



General Assembly

Amendment

February Session, 2024

LCO No. 5777



Offered by:

SEN. ANWAR, 3rd Dist.

REP. MCCARTHY VAHEY, 133rd Dist.

To: Subst. Senate Bill No. 9

File No. 381

Cal. No. 243

"AN ACT PROMOTING HOSPITAL FINANCIAL STABILITY."

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

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 Section 19a-630 of the general statutes is repealed and the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

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

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

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

13 (3) "Bed capacity" means the total number of inpatient beds in a

14 facility licensed by the Department of Public Health under sections 19a-
15 490 to 19a-503, inclusive.

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

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

23 (6) "Days" means calendar days.

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

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

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

45 physician or advanced practice registered nurse working under a
46 professional service agreement, provides substantially the full range of
47 services that the physician or advanced practice registered nurse
48 routinely provides, including, but not limited to, medical care,
49 consultation, diagnosis or treatment, through the joint use of shared
50 office space, facilities, equipment or personnel; [(B)] (ii) for which
51 substantially all of the services of the physicians or advanced practice
52 registered nurses who are members of the group are provided through
53 the group and are billed in the name of the group practice and amounts
54 so received are treated as receipts of the group; or [(C)] (iii) in which the
55 overhead expenses of, and the income from, the group are distributed
56 in accordance with methods previously determined by members of the
57 group. An entity that otherwise meets the definition of group practice
58 under this section shall be considered a group practice although its
59 shareholders, partners or owners of the group practice include single-
60 physician or single-advanced practice registered nurse professional
61 corporations, limited liability companies formed to render professional
62 services or other entities in which beneficial owners are individual
63 physicians or advanced practice registered nurses. For the purposes of
64 this subdivision, "advanced practice registered nurse" means an
65 advanced practice registered nurse licensed pursuant to chapter 378.

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

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

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

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

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

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

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

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

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

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

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

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

106 [(3) A transfer of ownership of a large group practice to any entity

107 other than a (A) physician, or (B) group of two or more physicians,
108 legally organized in a partnership, professional corporation or limited
109 liability company formed to render professional services and not
110 employed by or an affiliate of any hospital, medical foundation,
111 insurance company or other similar entity;]

112 ~~[(4)]~~ (3) The establishment of a freestanding emergency department;

113 ~~[(5)]~~ (4) The termination of inpatient or outpatient services offered by
114 a hospital, including, but not limited to, the termination by a short-term
115 acute care general hospital or children's hospital of inpatient and
116 outpatient mental health and substance abuse services;

117 ~~[(6)]~~ (5) The establishment of an outpatient surgical facility, as
118 defined in section 19a-493b, or as established by a short-term acute care
119 general hospital;

120 ~~[(7)]~~ (6) The termination of surgical services by an outpatient surgical
121 facility, as defined in section 19a-493b, or a facility that provides
122 outpatient surgical services as part of the outpatient surgery department
123 of a short-term acute care general hospital, provided termination of
124 outpatient surgical services due to (A) insufficient patient volume, or (B)
125 the termination of any subspecialty surgical service, shall not require
126 certificate of need approval;

127 ~~[(8)]~~ (7) The termination of an emergency department by a short-term
128 acute care general hospital;

129 ~~[(9)]~~ (8) The establishment of cardiac services, including inpatient and
130 outpatient cardiac catheterization, interventional cardiology and
131 cardiovascular surgery;

132 ~~[(10)]~~ (9) The acquisition of computed tomography scanners,
133 magnetic resonance imaging scanners, positron emission tomography
134 scanners or positron emission tomography-computed tomography
135 scanners, by any person, physician, provider, short-term acute care
136 general hospital or children's hospital, except (A) as provided for in

137 subdivision (22) of subsection (b) of this section, and (B) a certificate of
138 need issued by the unit shall not be required where such scanner is a
139 replacement for a scanner that was previously acquired through
140 certificate of need approval or a certificate of need determination,
141 including a replacement scanner that has dual modalities or
142 functionalities if the applicant already offers similar imaging services
143 for each of the scanner's modalities or functionalities that will be
144 utilized;

145 ~~[(11)] (10)~~ The acquisition of a proton radiotherapy machine or
146 nonhospital based linear [accelerators] accelerator, except a certificate of
147 need issued by the unit shall not be required where such machine or
148 accelerator is a replacement for ~~[an]~~ a machine or accelerator that was
149 previously acquired through certificate of need approval or a certificate
150 of need determination;

151 ~~[(12)] (11)~~ An increase in the licensed bed capacity of a health care
152 facility, except as provided in subdivision (23) of subsection (b) of this
153 section;

154 ~~[(13)] (12)~~ The acquisition of equipment utilizing technology that has
155 not previously been utilized in the state;

156 ~~[(14)](13)~~ An increase of two or more operating rooms within any
157 three-year period, commencing on and after October 1, 2010, by an
158 outpatient surgical facility, as defined in section 19a-493b, or by a short-
159 term acute care general hospital; ~~[and]~~

