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CONNECTICUT ASSOCIATION OF HEALTHCARE FACILITIES
2026 LEGISLATIVE SESSION SUMMARY

Overview

The 2026 legislative session was fast even by short session standards- thirteen weeks, a midterm budget adjustment and plenty of contentious issues.

The General Assembly started their work early in the form of an emergency certified bill and used the closing weeks of session to pass most of the legislation for the year including the updated budget that added over $273 million to municipal budgets, including $170 million in the form of education funding. Investments in early childhood education and coming to a hospital tax deal were also highlights in the updated budget.

Connecticut also has tools ready to deploy if a recession hits or the federal government continues to find ways to impact state resources. This includes a Rainy Day Fund flush with over $4 billion and an emergency federal response fund that the Governor continues to utilize.

Some of the major bills this session responded to this federal environment, including: changes to Connecticut immigration law, gun control measures, expanding absentee voting and updates to the state's vaccine laws. Others, such as the homeschooling legislation, came about due to a lack of oversight.

Key Session Highlights

- Bipartisan agreement on new Midterm budget adjustment, beginning July 1, 2026, with significant municipal aid to help with school funding and property tax relief.
- Legislation on hot button topics like immigration enforcement, gun rights, expanded voting, vaccine requirements, and homeschooling.
- Phase-In of nursing home PDPM rate system for Medicaid reimbursement
- Private Equity legislation establishes new transparency and governance requirements.

Budget Highlights

P.A. 26-68 (SB1)- An Act Making Adjustments To The State Budget For The Biennium Ending June 30, 2027, Making Deficiency Appropriations For The Fiscal Year Ending June 30, 2026, Authorizing And Adjusting Bonds Of The State And Concerning Provisions Relating To Revenue, School Construction And Other Items To Implement The State Budget

- **Muni Aid:** $270 million investment in municipal aid including for education and property tax relief.
- **Early Childhood:** $300 million deposited in the Early Childhood Education Endowment.
- **Hospital Provider Tax:** a new five-year agreement with the hospitals that increases the tax while providing over $250 million in new funding.
- **Federal Cuts Response Fund**: increase by $50 million to approximately $380 million to be used by June 30, 2027.
- **Medicaid & Nonprofits:** The biennium budget also had $156 million to support significant rate increases for human services providers.
- **Universal School Bfast:** $12 million for universal free school breakfast
- **Volatility Cap:** About $1.2 billion at end of FY26 is expected to pay down pension and long-term obligations after using surplus funds for municipalities ($270 million), $50 million to be added to the Federal Response Fund, and $80 million to address Medicaid deficiencies.

Specific Nursing Home Budget Provisions in budget or related legislation

- **Nursing Home Quality-Based Reimbursement:** For nursing homes, establishes an enhanced Medicaid performance payment for improving their quality-based metrics, paid from a pool of $10 million each year;
- **Patient-Driven Payment Model:** Requires DSS to phase in PDPM while establishing enhanced payments for homes whose payor mixes are more than 75% Medicaid residents;
- **Medicaid Rates:** Allows DSS to recalculate Medicaid reimbursement rates outside of the normal schedule under certain circumstances that may interfere with a home's ability to meet patient day requirements
- **Nursing Home Tax:** Repeals the 6% tax on nursing home and ICF revenue scheduled to take effect on July 1, 2026, and instead retains the current user fee on these facilities.
- **Nursing Home Wage Increases: P.A. 26-77 (SB477)** amended the budget to specify that the wage increases for nursing home employees authorized under PA 25-168 excludes only nursing home directors and assistant directors, starting July 1, 2026.
- **Small Home Waiver:** Waives certain requirements on per-room bed limits for nursing homes developing a new small-house style facility, such waivers cannot be extended past July 1, 2027.
- **DSS CON Determinations:** Starting July 1, 2026, current law prohibits placing newly admitted nursing home residents in a room with more than two beds. The bill allows the DSS commissioner to establish bed need based on an occupancy that is lower than 96% for projects that relocate nursing home beds in order to comply with this two-bed per room limit.
    - **P.A. 26-74 (SB123)-** changes how bed need is determined. Under that bill, a service area with a demonstrated bed need is one whose nursing home occupancy is above 96% for at least two consecutive quarters.

