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HEALTH AND SAFETY CODE - HSC

DIVISION 2. LICENSING PROVISIONS [1200 - 1796.70] (*Division 2 enacted by Stats. 1939, Ch. 60.*)

CHAPTER 2. Health Facilities [1250 - 1339.59] (*Chapter 2 repealed and added by Stats. 1973, Ch. 1202.*)

ARTICLE 8. Management of Long-Term Health Care Facilities [1325 - 1335] (*Article 8 added by Stats. 1982, Ch. 1456, Sec. 2.*)

1325. The Legislature finds and declares that the transfer trauma which accompanies the abrupt and involuntary transfer of patients from one nursing home to another should be avoided when reasonable alternatives exist.

It is the intent of the Legislature in enacting this article to provide an alternative by establishing a system whereby the State Department of Health Services may apply for a court order appointing a receiver to temporarily operate a long-term health care facility. The receivership is not intended to punish a licensee or to replace attempts to secure cooperative action to protect the patients' health and security. The receivership is intended to protect the patients in the absence of other reasonably available alternatives.

The receiver may be appointed when a long-term health care facility is found to be in such condition that continued operation by the licensee, or his or her representative, presents a substantial probability or imminent danger of serious physical harm or death to the patients.

The receiver shall assume the operation of such a facility in order to either bring it into compliance with law and return it to the original licensee in accordance with standards set forth in this article, or facilitate a transfer of ownership to a new licensee. The receiver shall assure the orderly transfer of patients should the facility ultimately close.

(Amended by Stats. 1990, Ch. 1385, Sec. 1. Effective September 28, 1990.)

1325.5. (a) It is the intent of the Legislature in enacting this section to empower the state department to take quick, effective action to protect the health and safety of residents of long-term health care facilities and to minimize the effects of transfer trauma that accompany the abrupt transfer of elderly and disabled residents.

(b) For purposes of this section, "temporary manager" means the person, corporation, or other entity, appointed temporarily by the state department as a substitute facility manager or administrator with authority to hire, terminate, or reassign staff, obligate facility funds, alter facility procedures, and manage the facility to correct deficiencies identified in the facility's operation.

(c) The director may appoint a temporary manager when any of the following circumstances exist:

(1) The residents of the long-term health care facility are in immediate danger of death or permanent injury by virtue of the failure of the facility to comply with federal or state requirements applicable to the operation of the facility.

(2) As a result of the change in the status of the license or operation of a long-term health care facility, the facility is required to comply with Section 1336.2, the facility fails to comply with Section 1336.2, and the state department has determined that the facility is unwilling or unable to meet the requirements of Section 1336.2.

(d) Upon appointment, the temporary manager shall take all necessary steps and make best efforts to eliminate immediate danger of death or permanent injury to residents or complete transfer of residents to alternative placements pursuant to Section 1336.2.

(e) (1) The appointment of a temporary manager shall become effective immediately and shall continue until any of the following events occurs:

(A) The temporary manager notifies the department, and the department verifies, that the facility meets state and, if applicable, federal standards for operation, and will be able to continue to maintain compliance with those standards after the termination of temporary management.

(B) A receiver is appointed under this article.

- (C) The department approves a new management company.
- (D) A new operator is licensed.
- (E) The state department closes the facility, through an orderly transfer of the residents.
- (F) A hearing or court order ends the temporary manager appointment.
- (G) The appointment is terminated by the department or the temporary manager.

(2) The appointment of a temporary manager shall authorize the temporary manager to act pursuant to this section. The appointment shall be made pursuant to an agreement between the temporary manager and the state department that outlines the circumstances under which the temporary manager may expend funds. The temporary manager shall make no long-term capital investments to the facility without the permission of the state department. The state department shall provide the licensee and administrator with a statement of allegations at the time of appointment. Within 48 hours, the department shall provide the licensee and the administrator with a formal statement of cause and concerns. The statement of cause and concerns shall specify the factual and legal basis for the imposition of the temporary manager and shall be supported by the declaration of the director or the director's authorized designee. The statement of cause and concerns shall notify the licensee of the licensee's right to petition the Office of Administrative Hearings for a hearing to contest the appointment of the temporary manager and shall provide the licensee with a form and appropriate information for the licensee's use in requesting a hearing.

(f) (1) The licensee of a long-term health care facility may contest the appointment of the temporary manager by filing a petition for an order to terminate the appointment of the temporary manager with the Office of Administrative Hearings, within 60 days from the date of mailing of the statement of cause and concerns. On the same day as the petition is filed with the Office of Administrative Hearings, the licensee shall deliver a copy of the petition to the office of the director.