160 ~~[(15)] (14)~~ The termination of inpatient or outpatient services offered
161 by a hospital or other facility or institution operated by the state that
162 provides services that are eligible for reimbursement under Title XVIII
163 or XIX of the federal Social Security Act, 42 USC 301, as amended;

164 (15) A transfer of assets, including, but not limited to, a transfer of
165 real estate, when (A) such assets are used for hospital operations, and
166 (B) the assets are valued at an amount that is equal to or exceeds twenty
167 per cent of the hospital's net value; and

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

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

171 (1) Health care facilities owned and operated by the federal
172 government;

173 (2) The establishment of offices by a licensed private practitioner,
174 whether for individual or group practice, except when a certificate of
175 need is required in accordance with the requirements of section 19a-
176 493b or subdivision (3), (10) or (11) of subsection (a) of this section;

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

179 (4) Residential care homes, as defined in subsection (c) of section 19a-
180 490, and nursing homes and rest homes, as defined in subsection (o) of
181 section 19a-490;

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

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

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

185 (8) Outpatient rehabilitation facilities;

186 (9) Outpatient chronic dialysis services;

187 (10) Transplant services;

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

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

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

197 (14) Any nonprofit facility, institution or provider that has a contract
198 with, or is certified or licensed to provide a service for, a state agency or
199 department for a service that would otherwise require a certificate of
200 need. The provisions of this subdivision shall not apply to a short-term
201 acute care general hospital or children's hospital, or a hospital or other
202 facility or institution operated by the state that provides services that are
203 eligible for reimbursement under Title XVIII or XIX of the federal Social
204 Security Act, 42 USC 301, as amended;

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

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

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

216 (18) Replacement of existing computed tomography scanners,
217 magnetic resonance imaging scanners, positron emission tomography
218 scanners, positron emission tomography-computed tomography
219 scanners, or nonhospital based linear accelerators, if such equipment
220 was acquired through certificate of need approval or a certificate of need
221 determination, provided a health care facility, provider, physician or
222 person notifies the unit of the date on which the equipment is replaced
223 and the disposition of the replaced equipment, including if a
224 replacement scanner has dual modalities or functionalities and the
225 applicant already offers similar imaging services for each of the

- 226 equipment's modalities or functionalities that will be utilized;
- 227 (19) Acquisition of cone-beam dental imaging equipment that is to be
228 used exclusively by a dentist licensed pursuant to chapter 379;
- 229 (20) The partial or total elimination of services provided by an
230 outpatient surgical facility, as defined in section 19a-493b, except as
231 provided in subdivision (6) of subsection (a) of this section and section
232 19a-639e;
- 233 (21) The termination of services for which the Department of Public
234 Health has requested the facility to relinquish its license;
- 235 (22) Acquisition of any equipment by any person that is to be used
236 exclusively for scientific research that is not conducted on humans;
- 237 (23) On or before June 30, 2026, an increase in the licensed bed
238 capacity of a mental health facility, provided (A) the mental health
239 facility demonstrates to the unit, in a form and manner prescribed by
240 the unit, that it accepts reimbursement for any covered benefit provided
241 to a covered individual under: (i) An individual or group health
242 insurance policy providing coverage of the type specified in
243 subdivisions (1), (2), (4), (11) and (12) of section 38a-469; (ii) a self-
244 insured employee welfare benefit plan established pursuant to the
245 federal Employee Retirement Income Security Act of 1974, as amended
246 from time to time; or (iii) HUSKY Health, as defined in section 17b-290,
247 and (B) if the mental health facility does not accept or stops accepting
248 reimbursement for any covered benefit provided to a covered
249 individual under a policy, plan or program described in clause (i), (ii) or
250 (iii) of subparagraph (A) of this subdivision, a certificate of need for such
251 increase in the licensed bed capacity shall be required; [.]
- 252 (24) The establishment at harm reduction centers through the pilot
253 program established pursuant to section 17a-673c; [or]
- 254 (25) On or before June 30, 2028, a birth center, as defined in section
255 19a-490, that is enrolled as a provider in the Connecticut medical

256 assistance program, as defined in section 17b-245g; or

257 (26) A transfer of ownership of a large group practice.

258 (c) (1) Any person, health care facility or institution that is unsure
259 whether a certificate of need is required under this section, or (2) any
260 health care facility that proposes to relocate pursuant to section 19a-
261 639c, shall send a letter to the unit that describes the project and requests
262 that the unit make a determination as to whether a certificate of need is
263 required. In the case of a relocation of a health care facility, the letter
264 shall include information described in section 19a-639c. A person, health
265 care facility or institution making such request shall provide the unit
266 with any information the unit requests as part of its determination
267 process. The unit shall provide a determination within thirty days of
268 receipt of such request.

