



General Assembly

February Session, 2026

**Raised Bill No. 5512**

LCO No. 2310



Referred to Committee on PUBLIC HEALTH

Introduced by:  
(PH)

**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2 the general statutes is repealed and the following is substituted in lieu  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*