



Connecticut Association of Health Care Facilities  
Connecticut Center for Assisted Living

**March 17, 2026**

**On behalf of the Connecticut Association of Health Care Facilities and the Connecticut Center For Assisted Living (CAHCF/CCAL), a trade association of skilled nursing facilities and assisted living communities, my name is Matthew Barrett, the association’s President and CEO. Thank you for this opportunity to submit testimony in opposition to**

**Section 1 of S.B. No. 481 AN ACT ESTABLISHING FINANCIAL SAFEGUARDS FOR PRIVATE EQUITY OWNERSHIP OF NURSING HOMES AND PROHIBITING REQUIRED ARBITRATION AGREEMENTS.**

**There is no objection to Section 2 Concerning Arbitration Agreements**

We offer the observation that federal rules found at 42 C.F.R. Section 483.70 now provide that a facility must not require, among other things, any resident to sign an agreement for binding arbitration as a condition of admission. In this regard, we would recommend substitute language as follows:

“Sec. 2. (NEW) (*Effective from passage*) No nursing home, as defined in section 19a-490 of the general statutes, shall require a resident or prospective resident to sign an arbitration agreement or contract containing an arbitration agreement as a condition of admission or continued care **in accordance with federal rules found at 42 C.F.R. Section 483.70**. Any arbitration agreement required

by a nursing home in a contract with a prospective resident or resident of a nursing home is against public policy and shall be void.”

## **Opposition and Technical and Substantive Revisions to Section 1**

We are recommending a number of substantive and technical revisions to the bill beginning with revising the definition of “investment entity” with the CMS adopted definition of private equity used by CMS in the final version of expanded nursing home transparency and ownership disclosure requirements proposed by President Biden in 2023, achieving final adoption in 2024, but noting that full implementation has been delayed several times by CMS, and is now in a category of temporary suspension. We believe the significant additional transparency and disclosure requirements are based on the CMS rules, and that the definition should be aligned with the federal definition

We are also recommending that the state law mirror CMS’s intentions for further of review of these expanded ownership disclosures. This should be a main goal of the Connecticut ownership disclosures, and that this review and evaluation has an elevated important given the delays and now suspension of the CMS rules. See CMS “Disclosures of Ownership and Additional Disclosable Parties Information for Skilled Nursing Facilities and Nursing Facilities; Definitions of Private Equity Companies and Real Estate Investment Trusts for Medicare Providers and Suppliers” <https://www.cms.gov/newsroom/fact-sheets/disclosures-ownership-and-additional-disclosable-parties-information-skilled-nursing-facilities-and-0>

Specifically, in this regard, we recommend a new a subsection (g) to require a review and evaluation of what is learned from the considerable expansion of ownership

disclosures. Again, this is consistent with the intension in the CMS rule: “This transparency will, among other things, allow families to make more informed choices about the care of their loved ones, *and it will enable CMS and others to scrutinize more closely how ownership types correlate with care outcomes and to determine which environments are more likely to deliver better care for residents and patients.(emphasis added)*”. See <https://www.cms.gov/newsroom/factsheets/disclosures-ownership-and-additional-disclosable-parties-information-skilled-nursing-facilities-and-0>. Adopting the state level evaluation provision has elevated importance as the CMS evaluations of these additional disclosures has been delayed as the full implementation and enforcement of the adopted federal rule has been delayed several times, and recently suspended with CMS citing operational and software reporting problems.

