



General Assembly

Amendment

February Session, 2024

LCO No. 5981



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 Section 19a-630 of the general statutes is repealed and the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 or more full-time equivalent
31 physicians, legally organized in a partnership, professional corporation,
32 limited liability company formed to render professional services,
33 medical foundation, not-for-profit corporation, faculty practice plan or
34 other similar entity (A) in which each physician who is a member of the
35 group provides substantially the full range of services that the physician
36 routinely provides, including, but not limited to, medical care,
37 consultation, diagnosis or treatment, through the joint use of shared
38 office space, facilities, equipment or personnel; (B) for which
39 substantially all of the services of the physicians who are members of
40 the group are provided through the group and are billed in the name of
41 the group practice and amounts so received are treated as receipts of the
42 group; or (C) in which the overhead expenses of, and the income from,
43 the group are distributed in accordance with methods previously
44 determined by members of the group. An entity that otherwise meets

45 the definition of group practice under this section shall be considered a
46 group practice although its shareholders, partners or owners of the
47 group practice include single-physician professional corporations,
48 limited liability companies formed to render professional services or
49 other entities in which beneficial owners are individual physicians.

50 (10) "Health care facility" means (A) hospitals licensed by the
51 Department of Public Health under chapter 368v; (B) specialty hospitals;
52 (C) freestanding emergency departments; (D) outpatient surgical
53 facilities, as defined in section 19a-493b and licensed under chapter
54 368v; (E) a hospital or other facility or institution operated by the state
55 that provides services that are eligible for reimbursement under Title
56 XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended;
57 (F) a central service facility; (G) mental health facilities; (H) substance
58 abuse treatment facilities; and (I) any other facility requiring certificate
59 of need review pursuant to subsection (a) of section 19a-638, as
60 amended by this act. "Health care facility" includes any parent company,
61 subsidiary, affiliate or joint venture, or any combination thereof, of any
62 such facility.

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

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

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

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

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

74 (16) "Transfer of ownership" means (A) a transfer that impacts or

75 changes the governance or controlling body of a health care facility,
76 institution or large group practice, including, but not limited to, all
77 affiliations [] or mergers, [or] (B) any sale or transfer of net assets of a
78 health care facility, or (C) a transfer, except for a transfer described in
79 subsection (c) of section 19a-493b, of a controlling interest in any entity,
80 as defined in section 33-602, that directly or indirectly possesses or
81 controls an interest of thirty per cent or more of a health care facility,
82 institution, as defined in section 19a-490, or large group practice.

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

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

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

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

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

90 (3) A transfer of ownership of a large group practice to any entity
91 other than a (A) physician, or (B) group of two or more physicians,
92 legally organized in a partnership, professional corporation or limited
93 liability company formed to render professional services and not
94 employed by or an affiliate of any hospital, medical foundation,
95 insurance company or other similar entity;

96 (4) The establishment of a freestanding emergency department;

97 (5) The termination of inpatient or outpatient services offered by a
98 hospital, including, but not limited to, the termination by a short-term
99 acute care general hospital or children's hospital of inpatient and
100 outpatient mental health and substance abuse services;

101 (6) The establishment of an outpatient surgical facility, as defined in
102 section 19a-493b, or as established by a short-term acute care general
103 hospital;

104 (7) The termination of surgical services by an outpatient surgical
105 facility, as defined in section 19a-493b, or a facility that provides
106 outpatient surgical services as part of the outpatient surgery department
107 of a short-term acute care general hospital, provided termination of
108 outpatient surgical services due to (A) insufficient patient volume, or (B)
109 the termination of any subspecialty surgical service, shall not require
110 certificate of need approval;

111 (8) The termination of an emergency department by a short-term
112 acute care general hospital;

113 (9) The establishment of cardiac services, including inpatient and
114 outpatient cardiac catheterization, interventional cardiology and
115 cardiovascular surgery;

116 (10) The acquisition of computed tomography scanners, magnetic
117 resonance imaging scanners, positron emission tomography scanners or
118 positron emission tomography-computed tomography scanners, by any
119 person, physician, provider, short-term acute care general hospital or
120 children's hospital, except (A) as provided for in subdivision (22) of
121 subsection (b) of this section, and (B) a certificate of need issued by the
122 unit shall not be required where such scanner is a replacement for a
123 scanner that was previously acquired through certificate of need
124 approval or a certificate of need determination, including a replacement
125 scanner that has dual modalities or functionalities if the applicant
126 already offers similar imaging services for each of the scanner's
127 modalities or functionalities that will be utilized;

