BUSINESS IN WEEKLY WEBINAR SERIES





Your Host



Gabriel S. Oberfield

Senior Counsel goberfield@bsk.com New York, NY



TODAY'S AGENDA

Gabe Oberfield – (12:00PM-12:15PM)

- Intros / Agenda
- COVID Update
- Monkeypox and Polio Update
- Inflation Reduction Act of 2022

Giuseppe Franzella (12:15PM-12:25PM)

• Twitter/Musk case and the Potential Ramifications of the Chancery Court's Decision on Other Contracts

G. Oberfield (12:25PM-12:35PM)

• Health Care and Mental Hygiene Worker Bonus Program and Dept. of Health Matters

Sandra Casey – (12:35PM-12:45PM)

Update of Federal Title IV Regulations

G. Oberfield – (12:40-12:45PM)

Final Remarks / Adjourn



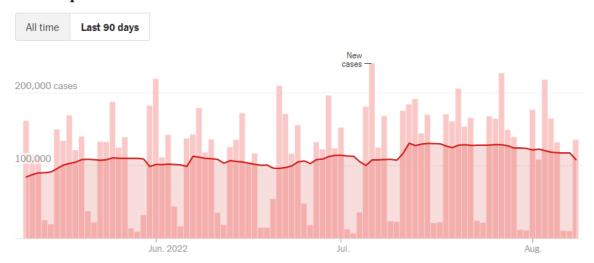
COVID Infection Trends & Information

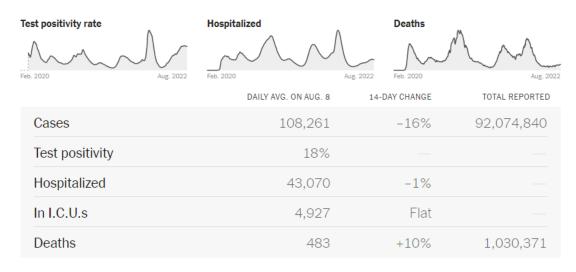


Today's COVID Picture, Nationally

Source: New York Times

New reported cases



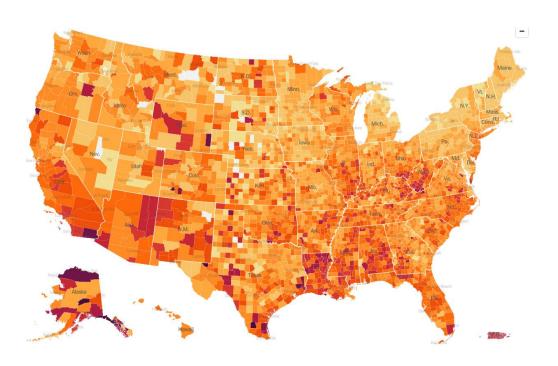


A (slight) dip in the climb...

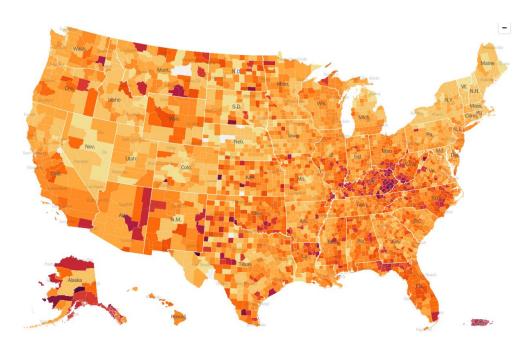


Today's COVID Hotspots

Source: New York Times



As of July 26, 2022



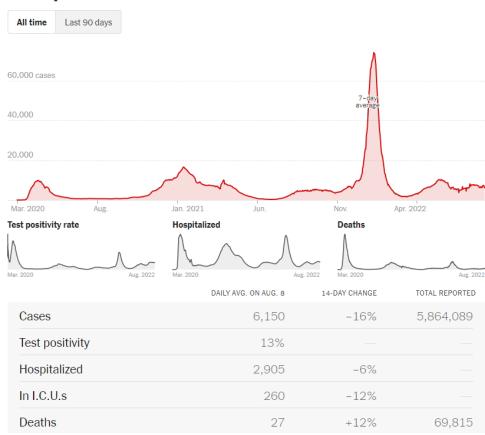
As of August 9, 2022 A bit of a break in the intensity...



