



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Monday, March 21, 2022**

**HB 5481, An Act Concerning The Department Of Public Health's
Recommendations Regarding Change Of Ownership In Health Care Facilities**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5481, An Act Concerning The Department Of Public Health's Recommendations Regarding Change Of Ownership In Health Care Facilities.**

CHA supports the concept but requests changes to the bill.

We support the bill's intent of ensuring that before the ownership of a healthcare facility is transferred or changes hands, an appropriate level of review is conducted. We are concerned that as drafted, the legislation may not be as effective as desired and may inadvertently tie the hands of the Commissioner of Public Health, who should retain an appropriate level of discretion in making decisions in this space. It is essential that we all work together to develop a system that allows the Department of Public Health (DPH) to obtain all the necessary information to make an informed decision, but also ensures a process that will weed out bad actors, while supporting the appropriate ownership of healthcare facilities.

We ask the Committee to align these new requirements with the extensive, existing statutory construction that outlines the hospital change in ownership process. Hospitals are subject to extensive review for change of ownership through the Certificate of Need (CON) process as overseen by the Office of Health Strategy's Health Systems Planning Unit. We recognize that licensure issues and CON review are two necessary parts of the change of ownership process. Our goal is to ensure the law does not create a process that is duplicative and wasteful of resources for both the state and the facility.

We encourage the Committee to consider a number of issues related to the data elements that must be supplied by the new owner as part of the proposed application. We believe the intent of the legislation is to ensure that the state is aware of any issues related to the new owner. For example, whether the new owner faces any existing complaints or legal action. We are concerned that as drafted, DPH would be receiving information it already has on hand (e.g. complaints about existing facilities), rather than information that it may not have readily

accessible but important to determining a change in ownership application. Additionally, while we understand that difficult situations may be present with applicants who may be related by blood or marriage, we do note that there may be a situation when family members have very different approaches and histories in ownership and that the Commissioner should have some level of discretion to do an independent evaluation, rather than a blanket denial.

We would welcome the opportunity to partner with the Committee and DPH to develop language that strikes the appropriate balance to protect the public and not discourage ownership.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.