

STATE OF NEW YORK

8193

2019-2020 Regular Sessions

IN ASSEMBLY

June 7, 2019

Introduced by M. of A. SCHIMMINGER, GOTTFRIED -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to promoting efficient and effective oversight of continuing care retirement communities; and to repeal certain provisions of such law relating thereto

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

1 Section 1. Section 4602 of the public health law, as added by chapter
2 689 of the laws of 1989, the section heading and subdivisions 1 and 2 as
3 amended by chapter 659 of the laws of 1997, the opening paragraph of
4 subdivision 1 as amended by section 81 of part A of chapter 62 of the
5 laws of 2011, the opening paragraph of subdivision 2 as amended by chap-
6 ter 549 of the laws of 2014, subdivision 3 as amended by chapter 155 of
7 the laws of 2012, is amended to read as follows:

8 § 4602. [~~Continuing care retirement community council~~] Commissioner;
9 powers and duties. [~~1. The continuing care retirement community council
10 is hereby established, to consist of the following, or their designees:
11 the attorney general, the commissioner, the director of the office for
12 the aging, and eight public members appointed by the governor with the
13 advice and consent of the senate. Such public members shall be represen-
14 tative of the public, and have a demonstrated expertise or interest in
15 continuing care retirement communities, provided that no more than one
16 such member shall be a sponsor, owner, operator, manager, member of a
17 board of directors, or shareholder of a continuing care retirement
18 community. At least two public members shall be residents of a continu-
19 ing care retirement community. At least one of the public members shall
20 be a representative of an organization with demonstrated experience in
21 representing the interests of senior citizens. The public members of the
22 council shall have fixed terms of four years. The council shall be
23 chaired by the commissioner or his or her designee.~~

24 ~~Members of such council shall serve without compensation for their
25 services as members of the council, except that each of them may be
26 allowed the necessary and actual expenses which he shall incur in the
27 performance of his duties under this article.~~

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

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1 ~~2. The council shall meet as often as may be deemed necessary to~~
2 ~~fulfill its responsibilities.~~ The [council] commissioner shall have the
3 following powers and duties:

4 a. to receive applications from potential operators of continuing care
5 retirement communities and to distribute such applications for review to
6 the participating agencies;

7 b. to develop uniform forms for applications for certificates of
8 authority, to review the status of such applications, and to coordinate
9 the review of such applications in order to minimize duplication or
10 delay;

11 c. to provide information to entities wishing to establish continuing
12 care retirement communities and to persons interested in becoming resi-
13 dents of such communities, to the extent appropriate, with concerns
14 relating to the operation of such facilities;

15 d. to issue certificates of authority to approved applicants;

16 e. to approve or reject applications to obtain a certificate of
17 authority for the establishment and operation of a continuing care
18 retirement community. In reviewing applications, the [council] commis-
19 sioner shall consider the extent to which the applications reflect vari-
20 ous sponsorships, organizational structures, geographic dispersion, and
21 the public benefit. In determining the public benefit of a community
22 requiring construction of a total nursing facility component greater
23 than or equal to ninety beds, the [council] commissioner shall obtain
24 and consider the recommendation of the [~~state hospital review~~] public
25 health and health planning council with regard to the effect of the
26 construction of the community's nursing facility beds upon existing
27 facilities in the same geographic area;

28 [~~b.~~] f. to require the reporting of such facts and information as the
29 [council] commissioner may deem necessary to enforce the provisions of
30 this article;

31 [~~e.~~] g. to coordinate the oversight of operating communities and to
32 assign review and regulatory responsibility for particular aspects of
33 such communities to the appropriate agencies, consistent with their
34 legal authority, to assure consistent state supervision without dupli-
35 cation of inspection or regulatory review;

36 [~~d.~~] h. to make such recommendations to the governor and the legisla-
37 ture as may be necessary to encourage or further regulate the develop-
38 ment of continuing care retirement communities;

39 [~~e.~~] i. to establish and charge equitable and reasonable annual charg-
40 es for operators, not to exceed fifty dollars per approved living unit,
41 to subsidize, in part, expenditures incurred in reviewing applications
42 for certificates of authority and in inspecting, regulating, supervising
43 and auditing continuing care retirement communities;

44 [~~f. to review reports from the participating agencies regarding the~~
45 ~~operations and financial management of approved communities, including~~
46 ~~any reports regarding the financial condition of any community that may~~
47 ~~be in need of close supervision and any reports of deficiencies in the~~
48 ~~provision of health or social services to residents of any community;~~

49 g.] j. to adopt rules and regulations and amendments thereto to effec-
50 tuate the provisions of this article;

51 [~~h.~~] k. to revoke, suspend, limit, or annul a certificate of authority
52 under conditions set forth in section forty-six hundred fifteen of this
53 article, including when such action is taken at the specific request of
54 any participating council agency. [~~When action has been taken by the~~
55 ~~commissioner pursuant to subdivision seven of section forty-six hundred~~
56 ~~three of this article, the council shall meet as soon as reasonably~~

~~possible to approve or disapprove the action of the commissioner and shall take such further action as may be appropriate;~~
~~i. to develop guidelines for applications for certificates of authority;~~

~~j.]~~ l. to carry out any other responsibilities entrusted to the commissioner pursuant to this chapter that may be necessary with regard to the health care activities of continuing care retirement communities;
m. to make available to all prospective operators all pertinent regulations regarding health and insurance necessary to comply with this article;

n. to [make a final determination regarding an application] approve or reject applications for authorization by prospective continuing care retirement community applicants, entities that have filed an application for a certificate of authority and operators, to enter into cancellable priority reservation agreements [where the commissioner has proposed to reject such application] and to collect refundable priority reservation fees from prospective residents;

~~k.]~~ o. to require the reporting of such facts and information as the [council] commissioner may deem necessary to determine whether characteristics of residential health care demonstration facilities such as comprehensive systems of residential and support services for the elderly may be successfully incorporated into existing or approved continuing care retirement communities;

~~l.]~~ p. to review and approve or reject applications by continuing care retirement community operators to use entrance fees to assist the operator in financing the construction or purchase of a proposed continuing care retirement community in accordance with paragraph b of subdivision six of section forty-six hundred ten of this article; and

~~m.]~~ q. to review and approve or reject any proposed financing by industrial development agencies of continuing care retirement communities pursuant to article eighteen-A of the general municipal law as authorized by section forty-six hundred four-a of this article.