Today's COVID Picture, in New York State

Source: New York Times

New reported cases



- Average daily caseload statewide has dropped 16 percent over a two-week period
- Recommendations concerning indoor masking remain in place



Two-Week Differentials in New York

Source: New York Times

July 26, 2022

	CASES DAILY AVG.	PER▼ 100,000	14-DAY CHANGE	TEST POSITIVITY	HOSPITALIZED AVG. PER 100,000	14-DAY CHANGE	DEATHS DAILY AVG.	PER 100,000
New York	7,503	39	+21%	13%	15	+11%	23.3	0.12
New York City >	4,527	54	+22%	14%	18	+25%	12.0	0.14
Nassau >	635	47	+3%	15%	33	+23%	2.4	0.18
Suffolk >	583	39	+15%	14%	17	+13%	1.3	0.09
Orange >	142	37	+41% 💳	15%	10	+20%	0.2	0.05
Rockland >	116	36	+28% ===	14%	7	+24%	0.2	0.06
Westchester >	337	35	+1%	14%	18	+25%	1.3	0.13
Dutchess >	80	27	+13%	17%	10	+42%	0.3	0.10
Schenectady >	41	27	+62%	18%	4	+27%	0.3	0.16
Putnam >	25	25	-13% ~	14%	10	+66%	0.1	0.15
Warren >	16	25	+14% ~	10%	7	+7%	0	

August 9, 2022

	CASES DAILY AVG.	PER ▼ 100,000	14-DAY CHANGE	TEST POSITIVITY	HOSPITALIZED AVG. PER 100,000	14-DAY CHANGE	DAILY AVG.	PER 100,000
New York	6,150	32	-16% 	13%	15	-6%	26.7	0.14
New York City >	3,565	43	-18%	14%	19	Flat	17.0	0.20
Nassau >	462	34	-28%	14%	36	-1%	1.3	0.09
Sullivan	25	33	+29% 🦳	16%	15	+40%	0	
Orange >	124	32	-14%	15%	14	+27%	0.3	0.07
Rockland >	103	32	-11%	14%	8	-13%	0.4	0.11
Suffolk >	453	31	-23%	13%	19	-4%	1.1	0.08
Warren >	19	29	+10%	10%	12	+50%	0.1	0.22
Westchester >	281	29	-18%	14%	18	Flat	0.9	0.09
Fulton >	14	26	+71%	21%	12	+164%	0.1	0.21
Putnam >	24	25	-7%	14%	11	-1%	<0.1	0.07



Monkeypox ... Where We Were Two Weeks Ago

Source: New York Times



By Apoorva Mandavilli

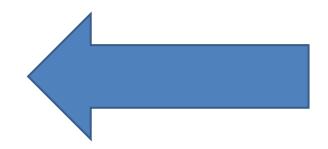
Apoorva Mandavilli has covered the 2022 monkeypox outbreak since the first case in the United States was identified.

July 23, 2022

For the second time in two years, the World Health Organization has taken the extraordinary step of declaring a global emergency. This time the cause is monkeypox, which has spread in just a few weeks to dozens of countries and infected tens of thousands of people.

Dr. Tedros Adhanom Ghebreyesus, the W.H.O.'s director general, on Saturday overruled a panel of advisers, who could not come to a consensus, and declared a "public health emergency of international concern," a designation the W.H.O. currently uses to describe only two other diseases, Covid-19 and polio.

W.H.O. Declares Monkeypox Spread a Global Health Emergency



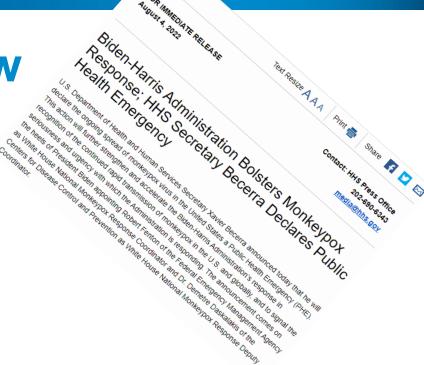


Monkeypox ... Where We Are Now

Sources: New York Times, HHS.gov, nyc.gov, & politico.com

MAO I Kell Light L

- Monkeypox has been declared a Federal public health emergency (PHE)
 - See: Section 319 of the Public Health Service Act
- Other jurisdictions in alignment including NYS and NYC
 - Per Mayor Eric Adams: c. 150K New Yorkers @ risk of infection
- Implications:
 - Expedited resources to control community spread
 - Relaxation of related regulatory elements
- Issues 'on the Ground' Continue:
 - There remains a dearth of available vaccine
 - Timing and supply chain issues



