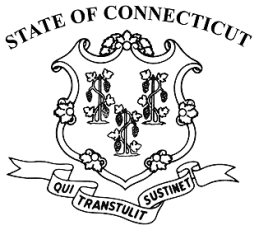

Substitute House Bill No. 5046

Public Act No. 24-141

AN ACT PROMOTING NURSING HOME RESIDENT QUALITY OF LIFE.

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

Section 1. Section 19a-521b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Each licensed chronic and convalescent nursing home, chronic disease hospital associated with a chronic and convalescent nursing home, rest home with nursing supervision and residential care home shall position beds in a manner that promotes resident care and that provides at least a three-foot clearance at the sides and foot of each bed. Such bed position shall (1) not act as a restraint to the resident, (2) not create a hazardous situation, including, but not limited to, an entrapment possibility, or obstacle to evacuation or being close to or blocking a heat source, and (3) allow for infection control.

(b) On and after July 1, 2026, no licensed chronic and convalescent nursing home or rest home with nursing supervision shall place a newly admitted resident in a room containing more than two beds. A violation of the requirements of this subsection shall constitute a Class B violation under section 19a-527, except no licensed chronic and convalescent nursing home or rest home with nursing supervision shall incur more

than one violation per newly admitted resident in one calendar year.

(c) The Commissioner of Social Services may recalculate a licensed chronic and convalescent nursing home or rest home with nursing supervision's Medicaid rate established for the fiscal year ending June 30, 2026, and for the fiscal years thereafter, reflecting any licensed bed reductions associated with the elimination of three and four-bed rooms. Allowable fair rent shall reflect costs for building modifications or other additions incurred for fiscal year 2025, and for the fiscal years thereafter, that are associated with the elimination of three and four-bed rooms.

Sec. 2. Section 19a-533 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(a) As used in this section, "nursing home" means any chronic and convalescent facility or any rest home with nursing supervision, as defined in section 19a-521, which has a provider agreement with the state to provide services to recipients of funds obtained through Title XIX of the Social Security Amendments of 1965; and "indigent person" means any person who is eligible for or who is receiving medical assistance benefits from the state.

(b) A nursing home which receives payment from the state for rendering care to indigent persons shall:

(1) Be prohibited from discriminating against indigent persons who apply for admission to such facility on the basis of source of payment. Except as otherwise provided by law, all applicants for admission to such facility shall be admitted in the order in which such applicants apply for admission. Each nursing home shall (A) provide a receipt to each applicant for admission to its facility who requests placement on a waiting list stating the date and time of such request, and (B) maintain a dated list of such applications which shall be available at all times to any applicant, his bona fide representative, authorized personnel from

the Departments of Public Health and Social Services and such other state agencies or other bodies established by state statute whose statutory duties necessitate access to such lists. If a nursing home desires to remove the name of an applicant who is unresponsive to facility telephone calls and letters from its waiting list, the nursing home may, no sooner than ninety days after initial placement of the person's name on the waiting list, inquire by letter to such applicant and any one person if designated by such applicant whether the applicant desires continuation of his name on the waiting list. If the applicant does not respond and an additional thirty days pass, the facility may remove such applicant's name from its waiting list. A nursing home may annually send a waiting list placement continuation letter to all persons on the waiting list for at least ninety days to inquire as to whether such person desires continuation of his name on the waiting list, provided such letter shall also be sent to any one person if designated by such applicant. If such person does not respond and at least thirty days pass, the facility may remove the person's name from its waiting list. Indigent persons shall be placed on any waiting list for admission to a facility and shall be admitted to the facility as vacancies become available, in the same manner as self-pay applicants, except as provided in subsections (f) and (g) of this section;

(2) Post in a conspicuous place a notice informing applicants for admission that the facility is prohibited by statute from discriminating against indigent applicants for admission on the basis of source of payment. Such notice shall advise applicants for admission of the remedies available under this section and shall list the name, address and telephone number of the ombudsman who serves the region in which the facility is located;

(3) Be prohibited from requiring that an indigent person pay any sum of money or furnish any other consideration, including, but not limited to, the furnishing of an agreement by the relative, conservator or other

responsible party of an indigent person which obligates such party to pay for care rendered to an indigent person as a condition for admission of such indigent person;

(4) Record in the patient roster, maintained pursuant to the Public Health Code, or in a separate roster maintained for this purpose, the number of patients who are Medicare, Medicaid and private pay patients on each day. Such numbers shall be recorded daily and made available, upon request, to the state or regional ombudsman.

