



Governor Ned Lamont

Fact Sheet: 2025 Legislative Proposal

HOUSE BILL 6873

AN ACT STRENGTHENING THE REVIEW OF HEALTHCARE ENTITY TRANSACTIONS

The Current Situation

Over the last decade, Connecticut's healthcare industry has seen concerning increases in consolidation and acquisitions by out-of-state, for-profit, healthcare companies. Private equity firms are purchasing hospitals, physician practices, autism centers, and behavioral health clinics, often prioritizing short-term profits over patient quality, affordability, and access. The state's current authority and process to review these transactions is inadequate to oversee the rapidly evolving healthcare industry. Connecticut needs the tools and authority to protect patients, healthcare workers, and the healthcare system from dangerous and destabilizing practices.

Governor Lamont's Solution

Strengthen the existing "*notice of material change*" statute to ensure the Attorney General's office (OAG) and the Office of Health Strategy (OHS) have insight into all transactions that pose a risk to our healthcare system's quality, access, or affordability:

- Enhances coordination between OAG and OHS to ensure an efficient and effective review process.
- Increases the advanced notice of material change from 30 days to 60 days to give OAG and OHS adequate time to review transactions.
- Expands both the type of healthcare transactions and entities that require review, such as:
 - The sale of a hospital's property to a real estate investment trust.
 - The sale of a majority share of a physician practice to a private equity firm.



- Establishing a complex corporate structure of holding companies, management service organizations, subsidiaries, and affiliates to avoid regulatory review.

When a notice of material change is submitted, OAG will initially review for compliance with antitrust laws, as they do now, and will then work with OHS to evaluate the transaction for any concerns related to cost, access, and quality in the community affected by the transaction.

If OAG and OHS identify a concern, OAG may impose conditions on the transaction to mitigate those concerns and allow the transaction to occur. If those conditions are not accepted, OAG may either challenge the transaction under antitrust laws or refer the proposal to OHS for a certificate of need evaluation.

OAG can also impose a civil penalty of up to \$1,000 per day on any entity that fails to comply or provides false information regarding a review.