

AMENDED IN SENATE JUNE 19, 2008

AMENDED IN ASSEMBLY APRIL 8, 2008

AMENDED IN ASSEMBLY MARCH 25, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2328

Introduced by Assembly Member Price

February 21, 2008

An act to add Section 1418.92 to the Health and Safety Code, relating to health facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2328, as amended, Price. Skilled nursing facilities: notice of facility sale.

Existing law, the Long-Term Care, Health, Safety, and Security Act of 1973 provides for the licensing and regulation of long-term health care facilities, as defined, including skilled nursing facilities, by the State Department of Public Health. A willful or repeated violation of these provisions is a misdemeanor.

This bill would require a skilled nursing facility that has declared bankruptcy and that will be offered for sale to provide written notice, as defined, and a contact number for more information, to the public and to all employees of the facility, as specified, of the impending sale of the facility when the facility is to be offered for sale. *The bill would also require the department to provide specified information regarding any facility licensee that has declared bankruptcy and that will be offered for sale to the trustee appointed by the bankruptcy court, as provided.*

By creating a new crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1418.92 is added to the Health and Safety
2 Code, to read:

3 1418.92. (a) A licensed skilled nursing facility, that has
4 declared bankruptcy and that will be offered for sale, shall provide
5 written notice of the impending sale of the facility and a contact
6 number for more information to the public and to all employees
7 of the facility when the facility is to be offered for sale.

8 (b) For purposes of this section, “written notice” shall include
9 both written notices provided to employees, and notices posted at
10 a location, frequented by employees and residents of the facility,
11 that can easily be seen by those residents, their family members
12 and visitors, and the employees.

13 (c) *The department shall provide the following information,*
14 *regarding any licensee that has declared bankruptcy and where*
15 *the licensed facility will be offered for sale, to the trustee appointed*
16 *by the bankruptcy court and to any individual who has submitted*
17 *an application to become a prospective management company or*
18 *prospective owner of the facility:*

19 (1) *Any information provided to the department by the facility*
20 *licensee pursuant to Section 1421.5.*

21 (2) *Information on any pending regulatory actions that may*
22 *cause the termination of the facility’s certification for Medicare*
23 *or Medi-Cal by the federal Centers for Medicare and Medicaid*
24 *Services.*

25 (3) *Information on any proposed or actual denial of payment*
26 *by Medicare or Medi-Cal for eligible residents or incoming*
27 *residents.*

1 (4) Information on any proposed or actual ban on new
2 admissions to be imposed on the facility.

3 (5) Information on any designation of the facility as a Special
4 Focus Facility by the Centers for Medicare and Medicaid Services.

5 (6) Information on any corporate integrity agreement or
6 corporate compliance agreement that exists between the licensee
7 and the federal Department of Health and Human Services Office
8 of Inspector General or the Office of the Attorney General within
9 the California Department of Justice.

10 (d) In evaluating the application of any prospective management
11 company or prospective owner, the department shall ensure that
12 the applicant has sufficient resources and experience to address
13 the operational issues created by the bankruptcy and to address
14 any additional impact on operations created by the existence of
15 any item identified in subdivision (c).

16 SEC. 2. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 the only costs that may be incurred by a local agency or school
19 district will be incurred because this act creates a new crime or
20 infraction, eliminates a crime or infraction, or changes the penalty
21 for a crime or infraction, within the meaning of Section 17556 of
22 the Government Code, or changes the definition of a crime within
23 the meaning of Section 6 of Article XIII B of the California
24 Constitution.