(c) Upon the receipt of a complaint concerning a violation of this section, the Department of Social Services shall conduct an investigation into such complaint.

(d) The Department of Social Services is authorized to decrease the daily reimbursement rate to a nursing home for one year for a violation of this section which occurred during the twelve-month period covered by the cost report upon which the per diem rate is calculated. The per diem rate shall be reduced by one-quarter of one per cent for an initial violation of this section and one per cent for each additional violation.

(e) Prior to imposing any sanction, the Department of Social Services shall notify the nursing home of the alleged violation and the accompanying sanction, and shall permit such facility to request an administrative hearing, in accordance with sections 4-176e to 4-181a, inclusive. A facility shall request such hearing within fifteen days of receipt of the notice of violation from the Department of Social Services. The department shall stay the imposition of any sanction pending the outcome of the administrative hearing.

(f) A nursing home with a number of self-pay residents equal to or less than thirty per cent of its total number of residents shall not be required to admit an indigent person on a waiting list for admission when a vacancy becomes available during the subsequent six months,

provided (1) no bed may be held open for more than thirty days, **[**. Each such nursing home meeting the conditions for such waiver shall on a quarterly basis notify**]** and (2) the nursing home notifies the Commissioner of Social Services and the regional nursing home ombudsman office **[**of**]** on the date on which such six-month period of **[**waiver began**]** waiting list exemption began and thereafter on a quarterly basis if the conditions for exemption still apply.

(g) A nursing home shall not be required to admit an indigent person on a waiting list for admission when a vacancy becomes available if the vacancy is in a private room.

(h) Notwithstanding the provisions of this section, a nursing home **[**may**]** shall, without regard to the order of its waiting list, admit an applicant who (1) seeks to transfer from a nursing home that is closing, or (2) seeks to transfer from a nursing home in which the applicant was placed following the closure of the nursing home where such applicant previously resided or, in the case of a nursing home placed in receivership, the anticipated closure of the nursing home where such applicant previously resided, provided (A) the transfer occurs not later than sixty days following the date that such applicant was transferred from the nursing home where he or she previously resided, and (B) except when the nursing home that is closing transferred the resident due to an emergency, the applicant submitted an application to the nursing home to which he or she seeks admission at the time of the applicant's transfer from the nursing home where he or she previously resided. A nursing home that qualifies for a waiting list exemption pursuant to subsection (f) or (g) of this section shall not be required to admit an indigent person under this subsection except when the resident is being transferred from a nursing home that is closing due to an emergency. No nursing home shall be required to admit an applicant pursuant to the provisions of this subsection if the nursing home has determined that (i) the applicant does not have a payor source because

the applicant has been denied Medicaid eligibility or the applicant has failed to pay a nursing home that is closing for the three months preceding the date of the application for admittance and has no pending application for Medicaid, (ii) the applicant is subject to a Medicaid penalty period, or (iii) the applicant does not require nursing home level of care as determined in accordance with applicable state and federal requirements.

Sec. 3. (NEW) (*Effective from passage*) The Commissioner of Public Health shall not grant any new license to establish, conduct or operate a rest home with nursing supervision on and after the effective date of this section. Notwithstanding the provisions of this section, the commissioner may, upon application by a rest home with nursing supervision, approve a one-time renewal for not more than one year of a license that expires on or after the effective date of this section, provided the rest home is in compliance with the requirements for such renewal. The denial of such a renewal shall not be subject to an appeal under section 19a-501 of the general statutes.

Sec. 4. Subsections (a) and (b) of section 17b-352 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For the purposes of this section and section 17b-353, "facility" means a residential facility for persons with intellectual disability licensed pursuant to section 17a-277 and certified to participate in the Title XIX Medicaid program as an intermediate care facility for individuals with intellectual disabilities, a nursing home, rest home or residential care home, as defined in section 19a-490. "Facility" does not include a nursing home that does not participate in the Medicaid program and is associated with a continuing care facility as described in section 17b-520.

