



House of Representatives

General Assembly

File No. 520

February Session, 2026

House Bill No. 5512

House of Representatives, April 8, 2026

The Committee on Public Health reported through REP. MCCARTHY VAHEY of the 133rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE DEPARTMENT OF PUBLIC HEALTH'S RECOMMENDATIONS REGARDING REAL PROPERTY CHANGE OF OWNERSHIP.

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

1 Section 1. Subsection (c) of section 19a-493 of the 2026 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2026*):

4 (c) (1) (A) For the purposes of this subsection, (i) "a person related by
5 blood or marriage" means a parent, spouse, child, brother, sister, aunt,
6 uncle, niece or nephew, (ii) "business entity" means a corporation,
7 association, trust, estate, partnership, limited partnership, limited
8 liability partnership, limited liability company, sole proprietorship, joint
9 stock company, nonstock corporation or other legal entity, (iii)
10 "institution" has the same meaning as provided in section 19a-490, and
11 (iv) "organizational chart" means a graphical representation of an
12 organization, including, but not limited to, the relationships between
13 such organization's ownership interests.

14 (B) For the purposes of this subsection, (i) a change in the legal form
15 of the licensee, including, but not limited to, changes from a corporation
16 to a limited liability company, a partnership to a limited liability
17 partnership, a sole proprietorship to a corporation and similar changes,
18 shall not be considered a change in ownership if the beneficial
19 ownership remains unchanged and the owner provides such
20 information regarding the change to the department as may be required
21 by the commissioner to properly identify the current status of
22 ownership and beneficial ownership of the facility or institution, (ii) a
23 public offering of the stock of any corporation that owns, conducts,
24 operates or maintains any facility or institution shall not be considered
25 a change in ownership or beneficial ownership of such facility or
26 institution if the licensee and the officers and directors of such
27 corporation remain unchanged, such public offering cannot result in an
28 individual or entity owning ten per cent or more of the stock of such
29 corporation, and the owner provides such information to the
30 department as may be required by the department in order to properly
31 identify the current status of ownership and beneficial ownership of the
32 facility or institution, and (iii) a change of ownership of, or to, a business
33 entity recognized as a nonprofit organization under Section 501(c)(3) of
34 the Internal Revenue Code of 1986, or any subsequent corresponding
35 internal revenue code of the United States, as amended from time to
36 time, that is licensed as a hospital pursuant to this chapter resulting in
37 the transfer of ownership which is exempt from review required under
38 subsection (a) of section 19a-486a shall not be considered a change in
39 ownership provided the owner provides such information regarding
40 the change to the department as may be required by the commissioner
41 to properly identify the current status of ownership.

42 (C) For the purposes of this subsection, "serious risk to the life, safety
43 or quality of care of patients or residents" includes, but is not limited to,
44 any deficiency in state licensure or federal certification requirements,
45 including the provisions of 42 CFR 488.400 et seq., resulting in:

46 (i) An action by a state or federal agency to ban, curtail or temporarily
47 suspend admissions to a facility or to suspend or revoke a facility's

48 license;

49 (ii) A decertification, termination or exclusion from Medicaid or
50 Medicare participation, including denial of payment for new
51 admissions resulting solely due to the provider's failure to correct
52 deficiencies or noncompliance with regulatory requirements, imposed
53 by the Department of Public Health or by the Centers for Medicare and
54 Medicaid Services, as a result of noncompliance with Medicaid or
55 Medicare conditions of participation;

56 (iii) A citation of any deficiency that constitutes a pattern or
57 widespread scope of actual harm or immediate jeopardy, or any
58 deficiency causing widespread actual harm, as described in 42 CFR 488;

59 (iv) A determination that the provider is a "poor performer" as
60 defined by the Centers for Medicare and Medicaid Services on the basis
61 of a finding of substandard quality of care or immediate jeopardy, as
62 described in 42 CFR 488, on the current survey and on a survey during
63 one of the two preceding years. For the purposes of this subparagraph,
64 "substandard quality of care" means the failure to meet one or more
65 requirements of 42 CFR 483.13, 42 CFR 483.15 or 42 CFR 483.25, that
66 constitute either immediate jeopardy to resident health or safety, a
67 pattern of or widespread actual harm that is not immediate jeopardy or
68 a widespread potential for more than minimal harm, but less than
69 immediate jeopardy, with no actual harm; or

70 (v) A determination that the facility has failed to correct, on a second
71 revisit, deficiencies that have been cited during a prior survey, and that
72 has resulted in a denial by the Centers for Medicare and Medicaid
73 Services of payment for new admissions or a requirement by the
74 department to curtail admission.