Why Monkeypox Vaccine Shortage May Threaten the Immunocompromised

People with H.I.V. and other immune-system problems may need the full two-dose regimen, researchers say. But the shots, particularly second doses, are hard to come by.











And Concerning Polio...

Source: New York Times

- Evidence of community spread in NYS counties (primarily lower Hudson Valley)
- DOH and other health officials monitoring closely, in the context of vaccination numbers in related communities



New York May Face 'Tip of the Iceberg' With Polio, Health Chief Says

With increased urgency, state officials called for residents to get vaccinated against the disease after it was found in a second county's wastewater.











Rockland County's Health Department opened a pop-up clinic to distribute polio vaccine last month. Victor J. Blue for The New York Times

By Ed Shanahan

Aug. 4, 2022



Inflation Reduction Act of 2022

Sources: Politico.com & thehill.com

Cleared Senate over weekend

- Followed uncertainty concerning positions of Senators Manchin and Sinema
- Party-line vote

Some key attributes

- Energy and Climate Provisions
 - \$27 billion in 'Greenhouse Gas Reduction' funding
- Prescription Drug Pricing
 - Medicare program permitted to negotiate elements of drug pricing
 - Some cost capping permitted (primarily in Medicare)

Next steps

- House to review bill on or about August 12 (broader Democratic majority expected to ease passage)
- President Biden expected to sign legislation into law



Sen. Manchin (see https://www.manchin.senate.gov/)



Sen. Sinema (see https://www.sinema.senate.gov/)



Specific Performance and the Case Against Elon Musk



Giuseppe Franzella Member gfranzella@bsk.com Melville, NY



The Musk Offer

Exhibit B

Bret Taylor Chairman of the Board,

I invested in Twitter as I believe in its potential to be the platform for free speech around the globe, and I believe free speech is a societal imperative for a functioning democracy.

However, since making my investment I now realize the company will neither thrive nor serve this societal imperative in its current form. Twitter needs to be transformed as a private company.

As a result, I am offering to buy 100% of Twitter for \$54.20 per share in cash, a 54% premium over the day before I began investing in Twitter and a 38% premium over the day before my investment was publicly announced. My offer is my best and final offer and if it is not accepted, I would need to reconsider my position as a shareholder.

Twitter has extraordinary potential. I will unlock it.

/s/ Elon Musk

Elon Musk

Script

[SEND VIA TEXT]

As I indicated this weekend, I believe that the company should be private to go through the changes that need to be made.

After the past several days of thinking this over, I have decided I want to acquire the company and take it private.

I am going to send you an offer letter tonight, it will be public in the morning.

Are you available to chat?

[VOICE SCRIPT]

- Best and Final:
 - a. I am not playing the back-and-forth game.
 - b. I have moved straight to the end.
 - c. It's a high price and your shareholders will love it.
 - d. If the deal doesn't work, given that I don't have confidence in management nor do I believe I can drive the necessary change in the public market, I would need to reconsider my position as a shareholder.
 - 1. This is not a threat, it's simply not a good investment without the changes that need to be made.
 - ii. And those changes won't happen without taking the company private.
- 2. My advisors and my team are available after you get the letter to answer any questions
 - a. There will be more detail in our public filings. After you receive the letter and review the public filings, your team can call my family office with any questions.



The Delaware Chancery Court

8/8/22, 11:57 AM

Court of Chancery - Delaware Courts - State of Delaware

Court of Chancery



WHO WE

Are

The Delaware Court of Chancery is widely recognized as the nation's preeminent forum for the determination of disputes involving the internal affairs of the thousands upon thousands of Delaware corporations and other business entities through which a vast amount of the world's commercial affairs is conducted. Its unique competence in and exposure to issues of business law are unmatched.