(b) Any facility which intends to (1) transfer all or part of its

ownership or control prior to being initially licensed; (2) introduce any additional function or service into its program of care or expand an existing function or service; (3) terminate a service or decrease substantially its total licensed bed capacity; or (4) relocate all or a portion of such facility's licensed beds, to a new facility or replacement facility, shall submit a complete request for permission to implement such transfer, addition, expansion, increase, termination, decrease or relocation of facility beds to the Department of Social Services with such information as the department requires, provided no permission or request for permission **[**to close a facility**]** is required (A) to close a facility when a facility in receivership is closed by order of the Superior Court pursuant to section 19a-545, or (B) to change a facility's licensure as a rest home with nursing supervision to licensure as a chronic and convalescent nursing home. The Commissioner of Social Services shall consider the criteria in subdivisions (3) and (4) of subsection (a) of section 17b-354 when evaluating a certificate of need request to relocate licensed nursing facility beds from an existing facility to another licensed nursing facility or to a new facility or replacement facility. The Office of the Long-Term Care Ombudsman pursuant to section 17a-870 shall be notified by the facility of any proposed actions pursuant to this subsection at the same time the request for permission is submitted to the department and when a facility in receivership is closed by order of the Superior Court pursuant to section 19a-545.

Sec. 5. Section 17b-357 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section and sections 17b-358 to 17b-360, inclusive, a "nursing facility" means a chronic and convalescent home or a rest home with nursing supervision as defined in section 19a-521, which participates in the Medicaid program through a provider agreement with the Department of Social Services.

(b) If the Department of Public Health finds, through the results of a

survey, that a nursing facility is not in compliance with one or more of the requirements of Subsections (b), (c) and (d) of 42 USC 1396r, or the requirements of applicable state statutes or regulations, and that such noncompliance poses an immediate and serious threat to patient health or safety, the Department of Public Health shall issue a statement of charges to the facility and shall file a copy of the charges with the Department of Social Services with a request for a summary order from the Department of Social Services. The summary order which the Department of Social Services may issue shall include termination of the facility's participation in Medicaid or appointment of a temporary manager to oversee the operation of the facility and may include transfer of patients to other participating facilities; denial of payment under Medicaid for new admissions; imposition of a directed plan of correction of the facility's deficiencies; imposition of civil monetary penalties; or imposition of other remedies authorized by regulations adopted by the Department of Social Services in accordance with chapter 54.

(c) If the Department of Public Health finds, through the results of a survey, that a nursing facility is not in compliance with one or more of the requirements of Subsections (b), (c) and (d) of 42 USC 1396r, or the requirements of applicable state statutes or regulations, but that such noncompliance does not pose an immediate and obvious threat to patient health or safety, the Department of Public Health shall issue a statement of charges to the facility and shall file a copy of the charges with the Department of Social Services with a request for an order imposing one or more alternative remedies under this subsection. If the Department of Social Services finds, based on a statement of charges filed by the Department of Public Health, that a nursing facility is not in compliance with one or more of the requirements of Subsections (b), (c) and (d) of 42 USC 1396r, or the requirements of applicable state statutes or regulations, but does not issue a summary order, it may impose one or more of the following alternative remedies: Termination of the

facility's participation in Medicaid; appointment of a temporary manager to oversee the operation of the facility; transfer of patients to other participating facilities; denial of payment under Medicaid for new admissions; imposition of a directed plan of correction of the facility's deficiencies; imposition of civil monetary penalties; or imposition of other remedies authorized by regulations adopted by the Department of Social Services in accordance with chapter 54. The civil monetary penalties imposed may be in the range of three thousand two hundred fifty dollars to ten thousand dollars per day for each day the facility is found to be out of compliance with one or more requirements of Subsections (b), (c) and (d) of 42 USC 1396r if the failure to comply with such requirements is found to constitute an immediate and serious threat to resident health or safety, or in the range of two hundred dollars to three thousand dollars per day for each day the facility is found to be out of compliance with a requirement of Subsections (b), (c) and (d) of 42 USC 1396r that is found not to constitute an immediate and serious threat to resident health or safety. The exact civil monetary penalty will be set depending on such factors as the existence of repeat deficiencies or uncorrected deficiencies and the overall compliance history of the provider. The remedies available to the Department of Social Services for violations of the requirements of Subsections (b), (c) and (d) of 42 USC 1396r are cumulative and are in addition to the remedies available to the Department of Public Health under chapter 368v for violations of state licensure requirements. Any penalties collected by the Department of Social Services pursuant to this section shall be deposited in a special fund under the control of the Department of Social Services, which fund shall be utilized, in the discretion of the department, for the protection of the health or property of residents of nursing facilities found to be deficient, including payment for the costs of relocating residents, payment for the maintenance of operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost. The deficient nursing facility shall be obligated to reimburse the Department of Social Services for any moneys expended