75 (2) Any change in the ownership or beneficial ownership of a facility
76 or institution owned by an individual or a business entity that owns,
77 conducts, operates or maintains such facility or institution, including a
78 change in ownership or beneficial ownership resulting in a transfer to a
79 person related by blood or marriage to an owner or a beneficial owner,

80 shall be subject to prior approval of the department, provided such
81 approval shall be conditioned upon a showing by such facility or
82 institution to the commissioner that it has complied with all
83 requirements of this chapter, the regulations relating to licensure and all
84 applicable requirements of the regulations of Connecticut state agencies
85 and the change of ownership or beneficial ownership meets the
86 requirements of subdivision (5) of subsection (c) of this section.

87 (3) Not later than one hundred twenty days before the proposed date
88 of a change in ownership or beneficial ownership of a facility or
89 institution, the proposed new owner, or in the case of a change in
90 beneficial ownership, the current owner, of such facility or institution
91 shall submit an application for approval to the department. Such
92 application shall be in a form and manner prescribed by the
93 commissioner and shall include, but need not be limited to, the
94 following:

95 (A) A cover letter identifying the facility or institution subject to such
96 change by name, address, county and number and type of beds licensed
97 by the department;

98 (B) A description of the proposed transaction resulting in such
99 change, including the name of each current owner of the facility or
100 institution;

101 (C) The name of each (i) proposed new owner or beneficial owner of
102 the facility or institution, and (ii) owner, proposed owner or beneficial
103 owner of the real property where the facility or institution is located;

104 (D) The name of each owner of any nonpublicly traded parent
105 corporation of each proposed new owner and beneficial owner;

106 (E) If applicable, (i) the proposed new owner's organizational chart,
107 (ii) the proposed new owner's parent business entity's organizational
108 chart, (iii) the organizational chart of each wholly-owned subsidiary of
109 such proposed new owner, and (iv) the current owner's organizational
110 chart showing the changes in beneficial ownership;

111 (F) A copy of the agreement of sale or other transfer of ownership
112 interests and, if applicable, a copy of any lease or management
113 agreements that will be in effect after the transaction;

114 (G) The name and address of any licensed health care facility owned,
115 operated or managed by each proposed new owner, [and] proposed
116 new beneficial owner, proposed new real property owner or proposed
117 new beneficial owner of the real property in the United States or any
118 territory of the United States during the five years preceding the date on
119 which such application is submitted, and information relating to any
120 such facility, including:

121 (i) Disclosure of any direct or indirect interests, including such
122 interests in intermediate entities and parent, management and property
123 companies and other related entities arising from such ownership,
124 operation or management;

125 (ii) Disclosure of whether each such facility or institution is the
126 subject of a pending complaint, investigation or licensure action by a
127 governmental authority;

128 (iii) Disclosure of whether each such facility or institution has been
129 subject to:

130 (I) Three or more civil penalties imposed through final order of the
131 commissioner in accordance with the provisions of sections 19a-524 to
132 19a-528, inclusive, or civil penalties imposed pursuant to the laws or
133 regulations of another state during the two-year period preceding the
134 date on which such application is submitted;

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

139 (III) Termination or nonrenewal of a Medicare or Medicaid provider
140 agreement;

141 (IV) Any state licensing or federal certification deficiency during the
142 five-year period prior to the submission of the application that
143 presented a serious risk to the life, safety or quality of care of the
144 facility's patients or residents; and

145 (V) Any violation of any state licensing or federal certification
146 standard in connection with an inappropriate discharge or denial of
147 admission; and

148 (H) Disclosure of whether each proposed new owner has ever been
149 convicted or pleaded guilty to a charge of fraud, patient or resident
150 abuse or neglect or a crime of violence or moral turpitude.