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

289 registered nurse" means an advanced practice registered nurse licensed
290 pursuant to chapter 378.

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

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

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

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

318 (a) An application for a certificate of need shall be filed with the unit
319 in accordance with the provisions of this section and any regulations
320 adopted by the Office of Health Strategy. The application shall address

321 the guidelines and principles set forth in (1) subsection (a) of section 19a-
322 639, as amended by this act, and (2) regulations adopted by the
323 department. The applicant shall include with the application a
324 nonrefundable application fee based on the cost of the project. The
325 amount of the fee shall be as follows: (A) One thousand dollars for a
326 project that will cost not greater than fifty thousand dollars; (B) two
327 thousand dollars for a project that will cost greater than fifty thousand
328 dollars but not greater than one hundred thousand dollars; (C) three
329 thousand dollars for a project that will cost greater than one hundred
330 thousand dollars but not greater than five hundred thousand dollars;
331 (D) four thousand dollars for a project that will cost greater than five
332 hundred thousand dollars but not greater than one million dollars; (E)
333 five thousand dollars for a project that will cost greater than one million
334 dollars but not greater than five million dollars; (F) eight thousand
335 dollars for a project that will cost greater than five million dollars but
336 not greater than ten million dollars; and (G) ten thousand dollars for a
337 project that will cost greater than ten million dollars.

338 (b) Prior to the filing of a certificate of need application, the applicant
339 shall (1) publish notice that an application is to be submitted to the unit
340 (A) in a newspaper having a substantial circulation in the area where
341 the project is to be located, and (B) on the applicant's Internet web site
342 in a clear and conspicuous location that is easily accessible by members
343 of the public, (2) request the publication of notice (A) in at least two sites
344 within the affected community that are commonly accessed by the
345 public, such as a town hall or library, and (B) on any existing Internet
346 web site of the municipality or local health department, and (3) submit
347 such notice to the unit for posting on such unit's Internet web site. Such
348 newspaper notice shall be published for not less than three consecutive
349 days, with the final date of consecutive publication occurring not later
350 than twenty days prior to the date of filing of the certificate of need
351 application, and contain a brief description of the nature of the project
352 and the street address where the project is to be located. Postings in the
353 affected community and on the applicant's Internet web site shall
354 remain until the decision on the application is rendered. The unit shall

355 not invalidate any notice due to changes or removal of the notice from
356 a community Internet web site of which the applicant has no control. An
357 applicant shall file the certificate of need application with the unit not
358 later than ninety days after publishing notice of the application in a
359 newspaper in accordance with the provisions of this subsection. The
360 unit shall not accept the applicant's certificate of need application for
361 filing unless the application is accompanied by the application fee
362 prescribed in subsection (a) of this section and proof of compliance with
363 the publication requirements prescribed in this subsection. An applicant
364 may request a meeting with the Office of Health Strategy, in a form and
365 manner prescribed by the executive director of the Office of Health
366 Strategy, to review the certificate of need application process, which
367 shall be held not more than fourteen days after the date the applicant
368 submits such request.

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

389 hospital.

390 (2) The applicant shall, not later than sixty days after the date of the
391 unit's request, submit any requested information and any information
392 required under this subsection to the unit. If an applicant fails to submit
393 such information to the unit within the sixty-day period, the unit shall
394 consider the application to have been withdrawn, provided the unit
395 shall not consider the application to have been withdrawn if the unit
396 and applicant agree to an extension of time to submit such information.

397 (3) The unit shall make reasonable efforts to limit the requests for
398 additional information to [two] one such set of requests and, in all cases,
399 cease all requests for additional information not later than six months
400 after receiving the application unless the applicant and unit agree to
401 extend such time period. The unit shall determine whether an
402 application is complete not later than fifteen days after the applicant
403 submits responses to a request for additional information.

404 (d) Upon deeming an application complete, the unit shall provide
405 notice of this determination to the applicant and to the public in
406 accordance with regulations adopted by the department. In addition,
407 the unit shall post such notice on its Internet web site and notify the
408 applicant not later than five days after deeming the application
409 complete. The date on which the unit [posts such notice on its Internet
410 web site] deems the application complete shall begin the review period.
411 Except as provided in this subsection, (1) the review period for an
412 application deemed complete shall be [ninety] seventy-five days from
413 the date on which the unit [posts such notice on its Internet web site]
414 deems the application complete; and (2) the unit shall issue a decision
415 on an application deemed complete prior to the expiration of the
416 [ninety-day] seventy-five-day review period in matters without a public
417 hearing. [The review period for an application deemed complete that
418 involves a transfer of a large group practice, as described in subdivision
419 (3) of subsection (a) of section 19a-638 when the offer was made in
420 response to a request for proposal or similar voluntary offer for sale,
421 shall be sixty days from the date on which the unit posts notice on its

422 Internet web site.] Upon [request] agreement with the applicant or for
423 good cause shown, the unit may extend the review period for a period
424 of time not to exceed [sixty] thirty days. If the review period is extended,
425 the unit shall issue a decision on the completed application prior to the
426 expiration of the extended review period. If the unit holds a public
427 hearing concerning a completed application in accordance with
428 subsection (e) or (f) of this section, the unit shall issue a decision on the
429 completed application not later than sixty days after the date the unit
430 closes the public hearing record.