by the department at the facility from the fund established pursuant to this section.

(d) The facility may request a hearing in accordance with the provisions of chapter 54 from the Department of Social Services within ten days of the issuance of the statement of charges or the summary order, as the case may be. If the facility does not request a hearing within ten days and no summary order has been issued, the Department of Social Services shall automatically adopt the Department of Public Health's findings and shall issue an order incorporating one or more of the remedies authorized by subsection (c) of this section. If the facility timely requests a hearing or the Department of Social Services issues a summary order, the Department of Social Services shall issue a notice of hearing. At such hearing the facility shall be given the opportunity to present evidence and cross-examine witnesses. The Department of Social Services shall issue a decision based on the administrative record and may, if it finds the facility not in compliance with one or more of the requirements of Subsections (b), (c) and (d) of 42 USC 1396r, or the requirements of applicable state statutes or regulations, order any of the remedies specified in this section. The Department of Social Services may impose any of the alternative remedies, except for a civil monetary penalty, during the pendency of any proceedings conducted pursuant to this subsection. In such cases, the Department of Social Services must provide the facility the opportunity to discuss the Department of Public Health's findings at an informal conference prior to the imposition of any remedy. The requirement of an informal conference does not apply to summary order proceedings.

Sec. 6. Subsection (b) of section 19a-496 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The department may inspect an institution to determine compliance with applicable state statutes and regulations. Upon a

finding of noncompliance with such statutes or regulations, the department shall issue a written notice of noncompliance to the institution. Not later than ten business days after such institution receives a notice of noncompliance, the institution shall submit a plan of correction to the department in response to the items of noncompliance identified in such notice. The plan of correction shall include: (1) The measures that the institution intends to implement or systemic changes that the institution intends to make to prevent a recurrence of each identified issue of noncompliance; (2) the date each such corrective measure or change by the institution is effective; (3) the institution's plan to monitor its quality assessment and performance improvement functions to ensure that the corrective measure or systemic change is sustained; and (4) the title of the institution's staff member that is responsible for ensuring the institution's compliance with its plan of correction. The plan of correction shall be deemed to be the institution's representation of compliance with the identified state statutes or regulations identified in the department's notice of noncompliance. The failure of the institution to comply with a plan of correction accepted by the department may be the subject of disciplinary action against the institution pursuant to section 19a-494. Any institution that fails to submit a plan of correction that meets the requirements of this section may be subject to disciplinary action.

Sec. 7. Section 19a-700 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) A managed residential community shall enter into a written residency agreement with each resident that clearly sets forth the rights and responsibilities of the resident and the managed residential community, including the duties set forth in section 19a-562. The residency agreement shall be set forth in plain language and printed in not less than fourteen-point type. The residency agreement shall be signed by the managed residential community's authorized agent and

by the resident, or the resident's legal representative, prior to the resident taking possession of a private residential unit and shall include, at a minimum:

(1) An itemization of assisted living services, transportation services, recreation services and any other services and goods, lodging and meals to be provided on behalf of the resident by the managed residential community;

(2) A full and fair disclosure of all charges, fees, expenses and costs to be borne by the resident including, for written residency agreements entered into on and after October 1, 2024, nonrefundable charges, fees, expenses and costs;

(3) A schedule of payments and disclosure of all late fees or potential penalties;

(4) For written residency agreements entered into on and after October 1, 2024, the manner in which the managed residential community may adjust monthly fees or other recurring fees, including, but not limited to, (A) how often fee increases may occur, (B) the schedule or specific dates of such increases, and (C) the history of fee increases over the past three calendar years;