128 (11) The acquisition of a proton radiotherapy machine or nonhospital
129 based linear [accelerators] accelerator, except a certificate of need issued
130 by the unit shall not be required where such machine or accelerator is a
131 replacement for [an] a machine or accelerator that was previously
132 acquired through certificate of need approval or a certificate of need
133 determination;

134 (12) An increase in the licensed bed capacity of a health care facility,
135 except as provided in subdivision (23) of subsection (b) of this section;

136 (13) The acquisition of equipment utilizing technology that has not
137 previously been utilized in the state;

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

142 (15) The termination of inpatient or outpatient services offered by a
143 hospital or other facility or institution operated by the state that
144 provides services that are eligible for reimbursement under Title XVIII
145 or XIX of the federal Social Security Act, 42 USC 301, as amended;

146 (16) A transfer of assets, including, but not limited to, a transfer of
147 real estate, when (A) such assets are used for hospital operations, (B) the
148 assets are valued at an amount that equals to or exceeds twenty per cent
149 or more of the hospital's net value, and (C) the transfer is made to a third
150 party not related to the hospital through ownership, control or
151 affiliation; and

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

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

155 (1) Health care facilities owned and operated by the federal
156 government;

157 (2) The establishment of offices by a licensed private practitioner,
158 whether for individual or group practice, except when a certificate of
159 need is required in accordance with the requirements of section 19a-
160 493b or subdivision (3), (10) or (11) of subsection (a) of this section;

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

163 (4) Residential care homes, as defined in subsection (c) of section 19a-
164 490, and nursing homes and rest homes, as defined in subsection (o) of

- 165 section 19a-490;
- 166 (5) An assisted living services agency, as defined in section 19a-490;
- 167 (6) Home health agencies, as defined in section 19a-490;
- 168 (7) Hospice services, as described in section 19a-122b;
- 169 (8) Outpatient rehabilitation facilities;
- 170 (9) Outpatient chronic dialysis services;
- 171 (10) Transplant services;
- 172 (11) Free clinics, as defined in section 19a-630, as amended by this act;
- 173 (12) School-based health centers and expanded school health sites, as
174 such terms are defined in section 19a-6r, community health centers, as
175 defined in section 19a-490a, not-for-profit outpatient clinics licensed in
176 accordance with the provisions of chapter 368v and federally qualified
177 health centers;
- 178 (13) A program licensed or funded by the Department of Children
179 and Families, provided such program is not a psychiatric residential
180 treatment facility;
- 181 (14) Any nonprofit facility, institution or provider that has a contract
182 with, or is certified or licensed to provide a service for, a state agency or
183 department for a service that would otherwise require a certificate of
184 need. The provisions of this subdivision shall not apply to a short-term
185 acute care general hospital or children's hospital, or a hospital or other
186 facility or institution operated by the state that provides services that are
187 eligible for reimbursement under Title XVIII or XIX of the federal Social
188 Security Act, 42 USC 301, as amended;
- 189 (15) A health care facility operated by a nonprofit educational
190 institution exclusively for students, faculty and staff of such institution
191 and their dependents;

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

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

200 (18) Replacement of existing computed tomography scanners,
201 magnetic resonance imaging scanners, positron emission tomography
202 scanners, positron emission tomography-computed tomography
203 scanners, or nonhospital based linear accelerators, if such equipment
204 was acquired through certificate of need approval or a certificate of need
205 determination, provided a health care facility, provider, physician or
206 person notifies the unit of the date on which the equipment is replaced
207 and the disposition of the replaced equipment, including if a
208 replacement scanner has dual modalities or functionalities and the
209 applicant already offers similar imaging services for each of the
210 equipment's modalities or functionalities that will be utilized;

211 (19) Acquisition of cone-beam dental imaging equipment that is to be
212 used exclusively by a dentist licensed pursuant to chapter 379;

213 (20) The partial or total elimination of services provided by an
214 outpatient surgical facility, as defined in section 19a-493b, except as
215 provided in subdivision (6) of subsection (a) of this section and section
216 19a-639e;

217 (21) The termination of services for which the Department of Public
218 Health has requested the facility to relinquish its license;

219 (22) Acquisition of any equipment by any person that is to be used
220 exclusively for scientific research that is not conducted on humans;

221 (23) On or before June 30, 2026, an increase in the licensed bed

222 capacity of a mental health facility, provided (A) the mental health
223 facility demonstrates to the unit, in a form and manner prescribed by
224 the unit, that it accepts reimbursement for any covered benefit provided
225 to a covered individual under: (i) An individual or group health
226 insurance policy providing coverage of the type specified in
227 subdivisions (1), (2), (4), (11) and (12) of section 38a-469; (ii) a self-
228 insured employee welfare benefit plan established pursuant to the
229 federal Employee Retirement Income Security Act of 1974, as amended
230 from time to time; or (iii) HUSKY Health, as defined in section 17b-290,
231 and (B) if the mental health facility does not accept or stops accepting
232 reimbursement for any covered benefit provided to a covered
233 individual under a policy, plan or program described in clause (i), (ii) or
234 (iii) of subparagraph (A) of this subdivision, a certificate of need for such
235 increase in the licensed bed capacity shall be required; [.]

