S T A T E O F N E W Y O R K

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2011-2012 Regular Sessions

I N S E N A T E

June 1, 2011

Introduced by Sen. HANNON -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law, in relation to allowing limited liability companies to operate renal disease diagnostic or treatment centers

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph (a) of subdivision 15 of section 2801-a of the public health law, as amended by section 57 of part A of chapter 58 of the laws of 2010, is amended to read as follows:

(a) Diagnostic or treatment centers established exclusively to provide end stage renal disease services may be operated by corporations AND LIMITED LIABILITY COMPANIES formed under the laws of New York whose stockholders or members, as applicable, are not natural persons if such corporations AND LIMITED LIABILITY COMPANIES and [their] ITS principal stockholders and members, as applicable, and controlling persons comply with all applicable requirements of this section and demonstrate, to the satisfaction of the public health and health planning council, sufficient experience and expertise in delivering high quality end stage renal disease care. For purposes of this subdivision, the public health and health planning council shall adopt and amend rules and regulations, notwithstanding any inconsistent provision of this section, to address any matter it deems pertinent to the establishment and operation of diagnostic or treatment centers pursuant to this subdivision; provided that such rules and regulations shall include, but not be limited to provisions governing or relating to: (i) any direct or indirect changes or transfers of ownership interests or voting rights in such corporations AND LIMITED LIABILITY COMPANIES or their stockholders or members, as applicable, and provide for public health AND HEALTH PLANNING council approval of any change in controlling interests, principal stockholders, PRINCIPAL MEMBERS, controlling persons, parent company or

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

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sponsors; (ii) oversight of the operator and its stockholders or members, as applicable, including local governance of the diagnostic or treatment centers; and (iii) relating to the character and competence and qualifications of, and changes relating to, the directors, MANAGERS and officers of the operator and its principal stockholders, PRINCIPAL MEMBERS, controlling persons, parent company or sponsors.

S 2. This act shall take effect immediately.