Aging Legislation

P.A. 26-74 (SB123)- An Act Concerning Public Hearings For Certain Rate Increases At Assisted Living Facilities, Municipal Agents For Aging, Emergency Power Generator Requirements For Certain Multifamily Housing Projects, Personal Protective Equipment For Home Health Aide Employees, The Nursing Home Bed Moratorium And Nursing Home Resident Data makes various unrelated changes to laws related to older adults, including:

- **ALSA Rate Hearings:** requiring assisted living services agencies (ALSAs) to hold informational hearings before raising fees by more than 10%,
- **Multi-family Restrictions:** changing the applicability of an existing requirement that certain multifamily age-restricted buildings with at least 15 stories have a backup generator, 4. requiring home health aide agencies to give their employees certain personal protective equipment for free,
- **NH Bed Moratorium:** creating an exception to the state's nursing home bed moratorium and modifying related certificate of need (CON) criteria, and
- **DSS Minimum Data Audit:** establishing a process for the Department of Social Services (DSS) to audit nursing homes' minimum data set information that is different than its process for auditing other long-term care facilities that receive Medicaid.

P.A. 26-28 (HB5142)- An Act Concerning The Use Of Technology For Virtual Monitoring In Residential Care Homes provides residents who wants to use virtual monitoring technology (cameras) with conditions in residential care homes.

- **Roomate Consent:** Establishes similar virtual monitoring legislation as nursing homes.
- **Immunity:** Updates both the nursing home and residential care home immunity provisions, providing for immunity from privacy violations under state law when the resident used the device lawfully and there is device damage not caused intentionally or negligently by the home or unauthorized disclosure/interception not intentionally caused by the home.

P.A. 26-93 (SB478)- An Act Concerning Consumer Safeguards For Long-term Care Policies requires Annual Reporting by Long-Term Care (LTC) Insurers. Annually, by May, such insurers much report losses for every individual LTC policy to the Insurance Commissioner. The data must cover the past three calendar years.

Special Act 26-12 (HB5485)- An Act Concerning Supported Decision-making creates a working group that must examine and make recommendations on required documentation including what paperwork a decision-maker needs to complete financial transactions with help from a supporter and coordination with other legal authorities. The working group must report back to the legislature by the end of 2026.

P.A. 26-44 (HB5141)- An Act Requiring Fear Of Retaliation Training For Persons Providing Assisted Living Services In Managed Residential Communities requires licensed Assisted Living Services Agency serving a Managed Residential Community to provide annual employee training focused on residents' rights and on preventing any behavior that could be seen as retaliatory.

P.A. 26-50 (HB5143)- An Act Requiring Training For Homemaker-companion Agency Employees adds a new requirement that beginning January 1, 2027, homemaker-companion agencies to

annually provide at least eight hours of paid training to both their new and current employees, other than employees who are exempt.

Special Act 26-27 (SB431)- An Act Concerning Palliative And Hospice Care In Litchfield County requires DSS, in consultation with DPH, by January 1, 2027 to study the need for palliative and hospice care services in Litchfield County.

Private Equity Legislation

P.A. 26-103 (SB125)- An Act Restricting Private Equity Ownership Of Nursing Homes establishes new transparency requirements related to nursing home ownership and control.

- **Full Governance Control Requirement:** Effective Feb. 1, 2028, each nursing home licensee must have full authority over Governance, assets, clinical operations, Management, Finances an Human resources. Homes must annually attest to DPH that no investment entity controls resident health, safety, or care.
- **Waiver Option:** A nursing home that cannot meet the governance requirement may apply for a one-year waiver from DSS. Must apply at least 6 months before the compliance deadline.
- **Attestation Penalties:** DPH may impose up to $2,000 per violation for failing to submit the required attestation. Homes may contest within 10 days.
- **Surety Bond Requirement:** DSS must identify acceptable security instruments by Jan. 1, 2028. If DSS determines an instrument, then effective 7/1/28, a home with investment entity ownership greater than 5% must maintain a surety bond or similar security equal to 90 days of operating costs.
- **Annual Reporting to DSS:** Beginning Feb. 15, 2027, homes must report detailed information about each investment entity with ≥5% ownership.
- **Penalty for non-submission:** If not submitted within 30 days of the due date, and DSS notifies the home within 14 days then DSS may impose $1,000 per day until the information is provided.
- **DSS Reporting Requirement** DSS, in consultation with DPH, must evaluate the disclosures submitted under the bill, quality of care in homes with investment-entity ownership comparatively, and potential effects of requiring DPH approval for property owners who want to sell nursing home real estate within 5 years of acquiring it. Report is due in February, 2028.