(2) Upon receipt of a petition of hearing, the Office of Administrative Hearings shall set a hearing date and time within five business days of the receipt of the petition. The office shall promptly notify the licensee and the state department of the date, time, and place of the hearing. The office shall assign the case to an administrative law judge. At the hearing, relevant evidence may be presented pursuant to Section 11513 of the Government Code. The administrative law judge shall issue a written decision on the petition within five business days of the conclusion of the hearing. The five-day time periods for holding the hearing and rendering a decision may be extended by the agreement of the parties.

(3) The administrative law judge shall uphold the appointment of the temporary manager if the state department proves, by a preponderance of the evidence, that the circumstances specified in subdivision (c) applied to the facility at the time of the appointment. The administrative law judge shall order the termination of the temporary manager if the burden of proof is not satisfied.

(g) The decision of the administrative law judge is subject to judicial review as provided in Section 1094.5 of the Code of Civil Procedure by the superior court sitting in the county where the facility is located. This review may be requested by the licensee of the facility or the state department by filing a petition seeking relief from the order. The petition may also request the issuance of temporary injunctive relief pending the decision on the petition. The superior court shall hold a hearing within five business days of the filing of the petition and shall issue a decision on the petition within five days of the hearing. The state department may be represented by legal counsel within the state department for purposes of court proceedings authorized under this section.

(h) If the licensee of the long-term health care facility does not protest the appointment, it shall continue in accordance with subdivision (e).

(i) (1) If the licensee of the long-term health care facility petitions the Office of Administrative Hearings pursuant to subdivision (f), the appointment of the temporary manager by the director pursuant to this section shall continue until it is terminated by the administrative law judge or by the superior court, or it shall continue for 30 days from the date the administrative law judge or the superior court upholds the appointment of the temporary manager, whichever is earlier.

(2) At any time during the appointment of the temporary manager, the director may request an extension of the appointment by filing a petition for hearing with the Office of Administrative Hearings and serving a copy of the petition on the licensee. The office shall proceed as specified in paragraph (2) of subdivision (f). The administrative law judge may extend the appointment of the temporary manager as follows:

- (A) Upon a showing by the state department that the conditions specified in subdivision (c) continue to exist, an additional 60 days.
- (B) Upon a finding that the state department is seeking a receiver, until the state department has secured the services of a receiver pursuant to this article.

(3) The licensee or the state department may request review of the administrative law judge's decision on the extension as provided in subdivision (g).

(j) The temporary manager appointed pursuant to this section shall meet the following qualifications:

(1) Be qualified to oversee correction of deficiencies on the basis of experience and education.

(2) Not have been found guilty of misconduct by any licensing board.

(3) Have no financial ownership interest in the facility and have no member of their immediate family who has a financial ownership interest in the facility.

(4) Not currently serve, or within the past two years have served, as a member of the staff of the facility.

(5) Be acceptable to the facility.

(k) Payment of the temporary manager's salary or fee shall comply with the following requirements:

(1) Shall be paid directly by the facility while the temporary manager is assigned to that facility.

(2) Shall be equivalent to the sum of the following:

(A) The prevailing salary or fee paid by licensees for positions of the same type in the facility's geographic area.

(B) Additional costs that reasonably would have been incurred by the licensee if the licensee had been in an employment relationship.

(C) Any other reasonable costs incurred by the appointed temporary manager in furnishing services pursuant to this section.

(3) May exceed the amount specified in paragraph (2) if the department is otherwise unable to attract a qualified temporary manager.

(l) (1) The state department may use funds from the Health Facilities Citation Penalties Account, pursuant to Section 1417.2, to operate the facility after all other facility revenues are exhausted.

(2) Funds used pursuant to this subdivision shall constitute a debt due to the state and may be collected pursuant to appropriate legal action taken by the department to collect the debt from the licensee, including from the licensee's financial interest in related parties described in subdivision (a) of Section 1424.3. Beginning January 1, 2023, the department shall give written notice to related parties that it may take action to collect the licensee's debt as described in this paragraph. If the department determines, after two notifications, that the related parties are not financially viable or recovery is unlikely, the department shall document this determination. The documentation shall include the names of the related parties notified, detailed information on the methods used by the department to make the determination, and a clear justification for the department's determination. The documentation of the department's determination and supporting explanation shall be available to the public by request, unless the records are not subject to disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), in which case the department shall provide the reason for not disclosing the records.