236 (24) The establishment at harm reduction centers through the pilot
237 program established pursuant to section 17a-673c; or

238 (25) On or before June 30, 2028, a birth center, as defined in section
239 19a-490, that is enrolled as a provider in the Connecticut medical
240 assistance program, as defined in section 17b-245g.

241 (c) (1) Any person, health care facility or institution that is unsure
242 whether a certificate of need is required under this section, or (2) any
243 health care facility that proposes to relocate pursuant to section 19a-
244 639c, shall send a letter to the unit that describes the project and requests
245 that the unit make a determination as to whether a certificate of need is
246 required. In the case of a relocation of a health care facility, the letter
247 shall include information described in section 19a-639c. A person, health
248 care facility or institution making such request shall provide the unit
249 with any information the unit requests as part of its determination
250 process. The unit shall provide a determination within thirty days of
251 receipt of such request.

252 (d) The executive director of the Office of Health Strategy may
253 implement policies and procedures necessary to administer the

254 provisions of this section while in the process of adopting such policies
255 and procedures as regulation, provided the executive director holds a
256 public hearing prior to implementing the policies and procedures and
257 posts notice of intent to adopt regulations on the office's Internet web
258 site and the eRegulations System not later than twenty days after the
259 date of implementation. Policies and procedures implemented pursuant
260 to this section shall be valid until the time final regulations are adopted.

261 (e) On or before June 30, 2026, a mental health facility seeking to
262 increase licensed bed capacity without applying for a certificate of need,
263 as permitted pursuant to subdivision (23) of subsection (b) of this
264 section, shall notify the Office of Health Strategy, in a form and manner
265 prescribed by the executive director of said office, regarding (1) such
266 facility's intent to increase licensed bed capacity, (2) the address of such
267 facility, and (3) a description of all services that are being or will be
268 provided at such facility.

269 (f) Not later than January 1, 2025, the executive director of the Office
270 of Health Strategy shall report to the Governor and, in accordance with
271 the provisions of section 11-4a, to the joint standing committee of the
272 General Assembly having cognizance of matters relating to public
273 health concerning the executive director's recommendations, if any,
274 regarding the establishment of an expedited certificate of need process
275 for mental health facilities.

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

279 (a) An application for a certificate of need shall be filed with the unit
280 in accordance with the provisions of this section and any regulations
281 adopted by the Office of Health Strategy. The application shall address
282 the guidelines and principles set forth in (1) subsection (a) of section 19a-
283 639, as amended by this act, and (2) regulations adopted by the
284 department. The applicant shall include with the application a
285 nonrefundable application fee based on the cost of the project. The

286 amount of the fee shall be as follows: (A) One thousand dollars for a
287 project that will cost not greater than fifty thousand dollars; (B) two
288 thousand dollars for a project that will cost greater than fifty thousand
289 dollars but not greater than one hundred thousand dollars; (C) three
290 thousand dollars for a project that will cost greater than one hundred
291 thousand dollars but not greater than five hundred thousand dollars;
292 (D) four thousand dollars for a project that will cost greater than five
293 hundred thousand dollars but not greater than one million dollars; (E)
294 five thousand dollars for a project that will cost greater than one million
295 dollars but not greater than five million dollars; (F) eight thousand
296 dollars for a project that will cost greater than five million dollars but
297 not greater than ten million dollars; and (G) ten thousand dollars for a
298 project that will cost greater than ten million dollars.