**For these reasons, we recommend adding a state evaluation and report in a new subsection (g):**

**(g) Not later than February 15, 2027, the Commissioner of Social Services, in consultation with the Commissioner of Public Health, shall review and evaluate the nursing home disclosures provided in accordance with this section and the quality of care at a nursing home owned or partially owned by an investment entity compared to the quality of care at nursing homes under other ownership structures. The commissioners shall report their findings, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to aging, appropriations and the budgets of state agencies, human services and public health.**

**CAHCF recommends these additional revisions to SB 481:**

**COMMENT: We recommend the term “investment entity” rather than “ownership entity” to better capture the intent of the bill, and we recommend the definition of investment entity mirror the CMS definition of private equity that we believe is also the intention of the bill:**

"Section 1. (NEW) (Effective October 1, 2025) (a) As used in this section, (1) "nursing home" has the same meaning as provided in section 19a-490 of the general statutes, and **(2) "investment entity" means a publicly traded or non-publicly traded company that collects capital investments from individuals or entities and purchases a direct or indirect ownership share of a nursing home, and includes a real estate investment trust, as defined in 26 USC 856, as amended from time to time.**

**COMMENT: Revisions are recommended to sub (b) to eliminate duplication and to efficiently streamline reporting that is currently required.**

(b) Not later than February 15, 2026, and [annually thereafter] **upon biennial licensure renewal**, each nursing home **involving an investment entity** shall provide the Commissioner of Social Services with the following information: (1) the name and business address of all ownership entities with a beneficial ownership interest in said nursing home and a statement of whether said ownership entity is an individual, partnership, corporation or other legal entity; (2) the names of the officers, directors, trustees, or managing and general partners of any such ownership entity and number of shares owned or ownership percentage of the ownership entity held by each partner; (3) if such ownership entity is a corporation that is incorporated in another state, a certificate of good standing from the secretary of state of the state of incorporation; (4) the audited and certified financial statements of the ownership entity, if applicable, including (A) a balance sheet as of the end of the most recent fiscal year, (B) income statements for the most recent fiscal year, (C) a cash flow statement from the most recent fiscal year, and (D) an estimate of financing expenses, legal expenses, land costs, marketing costs and other similar costs that the ownership entity expects to incur or become obligated to pay within one year of acquisition of the nursing home; (5) a description of any mortgage loan or other financing used for the initial acquisition or construction of the nursing home,

subsequent refinancing of any such debt, and any subsequent financing of additional debt incurred, including the terms and costs of any such mortgage loan or other financing; (6) a copy of the purchase agreement for the nursing home and any agreement providing for the transfer of ownership interests in the nursing home, including, but not limited to, the real estate agreement, asset agreement, stock agreement, or other similar agreement; and (7) any documentation regarding escrow or contingency accounts. Such biennial reports may be submitted to the Commissioner of Social Services in the **in the same format as submitted to the Commissioner of Public Health for licensure renewal.**

**COMMENT: Revision to sub (c) is recommended consistent with longstanding DPH nursing home consent order notice policy.**

(c) The Commissioner of Social Services may impose a civil penalty of one thousand dollars per day on any facility that fails to provide any information required pursuant to subsection (b) of this section by the date that is thirty days after the date such information is due. **The Department will provide the facility with advanced written notice of any alleged noncompliance with subsection (b) and permit a fourteen (14) day opportunity to cure the alleged noncompliance before issuing a penalty.** A facility may request a fair hearing on the assessment of any such civil penalty as an aggrieved person pursuant to section 17b-60.

**COMMENT: Recommend deletion of sub (d) and sub (e) due to substantial increase in nursing homes costs and resulting significant state budget fiscal impact associated with mandated performance bond as follows: “The mandated cost and resulting Medicaid reimbursement for a typical 120 bed home would be \$1.5 million (monthly expenses) x 3 months x 3% (assumed cost of a performance bond) = \$135,000 per year. To illustrate, for five (5) multi-facility operated nursing homes, the annual costs would be \$675,000 annually. For ten (10) nursing homes the cost would by \$1,350,000.**

[(d) A nursing home involving an ownership entity with a beneficial ownership interest in said nursing home shall, at the time of application for or renewal of a nursing home license, demonstrate to the satisfaction of the Department of Social Services that it has secured a performance bond or similar form of security in favor

of the State of Connecticut in an amount equal to ninety days of operating costs for the nursing home and that such bond or similar form of security shall remain in effect for the duration of the initial license term and any renewal term.

e) A nursing home involving an ownership entity with a beneficial ownership interest in said nursing home shall, at the time of application for or renewal of a nursing home license, submit to the Department of Public Health a copy of the performance bond or similar form of security required under section (d) above.]