~~3. The council shall establish guidelines under which the commissioner is authorized to approve or reject any proposed refinancing, if the council has already approved an application pursuant to paragraph a of subdivision two of this section.]~~

§ 2. Section 4603 of the public health law is REPEALED and a new section 4603 is added to read as follows:

§ 4603. Continuing care retirement community council; powers and duties. 1. The continuing care retirement community council is hereby established, to consist of the following, or their designees: the attorney general; the commissioner; the director of the office for the aging; and eight public members appointed by the governor with the advice and consent of the senate. Such public members shall be representative of the public, and have a demonstrated expertise or interest in continuing care retirement communities; provided that no more than one such member shall be a sponsor, owner, operator, manager, member of a board of directors, or shareholder of a continuing care retirement community. At least two public members shall be residents of a continuing care retirement community. At least one of the public members shall be a representative of an organization with demonstrated experience in representing the interests of senior citizens. The public members of the council shall have fixed terms of four years. The council shall be chaired by the commissioner or his or her designee.

Members of such council shall serve without compensation for their services as members of the council, except that each of them may be

1 allowed the necessary and actual expenses which he or she shall incur in
 2 the performance of his/her or their duties under this article.

3 2. The council shall meet as often as may be deemed necessary to
 4 fulfill its responsibilities. The council shall have the following
 5 powers and duties:

6 a. to assist the commissioner on policy matters related to the estab-
 7 lishment and operation of continuing care retirement communities;

8 b. to assist the commissioner in the development of the state's over-
 9 all policy regarding continuing care retirement communities and cause
 10 studies and research to be conducted as it may deem advisable and neces-
 11 sary; and

12 c. to make such recommendations to the governor and the legislature as
 13 may be necessary to encourage or further regulate the development of
 14 continuing care retirement communities.

15 § 3. Subdivision 4 of section 4604 of the public health law, as
 16 amended by chapter 659 of the laws of 1997, subparagraphs (i), (ii) and
 17 (iii) of paragraph a as further amended by section 104 of part A of
 18 chapter 62 of the laws of 2011, paragraphs b and d as amended by chapter
 19 549 of the laws of 2014, and paragraph c as amended by chapter 7 of the
 20 laws of 2015, is amended to read as follows:

21 4. No certificate of authority shall be issued unless the commissioner
 22 has approved an application meeting the requirements of this section and
 23 all other requirements established by law [~~has been approved by~~] includ-
 24 ing:

25 a. [~~(i)~~] the [~~superintendent of financial services as to the~~] actuari-
 26 al principles involved, the financial feasibility of the facility, the
 27 form and content of the proposed contracts to be entered into with resi-
 28 dents and insurance contracts between an operator and an insurer requir-
 29 ing the insurer to assume, wholly or in part, the cost of medical or
 30 health related services to be provided to a resident, provided that the
 31 review may be conducted by the commissioner or his or her designee,
 32 including any necessary independent actuarial review;

33 [~~(ii) the superintendent of financial services as to~~] b. the rates and
 34 rating methodology, if any, to be used by the operator to determine any
 35 entrance fee, monthly care fee and/or any separate charges for the hous-
 36 ing component of the continuing care contract including but not limited
 37 to a cooperative or condominium fee charged to the resident as proposed
 38 in said operator's application for certificate of authority. Subsequent
 39 increases in any entrance or monthly care fee in excess of fees calcu-
 40 lated pursuant to the approved rating methodology shall require approval
 41 of the [~~superintendent~~] commissioner. The term "rating methodology" as
 42 used herein shall incorporate a combination of variables including but
 43 not limited to a pricing structure for comparable services, projected
 44 operating and health care costs and the applicable inflationary impact
 45 thereon, projected income and occupancy rates and the refundability
 46 component of the continuing care retirement contract[~~-~~

47 [~~(iii) the superintendent of financial services as to~~];

48 c. any monthly care fee charged to a resident which may be increased
 49 or decreased subject to approval by the [~~superintendent of financial~~
 50 ~~services~~] commissioner, provided, that monthly care fees may be
 51 increased or decreased without specific approval as long as such
 52 increase or decrease does not exceed a relevant cost index or indices
 53 which reflect all components of continuing care including the costs
 54 associated with provision of health care as determined and promulgated
 55 at least annually by the [~~superintendent~~] commissioner or his or her
 56 designee, including any necessary independent actuarial review, and

1 provided further that the [~~superintendent~~] commissioner is notified of
2 any such increase or decrease prior to its taking effect[~~r~~

3 ~~(iv) An~~];

4 d. the requirement that an individual resident's monthly care fee
5 shall not be modified because of the increased need for services of that
6 resident;

7 [~~b. the commissioner as to those~~] e. aspects of the application relat-
8 ing to adult care facility beds, if any;

9 [~~e.~~] f. review by the public health and health planning council as to
10 the establishment of a skilled nursing facility by the applicant and as
11 to such other facilities and services as may require the public health
12 and health planning council's approval of the application; provided,
13 however, that the recommendations of the health systems agency having
14 geographical jurisdiction of the area where the continuing care retire-
15 ment community is located shall not be required with respect to the
16 establishment of an on-site or affiliated residential health care facil-
17 ity to serve residents as part of the continuing care retirement commu-
18 nity, for up to the total number of residential health care facility
19 beds provided for in subdivision five of this section in communities
20 statewide;

21 [~~d. the commissioner under section twenty-eight hundred two of this~~
22 ~~chapter,~~] provided, [~~however~~] further, that, the recommendations of the
23 public health and health planning council and the health systems agency
24 having geographical jurisdiction of the area where the continuing care
25 retirement community is located shall not be required with respect to
26 the construction of an on-site or affiliated residential health care
27 facility to serve residents as part of the continuing care retirement
28 community, for up to the total number of residential health care facili-
29 ty beds provided for in subdivision five of this section in communities
30 statewide; and

31 [~~e. the~~] g. upon consultation with the attorney general, as to those
32 aspects of the application relating to a cooperative, condominium or
33 other equity arrangement for the independent living unit, if any.

