Public Health Committee
JOINT FAVORABLE REPORT

Bill No: HB-5510 / Bill Status / Public Hearing Testimony

Title: AN ACT CONCERNING THE DEPARTMENT OF PUBLIC HEALTH'S RECOMMENDATIONS REGARDING UNLICENSED INSTITUTIONS AND PRACTICES.

Vote Date: 3/23/2026

Vote Action: Joint Favorable Substitute

PH Date: 3/13/2026

File No.: 537

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SPONSORS OF BILL:

The Public Health Committee.

REASONS FOR BILL:

Operating an unlicensed healthcare facility poses severe dangers to public health, safety, and welfare. Licensing ensures patient safety, maintains quality care standards, and enforces legal accountability. Licensed facilities meet minimum safety, staffing, and operational requirements. Thus, this bill makes it a Class D felony to open, manage, or operate a healthcare facility without a required license or certificate; Class D felonies are punishable by up to five years in prison. Under the current statutes, the penalty is $100 per day, but this bill sets a $5,000 maximum daily fine for this offense. It should be noted that the bill's criminal penalty does not apply to (1) a licensee who fails to apply for renewal or (2) a financial institution taking ownership of a facility after a foreclosure. Additionally, the bill allows the Department of Public Health (DPH), or its licensing boards or commissions, to impose civil penalties of up to $25,000 per day for these violations and on individuals who provide health care services without a required license or certification. Lastly, this bill permits the DPH and its licensing boards and/or commissions to issue summary orders requiring that illegal practices be stopped immediately pending proceedings on a possible cease and desist order.

SUBSTITUTE LANGUAGE (IF APPLICABLE):

The language removes the 30-day limit on the exemption from the criminal penalty for a facility owner or operator that fails to renew its license.

RESPONSE FROM ADMINISTRATION/AGENCY:

Manisha Juthani, Commissioner, Department of Public Health (DPH):

Dr. Juthani thanks the committee for raising the department's bill. She states that the department has tools to address wrongdoing by licensed providers; however, it lacks enforcement authority when a facility or individual is unlicensed without a court injunction. A cease-and-desist action can be brought against these individuals, but it requires bringing an action in court. This process takes time and is an ineffective deterrent. Dr. Juthani recounts a recent example of wrongdoing: the operation of an unlicensed elder care home that resulted in the death of a resident who was trapped under their bed. This bill will expand the authority of the DPH and serve as a deterrent to the operation of unlicensed facilities.

NATURE AND SOURCES OF SUPPORT:

Matthew Barrett, President, Connecticut Association of Health Care Facilities:

Mr. Barrett agrees with the intent of the bill which is to hold property owners accountable for knowingly permitting the operation of a healthcare facility on their property without the required licensure. However, the DPH would be permitted to impose a daily fine against property owners regardless of their involvement or knowledge in the operations on the property. Mr. Barrett requested that the bill be amended to only penalize property owners "with knowledge that such institution does not have the license required."

Mag Morelli, President, Leading Age of CT:

Ms. Morelli stands in general support of the intent of this bill. However, she raises a few points and concerns. Under current law, the maximum daily fine is $100. This bill makes the operation of any institution without the required license a Class D felony and imposes a fine of up to $25,000 per day. This bill will also apply to any person managing a nursing home without a nursing home management certificate. Ms. Morelli states that her organization's concern is that the section addressing nursing home management companies (sec. 19a-561) is vague about when the certificate is required. Also, the point at which a service provider crosses the line into management needs to be clearly defined. Increasing the daily fine without clear language in the bill leaves room for interpretation and incorrect judgment.

Amanda Gunthel, President, Connecticut Association of Ambulatory Surgery Centers:
Ms. Gunthel states that this bill strengthens the DPH's authority to address unlicensed operations, protecting patients and supporting licensed providers. Under current law, penalties for operating an unlicensed health care facility are limited and often an ineffective deterrent. This bill allows the DPH to impose substantial civil penalties against these unsafe operations that pose risks to patients.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Hospital Association (CHA):
CHA states that its opposition to the bill is due to its broad language. HB 5510 fails to distinguish administrative and clerical failures from intentional bad acts, such as an administrative mistake in a license renewal filing after the 30-day grace period. CHA believes

an administrative failure should never be a felony. CHA recommends the following adjustments to avoid the use of the updated statute in situations of administrative or clerical errors: “Nothing in this act shall be construed to apply criminal penalties to any administrative or clerical errors, including misunderstandings or unintentional failures relating to licensure applications, renewals or filing obligations.”

Reported by: Abbygail Shaw **Date: March 23, 2026**