(m) The state department shall adopt regulations for the administration of this section on or before December 31, 2001.

(Amended by Stats. 2022, Ch. 28, Sec. 82. (SB 1380) Effective January 1, 2023.)

1326. As used in this article, "long-term health care facility" means any skilled nursing facility, intermediate care facility, intermediate care facility/developmentally disabled, intermediate care facility/developmentally disabled habilitative, intermediate care facility/developmentally disabled-nursing, intermediate care facility/developmentally disabled-continuous nursing, or congregate living health facility licensed pursuant to this chapter.

(Amended by Stats. 2009, 4th Ex. Sess., Ch. 5, Sec. 7. Effective July 28, 2009.)

1327. (a) Whenever circumstances exist indicating that continued management of a long-term health care facility by the current licensee would present a substantial probability or imminent danger of serious physical harm or death to the patients, or there exists in the facility a condition in substantial violation of this chapter or the rules and regulations adopted pursuant to this chapter, or the facility exhibits a pattern or practice of habitual violation of this chapter or the rules and regulations adopted pursuant thereto, or the facility is closing or intends to terminate operation as a licensed long-term health care facility and adequate arrangements for relocation of residents have not been made at least 30 days prior to the closing or termination, the director may petition the superior court for the county in which the long-term health care facility is located for an order appointing a receiver to temporarily operate the long-term health care facility in accordance with this article.

The petition shall allege the facts upon which the action is based and shall be supported by an affidavit of the director. A copy of the petition and affidavits, together with an order to appear and show cause why temporary authority to operate the long-term health care facility should not be vested in a receiver pursuant to this article, shall be delivered to the licensee, administrator, or a responsible person at the facility to the attention of the licensee and administrator. The order shall specify a hearing date, which shall be not less than five, nor more than 10, days following delivery of the petition and order upon the licensee, except that the court may shorten or lengthen the time upon a showing of just cause.

(b) If the director files a petition pursuant to subdivision (a) for appointment of a receiver to operate a long-term health care facility, in accordance with Section 564 of the Code of Civil Procedure, the director may also petition the court, in accordance with Section 527 of the Code of Civil Procedure, for an order appointing a temporary receiver. A temporary receiver appointed by the court pursuant to this subdivision shall serve until the court has made a final determination on the petition for appointment of a receiver filed pursuant to subdivision (a). A receiver appointed pursuant to this subdivision shall have the same powers and duties as a receiver would have if appointed pursuant to subdivision (a).

At the time of the hearing, the state department shall advise the licensee of the name of the proposed receiver. The receiver shall be a licensed nursing home administrator or other responsible person or entity, as determined by the court, from a list of qualified receivers established by the state department, with input from providers of long-term care and consumer representatives. The department shall consult with the Board of Nursing Home Administrators, in order to screen potential receivers who are licensed by the board, and to determine if they are administrators in good standing. Persons appearing on the list shall have experience in the delivery of health care services, and, if feasible, shall have experience with the operation of a long-term health care facility. The receivers shall have sufficient background and experience in management and finances to ensure compliance with orders issued by the court. The owner, licensee, or administrator shall not be appointed as the receiver unless authorized by the court.

If at the conclusion of the hearing, which may include oral testimony and cross-examination at the option of any party, the court determines that adequate grounds exist for the appointment of a receiver and that there is no other reasonably available remedy to protect the patients, the court may issue an order appointing a receiver to temporarily operate the long-term health care facility and enjoining the licensee from interfering with the receiver in the conduct of his or her duties. The court shall in any such proceedings make written findings of fact and conclusions of law, and shall require an appropriate bond to be filed by the receiver and paid for by the licensee. The bond shall be in an amount necessary to protect the licensee in the event of any failure on the part of the receiver to act in a reasonable manner. The bond requirement may be waived by the licensee.

The court may permit the licensee to participate in the continued operation of the facility during the pendency of any receivership ordered pursuant to this section and shall issue an order detailing the nature and scope of participation.

Failure of the licensee to appear at the hearing on the petition shall constitute an admission of all factual allegations contained in the petition for purposes of these proceedings only.

The licensee shall receive notice and a copy of the application each time the receiver applies to the court or the state department for instructions regarding his or her duties under the provisions of this article, when an accounting pursuant to Section 1330 is submitted, and when a report pursuant to Section 1332 or other report is submitted. The licensee shall have an opportunity to present objections or otherwise participate in any such proceeding.