34 § 4. The opening paragraph of subdivision 6 of section 4604 of the
35 public health law, as amended by chapter 659 of the laws of 1997, is
36 amended to read as follows:

37 If the [~~approveals~~] applicant has satisfied the criteria required by
38 subdivision four of this section [~~have been obtained~~], the [~~council~~]
39 commissioner shall[~~, by majority vote,~~] either approve or reject the
40 application [~~within sixty days of the date on which the last such~~
41 ~~approval has been obtained~~]. In order to approve the application, the
42 [~~council~~] commissioner shall have determined that:

43 § 5. Subdivisions 7 and 9 of section 4604 of the public health law,
44 subdivision 7 as amended by chapter 659 of the laws of 1997 and subdivi-
45 sion 9 as added by chapter 689 of the laws of 1989, are amended to read
46 as follows:

47 7. Any change in the legal entity operating the continuing care
48 retirement community, or in a controlling person of the community shall
49 require approval in the same manner as an original application;
50 provided, however, that the [~~ecouncil~~] commissioner may waive any
51 requirement to provide information that is not relevant to such change
52 and provided, further, that the continued public need for the community
53 shall be presumed.

54 9. [~~If the council approves the application, the~~] The commissioner
55 shall issue the certificate of authority to the applicant upon approval
56 of the application.

1 § 6. Section 4604-a of the public health law, as amended by chapter
2 659 of the laws of 1997, paragraph g of subdivision 2 as amended by
3 chapter 549 of the laws of 2014, is amended to read as follows:

4 § 4604-a. [~~Council~~] Commissioner approval required for industrial
5 development agency financing in connection with continuing care retire-
6 ment communities. 1. No person seeking financing in connection with a
7 continuing care retirement community through an industrial development
8 agency shall undertake such financing without the prior approval of the
9 [~~council~~] commissioner. Upon approving a proposed financing pursuant to
10 this section, the [~~council~~] commissioner shall issue a certificate of
11 authorization to the applicant.

12 2. Prior to approving such financing, the [~~council~~] commissioner shall
13 find that:

14 a. The operator has (i) executed contracts for at least seventy
15 percent of all living units and has on deposit at least ten percent of
16 the entrance fees or purchase price for such units; or (ii) executed
17 contracts for at least sixty percent of all living units and has on
18 deposit at least twenty-five percent of the entrance fees or purchase
19 price for such units.

20 b. The operator has demonstrated capability to comply fully with the
21 requirements for a certificate of authority and has obtained a contin-
22 gent certificate of authority pursuant to section forty-six hundred four
23 of this article and the operator has agreed to meet the requirements of
24 article eighteen-A of the general municipal law.

25 c. The applicant is a not-for-profit corporation as defined in section
26 one hundred two of the not-for-profit corporation law that is (i) eligi-
27 ble for tax-exempt financing under this section and (ii) is exempt from
28 taxation pursuant to section 501(c)(3) of the federal internal revenue
29 code, and either has (i) an equity position in the community equivalent
30 to no less than fifteen percent of the amount to be financed in the
31 aggregate; or (ii) covenants (A) to meet a ratio of cash and investments
32 to outstanding debt (reserve ratio) of no less than twenty-five percent
33 commencing at the end of the first quarter after twenty-four months from
34 the receipt of a certificate of occupancy for the facility, and (B) to
35 maintain that reserve ratio, as tested quarterly based upon the facili-
36 ty's interim financial statements and annually based upon audited finan-
37 cial statements, until debt reduction equal to twenty-five percent of
38 total indebtedness is accomplished; and (c) to reduce total debt by
39 twenty-five percent of the total indebtedness at the time the certif-
40 icate of occupancy is received by no later than five years after the
41 receipt of the certificate of occupancy.

42 d. The operator has submitted in connection with the proposed financ-
43 ing a financial feasibility study, including a financial forecast and
44 market study prepared by an independent firm nationally recognized for
45 continuing care retirement community feasibility studies, demonstrating
46 to the satisfaction of the [~~council~~] commissioner the financial sound-
47 ness of the financing. In addition, the operator has submitted an analy-
48 sis of economic costs and benefits, including job creation and
49 retention, the estimated value of tax exemptions provided, the project's
50 impact on local businesses and the availability and comparative cost of
51 alternative financing sources. Such analysis shall be prepared by an
52 independent entity.

53 e. The operator will establish and maintain a fully funded debt
54 service reserve equal to the sum of maximum annual debt service (inter-
55 est plus annual scheduled principal payments, not including balloon
56 maturities, if any) on bonds authorized thereby having a maturity of ten

1 years or less, plus the maximum annual debt service on bonds authorized
2 thereby having a maturity of greater than ten years, provided, however,
3 that in the case of tax-exempt bond issues, such debt service reserve
4 shall not exceed the maximum amount permitted by federal tax law.

5 f. The operator will provide for such remedies or limitations of reme-
6 dies of bondholders as may be required by or consistent with the
7 provisions of this article and any regulations in existence at the time
8 of the issuance promulgated thereunder.

9 g. Unless all residents or continuing care at home contract holders
10 have life care contracts, the operator has adequately made the assur-
11 ances required by subdivision two of section forty-six hundred twenty-
12 four of this article and has agreed to fund the liability in the event
13 that such resident's or contract holder's assets are insufficient to pay
14 for nursing facility services for a one year period.

15 3. In addition, an operator which is subject to the provisions of this
16 section shall:

17 a. provide the [~~council or its designee~~] commissioner with notice of
18 any monetary default or covenant default in connection with such financ-
19 ing and shall further notify the [~~council or its designee~~] commissioner
20 of any withdrawal from the debt service reserve fund established in
21 connection with such financing;

22 b. respond in writing to the operational recommendations of the [~~coun-
23 cil or its designee~~] commissioner with respect to protecting the inter-
24 ests of continuing care retirement community residents in the event of
25 any monetary default or covenant default provided for in connection with
26 such financing;

27 c. provide adequate security for the repayment of the bonds issued,
28 including the granting of liens on real and personal property and the
29 pledge of project revenues; the maintenance of minimum debt service
30 coverage and other financial ratios as shall be required in regulations
31 in existence at the time of issuance by the [~~council~~] commissioner; and
32 restrictions on other debt and expenditures; and

33 d. undertake to maintain the financial feasibility of the facility,
34 including the retention of an independent consultant to recommend and
35 help implement remedial action.

36 4. The [~~council~~] commissioner may request, and shall receive, the
37 technical assistance of any state agency or state public authority in
38 performing its functions under this article.