P.A. 26-22 (SB196)- An Act Concerning Hospital Sale-leaseback Agreements And Attestations Concerning Lack Of Private Equity Control Of The Hospital And Control Of Or Interference With The Professional Judgment And Clinical Decisions Of Certain Health Care Providers.

- **Private Equity Control Prohibited:** Hospitals must confirm that no private equity entity holds a controlling interest in the hospital or has ultimate governance control over any asset or activity of the hospital's main campus (clinical, operational, managerial, financial, HR)
- **Clinical Judgment**: Hospitals must attest that private equity cannot influence healthcare practice decision-making.
- **Penalties for Non-Compliance**: DPH may impose a civil penalty up to $2,000 if a hospital fails to submit the attestation.

- **Acceptable Practices**: Hospitals may use Joint ventures with private entities, Agreements with physicians or physician groups and/or Coordination with a parent health care system.

Medicaid Legislation

P.A. 26-68 (SB1), the budget bill, also included several policies and bills on Medicaid and healthcare coverage including:

- **CT Option Study:** Permits OPM to study the feasibility of establishing a Connecticut Option program; authorizes OPM to direct state agencies to pursue federal approval for the Connecticut Option program under certain circumstances, and requires OPM to design a plan for transitional health care premium assistance to offset 2027 Access Health CT premium and cost-sharing increases. Stakeholder engagement is required
- **Basic Health Program:** Requires DSS to seek approvals to establish a BHP or continue Covered Connecticut as state-funded program if CMS fails to renew the federal waiver currently supporting Covered Connecticut; sets related planning and reporting requirements.
- **Safety Net Mitigation Workgroup:** Establishes a safety net mitigation working group to advise on, monitor, and coordinate the state's response to significant changes to federal law or policy that impact safety net programs. This includes implementation of HR1 and the work/community service requirements.
- **Medical Frailty Exception:** Requires the DSS commissioner to identify parameters for an effective "medical frailty" assessment, if needed to verify exemptions from work and community engagement requirements.
- **Legislative Medicaid State Plan Amendment Oversight:** Extends legislative review requirements to any proposed SPA to provide medical assistance through a Medicaid managed care organization
- **Covered Connecticut:** Allows, rather than requires, Covered Connecticut to cover nonemergency medical transportation and dental services, removes references to OHS, allows DSS to make waiver changes, and delays a reporting requirement.

P.A. 26-71 (HB5481)- An Act Concerning Medical Assistance For Patients Receiving Hospice Care At A Short-term Hospital Special Hospice Or A Hospice Facility.

- **Special Hospice Pilot:** Requires DSS to develop a pilot program to identify and use a licensed short-term hospital special hospice to treat Medicaid patients with advanced illness who (1) are eligible for hospice, (2) clinically complex and high acuity, and (3) cannot be safely managed at home or in a nursing home.
    - Under the bill, the hospice facility must get the appropriate license to care for these patients. DSS must implement the pilot program by December 30, 2027, within funds specifically appropriated

P.A. 26-146 (HB5561)- An Act Concerning Medicaid Rate Increases For Certain Providers requires DSS to (1) create a five-year process to review Medicaid provider reimbursement rates and start using the process by January 1, 2027, and (2) annually report to the Appropriations and Human Services committees on the review process starting by January 15, 2028.

- **New Medicaid Rate Review Process.** The process must (1) examine Medicaid provider reimbursements and (2) benchmark the rates to those for the same services paid by

Medicare, when possible and under available appropriations. The process may include evaluating rates paid in individual parts of the Medicaid program, so long as all rates are reviewed by January 1, 2032.

- As part of this process, the commissioner may increase and rebase rates at the end of each calendar year using an applicable, more current Medicare base year to (1) strengthen access to care, (2) improve care quality and outcomes, and (3) reduce spending on acute care services.

P.A. 26-143 (HB5354)- An Act Concerning Medicaid Provider Audits.

- **DSS Provider Audits**: The bill modifies the circumstances in which the Department of Social Services (DSS) can determine overpayment or underpayment by extrapolation when auditing Medicaid provider claims.
  - The bill prohibits DSS from finding that an overpayment or underpayment was made to a Medicaid provider based on extrapolated projections unless (1) the provider has a sustained or high level of payment errors,
    (2) the DSS commissioner determines in good faith that the provider is engaging in vendor fraud, or
    (3) documented educational intervention failed to correct the error levels.