(history.aspx)

History (history.aspx)
A short history of the Court of Chancery, which dates back to 1792.



(jurisdiction.aspx)
Jurisdiction (jurisdiction.aspx)

https://courts.delaware.gov/chancery/



Specific Performance

- Existence of a valid and binding agreement
- Plaintiff's compliance with the agreement
- Defendant's failure to abide by the agreement



Health Care and Mental Hygiene Worker Bonus Program & Dept. of Health Matters



Gabriel S. Oberfield

Senior Counsel goberfield@bsk.com New York, NY



Health Care and Mental Hygiene Worker Bonus Program – Open Now, and First Deadline is Sept. 2, 2022

Sources: New York State Dept. of Health and the Office of the Governor

New York State Launches Health Care and Mental Hygiene Worker Bonus (HWB) Program and Submissi...



Medicaid Redesign Team Update List <MRT-L@LISTSERV.HEALTH.ST/ To MRT-L@LISTSERV.HEALTH.STATE.NY.US



External Email: Use caution before clicking links or opening attachments.

Dear MRT Listsery Subscriber,

New York's essential frontline health care and mental hygiene workers have seen us through a once-in-a-century public health crisis that transformed our state into a model for battling COVID-19. As part of the Fiscal Year 2023 New York State Executive Budget legislation, \$1.2 billion has been allocated by Governor Kathy Hochul and the State Legislature via the **Health Care and Mental Hygiene Worker Bonus (HWB) Program** for the payment of bonuses to "recruit, retain, and reward health care and mental hygiene workers" who meet specified eligibility requirements. The official press release can be found at the following link: <u>Governor Hochul Launches Health Care Worker Bonus Program</u>.

This listserv notice is to inform our provider community that the New York State Department of Health, working with the Governor's Office and other state agency partners, has launched the HWB Program Portal to facilitate submission by eligible employers on behalf of their employees who qualify for bonus payments.

As a next step, all providers are strongly encouraged to visit the following links for more information:

HWB Program Announcement and Information

https://www.health.ny.gov/health_care/medicaid/providers/hwb_program/

HWB Program FAQs

https://www.health.ny.gov/health care/medicaid/providers/hwb program/hwb program faq.htm

HWB Program Portal

https://www.nysworkerbonus.com/

Providers with additional questions may contact the **Health Care Worker Bonus Call Center** at (866) 682-0077 or via email at nvsworkersbonus@health.nv.gov.

Thank you.

Medicaid Redesign Team (MRT) Updates

New York State Department of Health Office of Health Insurance Programs One Commerce Plaza Albany, NY 12237 mrtupdates@health.ny.gov



Program Information

New York's essential front line health care and mental hygiene workers have seen us through a once-in-a-century public health crisis and turned our state into a model for battling and beating COVID-19.

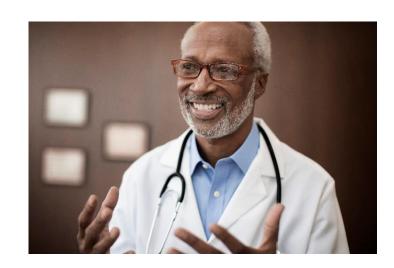
To attract talented people into the profession at a time of such significant strain, while also retaining those who have been working so tirelessly these past two years, we must recognize the efforts of our health care and mental hypiene workforce and reward them financially for their service. To do so, as part of the Fiscal Year 2023 New York State Executive Budget legislation, \$1.2 billion in funding has been allocated for the payment of bonuses for carbate foodline has been supported.