299 (b) Prior to the filing of a certificate of need application, the applicant
300 shall (1) publish notice that an application is to be submitted to the unit
301 (A) in a newspaper having a substantial circulation in the area where
302 the project is to be located, and (B) on the applicant's Internet web site
303 in a clear and conspicuous location that is easily accessible by members
304 of the public, (2) request the publication of notice (A) in at least two sites
305 within the affected community that are commonly accessed by the
306 public, such as a town hall or library, and (B) on any existing Internet
307 web site of the municipality or local health department, and (3) submit
308 such notice to the unit for posting on such unit's Internet web site. Such
309 newspaper notice shall be published for not less than three consecutive
310 days, with the final date of consecutive publication occurring not later
311 than twenty days prior to the date of filing of the certificate of need
312 application, and contain a brief description of the nature of the project
313 and the street address where the project is to be located. Postings in the
314 affected community and on the applicant's Internet web site shall
315 remain until the decision on the application is rendered. The unit shall
316 not invalidate any notice due to changes or removal of the notice from
317 a community Internet web site of which the applicant has no control. An
318 applicant shall file the certificate of need application with the unit not
319 later than ninety days after publishing notice of the application in a

320 newspaper in accordance with the provisions of this subsection. The
321 unit shall not accept the applicant's certificate of need application for
322 filing unless the application is accompanied by the application fee
323 prescribed in subsection (a) of this section and proof of compliance with
324 the publication requirements prescribed in this subsection. An applicant
325 may request a meeting with the Office of Health Strategy, in a form and
326 manner prescribed by the executive director of the Office of Health
327 Strategy, to review the certificate of need application process, which
328 shall be held not more than fourteen days after the date the applicant
329 submits such request.

330 (c) (1) Not later than five business days after receipt of a properly filed
331 certificate of need application, the unit shall publish notice of the
332 application on its Internet web site. Not later than [thirty] sixty days
333 after the date of filing of the application, the unit may request such
334 additional information as the unit determines necessary to complete the
335 application. In addition to any information requested by the unit, if the
336 application involves the transfer of ownership of a hospital, as defined
337 in section 19a-639, as amended by this act, the applicant shall submit to
338 the unit (A) a plan demonstrating how health care services will be
339 provided by the new hospital for the first three years following the
340 transfer of ownership of the hospital, including any consolidation,
341 reduction, elimination or expansion of existing services or introduction
342 of new services, and (B) the names of persons currently holding a
343 position with the hospital to be purchased or the purchaser, as defined
344 in section 19a-639, as amended by this act, as an officer, director, board
345 member or senior manager, whether or not such person is expected to
346 hold a position with the hospital after completion of the transfer of
347 ownership of the hospital and any salary, severance, stock offering or
348 any financial gain, current or deferred, such person is expected to
349 receive as a result of, or in relation to, the transfer of ownership of the
350 hospital.

351 (2) The applicant shall, not later than sixty days after the date of the
352 unit's request, submit any requested information and any information
353 required under this subsection to the unit. If an applicant fails to submit

354 such information to the unit within the sixty-day period, the unit shall
355 consider the application to have been withdrawn, provided the unit
356 shall not consider the application to have been withdrawn if the unit
357 and applicant agree to an extension of time to submit such information.

358 (3) The unit shall make reasonable efforts to limit the requests for
359 additional information to [two] one such set of requests and, in all cases,
360 cease all requests for additional information not later than six months
361 after receiving the application unless the applicant and unit agree to
362 extend such time period. The unit shall determine whether an
363 application is complete not later than fifteen days after the applicant
364 submits responses to a request for additional information.

365 (d) Upon deeming an application complete, the unit shall provide
366 notice of this determination to the applicant and to the public in
367 accordance with regulations adopted by the department. In addition,
368 the unit shall post such notice on its Internet web site and notify the
369 applicant not later than five days after deeming the application
370 complete. The date on which the unit [posts such notice on its Internet
371 web site] deems the application complete shall begin the review period.
372 Except as provided in this subsection, (1) the review period for an
373 application deemed complete shall be [ninety] seventy-five days from
374 the date on which the unit [posts such notice on its Internet web site]
375 deems the application complete; and (2) the unit shall issue a decision
376 on an application deemed complete prior to the expiration of the
377 [ninety-day] seventy-five-day review period in matters without a public
378 hearing. [The review period for an application deemed complete that
379 involves a transfer of a large group practice, as described in subdivision
380 (3) of subsection (a) of section 19a-638 when the offer was made in
381 response to a request for proposal or similar voluntary offer for sale,
382 shall be sixty days from the date on which the unit posts notice on its
383 Internet web site.] Upon [request] agreement with the applicant or for
384 good cause shown, the unit may extend the review period for a period
385 of time not to exceed [sixty] thirty days. If the review period is extended,
386 the unit shall issue a decision on the completed application prior to the
387 expiration of the extended review period. If the unit holds a public

388 hearing concerning a completed application in accordance with
389 subsection (e) or (f) of this section, the unit shall issue a decision on the
390 completed application not later than sixty days after the date the unit
391 closes the public hearing record.