[(4)**]** (5) The grievance procedure with respect to enforcement of the terms of the residency agreement;

[(5)**]** (6) The managed residential community's covenant to comply with all municipal, state and federal laws and regulations regarding consumer protection and protection from financial exploitation;

[(6)**]** (7) The managed residential community's covenant to afford residents all rights and privileges afforded under title 47a;

[(7)**]** (8) The conditions under which the agreement can be terminated

by either party;

[(8)**]** (9) Full disclosure of the rights and responsibilities of the resident and the managed residential community in situations involving serious deterioration in the health of the resident, hospitalization of the resident or death of the resident, including a provision that specifies that in the event that a resident of the community dies, the estate or family of such resident shall only be responsible for further payment to the community for a period of time not to exceed fifteen days following the date of death of such resident as long as the private residential unit formerly occupied by the resident has been vacated; and

[(9)**]** (10) Any adopted rules of the managed residential community reasonably designed to promote the health, safety and welfare of residents.

(b) The provisions of subdivisions (2) and (4) of subsection (a) of this section shall not apply to a managed residential community that is (1) an elderly housing complex receiving assistance and funding through the United States Department of Housing and Urban Development's Assisted Living Conversion Program, or (2) a demonstration project for the provision of subsidized assisted living services pursuant to section 17b-347e.

Sec. 8. Section 19a-694 of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2024*):

(a) All managed residential communities operating in the state shall:

(1) Provide a written residency agreement to each resident in accordance with section 19a-700, as amended by this act;

(2) Provide residents or residents' representatives advance notice of

ninety days of any increase to monthly or recurring fees and disclose in writing any nonrefundable charges;

(3) Provide residents prorated or full reimbursements of certain charges if the managed residential community determines it can no longer meet the resident's needs during the first forty-five days after occupancy by the resident of the managed residential community unit, including, but not limited to, prorated first month's rent, prorated community fee, full last month's rent and full security deposit;

[(2)**]** (4) Afford residents the ability to access services provided by an assisted living services agency. Such services shall be provided in accordance with a service plan developed in accordance with section 19a-699;

[(3)**]** (5) Upon the request of a resident, arrange, in conjunction with the assisted living services agency, for the provision of ancillary medical services on behalf of a resident, including physician and dental services, pharmacy services, restorative physical therapies, podiatry services, hospice care and home health agency services, provided the ancillary medical services are not administered by employees of the managed residential community, unless the resident chooses to receive such services;

[(4)**]** (6) Provide a formally established security program for the protection and safety of residents that is designed to protect residents from intruders;

[(5)**]** (7) Afford residents the rights and privileges guaranteed under title 47a;

[(6)**]** (8) Comply with the provisions of subsection (c) of section 19-13-D105 of the regulations of Connecticut state agencies;

[(7)**]** (9) Assist a resident who has a long-term care insurance policy

with preparing and submitting claims for benefits to the insurer, provided such resident has executed a written authorization requesting and directing the insurer to (A) disclose information to the managed residential community relevant to such resident's eligibility for an insurance benefit or payment, and (B) provide a copy of the acceptance or declination of a claim for benefits to the managed residential community at the same time such acceptance or declination is made to such resident; and

[(8) On or before January 1, 2024, encourage**]** (10) Encourage and assist in the establishment of a family council in managed residential communities offering assisted living services. Such family council shall not allow a family member or friend of a resident who is not a resident of a dementia special care unit to participate in the family council without the consent of such resident.

(b) The provisions of subdivisions (2) and (3) of subsection (a) of this section shall not apply to a managed residential community that is (1) an elderly housing complex receiving assistance and funding through the United States Department of Housing and Urban Development's Assisted Living Conversion Program, or (2) a demonstration project for the provision of subsidized assisted living services pursuant to section 17b-347e.

[(b)**]** (c) No managed residential community shall control or manage the financial affairs or personal property of any resident, except as provided for in subdivision **[**(7)**]** (9) of subsection (a) of this section.