39 § 7. Section 4605-a of the public health law, as added by chapter 7 of
40 the laws of 2015, is amended to read as follows:

41 § 4605-a. Certificate of authority; authority to offer continuing care
42 at home contracts. A continuing care retirement community may offer
43 continuing care at home contracts upon approval by the [~~council~~] commis-
44 sioner to amend the continuing care retirement community's certificate
45 of authority. In order to qualify for an amendment to its certificate of
46 authority, the continuing care retirement community shall submit to the
47 commissioner the following:

48 1. a business plan to the commissioner [~~and superintendent~~] that
49 includes the following:

50 (a) a description of the continuing care at home services that will be
51 provided, the market that will be served by the continuing care at home
52 contracts, and the fees to be charged to prospective continuing care at
53 home contract holders;

54 (b) a copy of the proposed continuing care at home contract; and

55 (c) an actuarial study prepared by an independent actuary in accord-
56 ance with standards adopted by the American Academy of Actuaries demon-

1 strating the impact that the continuing care at home contracts will have
2 on the overall operations of the continuing care retirement community
3 and further demonstrating that the addition of continuing care at home
4 contracts will not jeopardize the financial solvency of the continuing
5 care retirement community.

6 2. a market feasibility study demonstrating to the commissioner [~~and~~
7 ~~superintendent~~] sufficient consumer interest in continuing care at home
8 contracts and further demonstrating that the addition of continuing care
9 at home contracts will not have an adverse impact on the provision of
10 services to continuing care retirement contract holders.

11 3. materials that meet all requirements established by the [~~New York~~
12 ~~state~~] department [~~of financial services~~].

13 4. [A] a copy of the notification sent to continuing care retirement
14 contract holders describing the anticipated impact of the addition of
15 continuing care at home contracts on continuing care retirement communi-
16 ty resources and proof that such notification has been distributed to
17 all continuing care retirement contract holders.

18 § 8. Section 4605-b of the public health law, as added by chapter 7 of
19 the laws of 2015, is amended to read as follows:

20 § 4605-b. Certificate of authority; limitation on continuing care at
21 home contracts. The number of continuing care at home contracts
22 approved on a certificate of authority shall be limited to:

23 1. The number of approved living units on the continuing care retire-
24 ment community's premises that are intended for ILU residents, except
25 that the [~~council~~] commissioner may approve additional contracts upon a
26 submission [~~to the commissioner~~] by an operator consistent with the
27 provisions set forth in section forty-six hundred five-a of this arti-
28 cle;

29 2. The demonstrated number of continuing care at home contract holders
30 that can be supported in the existing or approved future capacity of the
31 adult care facility and skilled nursing facility consistent with the
32 provisions set forth in section forty-six hundred five-a of this arti-
33 cle; and

34 3. Conditions set forth by the [~~New York state~~] department [~~of finan-~~
35 ~~cial services~~], based upon the [~~superintendent~~] commissioner's assess-
36 ment of the following:

37 (a) the overall financial impact on the community; and

38 (b) the submitted materials set forth in section forty-six hundred
39 five-a of this article.

40 § 9. Section 4607 of the public health law, as added by chapter 689 of
41 the laws of 1989, paragraph d of subdivision 2 as amended by chapter 659
42 of the laws of 1997, is amended to read as follows:

43 § 4607. Annual statement. 1. Within four months of close of the oper-
44 ator's fiscal year, unless an extension of time to file has been grant-
45 ed, the operator shall file an annual statement with the commissioner
46 [~~and superintendent~~] showing the condition as of the last day of the
47 preceding calendar or fiscal year. If the commissioner [~~and superinten-~~
48 ~~dent do~~] does not receive the annual statement within four months of the
49 end of the operator's fiscal year or have not granted an extension of
50 time to file, the [~~council~~] commissioner may charge a late fee.

51 2. The annual statement shall be in such form as the [~~council~~] commis-
52 sioner prescribes and shall contain at least the following:

53 a. Any change in status with respect to the information required to be
54 submitted pursuant to section forty-six hundred four of this article;

1 b. Financial statements audited by an independent certified public
2 accountant, which shall contain, for two or more periods if the communi-
3 ty has been in existence that long, the following:

4 (i) an accountant's opinion and, in accordance with generally accepted
5 accounting principles:

6 (A) a balance sheet,

7 (B) a statement of income and expenses,

8 (C) a statement of equity or fund balances,

9 (D) a statement of changes in financial position,

10 (ii) notes to the financial statements considered customary or neces-
11 sary to ensure full disclosure of the financial statements, financial
12 condition, and operation;

13 c. A detailed listing of the assets maintained for the reserves;

14 d. A copy of the most recent actuarial review of the community,
15 including such information as may be required by the [~~superintendent~~
16 commissioner] including an opinion of a qualified consulting actuary, as
17 to the current and projected soundness of the community, provided howev-
18 er that a new actuarial review must be submitted triennially; and

19 e. Such other reasonable financial and other information as the [~~coun-
20 cil~~] commissioner may require with respect to the operator or the commu-
21 nity, or its directors, controlling persons, trustees, members, branch-
22 es, subsidiaries or affiliates to determine the financial status of the
23 community and the management capabilities of the operator.

24 3. Sixty days before commencement of each calendar or fiscal year or
25 official opening date, whichever is applicable, each operator shall file
26 with the commissioner [~~and superintendent~~] a computation of the annual
27 long-term debt service and a projected annual revenue and expense summa-
28 ry for the next ten years.

29 § 10. Section 4658 of the public health law, as added by chapter 519
30 of the laws of 2004, is amended to read as follows:

31 § 4658. Annual statement. 1. Within four months of close of an opera-
32 tor's fiscal year, unless an extension of time to file has been granted,
33 the operator shall file an annual statement with the commissioner show-
34 ing the condition as of the last day of the preceding calendar or fiscal
35 year. If the commissioner does not receive the annual statement within
36 four months of the end of the operator's fiscal year or has not granted
37 an extension of time to file, the council may charge a late fee.