151 (4) After receiving an application for change in ownership, the
152 commissioner may schedule an inspection of such facility or institution
153 to determine if the facility or institution has complied with the
154 requirements of this chapter and the regulations of Connecticut state
155 agencies relating to licensure of such facility or institution.

156 (5) When evaluating an application for a change in ownership, the
157 commissioner shall consider whether each proposed new owner, [and]
158 beneficial owner and real property owner demonstrates character and
159 competence, quality of care and whether an acceptable history of past
160 and current compliance with state licensure requirements, applicable
161 federal requirements and state regulatory requirements exists for each
162 licensed health care facility owned, operated or managed by each
163 proposed new owner, [and] beneficial owner and real property owner
164 in the United States or any territory of the United States during the five
165 years preceding the date on which such application is submitted. The
166 commissioner may deny an application for change in ownership if such
167 qualities are not demonstrated, as evidenced by:

168 (A) Any such licensed health care facility being subject to any adverse
169 action described in subparagraph (G)(iii) of subdivision (3) of this
170 subsection;

171 (B) Any such licensed health care facility exhibiting continuing

172 violations or a pattern of violations of state licensure standards or
173 federal certification standards; or

174 (C) An applicant's criminal conviction of, or guilty plea to, any of the
175 crimes described in subparagraph (H) of subdivision (3) of this
176 subsection.

177 (6) Notwithstanding the provisions of subdivision (5) of this
178 subsection, the commissioner may stay the determination of an
179 application if the commissioner determines that there is a pending
180 investigation of actions of the applicant at any facility operated or
181 managed by the applicant that, if substantiated, would constitute a
182 threat to the life, safety or quality of care of the patients or residents until
183 such time as there is a final determination of the allegations underlying
184 the investigation.

185 (7) If the commissioner denies an application for change in
186 ownership, a person related by blood or marriage to the applicant may
187 not apply to acquire ownership interest in the facility or institution.

188 (8) In the event of a change in ownership or beneficial ownership
189 resulting in a transfer to a person related by blood or marriage to an
190 owner or beneficial owner, the commissioner may waive the submission
191 of information required pursuant to the provisions of subparagraph (G)
192 of subdivision (3) of this subsection. In the event of a change in
193 ownership or beneficial ownership of five per cent or less of the
194 ownership of a business entity that is a licensed institution, the
195 commissioner may waive the submission of some or all of the
196 information required pursuant to the provisions of subdivision (3) of
197 this subsection or the determination required pursuant to subdivision
198 (5) of this subsection. The commissioner shall develop an application
199 process through which a person may request a waiver described in this
200 subdivision and criteria to be used by the commissioner when
201 evaluating such a request. The commissioner shall consult with
202 representatives of the long-term care industry when developing such
203 application process and criteria.

204 (9) The provisions of this subsection shall not apply in the event of a
 205 change of ownership or beneficial ownership of ten per cent or less of
 206 the ownership of a licensed outpatient surgical facility, as defined in
 207 section 19a-493b, resulting in a transfer to a physician licensed under
 208 chapter 370 if such facility provides information, in a form and manner
 209 prescribed by the commissioner, to update such facility's licensing
 210 information.

211 (10) The commissioner may waive the submission of information
 212 related to the real property owner required pursuant to subdivision (3)
 213 of this subsection or the determination required pursuant to subdivision
 214 (5) of this subsection if the proposed new owner demonstrates that the
 215 proposed real property owner will have no involvement in the
 216 management or operation of the nursing home. In making the
 217 determination as to whether to grant such waiver, the commissioner
 218 may consider the terms of the lease between the proposed new owner
 219 and the proposed real property owner, the proposed real property
 220 owner's lack of history with the ownership or management of a nursing
 221 home and any other information the commissioner deems relevant.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	19a-493(c)

PH *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill makes procedural changes to the Department of Public Health's approval process to change a licensed institution's ownership, resulting in no fiscal impact.

