

No. 1980-243

AN ACT

HB 2837

Amending the act of July 22, 1974 (P.L.610, No.207), entitled "An act providing loans for the repair, reconstruction and rehabilitation of nursing homes in order for them to comply with State and Federal Safety Standards; empowering the Governor, State Treasurer and Auditor General to issue general obligation bonds for this purpose; creating the Pennsylvania Nursing Home Loan Agency as a public corporation and government instrumentality; and empowering this agency to make loans and refinance loans to eligible nursing homes according to provisions of this act and making an appropriation," adding a legislative finding; further defining "nursing home" and "reconstruction"; and further providing for qualifications of applicants and loan application requirements.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 102, the definitions of "nursing home" and "reconstruction" in section 103, section 301 and subsection (a) of section 302, act of July 22, 1974 (P.L.610, No.207), known as the "Nursing Home Loan Agency Law," are amended to read:

Section 102. Legislative Finding.—It is hereby determined and declared as a matter of legislative finding that—

(1) because most nursing homes in the Commonwealth do not presently comply with State and Federal Safety Standards including the Life Safety Code; and

(2) because financing of these safety improvements is apparently not presently available through private financing under terms and conditions which would enable the improvements to be made; and

(3) because of this and for this purpose the voters of the Commonwealth approved by referendum on May 21, 1974 the incurrence of a debt not to exceed one hundred million dollars (\$100,000,000) through the sale of general obligation bonds by the Commonwealth; and

(4) because of the need for financial assistance to encourage discontinuance of unneeded hospital services and the conversion of unneeded hospital services to nursing home services needed by the community.

There exists a need to create what shall be known as the Nursing Home Loan Agency to make such loans for safety improvements according to provisions of this act.

Section 103. Definitions.—As used in this act unless otherwise indicated:

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"Nursing home" means any facility licensed or approved *or which is reasonably expected to be licensed or approved* as a nursing home

by the Department of Public Welfare under the act of June 13, 1967 (P.L.31, No.21), known as the "Public Welfare Code."

"Reconstruction" means the rebuilding or replacement of an existing nursing home structure or a portion thereof, whether on the same or a nearby site, when it is impracticable or uneconomic to repair or rehabilitate such structure or portion thereof and which does not increase the bed capacity, *and in areas in need of nursing home services the conversion of an existing structure or a portion thereof formerly used to provide inpatient hospital services, to a nursing home.* This shall not include any loan of moneys for site acquisition.

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Section 301. Qualification of Applicants.—All nursing homes [meeting applicable State and Federal regulations, with the exception of Life Safety Code, for the acceptance of Medicaid patients] shall be eligible to apply for loans from the Nursing Home Loan Agency under provisions of this act.

Section 302. Loan Application Requirements.—(a) Prior to the loaning of any funds to a nursing home by the Nursing Home Loan Agency for purposes as provided for in this act, the Nursing Home Loan Agency shall receive from such nursing home a loan application which shall be on a form to be developed by the agency and shall contain, without being limited to, the following provisions:

(1) Evidence of compliance with all applicable regulations of other State departments or agencies for acceptance of Medicaid patients with the exception of the Life Safety Code, *or a reconstruction plan which is in compliance with all applicable regulations of other State departments or agencies for acceptance of Medicaid patients.*

(2) An approved plan of correction of Life Safety Code deficiencies *or of compliance with Life Safety Code provisions* by the Department of Labor and Industry.

(3) Detailed cost estimates of proposed repairs, rehabilitation or reconstruction.

(4) Evidence that the nursing home is financially unable to come into compliance with State and Federal Safety Standards without loan assistance from the agency.

(5) Evidence that there is a reasonable likelihood of loan repayment including the applicant's willingness to enter into such agreements, mortgages or other security instruments as the agency may deem necessary to secure the loan.

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Section 2. This act shall take effect in 60 days.

APPROVED—The 19th day of December, A. D. 1980.

DICK THORNBURGH