38 2. The annual statement shall be in such form as the [~~council~~] commis-
39 sioner prescribes and shall contain at least the following:

40 a. Any change in status with respect to the information required to be
41 submitted pursuant to section forty-six hundred fifty-seven of this
42 article;

43 b. Financial statements audited by an independent certified public
44 accountant, which shall contain, for two or more periods if the communi-
45 ty has been in existence that long, the following:

46 (i) notes to the financial statements considered customary or neces-
47 sary to ensure full disclosure of the financial statements, financial
48 condition, and operation; and

49 (ii) an accountant's opinion and, in accordance with generally
50 accepted accounting principles: (A) a balance sheet, (B) a statement of
51 income and expenses, (C) a statement of equity or fund balances, and (D)
52 a statement of changes in financial position;

53 c. A detailed listing of the assets maintained for the reserves; and

54 d. Such other reasonable financial and other information as the [~~coun-
55 cil~~] commissioner may require with respect to the operator or the commu-
56 nity, or its directors, controlling persons, trustees, members, branch-

1 es, subsidiaries or affiliates to determine the financial status of the
2 community and the management capabilities of the operator.

3 3. Sixty days before commencement of each calendar or fiscal year or
4 official opening date, whichever is applicable, each operator shall file
5 with the commissioner a computation of the annual long-term debt service
6 and a projected annual revenue and expense summary for the next ten
7 years.

8 § 11. Subdivision 16 of section 4608 of the public health law, as
9 amended by chapter 7 of the laws of 2015, is amended to read as follows:

10 16. A statement that any amendment to the contract and any change in
11 fees or charges, other than those within the guidelines of an approved
12 rating system, must be approved by the [~~superintendent of financial~~
13 ~~services~~] commissioner;

14 § 12. Subdivisions 1 and 2 of section 4614 of the public health law,
15 as amended by chapter 7 of the laws of 2015, are amended to read as
16 follows:

17 1. The commissioner, or designee[~~, and the superintendent, or desig-~~
18 ~~nee,~~] may at any time, and shall at least once every three years, visit
19 each community and examine the business of any applicant for a certif-
20 icate of authority and any operator engaged in the execution of continu-
21 ing care retirement contracts or continuing care at home contracts or
22 engaged in the performance of obligations under such contracts. Routine
23 examinations may be conducted by having documents designated by and
24 submitted to such [~~commissioners or superintendent~~] commissioner, which
25 shall include financial documents and records conforming to commonly
26 accepted accounting principles and practices. The final written report
27 of each such examination conducted by such [~~commissioners or superinten-~~
28 ~~dent~~] commissioner shall be filed with the commissioner and, when so
29 filed, shall constitute a public record. A copy of each report shall be
30 provided to members of the continuing care retirement community council.
31 Any operator being examined shall, upon request, give reasonable and
32 timely access to all of its records. The representative or examiner
33 designated by the [~~commissioners or superintendent, respectively,~~
34 commissioner] may, at any time, examine the records and affairs and
35 inspect the community's facilities, whether in connection with a formal
36 examination or not.

37 2. Any duly authorized officer, employee, or agent of the [~~health~~
38 ~~department,~~ ~~or department of financial services~~] may, upon presentation
39 of proper identification, have access to, and inspect, any records main-
40 tained by the community relevant to the [~~respective~~] agency's regulatory
41 authority, with or without advance notice, to secure compliance with, or
42 to prevent a violation of, any provision of this article.

43 § 13. Subdivision 1 of section 4667 of the public health law, as added
44 by chapter 519 of the laws of 2004, is amended to read as follows:

45 1. The commissioner[~~, or his or her designee,~~] may at any time, and
46 shall at least once every three years, visit each community and examine
47 the business of any applicant for a certificate of authority and any
48 operator engaged in the execution of fee-for-service continuing care
49 contracts or engaged in the performance of obligations under such
50 contracts. Routine examinations may be conducted by having documents
51 designated by and submitted to the commissioner, which shall include
52 financial documents and records conforming to commonly accepted account-
53 ing principles and practices. The final written report of each such
54 examination conducted by the commissioner shall be filed with the
55 commissioner and, when so filed, shall constitute a public record. A
56 copy of each report shall be provided to members of the continuing care

1 retirement community council. Any operator being examined shall, upon
2 request, give reasonable and timely access to all of its records. The
3 representative or examiner designated by the commissioner may, at any
4 time, examine the records and affairs and inspect the community's facil-
5 ities, whether in connection with a formal examination or not.

6 § 14. Section 4615 of the public health law, as added by chapter 689
7 of the laws of 1989, paragraph j of subdivision 1 as further amended by
8 section 104 of part A of chapter 62 of the laws of 2011, paragraph k of
9 subdivision 1 as amended by chapter 7 of the laws of 2015 and subdivi-
10 sion 3 as amended by chapter 659 of the laws of 1997, is amended to read
11 as follows:

12 § 4615. Revocation, suspension or annulment of certificate of authori-
13 ty. 1. The [~~council~~] commissioner may revoke, suspend, limit or annul
14 the certificate of authority of an operator upon proof that:

15 a. The operator failed to continue to meet the requirements for the
16 authority originally granted;

17 b. The operator lacked one or more of the qualifications for the
18 certificate of authority as specified by this article;

19 c. The operator made a material misstatement, misrepresentation, or
20 committed fraud in obtaining the certificate of authority, or in
21 attempting to obtain the same;

22 d. The operator lacked fitness or was untrustworthy;

23 e. The operator engaged in fraudulent or dishonest practices of
24 management in the conduct of business under the certificate of authori-
25 ty;

26 f. The operator converted or withheld funds;

27 g. The operator failed to comply with, or violated, any proper order,
28 rule or regulation of the council or violated any provision of this
29 article;

30 h. The unsound business practices of the operator renders its further
31 transactions in this state hazardous or injurious to the public;

32 i. The operator has refused to be examined or to produce its accounts,
33 records, and files for examination, or its officers, employees, or
34 controlling persons have refused to give information with respect to the
35 affairs of the community or to perform any other legal obligation as to
36 such examination;

37 j. The [~~superintendent of financial services~~] commissioner has made a
38 determination that the operator is insolvent within the meaning of
39 section one thousand three hundred nine of the insurance law; or

40 k. The commissioner has found violations of applicable statutes, rules
41 or regulations which threaten to affect directly the health, safety, or
42 welfare of a resident.