431 (e) Except as provided in this subsection, the unit shall hold a public
432 hearing on a properly filed and completed certificate of need application
433 if three or more individuals or an individual representing an entity with
434 five or more people submits a request, in writing, that a public hearing
435 be held on the application. [For a properly filed and completed
436 certificate of need application involving a transfer of ownership of a
437 large group practice, as described in subdivision (3) of subsection (a) of
438 section 19a-638 when an offer was made in response to a request for
439 proposal or similar voluntary offer for sale, a public hearing shall be
440 held if twenty-five or more individuals or an individual representing
441 twenty-five or more people submits a request, in writing, that a public
442 hearing be held on the application.] Any request for a public hearing
443 shall be made to the unit not later than [thirty] fifteen days after the date
444 the unit deems the application to be complete.

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

451 (2) The unit may hold a public hearing with respect to any certificate
452 of need application submitted under this chapter. The unit shall provide
453 not less than two weeks' advance notice to the applicant, in writing, and
454 to the public by publication in a newspaper having a substantial

455 circulation in the area served by the health care facility or provider. Such
456 notice shall be provided not more than forty-five days after the
457 application is deemed complete. In conducting its activities under this
458 chapter, the unit may hold hearings with respect to applications of a
459 similar nature at the same time. The applicant shall post a copy of the
460 unit's hearing notice on the applicant's Internet web site in a clear and
461 conspicuous location that is easily accessible by members of the public.
462 Such applicant shall request the publication of notice in at least two sites
463 within the affected community that are commonly accessed by the
464 public, such as a town hall or library, as well as on any existing Internet
465 web site of the municipality or local health department. The unit shall
466 not invalidate any notice due to changes or removal of the notice from
467 a community Internet web site of which the applicant has no control.

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

479 (h) The executive director of the Office of Health Strategy may
480 implement policies and procedures necessary to administer the
481 provisions of this section while in the process of adopting such policies
482 and procedures as regulation, provided the executive director holds a
483 public hearing prior to implementing the policies and procedures and
484 posts notice of intent to adopt regulations on the office's Internet web
485 site and the eRegulations System not later than twenty days after the
486 date of implementation. Policies and procedures implemented pursuant
487 to this section shall be valid until the time final regulations are adopted.

488 (i) (1) Notwithstanding the provisions of this section, on or before
489 January 1, 2025, the unit shall develop and implement an expedited
490 certificate of need review process for (A) certificate of need applications
491 for (i) a service, facility or equipment identified as having an unmet need
492 in the geographic region of the applicant in the most recent state-wide
493 health care facilities and services plan, established pursuant to section
494 19a-634, as amended by this act, (ii) the acquisition of a computed
495 tomography scanner, and (B) any other certificate of need application in
496 which the applicant, pursuant to subdivision (2) of this subsection, (i)
497 requests an expedited review of a certificate of need application, and (ii)
498 demonstrates that the subject of the application addresses an unmet
499 need in the geographic region of the applicant. The unit shall issue a
500 decision on any certificate of need application eligible for expedited
501 review pursuant to the provisions of this subdivision not more than
502 thirty days after the unit receives an applicant's complete certificate of
503 need application.

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

519 (3) Notwithstanding the provisions of this section, the expedited
520 certificate of need review process established pursuant to the provisions
521 of this subsection shall (A) allow the unit to resolve an expedited

522 certificate of need application by (i) agreed settlement with the
523 applicant, (ii) making a determination approving the expedited
524 certificate of need application, or (iii) for good cause, requiring the
525 applicant to submit a certificate of need application pursuant to the
526 provisions of subsections (a) to (f), inclusive, of this section, and (B) not
527 require a public hearing on an expedited certificate of need application.
528 For the purposes of this subdivision, "good cause" includes, but is not
529 limited to, a finding by the unit that the certificate of need application is
530 not eligible for expedited review pursuant to the provisions of this
531 subsection or the certificate of need application would likely fail to
532 satisfy at least one of the guidelines or principles described in section
533 19a-639, as amended by this act.

534 (4) The expedited certificate of need review process established
535 pursuant to the provisions of this subsection shall not be considered a
536 contested case, as defined in section 4-166. The unit's decision on any
537 expedited certificate of need application submitted pursuant to the
538 provisions of this subsection shall not be considered a final decision, as
539 defined in section 4-166.