Sec. 9. Subsection (e) of section 19a-564 of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2024*):

(e) An assisted living services agency shall: **[**ensure that**]** (1) Ensure that all services being provided on an individual basis to clients are fully

understood and agreed upon between either the client or the client's representative; **[**, and**]** (2) ensure that the client or the client's representative are made aware of the cost of any such services; (3) disclose fee increases to a resident or a resident's representative not later than sixty days prior to such fees taking effect; and (4) provide, upon request, to a resident and a resident's representative the history of fee increases over the past three calendar years. Nothing in this subsection shall be construed to limit an assisted living services agency from immediately adjusting fees to the extent such adjustments are directly related to a change in the level of care or services necessary to meet individual resident safety needs at the time of a scheduled resident care meeting or if a resident's change of condition requires a change in services.

Sec. 10. Section 19a-543 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The court shall grant an application for the appointment of a receiver for a nursing home facility or residential care home upon a finding of any of the following: (1) Such facility or home is operating without a license issued pursuant to this chapter or such facility's or home's license has been suspended or revoked pursuant to section 19a-494; (2) such facility or home intends to close and adequate arrangements for relocation of its residents have not been made at least thirty days prior to closing; (3) such facility or home has sustained a serious financial loss or failure **[**which jeopardizes the health, safety and welfare of the patients**]** or there is a reasonable likelihood of such loss or failure; or (4) there exists in such facility a condition in substantial violation of the Public Health Code, or any other applicable state statutes, or Title XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended, or any regulation adopted pursuant to such state or federal laws.

Sec. 11. Section 19a-547 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The court may appoint any responsible individual or entity whose name is proposed by the Commissioner of Public Health and the Commissioner of Social Services to act as a receiver. **[**For a nursing home facility, such individual shall be a nursing home facility administrator licensed in the state of Connecticut with substantial experience in operating Connecticut nursing homes. For a residential care home, such individual shall have experience as a residential care home administrator or, if there is no such individual, such individual shall have experience in the state similar to that of a residential care home administrator. The Commissioner of Social Services shall adopt regulations governing qualifications for proposed receivers consistent with this subsection.**]** Such individual or entity shall (1) be a nursing home facility administrator licensed pursuant to the provisions of sections 19a-511 to 19a-520, inclusive, or (2) have substantial experience in the delivery of high-quality health care services and successful management or operation of long-term care facilities, and have achieved an educational level or have such licensure as customarily is held by persons or entities managing or operating health care facilities similar to the facility or facilities subject to receivership. No state employee or owner, administrator or other person or entity with a financial interest in the nursing home facility or residential care home may serve as a receiver for that nursing home facility or residential care home. No person or entity appointed to act as a receiver shall be permitted to have a current financial interest in the nursing home facility or residential care home; nor shall such person or entity appointed as a receiver be permitted to have a financial interest in the nursing home facility or residential care home for a period of five years from the date the receivership ceases. No person who is employed by a private equity company or entity owned or controlled by a private equity company shall be appointed to act as a receiver of a nursing home facility or residential care home.

(b) The court may remove such receiver in accordance with section

52-513. A nursing home facility or residential care home receiver appointed pursuant to this section shall be entitled to a reasonable receiver's fee as determined by the court. The receiver shall be liable only in the receiver's official capacity for injury to person and property by reason of the conditions of the nursing home facility or residential care home. The receiver shall not be personally liable, except for acts or omissions constituting gross, wilful or wanton negligence.

(c) The court, in its discretion, may require a bond of such receiver in accordance with section 52-506.

(d) The court may require the Commissioner of Public Health to provide for the payment of any receiver's fees authorized in subsection (a) of this section upon a showing by such receiver to the satisfaction of the court that (1) the assets of the nursing home facility or residential care home are not sufficient to make such payment, and (2) no other source of payment is available, including the submission of claims in a bankruptcy proceeding. The state shall have a claim for any court-ordered fees and expenses of the receiver that shall have priority over all other claims of secured and unsecured creditors and other persons whether or not such nursing home facility or residential care home is in bankruptcy, to the extent allowed under state or federal law.

Sec. 12. Section 19a-561 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in this section, (1) "nursing facility management services" means services provided in a nursing facility to manage the operations of such facility, including the provision of care and services**,** **[**and**]** (2) "nursing facility management services certificate holder" means a person or entity certified by the Department of Public Health to provide nursing facility management services, and (3) "managed facility" means a nursing facility that receives nursing facility management services from a nursing facility management services certificate holder.