43 2. No certificate of authority shall be revoked, suspended, limited or
44 annulled without a hearing, except that a certificate of authority may
45 be temporarily suspended or limited prior to a hearing for a period not
46 in excess of sixty days upon written notice to the operator following a
47 finding by the commissioner that the public health or safety is in immi-
48 nent danger or there exists any condition or practice or a continuing
49 pattern of conditions or practices that pose an imminent danger to the
50 health or safety of any resident. Any delay in the hearing process occa-
51 sioned by the operator shall toll the running of said suspension or
52 limitation and shall not abridge the full time provided in this subdivi-
53 sion.

54 3. Any state agency which seeks to revoke, suspend, limit or annul the
55 certificate of authority or any other license or certificate required to
56 be obtained by an operator of a continuing care retirement community

1 pursuant to law, shall request the [~~council~~] commissioner to commence a
2 hearing pursuant to this section.

3 4. The [~~council~~] commissioner shall fix a time and place for the hear-
4 ing. The commissioner shall cause to be served in person or mailed by
5 registered or certified mail to the operator at least ten days before
6 the date fixed for the hearing a copy of the charges, together with the
7 notice of the time and place of the hearing. The operator shall file
8 with the commissioner not less than three days prior to the hearing a
9 written answer to the charges. The agency which initiated the proceeding
10 shall be responsible for providing evidence in support of the charges to
11 the commissioner in order to prepare a statement of charges and shall
12 provide evidence in support of the charges at the hearing.

13 5. All orders hereunder shall be subject to review as provided in
14 article seventy-eight of the civil practice law and rules. Application
15 for such review must be made within sixty days after service in person
16 or by registered or certified mail of a copy of the order upon the oper-
17 ator.

18 § 15. Section 4616 of the public health law, as added by chapter 689
19 of the laws of 1989, the opening paragraph as amended by chapter 659 of
20 the laws of 1997, is amended to read as follows:

21 § 4616. Appointment of a caretaker. Upon a determination by the [~~coun-
22 cil~~] commissioner that there exists operational deficiencies in a
23 continuing care retirement community that show:

24 1. a condition or conditions in substantial violation of the standards
25 for health, safety or patient care established under federal or state
26 law or regulations; or

27 2. [~~or~~] that there exists in the facility a pattern or practice of
28 habitual violation of the standards of health, safety or patient care
29 established under federal or state law or regulations, the [~~council~~]
30 commissioner shall take the actions prescribed by section forty-six
31 hundred fifteen of this article, and, where the [~~council~~] commissioner
32 deems it to be in the public interest, the [~~council may request that the
33 commissioner, and upon request of the council the~~] commissioner shall[~~,~~]
34 petition a court of competent jurisdiction to appoint a caretaker as
35 defined in section twenty-eight hundred one of this chapter. The peti-
36 tion, the proceedings, and the procedures for appointment of a caretaker
37 shall be governed by the provisions of section forty-six hundred seven-
38 teen of this article, and the powers, duties and rights of a caretaker
39 appointed pursuant to such section shall be the same as those authorized
40 by subdivision four of such section.

41 § 16. Subdivisions 1, 2 and 8 of section 4617 of the public health
42 law, subdivision 1 as amended by chapter 659 of the laws of 1997, and
43 subdivisions 2 and 8 as added by chapter 689 of the laws of 1989, are
44 amended to read as follows:

45 1. The [~~council~~] commissioner may, [~~if it determines~~] upon a determi-
46 nation that serious operational deficiencies exist or serious financial
47 problems exist and such action is desirable, enter into an agreement
48 with the operator or owners of a continuing care retirement community
49 with respect to the appointment of a receiver to take charge of the
50 community under conditions as found acceptable by both parties. Receiv-
51 ership commenced in accordance with the provisions of this subdivision
52 shall terminate at such time as may be provided in the receivership
53 agreement, or at such time as either party notifies the other in writing
54 that it wishes to terminate such receivership.

55 2. [~~Upon request of the council, the~~] The commissioner shall, at the
56 time of revocation, suspension or temporary suspension of a certificate

1 of authority, apply to the supreme court where the community is situated
2 for an order directing the owner of the land and/or structure on or in
3 which the community is located, to show cause why a receiver should not
4 be appointed to take charge of the community. In those cases where the
5 certificate of authority has been revoked, suspended or temporarily
6 suspended, the supreme court shall appoint a receiver that, where
7 reasonably possible, is a legal entity that holds a valid certificate of
8 authority. Such application shall contain proof by affidavit that the
9 facility has had its certificate of authority revoked, suspended, or
10 temporarily suspended. Such order to show cause shall be returnable not
11 less than five days after service is completed and shall provide for
12 personal service of a copy thereof and the papers on which it is based,
13 on the owner or owners of the land and/or structures on or in which the
14 community is located. If any such owner and manager cannot with due
15 diligence be served personally within the county where the property is
16 located and within the time fixed in such order, then service may be
17 made on such person by posting a copy thereof in a conspicuous place
18 within the community in question, and by sending a copy thereof by
19 registered mail, return receipt requested, to such owner at the last
20 address registered by him with the department or in the absence of such
21 registration to the address set forth in the last recorded deed with
22 respect to the facility. Service shall be deemed complete on filing
23 proof of service thereof in the office of the county clerk, or the clerk
24 of the city of New York, as the case may be.

25 8. Any other provision of this article notwithstanding, the [~~council~~]
26 commissioner may, if [~~it~~] he or she deems appropriate, grant to any
27 community operating or scheduled to operate under a receivership author-
28 ized by this section a certificate of authority, the duration of which
29 shall be limited to the duration of the receivership.

30 § 17. Section 4668 of the public health law, as added by chapter 519
31 of the laws of 2004, is amended to read as follows:

32 § 4668. Revocation, suspension or annulment of certificate of authori-
33 ty. 1. The [~~council~~] commissioner may revoke, suspend, limit or annul
34 the certificate of authority of an operator upon proof that:

35 a. The operator failed to continue to meet the requirements for the
36 authority originally granted;

37 b. The operator lacked one or more of the qualifications for the
38 certificate of authority as specified by this article;

39 c. The operator made a material misstatement, misrepresentation, or
40 committed fraud in obtaining the certificate of authority, or in
41 attempting to obtain the same;

42 d. The operator lacked fitness or was untrustworthy;

43 e. The operator engaged in fraudulent or dishonest practices of
44 management in the conduct of business under the certificate of authori-
45 ty;

46 f. The operator converted or withheld funds;

47 g. The operator failed to comply with, or violated, any proper order,
48 rule or regulation of the council or violated any provision of this
49 article;

50 h. The unsound business practices of the operator renders its further
51 transactions in this state hazardous or injurious to the public;

52 i. The operator has refused to be examined or to produce its accounts,
53 records and files for examination, or its officers, employees or
54 controlling persons have refused to give information with respect to the
55 affairs of the community or to perform any other legal obligation as to
56 such examination; or

1 j. The commissioner has found violations of applicable statutes, rules
2 or regulations which threaten to affect directly the health, safety, or
3 welfare of a resident of a fee-for-service continuing care retirement
4 community.