392 (e) Except as provided in this subsection, the unit shall hold a public
393 hearing on a properly filed and completed certificate of need application
394 if three or more individuals or an individual representing an entity with
395 five or more people submits a request, in writing, that a public hearing
396 be held on the application. [For a properly filed and completed
397 certificate of need application involving a transfer of ownership of a
398 large group practice, as described in subdivision (3) of subsection (a) of
399 section 19a-638 when an offer was made in response to a request for
400 proposal or similar voluntary offer for sale, a public hearing shall be
401 held if twenty-five or more individuals or an individual representing
402 twenty-five or more people submits a request, in writing, that a public
403 hearing be held on the application.] Any request for a public hearing
404 shall be made to the unit not later than [thirty] fifteen days after the date
405 the unit deems the application to be complete.

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

412 (2) The unit may hold a public hearing with respect to any certificate
413 of need application submitted under this chapter. The unit shall provide
414 not less than two weeks' advance notice to the applicant, in writing, and
415 to the public by publication in a newspaper having a substantial
416 circulation in the area served by the health care facility or provider. Such
417 notice shall be provided not more than forty-five days after the
418 application is deemed complete. In conducting its activities under this
419 chapter, the unit may hold hearings with respect to applications of a
420 similar nature at the same time. The applicant shall post a copy of the

421 unit's hearing notice on the applicant's Internet web site in a clear and
422 conspicuous location that is easily accessible by members of the public.
423 Such applicant shall request the publication of notice in at least two sites
424 within the affected community that are commonly accessed by the
425 public, such as a town hall or library, as well as on any existing Internet
426 web site of the municipality or local health department. The unit shall
427 not invalidate any notice due to changes or removal of the notice from
428 a community Internet web site of which the applicant has no control.

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

440 (h) The executive director of the Office of Health Strategy may
441 implement policies and procedures necessary to administer the
442 provisions of this section while in the process of adopting such policies
443 and procedures as regulation, provided the executive director holds a
444 public hearing prior to implementing the policies and procedures and
445 posts notice of intent to adopt regulations on the office's Internet web
446 site and the eRegulations System not later than twenty days after the
447 date of implementation. Policies and procedures implemented pursuant
448 to this section shall be valid until the time final regulations are adopted.

449 (i) (1) Notwithstanding the provisions of this section, on or before
450 January 1, 2025, the unit shall develop and implement an expedited
451 certificate of need review process for (A) certificate of need applications
452 for (i) a service, facility or equipment identified as having an unmet need
453 in the geographic region of the applicant in the most recent state-wide

454 health care facilities and services plan, established pursuant to section
455 19a-634, as amended by this act, (ii) the acquisition of a computed
456 tomography scanner, and (B) any other certificate of need application in
457 which the applicant, pursuant to subdivision (2) of this subsection, (i)
458 requests an expedited review of a certificate of need application, and (ii)
459 demonstrates that the subject of the application addresses an unmet
460 need in the geographic region of the applicant. The unit shall issue a
461 decision on any certificate of need application eligible for expedited
462 review pursuant to the provisions of this subdivision not more than
463 thirty days after the unit receives an applicant's complete certificate of
464 need application.

465 (2) An applicant may request, in a form and manner prescribed by
466 the executive director of the Office of Health Strategy, an expedited
467 review of a certificate of need application pursuant to subparagraph (B)
468 of subdivision (1) of this subsection. Such request shall include, but need
469 not be limited to, (A) a description of the target population to be served
470 by the subject of the certificate of need application, (B) a clear
471 demonstration of an unmet need for the subject of the certificate of need
472 application in the geographic region of the applicant based on patient
473 diagnoses, utilization or other recent data, and (C) a description of the
474 availability of the subject of the certificate of need application in the
475 primary service area of the applicant. The unit shall determine whether
476 an applicant who requests an expedited review pursuant to the
477 provisions of this subdivision is eligible for such expedited review not
478 more than thirty days after the date that the unit receives the applicant's
479 request.

480 (3) Notwithstanding the provisions of this section, the expedited
481 certificate of need review process established pursuant to the provisions
482 of this subsection shall (A) allow the unit to resolve an expedited
483 certificate of need application by (i) agreed settlement with the
484 applicant, (ii) making a determination approving the expedited
485 certificate of need application, or (iii) for good cause, requiring the
486 applicant to submit a certificate of need application pursuant to the
487 provisions of subsections (a) to (f), inclusive, of this section, and (B) not

488 require a public hearing on an expedited certificate of need application.
489 For the purposes of this subdivision, "good cause" includes, but is not
490 limited to, a finding by the unit that the certificate of need application is
491 not eligible for expedited review pursuant to the provisions of this
492 subsection or the certificate of need application would likely fail to
493 satisfy at least one of the guidelines or principles described in section
494 19a-639, as amended by this act.