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

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

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

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

552 (3) Whether [there is a clear] the applicant has satisfactorily

553 demonstrated that the proposed project is consistent with a public need,
554 [for the health care facility or services proposed by the applicant]
555 including, but not limited to, a public health or community health need
556 identified in a community health needs assessment, community service
557 plan, community health improvement plan, community profile, the
558 applicant's long-term plan or other similar report characterizing the
559 health needs of the community;

560 (4) Whether the applicant has satisfactorily demonstrated [how] that
561 the proposal will not negatively impact the financial strength of the
562 health care system in the region and state; [or that the proposal is
563 financially feasible for the applicant;]

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

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

573 (7) Whether the applicant has satisfactorily demonstrated how the
574 proposal will increase cost effectiveness of health care delivery in the
575 region;

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

582 [(7) Whether the applicant has satisfactorily identified the population
583 to be served by the proposed project and satisfactorily demonstrated

584 that the identified population has a need for the proposed services;

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

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

590 (10) Whether an applicant, who has failed to provide or reduced
591 access to services by Medicaid or Medicare recipients or indigent
592 persons, has demonstrated good cause for doing so, which shall not be
593 demonstrated solely on the basis of differences in reimbursement rates
594 between [Medicaid and other] public and private health care payers;

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

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

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

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

608 [(b) In deliberations as described in subsection (a) of this section,
609 there shall be a presumption in favor of approving the certificate of need
610 application for a transfer of ownership of a large group practice, as
611 described in subdivision (3) of subsection (a) of section 19a-638, when
612 an offer was made in response to a request for proposal or similar
613 voluntary offer for sale.]

614 [(c)] (b) The unit, as it deems necessary, may revise or supplement the
615 guidelines and principles, set forth in subsection (a) of this section,
616 through regulation. The executive director may implement policies and
617 procedures necessary to implement the provisions of this section while
618 in the process of adopting such policies and procedures as regulations,
619 provided the executive director holds a public hearing at least thirty
620 days prior to implementing such policies and procedures and publishes
621 notice of intent to adopt the regulations on the Office of Health
622 Strategy's Internet web site and the eRegulations System not later than
623 twenty days after implementing such policies and procedures. Policies
624 and procedures implemented pursuant to this subsection shall be valid
625 until final regulations are adopted in accordance with the provisions of
626 chapter 54.

627 [(d)] (c) (1) For purposes of this subsection and subsection [(e)] (d) of
628 this section:

629 (A) "Affected community" means a municipality where a hospital is
630 physically located or a municipality whose inhabitants are regularly
631 served by a hospital;

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

633 (C) "New hospital" means a hospital as it exists after the approval of
634 an agreement pursuant to section 19a-486b, as amended by this act, or a
635 certificate of need application for a transfer of ownership of a hospital;

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

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

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

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

650 (2) In any deliberations involving a certificate of need application
651 filed pursuant to section 19a-638, as amended by this act, that involves
652 the transfer of ownership of a hospital, the unit shall, in addition to the
653 guidelines and principles set forth in subsection (a) of this section and
654 those prescribed through regulation pursuant to subsection [(c)] (b) of
655 this section, take into consideration and make written findings
656 concerning each of the following guidelines and principles:

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

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

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

672 (4) The unit may deny any certificate of need application involving a
673 transfer of ownership of a hospital subject to a cost and market impact
674 review pursuant to section 19a-639f, as amended by this act, if the
675 executive director finds that (A) the affected community will not be

676 assured of continued access to high quality and affordable health care
677 after accounting for any consolidation in the hospital and health care
678 market that may lessen health care provider diversity, consumer choice
679 and access to care, and (B) any likely increases in the prices for health
680 care services or total health care spending in the state may negatively
681 impact the affordability of care.

682 (5) The unit may place any conditions on the approval of a certificate
683 of need application involving a transfer of ownership of a hospital
684 consistent with the provisions of this chapter. Before placing any such
685 conditions, the unit shall weigh the value of such conditions in
686 promoting the purposes of this chapter against the individual and
687 cumulative burden of such conditions on the transacting parties and the
688 new hospital. For each condition imposed, the unit shall include a
689 concise statement of the legal and factual basis for such condition and
690 the provision or provisions of this chapter that it is intended to promote.
691 Each condition shall be reasonably tailored in time and scope. The
692 transacting parties or the new hospital shall have the right to make a
693 request to the unit for an amendment to, or relief from, any condition
694 based on changed circumstances, hardship or for other good cause.