5 2. No certificate of authority shall be revoked, suspended, limited or
6 annulled without a hearing, except that a certificate of authority may
7 be temporarily suspended or limited prior to a hearing for a period not
8 in excess of sixty days upon written notice to the operator following a
9 finding by the commissioner that public health or safety is in imminent
10 danger or there exists any condition or practice or a continuing pattern
11 of conditions or practices that pose an imminent danger to the health or
12 safety of any resident. Any delay in the hearing process occasioned by
13 the operator shall toll the running of said suspension or limitation and
14 shall not abridge the full time provided in this subdivision.

15 3. Any state agency which seeks to revoke, suspend, limit or annul the
16 certificate of authority or any other license or certificate required to
17 be obtained by an operator of a community pursuant to law, shall request
18 the [~~council~~] commissioner to commence a hearing pursuant to this
19 section.

20 4. The [~~council~~] commissioner shall fix a time and place for the hear-
21 ing. The commissioner shall cause to be served in person or mailed by
22 registered or certified mail to the operator at least ten days before
23 the date fixed for the hearing a copy of the charges, together with the
24 notice of the time and place of the hearing. The operator shall file
25 with the commissioner not less than three days prior to the hearing a
26 written answer to the charges. The agency which initiated the proceeding
27 shall be responsible for providing evidence in support of the charges to
28 the commissioner in order to prepare a statement of charges and shall
29 provide evidence in support of the charges at the hearing.

30 5. All orders pursuant to this section shall be subject to review as
31 provided in article seventy-eight of the civil practice law and rules.
32 Application for such review shall be made within sixty days after
33 service in person or by registered or certified mail of a copy of the
34 order upon the operator.

35 § 18. Section 4669 of the public health law, as added by chapter 519
36 of the laws of 2004, is amended to read as follows:

37 § 4669. Appointment of a caretaker. Upon a determination by the
38 [~~council~~] commissioner that there exists operational deficiencies in a
39 fee-for-service continuing care retirement community that show:

40 1. there exists in the facility a pattern or practice of habitual
41 violation of the standards of health, safety or patient care established
42 under federal or state law or regulations, the [~~council~~] commissioner
43 shall take the actions prescribed by section forty-six hundred sixty-
44 eight of this article, and, where the [~~council~~] commissioner deems it to
45 be in the public interest, the [~~council may request the commissioner,~~
46 ~~and upon request of the council the~~] commissioner shall[~~7~~] petition a
47 court of competent jurisdiction to appoint a caretaker as defined in
48 section twenty-eight hundred one of this chapter. The petition, the
49 proceedings, and the procedures for appointment of a caretaker shall be
50 governed by the provisions of section forty-six hundred seventy of this
51 article, and the power, duties and rights of a caretaker appointed
52 pursuant to such section shall be the same as those authorized by subdi-
53 vision four of such section; or

54 2. a condition or conditions in substantial violation of the standards
55 for health, safety or patient care established under federal or state
56 law or regulations.

1 § 19. Subdivisions 1, 2 and 8 of section 4670 of the public health
2 law, as added by chapter 519 of the laws of 2004, are amended to read as
3 follows:

4 1. The ~~[council]~~ commissioner may, ~~[if it determines]~~ upon a determi-
5 nation that serious operational deficiencies exist or serious financial
6 problems exist and such action is desirable, enter into an agreement
7 with the operator or owners of a fee-for-service continuing care retire-
8 ment community with respect to the appointment of a receiver to take
9 charge of the community under conditions as found acceptable by both
10 parties. Receivership commenced in accordance with the provisions of
11 this subdivision shall terminate at such time as may be provided in the
12 receivership agreement, or at such time as either party notifies the
13 other in writing that it wishes to terminate such receivership.

14 2. ~~[Upon request of the council, the]~~ The commissioner shall, at the
15 time of revocation, suspension or temporary suspension of a certificate
16 of authority, apply to the supreme court where the community is situated
17 for an order directing the owner of the land and/or structure on or in
18 which the community is located, to show cause why a receiver should not
19 be appointed to take charge of the community. In those cases where the
20 certificate of authority has been revoked, suspended or temporarily
21 suspended, the supreme court shall appoint a receiver that, where
22 reasonably possible, is a legal entity that holds a valid certificate of
23 authority. Such application shall contain proof by affidavit that the
24 facility has had its certificate of authority revoked, suspended or
25 temporarily suspended. Such order to show cause shall be returnable not
26 less than five days after service is completed and shall provide for
27 personal service of a copy thereof and the papers on which it is based,
28 on the owner or owners of the land and/or structures on or in which the
29 community is located. If any such owner and manager cannot with due
30 diligence be served personally within the county where the property is
31 located and within the time fixed in such order, then service may be
32 made on such person by posting a copy thereof in a conspicuous place
33 within the community in question, and by sending a copy thereof by
34 registered mail, return receipt requested, to such owner at the last
35 address registered by him or her with the department or in the absence
36 of such registration to the address set forth in the last recorded deed
37 with respect to the facility. Service shall be deemed complete on filing
38 proof of service thereof in the office of the county clerk, or the clerk
39 of the city of New York, as the case may be.

40 8. Any other provision of this article notwithstanding, the ~~[council]~~
41 commissioner may, if ~~[it]~~ he or she deems appropriate, grant to any
42 community operating or scheduled to operate under a receivership author-
43 ized by this section a certificate of authority, the duration of which
44 shall be limited to the duration of the receivership.

45 § 20. Paragraph g of subdivision 4 of section 4621 of the public
46 health law, as added by chapter 406 of the laws of 1991, is amended to
47 read as follows:

48 g. If the funds in an escrow account under this section, and any
49 interest thereon, are not released to the applicant within such time as
50 provided by rules and regulations adopted by the ~~[council]~~ commissioner,
51 then such funds shall be returned by the escrow agent to the person who
52 had made the payments or the person's legal representative.