495 (4) The expedited certificate of need review process established
496 pursuant to the provisions of this subsection shall not be considered a
497 contested case, as defined in section 4-166. The unit's decision on any
498 expedited certificate of need application submitted pursuant to the
499 provisions of this subsection shall not be considered a final decision, as
500 defined in section 4-166.

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

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

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

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

513 (3) Whether [there is a clear] the applicant has satisfactorily
514 demonstrated that the proposed project is consistent with a public need,
515 [for the health care facility or services proposed by the applicant]
516 including, but not limited to, a public health or community health need
517 identified in a community health needs assessment, community service
518 plan, community health improvement plan, community profile, the

519 applicant's long-term plan or other similar report characterizing the
520 health needs of the community;

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

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

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

534 (7) Whether the applicant has satisfactorily demonstrated how the
535 proposal will increase cost effectiveness of health care delivery in the
536 region;

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

543 [(7) Whether the applicant has satisfactorily identified the population
544 to be served by the proposed project and satisfactorily demonstrated
545 that the identified population has a need for the proposed services;

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

548 (9) Whether the applicant has satisfactorily demonstrated that the

549 proposed project shall not result in an unnecessary duplication of
550 existing or approved health care services or facilities;

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

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

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

562 (13) Whether the applicant has satisfactorily demonstrated that the
563 proposal will not negatively impact the finances of the health care
564 facility so as to jeopardize or substantially impair the facility's future
565 operations.

566 (b) In deliberations as described in subsection (a) of this section, there
567 shall be a presumption in favor of approving the certificate of need
568 application for a transfer of ownership of a large group practice, as
569 described in subdivision (3) of subsection (a) of section 19a-638, as
570 amended by this act, when an offer was made in response to a request
571 for proposal or similar voluntary offer for sale.

572 (c) The unit, as it deems necessary, may revise or supplement the
573 guidelines and principles, set forth in subsection (a) of this section,
574 through regulation. The executive director may implement policies and
575 procedures necessary to implement the provisions of this section while
576 in the process of adopting such policies and procedures as regulations,
577 provided the executive director holds a public hearing at least thirty
578 days prior to implementing such policies and procedures and publishes
579 notice of intent to adopt the regulations on the Office of Health

580 Strategy's Internet web site and the eRegulations System not later than
581 twenty days after implementing such policies and procedures. Policies
582 and procedures implemented pursuant to this subsection shall be valid
583 until final regulations are adopted in accordance with the provisions of
584 chapter 54.

585 (d) (1) For purposes of this subsection and subsection (e) of this
586 section:

587 (A) "Affected community" means a municipality where a hospital is
588 physically located or a municipality whose inhabitants are regularly
589 served by a hospital;

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

591 (C) "New hospital" means a hospital as it exists after the approval of
592 an agreement pursuant to section 19a-486b₂ or a certificate of need
593 application for a transfer of ownership of a hospital;

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

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

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

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

608 (2) In any deliberations involving a certificate of need application

609 filed pursuant to section 19a-638, as amended by this act, that involves
610 the transfer of ownership of a hospital, the unit shall, in addition to the
611 guidelines and principles set forth in subsection (a) of this section and
612 those prescribed through regulation pursuant to subsection (c) of this
613 section, take into consideration and make written findings concerning
614 each of the following guidelines and principles:

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

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

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

630 (4) The unit may deny any certificate of need application involving a
631 transfer of ownership of a hospital subject to a cost and market impact
632 review pursuant to section 19a-639f, if the executive director finds that
633 (A) the affected community will not be assured of continued access to
634 high quality and affordable health care after accounting for any
635 consolidation in the hospital and health care market that may lessen
636 health care provider diversity, consumer choice and access to care, and
637 (B) any likely increases in the prices for health care services or total
638 health care spending in the state may negatively impact the affordability
639 of care.