**COMMENT: Revision to new (d) (old (f)) and new (d) is recommended to align substantial new disclosure requirements in the State of Connecticut with recently adopted federal Medicare disclosure requirement in the area of nursing home ownership, private equity ownership, organizational structure, and more in the aforementioned CMS 2024 Final Rule. It is very important to consider that the definitions in this proposed state legislation were taken from the CMS Final Rule, but that the federal reporting rule was for the expressly stated purpose and transparency through substantially increased nursing home ownership disclosures. CMS was also explicit in their view that the substantial new reporting would require much more study and analysis before using the disclosed findings to implement restrictive and rigorous oversight of certain nursing home investment business structures. The following recommended further study is taken verbatim from p. 80148 from the CMS final rule as to the need to first evaluate the substantial body of new ownership disclosure “to better understand the relationship between nursing facility ownership structures and quality of care.” For these reasons, we urge Connecticut policy makers to adopt a similar evaluation of the new ownership disclosures before advancing new restrictions on nursing home ownership structures or entities.**

( ) [No person] **A nursing home involving an investment** [or] entity acquiring ownership of real property on and after October 1, 2025, on which a licensed nursing home, as defined in section 19a-490 of the general statutes, operates, shall **provide advanced notice to the Commissioner of Public Health of its intention to** sell, transfer, or otherwise convey that property within five years of acquisition [without written approval from the Commissioner of Public Health. Such approval shall be

granted only upon a showing that the sale will benefit resident care or improve operational stability].

**COMMENT: A new sub ( ) is recommended so that the Department of Social Services, with input from the Department of Public Health, and various long term care stakeholders and advocates can promulgate regulations that are streamlined, efficient and address duplicative reporting requirement current under state and federal law and which are expanded considerably in this proposed legislation.**

**( ) The commissioner of social services, in consultation with the commissioner of public health, shall adopt state regulations to implement the provisions of this section. Such regulations shall to the extent possible create a single streamlined, efficient, and non-duplicative report.**

For the purposes of background, in the 2025 session, there was a much more developed version of this session’s SB 48, offered as an amendment to SB 1417. See LCO. 9163 offered by Senators Lesser and Hochadel, and Representatives Gilchrest and Garibay to SB 1417. See the <https://www.cga.ct.gov/2025/lcoamd/pdf/2025LCO09163-R00-AMD.pdf>, and also included verbatim at the end of this testimony.

Here is LCO No. 9163 from the 2025 Session of the Connecticut General

General Assembly

Amendment

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January Session, 2025

LCO No. 9163

\*SB0141709163SDO\*

Offered by:

SEN. LESSER, 9th Dist.

SEN. HOCHADEL, 13th Dist.

REP. GILCHREST, 18th Dist.

REP. GARIBAY, 60th Dist.

To: Subst. Senate Bill No. **1417** File No. 436 Cal. No. 259

**"AN ACT CONCERNING THE ESTABLISHMENT OF A NURSING HOME WORKFORCE STANDARDS BOARD."**

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Strike everything after the enacting clause and substitute the following in lieu thereof:

"Section 1. (NEW) (Effective October 1, 2025) (a) As used in this section, (1) "nursing home" has the same meaning as provided in section 19a-490 of the general statutes, and (2) "investment entity" means a publicly traded or non-publicly traded company that collects capital investments from individuals or entities and purchases a direct or indirect ownership share of a nursing home, and includes a real estate investment trust, as defined in 26 USC 856, as amended from time to time.

