

Legislation Details (With Text)

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**Title:** Amending Title 6 of The Philadelphia Code, the "Health Code," to add a section establishing reporting and employment requirements related to changes in ownership or of the license holder of long-term care facilities and hospitals; all under certain terms and conditions.

**Sponsors:** Councilmember Thomas, Councilmember Brooks, Councilmember Gauthier, Councilmember Gym, Councilmember Henon, Councilmember Gilmore Richardson, Councilmember O'Neill, Councilmember Bass

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**Code sections:**

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Date	Ver.	Action By	Action	Result	Tally
6/9/2021	1	MAYOR	SIGNED		
5/27/2021	1	CITY COUNCIL			
5/14/2021	0	Committee on Public Health and Human Services	HEARING NOTICES SENT		
5/14/2021	0	Committee on Public Health and Human Services	HEARING HELD		
5/14/2021	0	Committee on Public Health and Human Services	AMENDED		
5/14/2021	1	Committee on Public Health and Human Services	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
4/15/2021	0	CITY COUNCIL			

Amending Title 6 of The Philadelphia Code, the "Health Code," to add a section establishing reporting and employment requirements related to changes in ownership or of the license holder of long-term care facilities and hospitals; all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Chapter 6-400 of The Philadelphia Code is hereby amended as follows:

CHAPTER 6-400. MISCELLANEOUS STANDARDS AND REQUIREMENTS

\* \* \*

§ 6-409. *Changes in Ownership of Long-Term Care Facilities and Hospitals.*

(1) *Definitions.*

(a) *“Hospital” means an institution having an organized medical staff established for the purpose of providing to inpatients, by or under the supervision of physicians, diagnostic and therapeutic services for the care of persons who are injured, disabled, pregnant, diseased, sick or mentally ill or rehabilitation services for the rehabilitation of persons who are injured, disabled, pregnant, diseased, sick or mentally ill. The term includes facilities for the diagnosis and treatment of disorders within the scope of specific medical specialties, but not facilities caring exclusively for the mentally ill.*

(b) *“Long-term care facility” means a group living facility that provides long-term medical or personal care to residents who are unable to manage independently in the community, including, but not limited to, assisted living facilities, nursing homes, skilled and unskilled nursing facilities, rehabilitation facilities, and similar group living facilities dedicated to the care of older adults or other medically vulnerable Populations.*

(c) *“Ownership interest” means ownership involving 5% or more of the stock, equity or other ownership, including indirect ownership, stake in a facility or the operator of a facility.*

(2) *The owner and proposed purchaser of a long-term care facility or hospital shall, jointly or separately, give written notice to the Department and the Clerk of Council and shall each post and keep posted, in conspicuous and accessible places on their premises in such locations where notices to employees are customarily posted, notice of an intent to (a) purchase, sell or otherwise transfer an ownership interest in the facility or hospital; or (b) transfer or obtain a required governmental license to operate such facility or hospital upon making a determination to enter into such a transaction, but in no event less than 45 days prior to the anticipated purchase, sale or transfer of ownership or transfer or application for licensure.*

(3) *The notice of intent must provide the following:*

(a) *The name and address of the facility or hospital.*

(b) *The name, address and a description of the corporate organizational structure of the legal entity seeking to obtain an ownership interest and/or license with respect to the facility or hospital.*

(c) *The name of all persons or entities with an ownership interest in the entity seeking to obtain an ownership interest and/or license with respect to the facility or hospital; the percentage of each such ownership interest; the names and addresses of any members of the boards or ex-officio corporate officers; any not-for-profit organizations with such an ownership interest. Excluded from this requirement are those persons or entities whose ownership interest is of shares in a publicly traded corporation.*

(d) *The names and addresses of long-term care facilities and hospitals currently or previously owned or managed by the entity seeking to obtain an ownership interest and/or license with respect to the facility or hospital, or by any of the persons or entities holding a direct or indirect controlling interest in the entity seeking to obtain such an interest or license, and the name of the jurisdictions in which those facilities or hospitals are operated and licensed.*

(4) *No later than 35 days prior to the effective date of sale of an ownership interest in a long-term care facility or hospital, the owner or operator of the facility or hospital shall submit to the Clerk of Council and post documentary evidence reflecting sale or transfer of ownership on its public and internal websites, if such exist, in locations where employment related notices can be readily accessed by employees. Every seven days after the initial submission, the owner or operator shall submit updates to such documents and any changes made to such documents. The documentary evidence shall include:*

*(a) A copy of any licensing application or license transfer request related to operation of the facility or hospital submitted to the Commonwealth Department of Health or other Commonwealth agency and all supporting documentation.*

*(c) The names and addresses of all individuals and entities with a current or indirect ownership stake and the new ownership stake in the real property of the facility or hospital.*

*(d) The names and addresses of the holders, or prospective holders, of any leases related to the facility or hospital.*

(5) *No more than five business days after receipt of any notice of intent submitted pursuant to subsection (2), the Department shall post the name of the facility or hospital, the incumbent owners of the facility or hospital, and the proposed purchasers identified in the notice of intent.*

(6) *In addition to submission of the information required under subsection (2) and (4), the entity acquiring an ownership interest shall submit to the Clerk of Council and post, on its public and internal websites, if such exist, in locations where employment-related notices can be readily accessed by employees, information demonstrating the acquiring entity's history of successful financial management and sufficient funding to operate the facility or hospital upon the transfer of ownership. Such information may include the following data:*

*(a) Audited financial statements for the past three fiscal years for each corporate entity with a direct or indirect ownership interest in the acquiring entity.*

*(b) Copies of all financing agreements entered into by the acquiring entity related to financing the purchase of the ownership interest in the facility or hospital.*

*(c) Documents demonstrating the acquiring entity's source of funding sufficient to operate the facility or hospital for a minimum of 90 days subsequent to the effective date of the transfer of ownership.*

(7) *Upon the completion of the sale, the acquiring entity shall submit to the Clerk of Council and immediately post notice of the transaction and the effective date of the transfer of ownership on its public and internal websites, if such exist, in locations where employment-related notices can be readily accessed by employees.*

*(8) A person or entity that acquires a long-term care facility or hospital shall retain at the same pay and benefits, for a 90-day transition period commencing with the effective date of the sale or transfer of ownership, all employees who have been employed either directly or indirectly, including contracted employees and employees of subcontractors, by the predecessor owner at the facility or hospital covered by the sale or ownership transfer agreement during the three month period immediately preceding the date of such effective date. Employees may only be discharged for just cause during this period. The implementation and enforcement provisions of Sections 9-5403, 9-5404, 9-5405 and 9-5406 of this Code shall apply to this Section (8) as if such provisions referred to an acquiring long-term care facility or hospital as a successor hotel employer and the employees of the acquired facility or hospital as employees of an incumbent hotel, and shall be subject to any implementing regulations of the Department of Labor applicable to Chapter 9-5400 (“Retention of Hotel Workers”).*

*(9) If any clause, sentence, paragraph or part of this Section, or the application thereof to any person or circumstance, shall for any reason be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this Section nor the application of such clause, sentence, paragraph or part to other persons or circumstances but shall be confined in its operation to the clause, sentence, paragraph or part thereof and to the persons or circumstances directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the legislative intent that this Section would have been adopted had such provisions not been included or such persons or circumstances been expressly excluded from their coverage.*