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

710 [(e)] (d) (1) If the certificate of need application (A) involves the
711 transfer of ownership of a hospital, (B) the purchaser is a hospital, as
712 defined in section 19a-490, whether located within or outside the state,
713 that had net patient revenue for fiscal year 2013 in an amount greater
714 than one billion five hundred million dollars or a hospital system, as
715 defined in section 19a-486i, whether located within or outside the state,
716 that had net patient revenue for fiscal year 2013 in an amount greater
717 than one billion five hundred million dollars, or any person that is
718 organized or operated for profit, and (C) such application is approved,
719 the unit shall hire an independent consultant to serve as a post-transfer
720 compliance reporter for a period of not less than three years after
721 completion of the transfer of ownership of the hospital. Such reporter
722 shall, at a minimum: (i) Meet with representatives of the purchaser, the
723 new hospital and members of the affected community served by the
724 new hospital not less than quarterly; and (ii) report to the unit not less
725 than quarterly concerning (I) efforts the purchaser and representatives
726 of the new hospital have taken to comply with any conditions the unit
727 placed on the approval of the certificate of need application and plans
728 for future compliance, and (II) community benefits and uncompensated
729 care provided by the new hospital. The purchaser shall give the reporter
730 access to its records and facilities for the purposes of carrying out the
731 reporter's duties. The purchaser shall hold a public hearing in the
732 municipality in which the new hospital is located not less than annually
733 during the reporting period to provide for public review and comment
734 on the reporter's reports and findings.

735 (2) If the reporter finds that the purchaser has breached a condition
736 of the approval of the certificate of need application, the unit may, in
737 consultation with the purchaser, the reporter and any other interested
738 parties it deems appropriate, implement a performance improvement
739 plan designed to remedy the conditions identified by the reporter and
740 continue the [reporting] compliance monitoring period for up to one
741 year following a determination by the unit that such conditions have
742 been [resolved] satisfied.

743 (3) The purchaser shall provide funds, in an amount determined by

744 the unit not to exceed two hundred thousand dollars annually, for the
745 hiring of the post-transfer compliance reporter.

746 [(f)] (e) Nothing in subsection [(d)] (c) or [(e)] (d) of this section shall
747 apply to a transfer of ownership of a hospital in which either a certificate
748 of need application is filed on or before December 1, 2015, or where a
749 certificate of need determination letter is filed on or before December 1,
750 2015.

751 Sec. 5. Section 19a-634 of the general statutes is repealed and the
752 following is substituted in lieu thereof (*Effective from passage*):

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

772 (b) The unit, in consultation with such other state agencies as the
773 executive director deems appropriate, shall establish and maintain a
774 state-wide health care facilities and services plan. Such plan (1) may
775 include, but not be limited to [:(1) An] (A) an assessment of the

776 availability of acute hospital care, hospital emergency care, specialty
777 hospital care, outpatient surgical care, primary care and clinic care, [;
778 (2)] (B) an evaluation of the unmet needs of persons at risk and
779 vulnerable populations as determined by the executive director, [; (3)]
780 (C) a projection of future demand for health care services and the impact
781 that technology may have on the demand, capacity or need for such
782 services, [;] and [(4)] (D) recommendations for the expansion, reduction
783 or modification of health care facilities or services, and (2) shall (A)
784 include recommendations regarding percutaneous coronary
785 intervention and other cardiac services, and (B) identify geographic
786 areas of unmet need for services, facilities or equipment and the types
787 of such services, facilities or equipment, if any. In the development of
788 the plan, the unit shall consider the recommendations of any advisory
789 bodies which may be established by the executive director. The
790 executive director may also incorporate the recommendations of
791 authoritative organizations whose mission is to promote policies based
792 on best practices or evidence-based research. The executive director, in
793 consultation with hospital representatives, shall develop a process that
794 encourages hospitals to incorporate the state-wide health care facilities
795 and services plan into hospital long-range planning and shall facilitate
796 communication between appropriate state agencies concerning
797 innovations or changes that may affect future health planning. The unit
798 shall update the state-wide health care facilities and services plan not
799 less than once every two years.

800 (c) For purposes of conducting the state-wide health care facility
801 utilization study and preparing the state-wide health care facilities and
802 services plan, the unit shall establish and maintain an inventory of all
803 health care facilities, the equipment identified in subdivisions (9) and
804 (10) of subsection (a) of section 19a-638, as amended by this act, and
805 services in the state, including health care facilities that are exempt from
806 certificate of need requirements under subsection (b) of section 19a-638,
807 as amended by this act. The unit shall develop an inventory
808 questionnaire to obtain the following information: (1) The name and
809 location of the facility; (2) the type of facility; (3) the hours of operation;

810 (4) the type of services provided at that location; and (5) the total number
811 of clients, treatments, patient visits, procedures performed or scans
812 performed in a calendar year. The inventory shall be completed
813 biennially by health care facilities and providers and such health care
814 facilities and providers shall not be required to provide patient specific
815 or financial data.

816 (d) (1) The unit shall convene a technical expert panel to (A) review
817 (i) the supply of the full range of cardiac services in the state, (ii) the
818 need and demand for cardiac services by geographic region of the state,
819 (iii) the best evidence concerning utilization volumes, quality of care
820 and distance between cardiac care centers, and (iv) the most recent
821 professional guidelines relating to cardiac care, and (B) identify
822 geographic areas of unmet need for services, facilities or equipment and
823 the types of such services, facilities or equipment, if any.