Labor Legislation

P.A. 26-12 (HB5003)- An Act Concerning Workforce Development and Working Conditions in the State

- **Enhanced Workers' Compensation:** Provides 100% wage replacement (instead of the usual 75%) for teachers and health care providers who cannot work as a result of a "physical or negligent assault" upon them while performing their duties within the scope of their employment. Employees keep their salary during recovery, cannot be forced to use sick/vacation time, and receive reimbursement for medical costs and court-appearance wage loss.
  - This explicitly applies to healthcare providers who work at a hospital, *nursing home*, rest home, home health care agency, home health aide agency, emergency medical services organization, assisted living services agency, outpatient clinic, outpatient surgical facility, community health center, urgent care facility, medical office owned or operated exclusively by certain licensed medical doctors or homeopaths, dental office, or infirmary operated by an education institution for its students, faculty, and employees.
- **Patient Violence Reporting Working Group:** Creates a group to study how providers could report patient violence into the statewide health information exchange ("Connie") and receive alerts when a patient has a history of violence. Report due Jan. 1, 2027.
- **Hospital Staffing Variation Report:** DPH must report how often hospitals deviate from nurse staffing plans—both hospital-wide and unit-level—by Jan. 1, 2027.
- **CNA Training Grants:** Creates a grant program to expand CNA training in Hartford and rural areas, using federal rural health funds when possible. Biennial reports begin Dec. 31, 2028.

Public Health Legislation

P.A. 26-68 (SB1), the budget bill, also includes healthcare provisions, including:

- **OHS Elimination:** The budget eliminates the Office of Health Strategy and generally transfers its powers, duties, and functions to DPH, OPM, DSS, and OHA. The Department of Public Health is taking over and streamlining the Certificate of Need (CON) program to improve care quality, access, and affordability. The Office of Policy and Management is absorbing healthcare cost and affordability work, including health data and rural health teach initiatives.
- **Unlicensed Institutions:** Allows DPH to impose civil penalties on people who provide professional services without a required DPH license or certificate; similarly allows DPH to impose civil penalties, and sets criminal penalties, for anyone who opens, manages, or operates a health care facility without a required DPH license or certificate.
    - The penalty was amended in **P.A. 26-77** to lower the penalties to a maximum civil daily penalty of $5,000 and a class C criminal misdemeanor.
- **DPH Consent Orders:** Explicitly allows DPH to enforce compliance with DPH laws, regulations, permits, and orders through an agreed settlement or consent order.
- **New Certificate of Need Process:** Beginning July 1, 2027, the bill replaces the Office of Health Strategy (OHS)-administered health care facility certificate of need (CON) program with a new process overseen by a panel comprised of the public health (DPH) and DSS commissioners and OPM secretary or their designees.

P.A. 26-3 (HB5044) An Act Concerning Vaccine Standards

- **New Standard of Care:** Requires the Department of Public Health to establish an immunization standard of care for adults, in addition to children as under existing law, and now authorizes DPH to consider recommended vaccine schedules from an additional organization when doing so (beyond the CDC).
- **Nursing Homes:** Requires DPH, in consultation with DSS to adopt regulations for nursing homes on immunization requirements for respiratory viral diseases (such as flu and pneumonia), according to DPH's immunization standard of care instead of the CDC recommendations as under prior law and allows DPH to adopt related policies and procedures while in the process of adopting regulations.
- **Medical Contraindications:** Creates a process for licensed physicians, physician assistants, or advanced practice registered nurses to issue certificates for medical contraindications to vaccinations.
- **Standing Orders:** Allows the DPH Commissioner to issue standing orders for medical interventions including vaccination in the event of a public health emergency
- **Adult Vaccine Costs:** Establishes a "vaccines for adults" program to purchase and distribute vaccines to eligible healthcare providers for adults.
- **Pharmacists:** Allows pharmacists to administer vaccines that are FDA approved and on the schedules within age related guidelines
- **Insurance Coverage:** Requires insurance policies to ensure coverage for immunizations in the established schedules.

P.A. 26-36 (HB5421)- An Act Establishing An Account To Provide Patient Lifts To Certain Health Care Offices And Facilities, creates the health care facility patient lift account as a separate, non-lapsing account administered by the State Treasurer.

- **Patient Lift Account:** DPH must use the account's funds to provide grants to licensed physician offices, radiological facilities, imaging centers or health care facilities to purchase patient lifts.

P.A. 26-6 (HB5127)- An Act Concerning Credit Cards And Health And Veterinary Care Services regulates how health and veterinary care providers interact with third-party financing options, such as medical credit cards.