Located within Part ZZ of Chapter 56 of the Laws of 2022, the HWB provision allows for the payment of bonuses to "recruit, retain, and reward health care and mental hygiene workers" meeting specified eligibility requirements



Bonus Program – Its Origins

- Connected to 'health care worker bonus' language approved in SFY 2022-23 State budget
 - More than \$1B set aside for envisioned 'front line' healthcare worker bonuses
 - Up to \$3K, each with \$1.5K per vesting period and no more than two vesting periods of eligibility
 - An outgrowth of the pandemic
 - Predicated on salary
 - \$125K cap (excluding bonuses and OT) and role





Bonus Program – Employer Elements

- Eligibility:
 - Generally those with linkages to Medicaid programs, some aligned State programs, and some education programs (e.g., medical education – fellows and residents)
- Timing of bonus payments must be no later than 30 days after receiving State funding for bonus purposes
 - Limitations on employers' ability to 'opt out' (e.g., to avoid administrative hurdles)
 - Penalties dependent on eligible employees
- Attestation requirements





Bonus Program – Employee Requirements

- Employee requirements:
 - Six months of continuous employment over the span of 'vesting' period(s)
 - Employees cannot claim the bonuses w/out involvement of their employer(s)
 - Attestation requirements
 - o Eligible titles:
 - Lengthy list, available here:
 https://www.health.ny.gov/health_care/medicaid/providers/hwb_program/#title
 <a href="mailto:s





Bonus Program – Department of Health Resources



- DOH has established
 - a related Web portal:
 https://www.health.ny.gov/he

 alth_care/medicaid/provider
 s/hwb_program/ and
 - an FAQ resource:

 https://www.health.ny.gov/he
 alth_care/medicaid/provider
 s/hwb_program/hwb_program_faq.htm



Bonus Program – Vesting Periods

- Five successive 'vesting' periods first open now:
 - October 1, 2021–March 31, 2022
 - Related submittals due by
 September 2, 2022
 - Others:
 - October 2022
 - May 2023
 - October 2023
 - May 2024

New York State Health Care and Mental Hygiene Worker Bonus (HWB) Program



December Information

New York's essential front line health care and mental hygiene workers have seen us through a once-in-a-century public health crisis and turned our state into a model for battling and beating COVID-19.

to attract taenetee speed into the profession at a time of such significant strain, while also fetalining those who have been working so tirelessly these past two years, we must recognize the efforts or our neath care and mental hygiene workforce and reward them financially for their service. To do so, as part of the Fiscal Year 2023 New York State Executive Budget legislation, \$1.2 billion in funding has been allocated for the payment of bonuses for certain frontline healthcare workers.

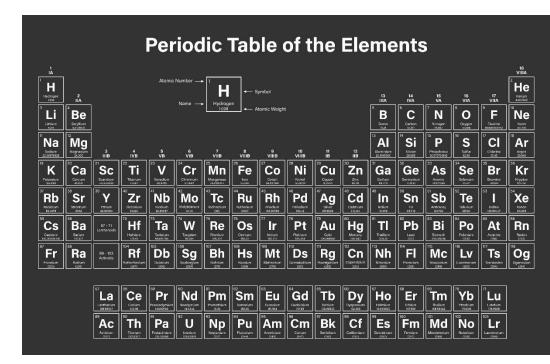
Located within Part ZZ of Chapter 56 of the Laws of 2022, the HWB provision allows for the payment of bonuses to "recruit, retain, and reward health care and mental hygiene workers" meeting specified eligibility requirement Bonus amounts will be commensurate with the number of hours worked by eligible workers covered by the HWB Program during designated vesting periods for up to a total of \$3,000 per covered worker.

The official New York State press release can be found at the following link: Governor Hochul Launches Health Care Worker Bonus Program



Bonus Program – Portal Elements

- Elements of the Portal
- Facilitates submittals for providers
- Employer and employee attestations required
 - concerning salary,
 - hours worked, and
 - when worked





What We've Been Learning ... As We Help Clients Navigate the Program

Eligible Titles:

- We understand that NYSDOH intends to adhere to the list of titles
 - If a title is not on the list, it is not eligible

Treatment of the Bonus Payment:

- Likely part of the "regular hourly rate" for the basis of overtime pay calculations
 - Consequently, if an employee worked overtime during the vesting period, the employer must calculate and pay an additional amount in overtime pay

Multi-Employer Benefit Funds:

- Some employers that contribute to multi-employer benefit funds based on compensation made may have an addition contribution obligation –
 - This depends on the terms of the CBA or contribution agreement and so will vary across employers



Bonus Program – Some Questions We've Been Fielding

- Who are the eligible employees?
- Does my organization have to participate?
- What happens if an employee works for a third party and is functionally leased to my organization?
- How quickly do I need to move on this?