OLR Bill Analysis**HB 5512*****AN ACT CONCERNING THE DEPARTMENT OF PUBLIC HEALTH'S RECOMMENDATIONS REGARDING REAL PROPERTY CHANGE OF OWNERSHIP.*****SUMMARY**

This bill requires applicants for the Department of Public Health's (DPH) approval to change a licensed institution's ownership to give DPH the name of the real property's owner, proposed owner, or beneficial owner and certain information about that owner's regulatory compliance history and related matters, for DPH to consider in its review.

The bill allows DPH to waive these requirements for nursing homes if the property owner will not be involved in the home's management or operation. It also extends to these requirements DPH's existing authority, under narrow conditions, to waive required disclosures or related determinations for any type of health care institution.

EFFECTIVE DATE: October 1, 2026

REAL PROPERTY OWNERS IN HEALTH CARE OWNERSHIP CHANGES***Required Disclosures***

Existing law generally subjects transfers of ownership or beneficial ownership of DPH-licensed health care institutions (such as hospitals, nursing homes, and behavioral health facilities) to prior approval by the department. Certain types of transactions are exempt, such as a change in a licensee's legal form of ownership that does not change the beneficial ownership.

Under the bill, in its application, the facility's proposed new owner (or current owner, for changes in beneficial ownership) must identify

the owner, proposed owner, or beneficial owner of the real property where the institution is located.

Existing law requires the application to also include (1) the name and address of any U.S.-based (including territories) licensed health care facility that each of the proposed new owners or beneficial owners owned, operated, or managed during the prior five years and (2) several related disclosures. The bill extends these requirements to include facilities owned, operated, or managed by the real property's proposed new owner or beneficial owner.

The required disclosures include (1) any interest arising from the person's ownership, operation, or management of these facilities and (2) whether each facility is currently subject to a government complaint, investigation, or licensure action. The disclosures also must include whether each facility has been subject to various disciplinary sanctions, such as:

1. three or more civil penalties imposed through DPH final orders or civil penalties in other states during the prior two years;
2. termination or nonrenewal of a Medicare or Medicaid provider agreement; and
3. any state licensure or federal certification deficiency, during the prior five years, that presented a serious risk to the life, safety, or quality of care of the facility's patients or residents (the law sets out several examples of these serious risks, such as deficiencies that led to a state or federal agency suspending or revoking the facility's license).

Grounds to Deny an Application

Existing law requires the DPH commissioner, when evaluating an ownership change application, to consider whether each of the facility's proposed new owners and beneficial owners demonstrates character and competence and quality of care. She must also consider whether the U.S.-based licensed facilities they owned, operated, or managed have an

acceptable history of compliance in the past five years with (1) state licensure and regulatory requirements and (2) federal requirements.

The bill extends these requirements to the real property owner and the facilities they owned, operated, or managed. In doing so, it allows the commissioner to deny an application if the real property owner owned, operated, or managed a facility that (1) was subject to any adverse action required to be listed in the application or (2) had continuing violations of state licensure or federal certification standards or a pattern of these violations.

Permissible Waivers

Nursing Homes. The bill allows DPH to waive these requirements for nursing homes if the property owner will not be involved in the home’s management or operation. In deciding whether to grant the waiver, DPH may consider the terms of the lease between the parties, the property owner’s lack of history in owning or managing nursing homes, and anything else the commissioner deems relevant.

All Institution Types. The bill extends to its requirements the existing authority for DPH to waive the submission of information or the department’s required determinations.

Under these provisions, for certain transfers involving relatives, the commissioner may waive the requirement to submit information on other health care facilities they owned or operated during the past five years. For changes of 5% or less of a licensed institution’s ownership or beneficial ownership, she may waive the (1) submission of some or all of the information required or (2) determination as to the owner’s character, competence, and history of regulatory compliance.

COMMITTEE ACTION

Public Health Committee

Joint Favorable
 Yea 31 Nay 1 (03/23/2026)