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

7354

I N S E N A T E

May 2, 2012

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 authorizing the establishment of private equity hospitals

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

Section 1. Section 2801-a of the public health law is amended by adding a new subdivision 17 to read as follows:

17. (A) THE COMMISSIONER SHALL ESTABLISH, NO LATER THAN MARCH FIRST, TWO THOUSAND THIRTEEN, A PROGRAM WHEREBY THE DEPARTMENT MAY ACCEPT APPLICATIONS FOR DEMONSTRATION PROJECTS AROUND THE STATE TO DEVELOP, EVALUATE AND IMPLEMENT A FLEXIBLE APPROACH TO ALLOWING PRIVATE CAPITAL INVESTMENTS AND PRIVATE EQUITY INTERESTS IN HOSPITALS. IN LIGHT OF THE SEVERE CONSTRAINTS ON THE AVAILABILITY OF INVESTMENT CAPITAL FOR THE HEALTH CARE SYSTEM IN NEW YORK, DEMONSTRATION PROJECTS SHALL BE DESIGNED TO PROMOTE THE DEVELOPMENT OF NEW SOURCES OF CAPITAL FOR THE OPERATION OF HOSPITALS AND TO EVALUATE THE IMPACT PRIVATE EQUITY INVESTMENT HAS ON THE QUALITY OF CARE, ACCESS TO CARE AND BENEFIT TO THE HOSPITAL, ITS PATIENTS AND THE SURROUNDING COMMUNITY. THE COMMISSIONER MAY, IN APPROVING A DEMONSTRATION PROJECT, WAIVE THE PROVISIONS OF THIS SECTION WHICH RELATE TO THE OWNERSHIP STRUCTURE, PROVIDED THE PUBLIC HEALTH AND HEALTH PLANNING COUNCIL SHALL APPROVE SUCH PROJECT.

(B) APPLICANTS SHALL AT A MINIMUM DEMONSTRATE THAT:

(I) THE FACILITY OR FACILITIES HAVE HISTORIES OF PROVIDING HIGH QUALITY CARE;

(II) THE PROJECT IS COMMITTED TO PRESERVING QUALITY, ACCESS TO CARE AND ACCEPTANCE OF A BROAD MIX OF PAYOR TYPES;

(III) THE PROJECT WILL PROVIDE A POSITIVE BENEFIT TO THE HOSPITAL, ITS PATIENTS AND THE COMMUNITY AT LARGE; AND

(IV) ALL APPLICABLE DUTIES, PROCEDURES, OBLIGATIONS AND REQUIREMENTS APPLICABLE TO PUBLIC HOSPITALS IN NEW YORK INCLUDING, BUT NOT LIMITED TO CHARITABLE CARE AND SUPPORT, COMMUNITY PLANS AND OBLIGATIONS, PROVISION OF CARE TO THOSE IN NEED AND ALL ATTAINMENT OF QUALITY CARE STANDARDS SET FORTH IN THIS CHAPTER WILL BE ADHERED TO.

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

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(C) HOSPITALS PARTICIPATING IN THIS DEMONSTRATION PROGRAM SHALL BE SUBJECT TO ALL OPERATING STANDARDS AS SET FORTH IN THIS CHAPTER AND THE REGULATIONS PROMULGATED PURSUANT THERETO, AND SHALL BE SUBJECT TO ANY PROVISIONS OF THIS CHAPTER FOR FAILURE TO COMPLY WITH SUCH STANDARDS.

(D) DEMONSTRATION PROJECTS APPROVED BY THE COMMISSIONER SHALL PROVIDE DETAILED REPORTING NO LESS THAN ANNUALLY TO THE DEPARTMENT IN A FORM AND MANNER TO BE DETERMINED BY THE COMMISSIONER TO INSURE THE GOALS ARE BEING MET. THE COMMISSIONER SHALL PROVIDE THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY WITH A WRITTEN REPORT ON THE PROGRAM, INCLUDING DETAILS OF ALL APPLICATIONS RECEIVED, THE BASIS FOR APPROVAL OR DENIAL OF THE APPLICATIONS, AND A FULL EVALUATION OF DEMONSTRATION PROJECTS WHICH WERE APPROVED BASED ON THE GOALS OF THE PROGRAM NO LATER THAN TWO YEARS AFTER THE FIRST HOSPITAL MAKES APPLICATION UNDER THE DEMONSTRATION PROGRAM.

S 2. This act shall take effect immediately.