

Pursuant to the authority vested in the Commissioner of Health by section 363-a(2) of the Social Services Law and sections 201(1)(o), 201(1)(p), 206(3) and 206(6) of the Public Health Law, Part 1002 of Title 10 (Health) of the Official Compilation of Codes, Rules and Regulations of the State of New York is repealed and Chapter XI is amended, to be effective upon publication of a Notice of Adoption in the New York State Register, to read as follows:

Chapter XI – [Limits on Administrative Expenses and Executive Compensation] Reserved.

## NOTICE OF CONSENSUS RULEMAKING

### **Statutory Authority:**

The authority for these regulations is contained in section 363-a(2) of the Social Security Law and in sections 201(1)(o), 201(1)(p), 206(3) and 206(6) of the Public Health Law.

### **Basis:**

Pursuant to Executive Order No. 38, issued on January 18, 2012 pertaining to limits on state-funded administrative costs and executive compensation the Department of Health was directed to adopt regulations to prevent public funds from being diverted to excessive compensation and unnecessary administrative costs. The Executive Order dictated a set percentage of State financial assistance or State-authorized payments to a provider for operating expenses that must be directed to provide direct care or services rather than go to supporting administrative costs. In addition, reimbursement with State financial assistance or State-authorized payments was not to be provided for compensation paid or given to any executive by such provider in an amount greater than \$199,000 per annum, provided, however, that the commissioner of each agency could adjust this figure annually based on appropriate factors and subject to the approval of the Director of the Budget. However, on October 8, 2021, Governor Kathy Hochul issued Executive Order No. 6, discontinuing a number of unnecessary and outdated Executive Orders. Pursuant to Governor Hochul's Executive Order No. 6, Executive Order 38, issued on January 18, 2012 pertaining to limits on state-funded administrative costs and executive compensation was discontinued. As such, Chapter XI of Title 10 of the NYCRR - Limits on Administrative Expenses and Executive Compensation - is no longer necessary.

## **STATEMENT IN LIEU OF JOB IMPACT STATEMENT**

No job impact statement is required pursuant to Section 201-a(2)(a) of the State Administrative Procedure Act. It is apparent, from the nature of the proposed amendment, that it will not have an adverse impact on jobs and employment opportunities.