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:

Section 1. Subparagraph (ii) of paragraph (b) and subparagraph (ii) of paragraph (c) of subdivision 5 of section 2808 of the public health law, as amended by 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, are amended to read as follows:

(ii) in the case of a residential health care facility which[~~,~~] **(1)** over the two immediately preceding successive quarters **for which relevant data is available to the department**, has been compliant with the minimum staffing level requirements prescribed by section twenty-eight hundred ninety-five-b of this chapter[~~,~~]**; (2) is not in the special focus facility program operated by the centers for medicare and Medicaid services or subject to a denial of payment for new admissions imposed by the centers for medicare and Medicaid services; and (3) has not been the subject of an enforcement action brought by the department or the centers for medicare and Medicaid services in the previous eighteen months that resulted in a finding of deficiency,** five percent of such facility's total reported annual revenue for patient care services, based on the facility's most recently available reported data, without prior written notification to the commissioner. Notification shall be made in a form acceptable to the department by certified or registered mail.

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

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(ii) in the case of a residential health care facility which[~~,~~] **(1)** over the two immediately preceding successive quarters **for which relevant data is available to the department**, has been compliant with the minimum staffing level requirements prescribed by section twenty-eight hundred ninety-five-b of this chapter[~~,~~]**; (2) is not in the special focus facility program operated by the centers for medicare and Medicaid services or subject to a denial of payment for new admissions imposed by the centers for medicare and Medicaid services; and (3) has not been the subject of an enforcement action brought by the department or the centers for medicare and Medicaid services in the previous eighteen months that resulted in a finding of deficiency,** five percent of such facility's total reported annual revenue for patient care services, based on the facility's most recently available reported data, without prior written notification to the commissioner. The commissioner shall make a determination to approve or disapprove a request for withdrawal of equity or assets under this subdivision within sixty days of the date of the receipt of a written request from the facility. Requests shall be made in a form acceptable to the department by certified or registered mail. In reviewing such requests the commissioner shall consider the facility's overall financial condition, any indications of financial distress, whether the facility is delinquent in any payment owed to the department, whether the facility has been cited for immediate jeopardy or substandard quality of care, and such other factors as the commissioner deems appropriate. In addition to any other remedy or penalty available under this chapter, and after opportunity for a hearing, the commissioner may require replacement of the withdrawn equity or assets and may impose a penalty for violation of the provisions of this subdivision in an amount not to exceed ten percent of any amount withdrawn without prior approval.

§ 2. Section 4 of 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, is amended to read as follows:

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

§ 3. This act shall take effect immediately; provided, however that section one of this act shall take effect on the same date and in the same manner as 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, takes effect.