(b) Not later than February 15, 2026, and upon biennial licensure renewal, each nursing home owned or partially owned by an investment entity shall provide the following information to the Commissioner of Social Services: (1) The name and business address of all ownership entities with a beneficial ownership interest in said nursing home and a statement of whether said ownership entity is an individual, partnership, corporation or other legal entity; (2) the names of the officers, directors, trustees or managing and general partners of any such ownership entity and number of shares owned or ownership percentage of the ownership entity held by each partner; (3) if such ownership entity is a corporation that is incorporated in another state, a certificate of good standing from the Secretary of State of the state of incorporation; (4) the audited and certified financial statements of the ownership entity, if applicable, including (A) a balance sheet as of the end of the most recent fiscal year, (B) income statements for the most recent fiscal year, (C) a cash flow statement from the most recent fiscal year, and (D) an estimate of financing expenses, legal expenses, land costs, marketing costs and other similar costs that the ownership entity expects to incur or become obligated to pay within one year of acquisition of the nursing home; (5) a description of any mortgage loan or other financing used for the initial acquisition or construction of the nursing home, subsequent refinancing of any such debt and any subsequent financing of additional debt incurred, including the terms and costs of any such mortgage loan or other financing; (6) a copy of the purchase agreement for the nursing home and any agreement providing for the transfer of ownership interests in the nursing home, including, but not limited to, the real estate agreement, asset agreement, stock agreement or other similar agreement; and (7) any documentation regarding escrow or contingency accounts. Such biennial reports may be submitted to the Commissioner of Social Services in the same format as submitted to the Commissioner of Public Health for licensure renewal.

(c) The Commissioner of Social Services may impose a civil penalty of one thousand dollars per day on any nursing home that fails to provide any information required pursuant to subsection (b) of this section by the date that is thirty days after the date such information is due. A facility may request a fair hearing on the assessment of any such civil penalty as an aggrieved person pursuant to section 17b-60 of the general statutes.

(d) A nursing home owned or partially owned by an investment entity with a beneficial ownership interest in said nursing home shall, at the time of application for or renewal of a nursing home license, demonstrate to the satisfaction of the Department of Social Services that it has secured a performance bond or similar form of security in favor of the State of Connecticut in an amount equal to ninety days of operating costs for the nursing home and that such bond or similar form of security shall remain in effect for the duration of the initial license term and any renewal term.

(e) A nursing home owned or partially owned by an investment entity with a beneficial ownership interest in said nursing home shall, at the time of application for or renewal of a nursing home license, submit to the Department of Public Health a copy of the performance bond or similar form of security required pursuant to subsection (d) of this section.

(f) No person or entity acquiring ownership on or after October 1, 2025, of real property on which a licensed nursing home operates shall sell, transfer or otherwise convey such property or a beneficial ownership interest in such property within five years of acquisition without written approval from the Commissioner of Public Health. Such approval shall only be granted upon a showing that the sale, transfer or conveyance will not negatively impact resident care or operational stability of the nursing home. The application for such approval shall include such information as may be required in the discretion of the commissioner. The provisions of this subsection shall not apply (1) to a sale, transfer or conveyance resulting from a court order or to a person related by blood or marriage, as defined in section 19a-493 of the general statutes, or (2) a sale, transfer or conveyance of a less than ten per cent beneficial ownership interest in the property.

(g) Not later than February 15, 2027, the Commissioner of Social Services, in consultation with the Commissioner of Public Health, shall review and evaluate the nursing home disclosures provided in accordance with this section and the quality of care at a nursing home owned or partially owned by an investment entity compared to the quality of care at nursing homes under other ownership structures. The commissioners shall report their findings, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to aging, appropriations and the budgets of state agencies, human services and public health."

This act shall take effect as follows and shall amend the following sections:

Thank you.

Matthew Barrett

*For additional information on this testimony, please contact Matthew Barrett, President and CEO of CAHCF/CCAL, at [mbarrett@cahcf.org](mailto:mbarrett@cahcf.org).*