

New Notice Requirement for Health Care Transactions

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On Wednesday, May 3rd, the Governor signed into law new rules governing certain health care transactions as part of the State Budget. While the final legislation included significantly weaker provisions than earlier proposals, the new law will add an extra hurdle to many larger health care business arrangements.

Under the new law the Department of Health will require notice of any transaction, or series of transactions over the course of a year, that results in:

1. A merger with a health care entity;
2. An acquisition of a health care entity;
3. A contract with a health care entity; or
4. The formation of a partnership, joint venture, accountable care organization, or management services organization, to manage contracts with health plans, pharmacy benefit managers, or health care providers.

Transactions that result in an increase in the health care entity's gross in-state revenue of less than \$25 million will be exempt from disclosure, as are certain clinical affiliations and any transaction already subject to Department of Health review (such as Certificate of Need applications).

Once the Department of Health receives notice of a transaction, the information will be shared with the Attorney General's anti-trust, health care and charities bureaus.

The Department of Health must adopt regulations to implement the new law, as such, further guidance is anticipated in due course.

A copy of the legislation is [available here](#).

The [healthcare attorneys](#) at Abrams Fensterman, LLP are committed to providing you with the most current and accurate information and guidance. If you have any questions, please contact [Patrick Formato, Esq.](#), [Barbara Stegun Phair, Esq.](#), [Ayman Solimon, Esq.](#), [Michael Bass, Esq.](#), [Richard Thomas, Esq.](#), [Violetta Fattakhova, Esq.](#), or any other attorney in our health law practice group.