New York State Dept. of Health Announces Reorganization



*Public health touches every facet of our lives; State Commissioner of Health Dr. Mary T. Bassett sald. *Our new organizational public health and comprises a regulatory function for health care delivery natitudens and health insurance systems to improve health access and outcomes for all New Yorkers. The scope of this Department extends beyond traditional public health and comprises a regulatory function for health care delivery natitudens and health Dr. Mary T. Bassett sald. *Our new organizational focus and headership team structure will better position the Department of the public health and comprises a regulatory function for health care delivery natitudens and health Dr. Mary T. Bassett sald. *Our new organizational focus and headership team structure will better position the Department of the Department o Public health touches every facet of our lives; "State Commissioner of Health Dr. Mary T. Bassett sald. "Our new organizational focus and leadership team structure will better position the Department to shape our priorities and health insurance."

Public health touches every facet of our lives; "State Commissioner of Health Dr. Mary T. Bassett sald. "Our new organizational focus and leadership team structure will better position the Department of the structure will be the structu programs that provide coverage to over one-third of New Yorkers, in my tenure as commissioner, i intend to do my utmost to fulfill our mandate. New Yorkers deserve no less."

Since becoming Health Commissioner, Dr., Bassett has Sought to optimize cross-functional collaboration, recruit and retain a more diverse workforce, groups and multiple conversations were essential to understanding the Challenges the prioritize using data to drive public health decisions. She has also sought out ideas from staff, the backbone of the Department. A staff survey, focus groups and multiple conversations were essential to understanding the challenges the prioritize using data to drive public health decisions. She has also sought out ideas from staff, the backbone of the Department. Since becoming Health Commissioner, Dr. Bassett has sought to optimize cross-functional collaboration, recruit and retain a more diverse workforce, elevate health equity and the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not to start the needs of older New Yorkers, foster a culture of inclusivity, it is not the needs of older New Yorkers, foster a culture of inclusivity, it is not the needs of older New Yorkers, foster a culture of inclusivity, it is not the needs of older New Yorkers, foster a culture of inclusivity, it is not the needs of older New Yorkers, foster a culture of inclusivity, it is not the needs of older New Yorkers, foster a culture of inclusivity, it is not the needs of older New Yorkers, foster a culture of inclusivity, it is not the needs of older New Yorkers, foster a culture of inclusivity, it is not the needs of the needs of inclusivity, it is not the needs of the needs of inclusivity, it is not the needs of the needs of inclusivity, it is not the needs of the needs of inclusi systems to improve health access and outcomes for all New Yorkers. The scope of this Department extends beyond traditional public health and comprises a regulatory function.

Systems to improve health access and outcomes for all New Yorkers. In my tenure as commissioner, I intend to do my utmost to fulfill our mandate. New Yorkers deserve no least programs that provide coverage to over one-third of New Yorkers. In my tenure as commissioner, I intend to do my utmost to fulfill our mandate.

Department faces and how to address them."

- Creating a new Commissioner's Cabinet
- Strengthening the Regional Offices



High-Level Look at U.S. Department of Education's Title IV Proposed Rules



Sandra M. Casey

Senior Counsel scasey@bsk.com Albany, NY



Title IV Proposed Rules

There were two sets of proposed federal financial aid regulations that were published in July of this year. These regulations were subject to negotiated rulemaking where committees were formed by the U.S. Department of Education (USED). The committees reached consensus on some of the rules-meaning they had unanimous support-but not all. Where there is not consensus, the Department is allowed to issue its own proposed rules, which is what occurred with regard to the proposed Borrower Defense Rules.

The comment period for these proposed rules is short-only thirty days. And the Department is in a rush to finalize the rules before November 1 for an effective date of July 1, 2023. If the final rules are not published by then, the effective date of the rules would be July 1, 2024. This rigid schedule is a result of the requirements in the federal Higher Education Act related to student aid provisions under Title IV.