- Restricts providers from promoting or receiving compensation from third-party financing, prohibits provider branding on signs or materials, or from sharing such information in a clinical area.

Other Legislation

P.A. 26-64 (SB4)- An Act Concerning Consumer Privacy And Protection creates major new privacy, data broker, pricing, facial recognition, geolocation, genetic data, and streaming advertising rules in Connecticut. It expands consumer rights, imposes new duties on businesses, and establishes enforcement mechanisms.

- **Data Brokers:** Data brokers must register with the Department of Consumer Protection (DCP), follow strict deletion rules, and face penalties for violations. Brokers selling or licensing "brokered personal data" must register with DCP starting Jan. 1, 2027.
- **Consumer Data Pricing**: Businesses must disclose when automated personal-data-based pricing is used and are banned from "surveillance pricing."
- **Consumer Information:** Redefines "publicly available information," restricts facial recognition, and bans selling precise geolocation
- **Genetic Testing:** Consumers have "exclusive control over their biological samples… and results from genetic testing."
- **Streaming Volume:** Streaming services cannot play ads louder than the content.

P.A. 26-15 (SB5)- An Act Concerning Online Safety is the most significant Connecticut legislation on Artificial Intelligence, establishing a multi-section AI regulatory framework covering consumer protection, workplace rules, education, state agency use, and oversight structures. Highlighted provisions, include:

- **Automated Employment Decision Making:** Employers using automated systems that materially influence employment decisions must:
    - Disclose to applicants/employees that they are interacting with automated systems.
    - Provide written notice before decisions, including the system's purpose, data sources, and trade name.
- **AI Subscription Disclosure:** Providers of paid AI subscriptions in Connecticut must give consumers written notice of key terms, including any limits on functionality or provider discretion. Consumers must accept in writing before a subscription begins or renews.
- **AI companions:** Must detect and respond to self-harm, suicide, or violence expressions using evidence-based methods, refer users to 988 and other mental health resources, clearly disclose that the user is interacting with an AI.
- **Connecticut AI Academy:** The Board of Regents must establish by Dec. 31, 2026, offering specific AI skills.

- **AI Working Group:** A legislative working group must study AI impacts, propose legislation, evaluate risks, and recommend a permanent AI advisory council. Report due Feb. 1, 2027.
- **AI for Health Competition:** the Comptroller may participate in a competition to use AI to improve health equity, providing de-identified data to participants.
- **State Agency Use of AI:** Agencies may not use AI for public-benefit decisions or rights-impacting functions unless compliant with OPM/DAS standards. Agencies must complete and publish AI impact assessments before deployment.
- **Social Media Platforms & Minors:** Platforms using personalized algorithms must verify user age, obtain parental consent for minors, limit personalized notifications to 8 a.m.–9 p.m., display Surgeon General mental-health warnings and default minors to restricted settings (1 hour/day algorithmic content).

P.A. 26-35 (HB5406)- An Act Concerning Assorted Measures Recognizing And Honoring The Heroism Of Veterans And Members Of The Armed Forces And Making Various Revisions To Statutes Related To Veterans' And Military Affairs among various provisions related to the armed forces and veterans would:

- **Task Force on Nursing Home-VA Contracts:** Establishes a task force to study ways to encourage nursing homes to contract with USDVA and provide care to eligible veterans.
- **Task Force Considerations:** The task force must consider (1) financial incentives; (2) ways to supplement reimbursement for care; (3) tax credits; and (4) other ways of encouraging nursing homes to provide care to eligible veterans, covered by USDVA.
    - The bill requires the task force to include the DVA commissioner, or his designee, and one member appointed by each of the six legislative leaders
- **Dates:** The chairpersons must schedule and hold the first meeting by February 1, 2027, and submit a report by January 1, 2029.

P.A. 26-150 (SB430)- An Act Adopting The Integrated Setting Standard Of The Americans With Disabilities Act For Public Entities requires state agencies, local departments, and other public entities to administer services, programs, and activities in the most integrated setting appropriate to the needs of people with disabilities who are eligible to receive them.

P.A. 26-27 (HB5039)- An Act Requiring Transparency And Additional Oversight Of The Distribution Of Certain Legislatively Directed Funds And Appropriations For Other Expenses requires specific management and oversight of legislatively directed funds (LDFs) and agencies' "Other Expenses" appropriations by creating requirements for LDF recipients and subrecipients, administering state agencies, and OPM.