

AN ORDINANCE

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.

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

CHAPTER 6-400. MISCELLANEOUS STANDARDS AND REQUIREMENTS

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

(1) *Definitions.*

(a) *“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, including hospitals.*

(b) *“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 shall, jointly or separately, give written notice to the Department and the Clerk of Council of an intent to (a) purchase, sell or otherwise transfer an ownership interest in the facility; or (b) an intent to transfer or obtain a required governmental license to operate such facility 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, in such form as may be established by the Department:*

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

(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.*

(c) *The name of all persons or entities with an ownership interest in the l entity seeking to obtain an ownership interest and/or license with respect to the facility; 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 currently or previously owned or managed by the entity seeking to obtain an ownership interest and/or license with respect to the facility, 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 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, the owner or operator of the facility submit to the Department documentary evidence reflecting sale or transfer of ownership. 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 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.*

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

(5) *The Department shall post any notice of intent submitted pursuant to subsection (2) and of any documentation submitted pursuant to subsection (4) on its website no more than two business days after receipt of the notice or documentation.*

(6) *In addition to submission of the information required under subsection (2) and (4), the entity acquiring an ownership interest shall submit to the Department, in such form and manner as may be required by the Department, the following non-public information:*

(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.*

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

(7) *The acquiring entity shall certify completion of the sale to the Department, which certification the Department shall publish on its website.*

(8) *A person or entity that acquires a long-term care facility shall retain, 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 covered by the sale or ownership transfer agreement during the three month period immediately preceding the date of such effective date.*