(c) (1) The director may petition the superior court pursuant to this section for the county in which any health facility, as defined in subdivision (e), (g), or (h) of Section 1250, providing long-term care for persons with developmental disabilities is located, for an order appointing a temporary receiver to operate the facility for a maximum of 120 days in accordance with this article.

(2) The state department may provide onsite technical assistance to the receiver appointed pursuant to this subdivision, if requested by the receiver, to continue operation of the facility. The technical assistance may include, but need not be limited to, technical assistance regarding any of the following:

- (A) Staff training and personnel management.
- (B) Rate adjustment applications and appeals.
- (C) Administrative practices and procedures.
- (D) Fiscal management.
- (E) Licensing regulations and review procedures.

(3) The state department shall notify the State Department of Developmental Services and the appropriate regional center, or centers, of the receivership action.

(4) When the director has determined that the facility specified in paragraph (1) presents a risk of abruptly closing, but the director determines that the situation does not require the filing of a petition with the court for an order appointing a receiver, the director may provide onsite technical assistance as specified in paragraph (2) to the operator of the facility if the operator requests the assistance.

(Amended by Stats. 1994, Ch. 1275, Sec. 56. Effective January 1, 1995.)

1327.1. The state department shall investigate within 30 days of receipt of a complaint alleging that circumstances permitting a petition for receivership under Section 1327 exist in a long-term health care facility. The result of the investigation shall be documented by the state department in the facility file.

(Added by Stats. 1990, Ch. 940, Sec. 2.)

1327.2. In the event that the state department proceeds with a receivership petition, the state department shall hold an informational meeting in the affected community for residents, family members, and interested parties.

(Added by Stats. 1990, Ch. 940, Sec. 3.)

1327.3. Subdivision (b) of Section 1327 shall not be construed to prohibit the state department from including on its list of qualified receivers a consortium of community agencies that includes one or more licensed nursing home administrators, as long as the consortium is established as a legal entity.

The court may approve receivership arrangements where more than one individual shares receivership duties, as long as one licensed nursing home administrator or other responsible person or entity is the legally appointed receiver.

(Added by Stats. 1990, Ch. 940, Sec. 4.)

1327.5. No person shall impede the operation of a receivership created under Section 1327. There shall be an automatic stay for a 60-day period subsequent to the appointment of a receiver, of any action that would interfere with the functioning of the facility, including, but not limited to, cancellation of insurance policies executed by the licensees, termination of utility services, attachments or set-offs of resident trust funds and working capital accounts and repossession of equipment in the facility.

(Added by Stats. 1987, Ch. 666, Sec. 1.5.)

1328. (a) Notwithstanding any other provision of law, the receiver shall be liable only for damages resulting from gross negligence in the operation of the facility or intentional tortious acts.

(b) Notwithstanding any other provision of law, the State of California shall be liable only for damages resulting from negligence of the receiver in the operation of the facility.

(c) The licensee shall not be liable for any occurrences during the receivership except to the extent that the occurrences are the result of the licensee's conduct.

(Added by Stats. 1982, Ch. 1456, Sec. 2.)

1329. (a) When a receiver is appointed, the licensee may, at the discretion of the court, be divested of possession and control of the facility in favor of the receiver. The receiver appointed pursuant to this article:

(1) May exercise those powers and shall perform those duties ordered by the court, in addition to other duties provided by statute.

(2) Shall operate the facility in a manner which assures safety and adequate health care for the residents.

(3) Shall have the same rights to possession of the building in which the facility is located, and of all goods and fixtures in the building at the time the petition for receivership is filed, as the licensee and administrator would have had if the receiver had not been appointed.

(4) May use the funds, building, fixtures, furnishings, and any accompanying consumable goods in the provision of care and services to residents and to any other persons receiving services from the facility at the time the petition for receivership was filed.

(5) Shall take title to all revenue coming to the facility in the name of the receiver who shall use it for the following purposes in descending order of priority:

(A) To pay wages to staff. The receiver shall have full power to hire, direct, manage, and discharge employees of the facility, subject to any contractual rights they may have. The receiver shall pay employees at the same rate of compensation, including benefits, that the employees would have received from the licensee.

(B) To preserve patient funds. The receiver shall be entitled to, and shall take, possession of all property or assets of residents which are in the possession of the licensee or operator of the facility. The receiver shall preserve all property, assets, and records of residents of which the receiver takes possession.

(C) To contract for outside services as may be needed for the operation of the long-term health care facility. Any contract for outside services in excess of three thousand dollars (\$3,000) shall be approved by the court.

