

STATE OF NEW YORK

5375

2023-2024 Regular Sessions

IN ASSEMBLY

March 9, 2023

Introduced by M. of A. PAULIN, L. ROSENTHAL, COLTON, SAYEGH -- Multi-Sponsored by -- M. of A. CARROLL, COOK, DINOWITZ, GLICK, SIMON -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to hospital establishment

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

1 Section 1. Subdivision 1 of section 2801-a of the public health law,
2 as amended by section 57 of part A of chapter 58 of the laws of 2010, is
3 amended to read as follows:

4 1. (a) No hospital, as defined in this article, shall be established
5 except with the written approval of the public health and health plan-
6 ning council. No certificate of incorporation of a business membership
7 or not-for-profit corporation shall hereafter be filed which includes
8 among its corporate purposes or powers the establishment or operation of
9 any hospital, as defined in this article, or the solicitation of
10 contributions for any such purpose, or two or more of such purposes,
11 except with the written approval of the public health and health plan-
12 ning council, and when otherwise required by law of a justice of the
13 supreme court, endorsed on or annexed to the certificate of incorpo-
14 ration. No articles of organization of a limited liability company
15 established pursuant to the New York limited liability company law which
16 includes among its powers or purposes the establishment or operation of
17 any hospital as defined in this article, shall be filed with the depart-
18 ment of state except upon the approval of the public health and health
19 planning council.

20 (b) For the purposes of this subdivision, a person (other than a
21 person acting solely as a member of the governing body of a hospital or
22 an employee of a hospital), partnership, company, stockholder, member,
23 corporation or other entity shall be deemed to have authority to operate

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

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1 a hospital if it has or shares decision-making authority over any of the
2 following:

3 (i) appointment or dismissal of a hospital's management-level employ-
4 ees or medical staff;

5 (ii) election or removal of members of the governing board or corpo-
6 rate officers of the hospital;

7 (iii) approval of the hospital's operating or capital budgets;

8 (iv) adoption, approval or enforcement of the hospital's operating
9 policies or procedures;

10 (v) approval of applications for construction or establishment
11 approval filed by or on behalf of the hospital;

12 (vi) approval of hospital debt necessary to finance the cost of
13 compliance with operational or physical plant standards required by law;

14 (vii) approval of contracts for management of the hospital or for
15 clinical services at the hospital; and

16 (viii) approval of settlements of administrative proceedings or liti-
17 gation to which the hospital is party that exceed the hospital's insur-
18 ance coverage or coverage by any applicable self-insurance fund.

19 (c) Any person, partnership, company, stockholder, member, or corpo-
20 ration, or other entity with authority to operate a hospital shall be
21 subject to approval for establishment by the public health and health
22 planning council under this section, unless otherwise authorized by this
23 chapter to operate a hospital without such establishment approval.

24 (d) Any assignment or delegation of any authority to operate a hospi-
25 tal, as set forth in paragraph (b) of this subdivision shall be subject
26 to approval for establishment by the public health and health planning
27 council under this section, except for:

28 (i) assignment or delegation by the governing body of the hospital to
29 a committee of the governing body, a corporate officer or an employee of
30 the hospital; or

31 (ii) a management contract under which a governing body contracts with
32 an entity to manage day-to-day operations of a hospital or a portion or
33 service thereof, provided that such a management contract shall require
34 the written approval of the commissioner before it may take effect.

35 § 2. This act shall take effect immediately.