NPRM of July 28, 2022

- The comment period for these proposed rules runs until August 26, 2022.
- These rules set forth eligibility requirements for incarcerated individuals to receive Pell grants in a Prison Education Program ("PEP").
- Specifically, the proposed regulation defines incarcerated individual as one "who is serving a criminal sentence in a Federal, State, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional institution."



NPRM of July 28, 2022

- The proposed rules would also amend the 90/10 requirement for proprietary institutions. Under the federal Higher Education Act, proprietary institutions are prohibited from deriving more than 90 percent of their revenue from federal sources and therefore must receive at least 10 percent of their revenue from non-federal sources. The proposed rules would specify what funds should be considered federal funds and provide more regulatory oversight over calculation of federal versus non-federal revenue.
- The NPRM would also create a new requirement for when proprietary institutions must request and disburse Title IV from USED.



NPRM of July 28, 2022

 The proposed rules also provides greater oversight when there is a change in ownership that moves a proprietary institution from profit-making to a nonprofit institution. Specifically, the proposed regulations would clarify the existing definition of a "nonprofit institution" to ensure that institutions converting from proprietary status meet the standards to qualify as a nonprofit, including to avoid providing net earnings of the institution to a private entity or person; establish clearer upfront requirements for applications for changes in ownership; and provide for greater clarity in the procedures USED follows in reviewing changes in ownership for continued eligibility for Title IV aid.



NPRM of July 13

- The comment period for these proposed rules runs until August 12, 2022.
- These proposed rules touch upon various requirements in the Direct Loan Program, the Federal Perkins Loan Program, and the Federal Family Education Loan Program and provide more favorable treatment to the borrower in terms of discharge of loans due to disability or public service loan forgiveness.



NPRM of July 13 - Borrower Defense Rules

 The proposed regulations make sweeping changes to rules allowing individuals to apply for a discharge of their loans based upon the institution's conduct. Specifically, a borrower defense discharge would occur when the USED determines an institution engaged in substantial misrepresentations or substantial omissions of fact, breached a loan contract, engaged in aggressive academic recruitment, or was subject to a judgment based on Federal or State law in a court or administrative tribunal of competent jurisdiction based upon these behaviors, or was subject to a prior sanction by USED.



NPRM of July 13 - Borrower Defense Rules

- Where the borrower's defense is warranted, the proposed regulations would also enhance the USED's recoupment authority, making it easier for USED to hold institutions accountable for costs by recouping the costs of the discharged loans.
- There is also a process in the proposed rules to allow not only individuals to apply for discharge of loans but also for USED to institute's its own action on behalf of an entire group of borrowers to pursue a discharge. Both the individual application and the USED group action would be decided by USED staff and not an impartial hearing official.
- The new rules would apply to any borrower defense applications pending on or filed after July 1, 2023, without regard to when the conduct upon which the claim is based took place. Thus, past conduct that does not constitute the basis for a discharge under current law, could be deemed to violate the law after the new rule becomes effective.
- There is also a presumption in the rules that the borrower was harmed by the conduct of the institution's conduct so the borrower would need not show actual harm.



Conclusion

- Institutions will need to pay close attention to these Title IV
 proposed regulations, especially the borrower defense rules, if
 and when, they are finalized. All institutional operations will be
 scrutinized under the borrower defense rules and institutions
 faced with borrower defense claims will be hampered in their own
 defense of such claims given the proposed regulatory framework.
- We encourage all to review the borrower defense rules with your counsel and your trade associations and comment if at all possible.



Questions



Gabriel S. Oberfield

Senior Counsel goberfield@bsk.com New York, NY



Your Host

Gabriel Oberfield, goberfield@bsk.com

Specific Performance and the Case Against Elon Musk Giuseppe Franzella, <u>gfranzella@bsk.com</u>

Health Care and Mental Hygiene Worker Bonus Program & Dept. of Health Matters Gabriel Oberfield, goberfield@bsk.com

High-Level Look at U.S. Department of Education's Title IV Proposed Rules Sandra Casey, scasey@bsk.com

New York Employment Law: The Essential Guide

NYS Bar Association Members can buy the book from the bar here. Non-NYS Bar Association Members can purchase through Amazon here.



Thank You

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It is not to be considered as legal advice.

Laws can change often, and information may become outdated.

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