(D) To pay commercial creditors of the long-term health care facility. Except as provided in Section 1329.5, the receiver shall honor all leases, mortgages, and secured transactions affecting the building in which the facility is located and all goods and fixtures in the building of which the receiver has taken possession, but only to the extent of payments which, in the case of a rental agreement, are for the use of the property during the period of receivership, or which, in the case of a purchase agreement, come due during the period of receivership.

(E) To receive a salary, as approved by the court.

(F) To do all things necessary and proper to maintain and operate the facility in accordance with sound fiscal policies. The receiver shall take action as is reasonably necessary to protect or conserve the assets or property of which the receiver takes possession and may use such assets or property only in the performance of the powers and duties set out in this section and by order of the court.

(G) To ask the court for direction in the treatment of debts incurred prior to the appointment, where the licensee's debts appear extraordinary, of questionable validity, or unrelated to the normal and expected maintenance and operation of the facility, or where payment of the debts will interfere with the purposes of receivership.

(b) A person who is served with notice of an order of the court appointing a receiver and of the receiver's name and address shall be liable to pay the receiver, rather than the licensee, for any goods or services provided by the long-term health care facility after the date of the order. The receiver shall give a receipt for each payment and shall keep a copy of each receipt on file. The receiver shall deposit amounts received in a special account and shall use this account for all disbursements. Payment to the receiver pursuant to this subdivision shall discharge the obligation to the extent of the payment and shall not thereafter be the basis of a claim by the licensee or any other person. A resident may not be discharged nor may any contract or rights be forfeited or impaired, nor may any forfeiture be effected or liability increased, by reason of an omission to pay the licensee, operator, or other person a sum paid to the receiver pursuant to this subdivision.

(c) Nothing contained in this section shall be construed to suspend, during the temporary management by the receiver, any obligation of the licensee for payment of local, state, or federal taxes. No licensee may be held liable for acts or omissions of the receiver during the term of the temporary management.

(d) Upon petition of the receiver, the court may order immediate payment to the receiver for past services which have been rendered and billed, and the court may also order a sum not to exceed one month's advance payment to the receiver of any sums that will become payable under the Medi-Cal program.

(Amended by Stats. 1990, Ch. 1385, Sec. 3. Effective September 28, 1990.)

1329.5. (a) A receiver may not be required to honor any lease, mortgage, or secured transaction entered into by the licensee of the facility and another party if the court finds that the agreement between the parties was entered into for a collusive, fraudulent purpose or that the agreement is unrelated to the operation of the facility.

Any lease, mortgage, or secured transaction or any agreement unrelated to the operation of the facility which the receiver is permitted to dishonor pursuant to this subdivision shall only be subject to nonpayment by the receiver for the duration of the receivership, and the dishonoring of the lease, mortgage, security interest, or other agreement, to this extent, by the receiver shall not relieve the owner or operator of the facility from any liability for the full amount due under the lease, mortgage, security interest, or other agreement.

(b) If the receiver is in possession of real estate or goods subject to a lease, mortgage, or security interest which the receiver is permitted to avoid pursuant to subdivision (a), and if the real estate or goods are necessary for the continued operation of the facility, the receiver may apply to the court to set a reasonable rent, price, or rate of interest to be paid by the receiver during the duration of the receivership. The court shall hold a hearing on this application within 15 days. The receiver shall send notice of the application to any known owner of the property involved at least 10 days prior to the hearing.

Payment by the receiver of the amount determined by the court to be reasonable is a defense to any action against the receiver for payment or possession of the goods or real estate, subject to the lease or mortgage, which is brought by any person who received the notice required by this subdivision. However, payment by the receiver of the amount determined by the court to be reasonable shall not relieve the owner or operator of the facility from any liability for the difference between the amount paid by the receiver and the amount due under the original lease, mortgage, or security interest.

(Amended by Stats. 1987, Ch. 1425, Sec. 3.)

1330. A monthly accounting shall be made by the receiver to the state department of all moneys received and expended by the receiver on or before the 15th day of the following month or as ordered by the court, and the remainder of income over expenses for

such month shall be returned to the licensee. A copy of the accounting shall be provided to the licensee. The licensee or owner of the long-term health care facility may petition the court for a determination as to the reasonableness of any expenditure made pursuant to paragraph (5) of subdivision (a) of Section 1329.

(Added by Stats. 1982, Ch. 1456, Sec. 2.)