640 (5) The unit may place any conditions on the approval of a certificate

641 of need application involving a transfer of ownership of a hospital
642 consistent with the provisions of this chapter. Before placing any such
643 conditions, the unit shall weigh the value of such conditions in
644 promoting the purposes of this chapter against the individual and
645 cumulative burden of such conditions on the transacting parties and the
646 new hospital. For each condition imposed, the unit shall include a
647 concise statement of the legal and factual basis for such condition and
648 the provision or provisions of this chapter that it is intended to promote.
649 Each condition shall be reasonably tailored in time and scope. The
650 transacting parties or the new hospital shall have the right to make a
651 request to the unit for an amendment to, or relief from, any condition
652 based on changed circumstances, hardship or for other good cause.

653 (6) In any deliberations involving a certificate of need application
654 filed pursuant to section 19a-638, as amended by this act, that involves
655 the transfer of ownership of a hospital and that is subject to a cost and
656 market impact review, the unit shall be permitted to consider the
657 preliminary report, response to the preliminary report, final report and
658 any written comments from the parties regarding the reports issued or
659 submitted as part of the review, provided the unit has determined that
660 the disclosure of any such reports is appropriate in light of the
661 considerations set forth in subsection (c) of section 19a-639f and each
662 party in the certificate of need proceeding was provided an opportunity
663 of not less than fourteen days after the date of issuance of the final report
664 to provide written comments on the reports issued as part of the review
665 process. The unit shall develop a process through which each party to a
666 certificate of need proceeding may obtain the data used in a cost and
667 market impact review.

668 (e) (1) If the certificate of need application (A) involves the transfer of
669 ownership of a hospital, (B) the purchaser is a hospital, as defined in
670 section 19a-490, whether located within or outside the state, that had net
671 patient revenue for fiscal year 2013 in an amount greater than one billion
672 five hundred million dollars or a hospital system, as defined in section
673 19a-486i, whether located within or outside the state, that had net
674 patient revenue for fiscal year 2013 in an amount greater than one billion

675 five hundred million dollars, or any person that is organized or operated
676 for profit, and (C) such application is approved, the unit shall hire an
677 independent consultant to serve as a post-transfer compliance reporter
678 for a period of not less than three years after completion of the transfer
679 of ownership of the hospital. Such reporter shall, at a minimum: (i) Meet
680 with representatives of the purchaser, the new hospital and members of
681 the affected community served by the new hospital not less than
682 quarterly; and (ii) report to the unit not less than quarterly concerning
683 (I) efforts the purchaser and representatives of the new hospital have
684 taken to comply with any conditions the unit placed on the approval of
685 the certificate of need application and plans for future compliance, and
686 (II) community benefits and uncompensated care provided by the new
687 hospital. The purchaser shall give the reporter access to its records and
688 facilities for the purposes of carrying out the reporter's duties. The
689 purchaser shall hold a public hearing in the municipality in which the
690 new hospital is located not less than annually during the reporting
691 period to provide for public review and comment on the reporter's
692 reports and findings.

693 (2) If the reporter finds that the purchaser has breached a condition
694 of the approval of the certificate of need application, the unit may, in
695 consultation with the purchaser, the reporter and any other interested
696 parties it deems appropriate, implement a performance improvement
697 plan designed to remedy the conditions identified by the reporter and
698 continue the [reporting] compliance monitoring period for up to one
699 year following a determination by the unit that such conditions have
700 been [resolved] satisfied.

701 (3) The purchaser shall provide funds, in an amount determined by
702 the unit not to exceed two hundred thousand dollars annually, for the
703 hiring of the post-transfer compliance reporter.

704 (f) Nothing in subsection (d) or (e) of this section shall apply to a
705 transfer of ownership of a hospital in which either a certificate of need
706 application is filed on or before December 1, 2015, or where a certificate
707 of need determination letter is filed on or before December 1, 2015.

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

710 (a) The Health Systems Planning Unit shall conduct, on a biennial
711 basis, a state-wide health care facility utilization study. Such study (1)
712 may include an assessment of [:(1) Current] (A) current availability and
713 utilization of acute hospital care, hospital emergency care, specialty
714 hospital care, outpatient surgical care, primary care and clinic care, [;
715 (2)] (B) geographic areas and subpopulations that may be underserved
716 or have reduced access to specific types of health care services, [;]
717 [(3)] (C) other factors that the unit deems pertinent to health care facility
718 utilization, and (2) on and after January 1, 2025, shall include an
719 assessment of current availability and utilization of percutaneous
720 coronary intervention and other cardiac services. Not later than June
721 thirtieth of the year in which the biennial study is conducted, the
722 executive director of the Office of Health Strategy shall report, in
723 accordance with section 11-4a, to the Governor and the joint standing
724 committees of the General Assembly having cognizance of matters
725 relating to public health and human services on the findings of the
726 study. Such report may also include the unit's recommendations for
727 addressing identified gaps in the provision of health care services and
728 recommendations concerning a lack of access to health care services.