824 (2) The technical expert panel shall consist of the following members,
825 who shall be experts in the area of cardiac care quality and guidelines:
826 (A) Four appointed by the Governor; (B) one appointed by the Senate
827 chairperson of the joint standing committee of the General Assembly
828 having cognizance of matters relating to public health; (C) one
829 appointed by the House chairperson of said joint standing committee;
830 (D) one appointed by the Senate ranking member of said joint standing
831 committee; and (E) one appointed by the House ranking member of said
832 joint standing committee. The technical expert panel shall terminate
833 ninety days after the unit updates the 2024 state-wide health care
834 facilities and services plan with a supplemental report pursuant to the
835 provisions of subdivision (3) of this subsection.

836 (3) Not later than January 1, 2025, the unit shall, in consultation with
837 the technical expert panel, update the 2024 state-wide health care
838 facilities and services plan with a supplemental report on cardiac
839 services in the state and submit such report to the Governor and, in
840 accordance with the provisions of section 11-4a, to the joint standing
841 committee of the General Assembly having cognizance of matters
842 relating to public health. Such supplemental report shall include, but

843 need not be limited to, (A) a review of (i) the supply of the full range of
844 cardiac services in the state, (ii) the need and demand for cardiac
845 services by geographic region of the state, (iii) the best evidence
846 concerning utilization volumes, quality of care and distance between
847 cardiac care centers, and (iv) the most recent professional guidelines
848 relating to cardiac care, and (B) identification of any geographic areas of
849 unmet need for services, facilities or equipment and the types of such
850 services, facilities or equipment if any such areas and services, facilities
851 or equipment are identified pursuant to subdivision (1) of this
852 subsection.

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

874 (b) Any hospital that violates or fails to comply with the provisions
875 of this section shall be subject to a civil penalty not to exceed five
876 thousand dollars for each incident of noncompliance. Prior to imposing

877 any penalty pursuant to this subsection, the executive director shall
878 notify the hospital of the alleged violation and the accompanying
879 penalty and shall permit such hospital to request that the office review
880 its findings. A hospital shall request such review not later than fifteen
881 days after the date of receipt of the notice of violation. The executive
882 director shall stay the imposition of any penalty pending the outcome
883 of the review. Payments of penalties received pursuant to this
884 subsection shall be deposited in the General Fund.

885 (c) On or before November 30, 2024, and quarterly thereafter, the
886 executive director shall provide to the Secretary of the Office of Policy
887 and Management a summary of the reports received in accordance with
888 subsection (a) of this section for the prior calendar quarter.

889 (d) The executive director shall keep confidential all nonpublic
890 information and documents obtained pursuant to the provisions of this
891 section and shall not disclose such information or documents to any
892 person without the consent of the hospital that produced the
893 information or documents. Such information and documents shall not
894 be deemed a public record under section 1-210 of the general statutes
895 and shall be exempt from disclosure.

896 Sec. 7. Subsection (b) of section 19a-486b of the general statutes is
897 repealed and the following is substituted in lieu thereof (*Effective July 1,*
898 *2024*):

899 (b) The executive director and the Attorney General may place any
900 conditions on the approval of an application that relate to the purposes
901 of sections 19a-486a to 19a-486h, inclusive. In placing any such
902 conditions the executive director shall follow the guidelines and criteria
903 described in subdivision (4) of subsection [(d)] (c) of section 19a-639, as
904 amended by this act. Any such conditions may be in addition to any
905 conditions placed by the executive director pursuant to subdivision (4)
906 of subsection [(d)] (c) of section 19a-639, as amended by this act.

907 Sec. 8. Subsections (d) to (j), inclusive, of section 19a-639f of the
908 general statutes are repealed and the following is substituted in lieu

909 thereof (*Effective July 1, 2024*):

910 (d) The cost and market impact review conducted pursuant to this
911 section shall examine factors relating to the businesses and relative
912 market positions of the transacting parties as defined in subsection [(d)]
913 (c) of section 19a-639, as amended by this act, and may include, but need
914 not be limited to: (1) The transacting parties' size and market share
915 within its primary service area, by major service category and within its
916 dispersed service areas; (2) the transacting parties' prices for services,
917 including the transacting parties' relative prices compared to other
918 health care providers for the same services in the same market; (3) the
919 transacting parties' health status adjusted total medical expense,
920 including the transacting parties' health status adjusted total medical
921 expense compared to that of similar health care providers; (4) the quality
922 of the services provided by the transacting parties, including patient
923 experience; (5) the transacting parties' cost and cost trends in
924 comparison to total health care expenditures state wide; (6) the
925 availability and accessibility of services similar to those provided by
926 each transacting party, or proposed to be provided as a result of the
927 transfer of ownership of a hospital within each transacting party's
928 primary service areas and dispersed service areas; (7) the impact of the
929 proposed transfer of ownership of the hospital on competing options for
930 the delivery of health care services within each transacting party's
931 primary service area and dispersed service area including the impact on
932 existing service providers; (8) the methods used by the transacting
933 parties to attract patient volume and to recruit or acquire health care
934 professionals or facilities; (9) the role of each transacting party in serving
935 at-risk, underserved and government payer patient populations,
936 including those with behavioral, substance use disorder and mental
937 health conditions, within each transacting party's primary service area
938 and dispersed service area; (10) the role of each transacting party in
939 providing low margin or negative margin services within each
940 transacting party's primary service area and dispersed service area; (11)
941 consumer concerns, including, but not limited to, complaints or other
942 allegations that a transacting party has engaged in any unfair method of