53 § 21. Subdivision 1 of section 4623 of the public health law, as
54 amended by chapter 659 of the laws of 1997, is amended to read as
55 follows:

1 1. The [~~council~~] commissioner may approve an application for a certifi-
2 cate of authority and [~~the commissioner~~] may issue a certificate of
3 authority for the establishment and operation of a continuing care
4 retirement community under an arrangement which otherwise complies with
5 the requirements of this article except that the costs of nursing facili-
6 ty or home health care services are paid for in whole or in part by (a)
7 long term care insurance obtained and paid for by the resident or by
8 medical assistance payments in accordance with the partnership for long
9 term care program pursuant to section three hundred sixty-seven-f of the
10 social services law and section three thousand two hundred twenty-nine
11 of the insurance law or (b) other group or individual long term care
12 insurance approved by the superintendent and the council in connection
13 with the application. The council, in consultation with the superinten-
14 dent, shall provide for adequate disclosure to residents of their
15 options, rights and obligations under such an arrangement, and shall
16 establish standards for the remittance and collection of premiums and
17 monthly care fees.

18 § 22. The opening paragraph of subdivision 14 and subdivision 15 of
19 section 4657 of the public health law, as added by chapter 519 of the
20 laws of 2004, are amended to read as follows:

21 In accordance with regulations promulgated by the [~~council~~] commis-
22 sioner, the operator shall prepare a standard information sheet for each
23 approved fee-for-service continuing care retirement community, which
24 must be approved by the department, distributed with the community's
25 marketing materials and attached to the initial disclosure statement
26 prepared in accordance with this section. The standard information sheet
27 shall be prepared in plain language and in twelve point type and shall
28 include, but shall not be limited to the following information:

29 15. Any other information as may be required by regulations promulgat-
30 ed by the [~~council~~] commissioner.

31 § 23. The opening paragraph and paragraph d of subdivision 2 of
32 section 4658 of the public health law, as added by chapter 519 of the
33 laws of 2004, are amended to read as follows:

34 The annual statement shall be in such form as the [~~council~~] commis-
35 sioner prescribes and shall contain at least the following:

36 d. Such other reasonable financial and other information as the [~~coun-~~
37 ~~eil~~] commissioner may require with respect to the operator or the commu-
38 nity, or its directors, controlling persons, trustees, members, branch-
39 es, subsidiaries or affiliates to determine the financial status of the
40 community and the management capabilities of the operator.

41 § 24. Subdivision 2 of section 4651 of the public health law, as added
42 by chapter 519 of the laws of 2004, is amended to read as follows:

43 2. "Certificates" or "certificate of authority" shall mean an authori-
44 zation in writing, approved [~~by the council~~] and issued by the commis-
45 sioner, for an operator to operate a fee-for-service continuing care
46 retirement community and to enter into fee-for-service continuing care
47 contracts pertaining to such community.

48 § 25. Section 4654 of the public health law, as amended by chapter 545
49 of the laws of 2004, is amended to read as follows:

50 § 4654. Authorization of fee-for-service continuing care retirement
51 communities. The commissioner[~~, upon approval of the continuing care~~
52 ~~retirement community council,~~] shall approve up to eight fee-for-service
53 continuing care retirement communities to encourage affordable care
54 options for middle income seniors, up to two of which may be operated by
55 a for-profit entity.

1 § 26. The opening paragraph of section 4659 of the public health law,
2 as added by chapter 519 of the laws of 2004, is amended to read as
3 follows:

4 A fee-for-service continuing care contract shall contain all of the
5 following information in no less than twelve point type and in plain
6 language, in addition to any other terms or matter as may be required by
7 regulations [~~adopted by the council and~~] issued by the commissioner:

8 § 27. The opening paragraph of subdivision 5 of section 4655 of the
9 public health law, as amended by chapter 545 of the laws of 2004, is
10 amended to read as follows:

11 If the [~~approve~~] applicant has satisfied the criteria required by
12 subdivision four-a of this section have been obtained, the [~~council~~]
13 commissioner shall[~~, by majority vote,~~] either approve or reject the
14 application [~~within sixty days of the date on which the last such~~
15 ~~approval has been obtained~~]. In order to approve the application, the
16 [~~council~~] commissioner shall have determined that:

17 § 28. Subdivisions 6 and 8 of section 4655 of the public health law,
18 as added by chapter 519 of the laws of 2004, are amended to read as
19 follows:

20 6. Any change in the legal entity operating the fee-for-service
21 continuing care retirement community, or in a controlling person of the
22 community shall require approval in the same manner as an original
23 application; provided, however, that the [~~council~~] commissioner may
24 waive any requirement to provide information that is not relevant to
25 such change and provided, further, that the continued public need for
26 the community shall be presumed.

27 8. [~~If the council approves the application, the~~] The commissioner
28 shall issue a certificate of authority to the applicant upon approval of
29 the application.

30 § 29. Section 4611 of the public health law, as added by chapter 689
31 of the laws of 1989, the opening paragraph of subdivision 1 as further
32 amended by section 104 of part A of chapter 62 of the laws of 2011, is
33 amended to read as follows:

34 § 4611. Reserves and supporting assets. 1. An operator shall maintain
35 reserve liabilities and supporting assets in an amount and for the
36 purposes set forth in a regulation issued by the [~~superintendent of~~
37 ~~financial services~~] commissioner. Liquid assets must be maintained for
38 the following reserve liabilities:

39 a. Principal and interest payments and payments for taxes and insur-
40 ance for up to twelve months;

41 b. Total estimated operating costs for up to six months as set by the
42 [~~superintendent~~] commissioner;

43 c. Repairs and replacements for up to twelve months; and

44 d. In addition, the amount of liquid assets must meet any cash flow
45 requirements and conditions as set forth in a regulation.

46 2. The assets in support of reserve liabilities of subdivision one of
47 this section shall meet quantitative and qualitative standards set forth
48 in regulations issued by the [~~superintendent~~] commissioner.

49 § 30. This act shall take effect on the one hundred eightieth day
50 after it shall have become a law. Effective immediately, the addition,
51 amendment and/or repeal of any rule or regulation necessary for the
52 implementation of this act on its effective date are authorized to be
53 made and completed on or before such effective date.