729 (b) The unit, in consultation with such other state agencies as the
730 executive director deems appropriate, shall establish and maintain a
731 state-wide health care facilities and services plan. Such plan (1) may
732 include, but not be limited to [:(1) An] (A) an assessment of the
733 availability of acute hospital care, hospital emergency care, specialty
734 hospital care, outpatient surgical care, primary care and clinic care, [;
735 (2)] (B) an evaluation of the unmet needs of persons at risk and
736 vulnerable populations as determined by the executive director, [; (3)]
737 (C) a projection of future demand for health care services and the impact
738 that technology may have on the demand, capacity or need for such
739 services, [;] and [(4)] (D) recommendations for the expansion, reduction
740 or modification of health care facilities or services, and (2) shall (A)
741 include recommendations regarding percutaneous coronary

742 intervention and other cardiac services, and (B) identify geographic
743 areas of unmet need for services, facilities or equipment and the types
744 of such services, facilities or equipment, if any. In the development of
745 the plan, the unit shall consider the recommendations of any advisory
746 bodies which may be established by the executive director. The
747 executive director may also incorporate the recommendations of
748 authoritative organizations whose mission is to promote policies based
749 on best practices or evidence-based research. The executive director, in
750 consultation with hospital representatives, shall develop a process that
751 encourages hospitals to incorporate the state-wide health care facilities
752 and services plan into hospital long-range planning and shall facilitate
753 communication between appropriate state agencies concerning
754 innovations or changes that may affect future health planning. The unit
755 shall update the state-wide health care facilities and services plan not
756 less than once every two years.

757 (c) For purposes of conducting the state-wide health care facility
758 utilization study and preparing the state-wide health care facilities and
759 services plan, the unit shall establish and maintain an inventory of all
760 health care facilities, the equipment identified in subdivisions (9) and
761 (10) of subsection (a) of section 19a-638, as amended by this act, and
762 services in the state, including health care facilities that are exempt from
763 certificate of need requirements under subsection (b) of section 19a-638,
764 as amended by this act. The unit shall develop an inventory
765 questionnaire to obtain the following information: (1) The name and
766 location of the facility; (2) the type of facility; (3) the hours of operation;
767 (4) the type of services provided at that location; and (5) the total number
768 of clients, treatments, patient visits, procedures performed or scans
769 performed in a calendar year. The inventory shall be completed
770 biennially by health care facilities and providers and such health care
771 facilities and providers shall not be required to provide patient specific
772 or financial data.

773 Sec. 6. (NEW) (*Effective July 1, 2024*) (a) On or before October 31, 2024,
774 and quarterly thereafter, each hospital, as defined in section 12-263p of
775 the general statutes, shall submit a report to the executive director of the

776 Office of Health Strategy that identifies, for the prior calendar quarter,
777 (1) any vendor invoices that remained unpaid for more than ninety days
778 after receipt, regardless of whether the hospital disputes such invoice,
779 (2) the outstanding balances on such invoices, (3) the number of days of
780 cash on hand, (4) the operating margin, (5) the total margin, (6) unpaid
781 rent, (7) unpaid utilities, (8) fees, taxes or assessments owed to public
782 utilities, and (9) unpaid employee health insurance premiums,
783 including unpaid contributions, claims or other obligations supporting
784 employees under a self-funded insurance plan. The executive director
785 shall develop a uniform template, including definitions of terms used in
786 such template, to be used by hospitals for the purposes of complying
787 with the provisions of this subsection and post such template on the
788 Office of Health Strategy's Internet web site. Such template shall allow
789 for an explanation of any disputed charges. A hospital may request an
790 extension of not more than fifteen days to comply with the requirements
791 of this subsection in a form and manner prescribed by the executive
792 director. The executive director may grant such request for good cause,
793 as determined by the executive director.

794 (b) If the executive director identifies a hospital that has less than
795 forty-five days of cash on hand pursuant to the executive director's
796 analysis of the reports submitted pursuant to subsection (a) of this
797 section, the executive director shall contact such hospital to inquire how
798 the state can be of assistance to such hospital.

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

803 (d) The executive director shall keep confidential all nonpublic
804 information and documents obtained pursuant to the provisions of this
805 section and shall not disclose such information or documents to any
806 person without the consent of the hospital that produced the
807 information or documents. Such information and documents shall not
808 be deemed a public record under section 1-210 of the general statutes

809 and shall be exempt from disclosure."

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