

# STATE OF NEW YORK

6034

2023-2024 Regular Sessions

## IN ASSEMBLY

March 30, 2023

Introduced by M. of A. PAULIN, BICHOTTE HERMELYN -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to the scope of the temporary operator law; and to amend chapter 56 of the laws of 2013 amending the public health law relating to the general public health work program, in relation to making the temporary operator provisions permanent

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Subdivision 1 of section 2806-a of the public health law,  
2 as added by section 50 of part E of chapter 56 of the laws of 2013,  
3 paragraph (g) as added by section 7 of part K of chapter 57 of the laws  
4 of 2015, is amended to read as follows:  
5 1. For the purposes of this section:  
6 (a) "adult care facility" shall mean an adult home or enriched housing  
7 program licensed pursuant to article seven of the social services law or  
8 an assisted living residence licensed pursuant to article forty-six-B of  
9 this chapter;  
10 (b) "established operator" shall mean the operator of [~~an adult care~~  
11 ~~a facility~~], ~~a general hospital or a diagnostic and treatment center~~  
12 ~~that has been established and issued an operating certificate as such~~  
13 ~~pursuant to this article~~];  
14 (c) "facility" shall mean (i) a [~~general~~] hospital [~~or a diagnostic~~  
15 ~~and treatment center that has been issued an operating certificate as~~  
16 ~~such pursuant to this article~~]; or (ii) an adult care facility;  
17 (d) "temporary operator" shall mean any person or entity that:  
18 (i) agrees to operate a facility on a temporary basis in the best  
19 interests of its residents or patients and the community served by the  
20 facility; and

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 (ii) has demonstrated that he or she has the character, competence and  
2 financial ability to operate the facility in compliance with applicable  
3 standards;

4 (e) "serious financial instability" shall include but not be limited  
5 to defaulting or violating key covenants of loans, or missed mortgage  
6 payments, or general untimely payment of obligations, including but not  
7 limited to employee benefit fund, payroll tax, and insurance premium  
8 obligations, or failure to maintain required debt service coverage  
9 ratios or, as applicable, factors that have triggered a written event of  
10 default notice to the department by the dormitory authority of the state  
11 of New York; and

12 (f) "extraordinary financial assistance" shall mean state funds  
13 provided to a facility upon such facility's request for the purpose of  
14 assisting the facility to address serious financial instability. Such  
15 funds may be derived from existing programs within the department,  
16 special appropriations, or other funds.

17 (g) "improper delegation of management authority by the governing  
18 authority or operator" of a [~~general hospital~~] **facility** shall include,  
19 but not be limited to, the delegation to an entity that has not been  
20 established as an operator of the [~~general hospital~~] **facility** of (i)  
21 authority to hire or fire the administrator or other key management  
22 employees; (ii) maintenance and control of the books and records; (iii)  
23 authority over the disposition of assets and the incurring of liabil-  
24 ities on behalf of the facility; and (iv) the adoption and enforcement  
25 of policies regarding the operation of the facility. The criteria set  
26 forth in this paragraph shall not be the sole determining factors, but  
27 indicators to be considered with such other factors that may be perti-  
28 nent in particular instances. Professional expertise shall be exercised  
29 in the utilization of the criteria. All of the listed indicia need not  
30 be present in a given instance for there to be an improper delegation of  
31 authority.

32 § 2. Subdivision (c) of section 122 of part E of chapter 56 of the  
33 laws of 2013 amending the public health law relating to the general  
34 public health work program, as amended by section 3 of part CC of chap-  
35 ter 57 of the laws of 2022, is amended to read as follows:

36 (c) section fifty of this act shall take effect immediately [~~and shall~~  
37 ~~expire and be deemed repealed April 1, 2031~~];

38 § 3. This act shall take effect immediately.