943 competition or any unfair or deceptive act or practice; and (12) any other
944 factors that the unit determines to be in the public interest.

945 (e) Not later than ninety days after the unit determines that there is
946 substantial compliance with any request for documents or information
947 issued by the unit in accordance with this section, or a later date set by
948 mutual agreement of the unit and the transacting parties, the unit shall
949 make factual findings and issue a preliminary report on the cost and
950 market impact review. Such preliminary report shall include, but shall
951 not be limited to, an indication as to whether a transacting party meets
952 the following criteria: (1) Currently has or, following the proposed
953 transfer of operations of the hospital, is likely to have a dominant market
954 share for the services the transacting party provides; and (2) (A)
955 currently charges or, following the proposed transfer of operations of
956 the hospital, is likely to charge prices for services that are materially
957 higher than the median prices charged by all other health care providers
958 for the same services in the same market, or (B) currently has or,
959 following the proposed transfer of operations of a hospital, is likely to
960 have a health status adjusted total medical expense that is materially
961 higher than the median total medical expense for all other health care
962 providers for the same service in the same market.

963 (f) The transacting parties that are the subject of the cost and market
964 impact review may respond in writing to the findings in the preliminary
965 report issued in accordance with subsection (e) of this section not later
966 than thirty days after the issuance of the preliminary report. Not later
967 than sixty days after the issuance of the preliminary report, the unit shall
968 issue a final report of the cost and market impact review. The unit shall
969 refer to the Attorney General any final report on any proposed transfer
970 of ownership that meets the criteria described in subsection (e) of this
971 section.

972 (g) Nothing in this section shall prohibit a transfer of ownership of a
973 hospital, provided any such proposed transfer shall not be completed
974 (1) less than thirty days after the unit has issued a final report on a cost
975 and market impact review, if such review is required, or (2) while any

976 action brought by the Attorney General pursuant to subsection (h) of
977 this section is pending and before a final judgment on such action is
978 issued by a court of competent jurisdiction.

979 (h) After the unit refers a final report on a transfer of ownership of a
980 hospital to the Attorney General under subsection (f) of this section, the
981 Attorney General may: (1) Conduct an investigation to determine
982 whether the transacting parties engaged, or, as a result of completing
983 the transfer of ownership of the hospital, are expected to engage in
984 unfair methods of competition, anti-competitive behavior or other
985 conduct in violation of chapter 624 or 735a or any other state or federal
986 law; and (2) if appropriate, take action under chapter 624 or 735a or any
987 other state law to protect consumers in the health care market. The unit's
988 final report may be evidence in any such action.

989 (i) For the purposes of this section, the provisions of chapter 735a may
990 be directly enforced by the Attorney General. Nothing in this section
991 shall be construed to modify, impair or supersede the operation of any
992 state antitrust law or otherwise limit the authority of the Attorney
993 General to (1) take any action against a transacting party as authorized
994 by any law, or (2) protect consumers in the health care market under any
995 law. Notwithstanding subdivision (1) of subsection (a) of section 42-
996 110c, the transacting parties shall be subject to chapter 735a.

997 (j) The unit shall retain an independent consultant with expertise on
998 the economic analysis of the health care market and health care costs
999 and prices to conduct each cost and market impact review, as described
1000 in this section. The unit shall submit bills for such services to the
1001 purchaser, as defined in subsection [(d)] (c) of section 19a-639, as
1002 amended by this act. Such purchaser shall pay such bills not later than
1003 thirty days after receipt. Such bills shall not exceed two hundred
1004 thousand dollars per application. The provisions of chapter 57, sections
1005 4-212 to 4-219, inclusive, and section 4e-19 shall not apply to any
1006 agreement executed pursuant to this subsection."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	19a-630
Sec. 2	<i>October 1, 2024</i>	19a-638
Sec. 3	<i>October 1, 2024</i>	19a-639a
Sec. 4	<i>July 1, 2024</i>	19a-639
Sec. 5	<i>from passage</i>	19a-634
Sec. 6	<i>July 1, 2024</i>	New section
Sec. 7	<i>July 1, 2024</i>	19a-486b(b)
Sec. 8	<i>July 1, 2024</i>	19a-639f(d) to (j)