strategy, in making recommendations to the
15 State of Connecticut Health and Educational Facilities Authority

16 pursuant to subsection (a) of this section, shall assess the reasonableness
17 of the budget and the projected impact to the health care market and
18 pricing in the area.

19 Sec. 3. Subsection (a) of section 19a-639a of the general statutes is
20 repealed and the following is substituted in lieu thereof (*Effective October*
21 *1, 2022*):

22 (a) An application for a certificate of need shall be filed with the unit
23 in accordance with the provisions of this section and any regulations
24 adopted by the Office of Health Strategy. The application shall address
25 the guidelines and principles set forth in (1) subsection (a) of section 19a-
26 639, and (2) regulations adopted by the department. The applicant shall
27 include with the application a nonrefundable application fee of [five
28 hundred] twenty-five thousand dollars.

29 Sec. 4. (*Effective from passage*) (a) (1) The Office of Health Strategy shall
30 conduct a study concerning certificates of need in the state.

31 (2) Not later than January 15, 2023, the Office of Health Strategy shall
32 submit a report, in accordance with the provisions of section 11-4a of the
33 general statutes, concerning the results of such study to the joint
34 standing committee of the General Assembly having cognizance of
35 matters relating to insurance.

36 (b) The report shall consider and make recommendations concerning
37 the following matters:

38 (1) The institution of a price increase cap that is tied to the cost growth
39 benchmark for consolidations;

40 (2) Guaranteed local representation of communities on hospital
41 boards;

42 (3) Changes to the Office of Health Strategy's long-term state-wide
43 health plan to include an analysis of services and facilities and the
44 impact of such services and facilities on equity and underserved
45 populations;

46 (4) Setting standards for measuring quality as a result of a
47 consolidation;

48 (5) Enacting higher penalties for noncompliance and increasing the
49 staff needed for enforcement;

50 (6) The Attorney General's authority to stop activities as the result of
51 a certificate of need application or complaint;

52 (7) The ability of representatives of the workforce and the community
53 to intervene or appeal decisions;

54 (8) Giving the Office of Health Strategy the authority to require an
55 ongoing investment to address community needs; and

56 (9) Capturing lost property taxes from hospitals that have converted
57 to nonprofit entities.

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, 2022</i>	New section
Sec. 3	<i>October 1, 2022</i>	19a-639a(a)
Sec. 4	<i>from passage</i>	New section

Statement of Purpose:

To (1) require certificate of need approval before breaking ground, (2) require the State of Connecticut Health and Educational Facilities Authority to review certain information before issuing certain bonds, (3) increase the application fee for certificates of need, and (4) require a study concerning certificates of need.

[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.]