(b) No person or entity shall provide nursing facility management services in this state without obtaining a certificate from the Department of Public Health.

(c) Any person or entity seeking a certificate to provide nursing facility management services shall apply to the department, in writing, on a form and in the manner prescribed by the department. Such application shall include the following:

(1) (A) The name and business address of the applicant and whether the applicant is an individual, partnership, corporation or other legal entity; (B) if the applicant is a partnership, corporation or other legal entity, the names of the officers, directors, trustees, managing and general partners of the applicant, the names of the persons who have a **[**ten**]** five per cent or greater beneficial ownership interest in the partnership, corporation or other legal entity, and a description of each such person's relationship to the applicant; (C) if the applicant is a corporation incorporated in another state, a certificate of good standing from the state agency with jurisdiction over corporations in such state; and (D) if the applicant currently provides nursing facility management services in another state, a certificate of good standing from the licensing agency with jurisdiction over public health for each state in which such services are provided;

(2) A description of the applicant's nursing facility management experience;

(3) An affidavit signed by the applicant and any of the persons described in subparagraph (B) of subdivision (1) of this subsection disclosing any matter in which the applicant or such person (A) has been convicted of an offense classified as a felony under section 53a-25 or pleaded nolo contendere to a felony charge, or (B) has been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion or

misappropriation of property, or (C) is subject to a currently effective injunction or restrictive or remedial order of a court of record at the time of application, or (D) within the past five years has had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including, but not limited to, actions affecting the operation of a nursing facility, residential care home or any facility subject to sections 17b-520 to 17b-535, inclusive, or a similar statute in another state or country; and

(4) The location and description of any nursing facility in this state or another state in which the applicant or a beneficial owner of the applicant currently provides management services or has provided such services or is currently or has been the owner, operator or administrator within the past five years and whether any such facility has been subject to:

(A) Three or more civil penalties imposed through final order of the commissioner in accordance with the provisions of sections 19a-524 to 19a-528, inclusive, or civil penalties imposed pursuant to the laws or regulations of another state during the two-year period preceding the date on which such application is submitted;

(B) Sanctions, other than civil penalties less than or equal to twenty thousand dollars, imposed in any state through final adjudication under the Medicare or Medicaid program pursuant to Title XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended from time to time; or

(C) Termination or nonrenewal of a Medicare or Medicaid provider agreement.

(d) In addition to the information provided pursuant to subsection (c) of this section, the department may reasonably request to review the

applicant's audited and certified financial statements, which shall remain the property of the applicant when used for either initial or renewal certification under this section.

(e) Each application for a certificate to provide nursing facility management services shall be accompanied by an application fee of three hundred dollars. The certificate shall list each location at which nursing facility management services may be provided by the holder of the certificate. The nursing facility management services certificate holder shall request the approval of the Department of Public Health to provide nursing facility management services not later than thirty days in advance of providing services to a nursing facility not listed on its certificate. The department may grant said approval subject to conditions or deny such approval based upon the compliance with state and federal regulatory requirements by the nursing facilities managed by the holder of the certificate.

(f) The department shall base its decision on whether to issue or renew a certificate on the information presented and otherwise available to the department and on the compliance status of the managed **[**entities**]** facilities. The department may deny certification to any applicant for the provision of nursing facility management services (1) **[**at any specific facility or facilities where there has been a substantial failure to comply with the Public Health Code, or (2)**]** if the applicant fails to provide the information required under **[**subdivision (1) of**]** subsection (c) of this section, or (2) if the department determines that the applicant or a beneficial owner of the applicant has an unacceptable history of past and current compliance with state licensure requirements, applicable federal requirements and state regulatory requirements for each licensed health care facility owned, operated or managed by the applicant or a beneficial owner of the applicant in the United States or any territory of the United States during the five years preceding the date on which such application is submitted, as evidenced

by:

(A) Any such licensed health care facility being subject to any adverse action described in subdivision (4) of subsection (c) of this section;

(B) Any such licensed health care facility having continuing violations or a pattern of violations of state licensure standards or federal certification standards; or

(C) Criminal conviction of, or a guilty plea by, an applicant or beneficial owner of an applicant on or to a charge of fraud, patient or resident abuse or neglect or a crime of violence or moral turpitude.

