



General Assembly

Substitute Bill No. 5449

February Session, 2022



AN ACT CONCERNING CERTIFICATES OF NEED.

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

1 Section 1. (NEW) (*Effective from passage*) No health care provider
2 required to receive approval for a certificate of need to build a new
3 facility or expand an existing facility pursuant to chapter 368z of the
4 general statutes shall break ground on any new facility or expansion of
5 an existing facility until the health care provider is in receipt of approval
6 pursuant to said chapter.

7 Sec. 2. (NEW) (*Effective October 1, 2022*) (a) The State of Connecticut
8 Health and Educational Facilities Authority shall not issue a bond to a
9 health care provider when such provider is required to obtain approval
10 for a certificate of need to build a new facility or expand an existing
11 facility pursuant to chapter 368z of the general statutes, unless the
12 authority has reviewed a capital budget with recommendations
13 provided by the Office of Health Strategy.

14 (b) The Office of Health Strategy, in making recommendations to the
15 State of Connecticut Health and Educational Facilities Authority
16 pursuant to subsection (a) of this section, shall assess the reasonableness
17 of the budget and the projected impact to the health care market and
18 pricing in the area.

19 Sec. 3. Subsection (a) of section 19a-639a of the general statutes is
20 repealed and the following is substituted in lieu thereof (*Effective October*
21 *1, 2022*):

22 (a) An application for a certificate of need shall be filed with the unit
23 in accordance with the provisions of this section and any regulations
24 adopted by the Office of Health Strategy. The application shall address
25 the guidelines and principles set forth in (1) subsection (a) of section 19a-
26 639, and (2) regulations adopted by the department. The applicant shall
27 include with the application a nonrefundable application fee [of five
28 hundred dollars] based on the cost of the project. The amount of the fee
29 shall be as follows: (A) One thousand five hundred dollars for a project
30 that will cost not greater than fifty thousand dollars; (B) two thousand
31 five hundred dollars for a project that will cost greater than fifty
32 thousand dollars but not greater than one hundred thousand dollars;
33 (C) five thousand dollars for a project that will cost greater than one
34 hundred thousand dollars but not greater than five hundred thousand
35 dollars; (D) ten thousand dollars for a project that will cost greater than
36 five hundred thousand dollars but not greater than one million dollars;
37 (E) fifteen thousand dollars for a project that will cost greater than one
38 million dollars but not greater than five million dollars; (F) twenty
39 thousand dollars for a project that will cost greater than five million
40 dollars but not greater than ten million dollars; and (G) twenty-five
41 thousand dollars for a project that will cost greater than ten million
42 dollars.

43 Sec. 4. (*Effective from passage*) (a) (1) The Office of Health Strategy shall
44 conduct a study concerning certificates of need, required pursuant to
45 chapter 368z of the general statutes, in the state.

46 (2) Not later than January 15, 2023, the Office of Health Strategy shall
47 submit a report, in accordance with the provisions of section 11-4a of the
48 general statutes, concerning the results of such study to the joint
49 standing committee of the General Assembly having cognizance of
50 matters relating to insurance.

51 (b) The report shall consider and make recommendations concerning
52 the following matters:

53 (1) The institution of a price increase cap that is tied to the cost growth
54 benchmark for consolidations;

55 (2) Guaranteed local representation of communities on hospital
56 boards;

57 (3) Changes to the Office of Health Strategy's long-term, state-wide
58 health plan to include an analysis of services and facilities and the
59 impact of such services and facilities on equity and underserved
60 populations;

61 (4) Setting standards for measuring quality as a result of a
62 consolidation;

63 (5) Enacting higher penalties for noncompliance and increasing the
64 staff needed for enforcement;

65 (6) The Attorney General's authority to stop activities as the result of
66 a certificate of need application or complaint;

67 (7) The ability of representatives of the workforce and the community
68 to intervene or appeal decisions;

69 (8) Giving the Office of Health Strategy the authority to require an
70 ongoing investment to address community needs; and

71 (9) Capturing lost property taxes from hospitals that have converted
72 to nonprofit entities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2022</i>	New section
Sec. 3	<i>October 1, 2022</i>	19a-639a(a)
Sec. 4	<i>from passage</i>	New section

INS *Joint Favorable Subst.*

APP *Joint Favorable*