

# STATE OF NEW YORK

3064

2023-2024 Regular Sessions

## IN SENATE

January 27, 2023

Introduced by Sens. RIVERA, KRUEGER, MAY -- 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 the use of monies from the community health care revolving capital fund

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

1 Section 1. Subdivision 2 of section 2815-a of the public health law,  
2 as added by section 5 of part J of chapter 60 of the laws of 2015, is  
3 amended to read as follows:

4 2. Revolving capital fund. The dormitory authority shall, within  
5 amounts appropriated, establish the community health care revolving  
6 capital fund. Monies in the revolving capital fund shall be utilized for  
7 the purpose of making loans to qualifying participating borrowers to  
8 improve access to affordable capital financing to expand and improve  
9 capacity to provide health care in the State, and to enable participat-  
10 ing borrowers to operate a financially and operationally sustainable  
11 practice. Funds shall be transferred by the commissioner to the dormito-  
12 ry authority for deposit in the revolving capital fund in an amount as  
13 authorized by appropriation. Monies in the fund shall be: (a) held by  
14 the authority pursuant to this section as custodian pursuant to an  
15 agreement with the commissioner until transferred to the administrator  
16 pursuant to this section, and (b) invested by the authority in accord-  
17 ance with the investment guidelines of the authority during said custo-  
18 dial period. All investment income shall be credited to, and shall be  
19 deposited in, the revolving capital fund.

20 § 2. Paragraphs c, e, f, and j of subdivision 4 of section 2815-a of  
21 the public health law, as added by section 5 of part J of chapter 60 of  
22 the laws of 2015, are amended to read as follows:

23 c. That monies in such revolving capital fund shall be utilized for  
24 the purpose of making loans to qualifying participating borrowers, to  
25 provide participating borrowers with improved access to affordable capi-

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

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1 tal to expand and improve preventive or primary care capacity, and to  
2 aid participating borrowers in achieving a financially and operationally  
3 sustainable practice;

4 e. That eligible uses of funds so loaned to participating borrowers  
5 shall include but not be limited to: (i) eligible costs as described in  
6 paragraph (f) of this subdivision, attributable to the proposed  
7 construction, reconstruction, renovation, rehabilitation, refurbishing,  
8 expansion, upgrading and equipping of a participating borrower's commu-  
9 nity-based health care facility; (ii) reserves for credit enhancement  
10 including loan guarantees; (iii) loan loss and debt service reserves and  
11 subordinated loans; [~~and~~] (iv) facility financing, including loans for  
12 predevelopment, acquisition and construction, permanent financing and  
13 bridge loans; and (v) additional noncapital expenditures which may  
14 include working capital and debt restructuring, retirement and refinanc-  
15 ing;

16 f. That eligible costs under this section shall include, but not be  
17 limited to, all hard construction costs and associated professional and  
18 other costs, furniture, fixtures and equipment, including health infor-  
19 mation technology, acquisition, predevelopment due diligence, initial  
20 operating expenses and working capital associated with community-based  
21 health care facility projects. Working capital as set forth in this  
22 paragraph may also include expenses associated with the sustainable  
23 operation of a community-based health care practice such as expenses  
24 required to recruit and train staff, redesign facilities to accommodate  
25 new protocols, to purchase, upgrade, or enhance, technology to support  
26 telehealth, and other ancillary costs associated with delivering patient  
27 services. Working capital shall also include expenses associated with  
28 restructuring or retiring debt, including costs to reduce, retire, or  
29 refinance long-term liabilities such as mortgage, bank loans, capital  
30 leases and other liabilities, payments of debt service for long-term  
31 liabilities, and costs for restructuring including professional fees,  
32 penalties, and interest;

33 j. That revolving capital fund monies shall be held in trust and used  
34 for the benefit of eligible community-based health care [~~facility~~] capi-  
35 tal projects authorized pursuant to this section; and

36 § 3. This act shall take effect immediately.