(g) Renewal applications shall be made biennially after (1) submission of the information required by subsection (c) of this section and any other information required by the department, **[**pursuant to subsection (d) of this section,**]** and (2) submission of evidence satisfactory to the department that any nursing facility at which the applicant provides nursing facility management services has been and currently is in substantial compliance with federal regulatory requirements, the provisions of this chapter, the Public Health Code and licensing regulations, and (3) payment of a three-hundred-dollar fee.

(h) In any case in which the Commissioner of Public Health finds that there has been a substantial failure by one or more managed facilities to comply with state licensure requirements, applicable federal requirements and state regulatory requirements or a substantial failure by a nursing facility management services certificate holder managing such facilities to comply with the requirements for such certificate holder established under this section, the commissioner may initiate and impose disciplinary action against a nursing facility management services certificate holder pursuant to section 19a-494. If three or more facilities managed by a nursing facility management services certificate holder are subject to civil penalties imposed through final order of the

commissioner in accordance with the provisions of sections 19a-524 to 19a-528, inclusive, during a twelve-month period, the commissioner may impose a civil penalty on the nursing facility management services certificate holder of not more than twenty thousand dollars. The procedure for imposition of said penalty shall be in accordance with subsection (b) of section 19a-494.

(i) The department may limit or restrict the provision of management services by any nursing facility management services certificate holder against whom disciplinary action has been initiated under subsection (h) of this section.

(j) The department, in implementing the provisions of this section, may conduct any inquiry or investigation, in accordance with the provisions of section 19a-498, regarding an applicant or certificate holder.

(k) In any case in which the commissioner finds that there has been a substantial failure to comply with the requirements established under this chapter, or regulations adopted thereunder, the commissioner may require the nursing facility licensee and the nursing facility management service certificate holder to jointly submit a plan of correction as described in section 19a-496, as amended by this act. A plan of correction accepted by the department shall constitute an order of the department. Violation of such order may be the subject of disciplinary action against a nursing facility management services certificate holder pursuant to section 19a-494.

(l) Any person or entity providing nursing facility management services without the certificate required under this section shall be subject to a civil penalty of not more than one thousand dollars for each day that the services are provided without such certificate.

Sec. 13. (*Effective from passage*) (a) There is established a working

group to study the impact of prohibiting licensed chronic and convalescent nursing homes and rest homes with nursing supervision from placing newly admitted residents in rooms containing more than two beds without consent pursuant to the provisions of subsection (b) of section 19a-521b of the general statutes, as amended by this act. The working group shall examine methods to (1) assist such facilities affected by the provisions of said subsection, including identifying opportunities to support the financial sustainability of such facilities, and (2) ensure that such facilities are able to comply with the provisions of said subsection.

(b) The working group shall consist of the following members:

(1) One appointed by the speaker of the House of Representatives;

(2) One appointed by the president pro tempore of the Senate;

(3) One appointed by the majority leader of the House of Representatives;

(4) One appointed by the majority leader of the Senate;

(5) One appointed by the minority leader of the House of Representatives;

(6) One appointed by the minority leader of the Senate;

(7) The Secretary of the Office of Policy and Management, or the secretary's designee;

(8) The Commissioner of Social Services, or the commissioner's designee;

(9) The Commissioner of Public Health, or the commissioner's designee;

(10) The chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to aging; and

(11) The ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to aging.

(c) Any member of the working group appointed under subdivision (1), (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member of the General Assembly.

(d) All initial appointments to the working group shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(e) The House chairperson and House ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to aging shall be the chairpersons of the working group. Such chairpersons shall schedule the first meeting of the working group, which shall be held not later than sixty days after the effective date of this section.

(f) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to aging shall serve as administrative staff of the working group.

(g) Not later than January 1, 2026, the working group shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to aging, in accordance with the provisions of section 11-4a of the general statutes. The working group shall terminate on the date that it submits such report or January 1, 2026, whichever is later.

Approved June 4, 2024