

STATE OF NEW YORK

9471

IN ASSEMBLY

January 7, 2026

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

AN ACT to amend the public health law, in relation to conditions under which non-public residential health care facilities may withdraw equity or assets totaling five percent of total reported annual revenue for patient care services without prior notification; and to amend a chapter of the laws of 2025 amending the public health law relating to equity withdrawals by non-public residential health care facilities, as proposed in legislative bills numbers S. 5369 and A. 2051, in relation to the effectiveness thereof

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

1 Section 1. Subparagraph (ii) of paragraph (b) and subparagraph (ii) of
2 paragraph (c) of subdivision 5 of section 2808 of the public health law,
3 as amended by a chapter of the laws of 2025 amending the public health
4 law relating to equity withdrawals by non-public residential health care
5 facilities, as proposed in legislative bills numbers S. 5369 and A.
6 2051, are amended to read as follows:
7 (ii) in the case of a residential health care facility which^[7] (1)
8 over the two immediately preceding successive quarters for which rele-
9 vant data is available to the department, has been compliant with the
10 minimum staffing level requirements prescribed by section twenty-eight
11 hundred ninety-five-b of this chapter^[7]; (2) is not in the special
12 focus facility program operated by the centers for medicare and Medicaid
13 services or subject to a denial of payment for new admissions imposed by
14 the centers for medicare and Medicaid services; and (3) has not been the
15 subject of an enforcement action brought by the department or the
16 centers for medicare and Medicaid services in the previous eighteen
17 months that resulted in a finding of deficiency, five percent of such
18 facility's total reported annual revenue for patient care services,
19 based on the facility's most recently available reported data, without
20 prior written notification to the commissioner. Notification shall be
21 made in a form acceptable to the department by certified or registered
22 mail.

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

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5 hundred ninety-five-b of this chapter[7]; (2) is not in the special
6 focus facility program operated by the centers for medicare and Medicaid
7 services or subject to a denial of payment for new admissions imposed by
8 the centers for medicare and Medicaid services; and (3) has not been the
9 subject of an enforcement action brought by the department or the
10 centers for medicare and Medicaid services in the previous eighteen
11 months that resulted in a finding of deficiency, five percent of such
12 facility's total reported annual revenue for patient care services,
13 based on the facility's most recently available reported data, without
14 prior written notification to the commissioner. The commissioner shall
15 make a determination to approve or disapprove a request for withdrawal
16 of equity or assets under this subdivision within sixty days of the date
17 of the receipt of a written request from the facility. Requests shall be
18 made in a form acceptable to the department by certified or registered
19 mail. In reviewing such requests the commissioner shall consider the
20 facility's overall financial condition, any indications of financial
21 distress, whether the facility is delinquent in any payment owed to the
22 department, whether the facility has been cited for immediate jeopardy
23 or substandard quality of care, and such other factors as the commis-
24 sioner deems appropriate. In addition to any other remedy or penalty
25 available under this chapter, and after opportunity for a hearing, the
26 commissioner may require replacement of the withdrawn equity or assets
27 and may impose a penalty for violation of the provisions of this subdi-
28 vision in an amount not to exceed ten percent of any amount withdrawn
29 without prior approval.

30 § 2. Section 4 of a chapter of the laws of 2025 amending the public
31 health law relating to equity withdrawals by non-public residential
32 health care facilities, as proposed in legislative bills numbers S. 5369
33 and A. 2051, is amended to read as follows:

34 § 4. This act shall take effect immediately; provided, however that
35 sections two and three of this act shall take effect one year after it
36 shall have become a law.

37 § 3. This act shall take effect immediately; provided, however that
38 section one of this act shall take effect on the same date and in the
39 same manner as a chapter of the laws of 2025 amending the public health
40 law relating to equity withdrawals by non-public residential health care
41 facilities, as proposed in legislative bills numbers S. 5369 and A.
42 2051, takes effect.