1331. (a) The receiver shall be appointed for an initial period of not more than six months. The initial six-month period may be extended for additional periods not exceeding six months, as determined by the court pursuant to this section. At the end of four months, the receiver shall report to the court on its assessment of the probability that the long-term health care facility will meet state standards for operation by the end of the initial six-month period and will continue to maintain compliance with those standards after termination of the receiver's management. If it appears that the facility cannot be brought into compliance with state standards within the initial six-month period, the court shall take appropriate action as follows:

(1) Extend the receiver's management for an additional six months if there is a substantial likelihood that the facility will meet state standards within that period and will maintain compliance with the standards after termination of the receiver's management. The receiver shall report to the court in writing upon the facility's progress at the end of six weeks of any extension ordered pursuant to this paragraph.

(2) Order the director to revoke or temporarily suspend, or both, the license pursuant to Section 1296 and extend the receiver's management for the period necessary to transfer patients in accordance with the transfer plan, but for not more than six months from the date of initial appointment of a receiver, or 14 days, whichever is greater. An extension of an additional six months may be granted if deemed necessary by the court.

(b) If it appears at the end of six weeks of an extension ordered pursuant to paragraph (1) of subdivision (a) that the facility cannot be brought into compliance with state standards for operation or that it will not maintain compliance with those standards after the receiver's management is terminated, the court shall take appropriate action as specified in paragraph (2) of subdivision (a).

(c) In evaluating the probability that a long-term health care facility will maintain compliance with state standards of operation after the termination of receiver management ordered by the court, the court shall consider at least the following factors:

(1) The duration, frequency, and severity of past violations in the facility.

(2) History of compliance in other long-term health care facilities operated by the proposed licensee.

(3) Efforts by the licensee to prevent and correct past violations.

(4) The financial ability of the licensee to operate in compliance with state standards.

(5) The recommendations and reports of the receiver.

(d) Management of a long-term health care facility operated by a receiver pursuant to this article shall not be returned to the licensee, to any person related to the licensee, or to any person who served as a member of the facility's staff or who was employed by the licensee prior to the appointment of the receiver unless both of the following conditions are met:

(1) The department believes that it would be in the best interests of the residents of the facility, requests that the court return the operation of the facility to the former licensee, and provides clear and convincing evidence to the court that it is in the best interests of the facility's residents to take that action.

(2) The court finds that the licensee has fully cooperated with the department in the appointment and ongoing activities of a receiver appointed pursuant to this section, and, if applicable, any temporary manager appointed pursuant to Section 1325.5.

(e) The owner of the facility may at any time sell, lease, or close the facility, subject to the following provisions:

(1) If the owner closes the facility, or the sale or lease results in the closure of the facility, the court shall determine if a transfer plan is necessary. If the court so determines, the court shall adopt and implement a transfer plan of not more than 30 days.

(2) If the licensee proposes to sell or lease the facility and the facility will continue to operate as a long-term health care facility, the court and the state department shall reevaluate any proposed transfer plan. If the court and the state department determine that the sale or lease of the facility will result in compliance with licensing standards, the transfer plan and the receivership shall, subject to those conditions that the court may impose and enforce, be terminated upon the effective date of the sale or lease.

(Amended by Stats. 2001, Ch. 685, Sec. 8. Effective January 1, 2002.)

1332. The salary of the receiver shall be set by the court commensurate with long-term health care facility industry standards, giving due consideration to the difficulty of the duties undertaken, and shall be paid from the revenue coming to the facility. If the revenue is insufficient to pay the salary in addition to other expenses of the operating facility, the receiver's salary shall be paid from the General Fund.

(Amended by Stats. 1987, Ch. 666, Sec. 4.)

1333. (a) To the extent state funds are advanced for the salary of the receiver or for other expenses in connection with the receivership, as limited by subdivision (d) of Section 1329, the state shall be reimbursed from the revenues accruing to the facility or to the licensee or an entity related to the licensee. Any reimbursement received by the state shall be redeposited in the account from which the state funds were advanced. If the revenues are insufficient to reimburse the state, the unreimbursed amount shall constitute a lien upon the assets of the facility or the proceeds from the sale thereof. The lien shall not attach to the interests of a lessor, unless the lessor is operating the facility.

(b) For purposes of this section, "entity related to the licensee" means an entity, other than a natural person, of which the licensee is a subsidiary or an entity in which any person who was obligated to disclose information under Section 1267.5 possesses an interest that would also require disclosure pursuant to Section 1267.5.

(Amended by Stats. 2000, Ch. 451, Sec. 12. Effective January 1, 2001.)

1334. (a) Nothing in this article shall impair the right of the owner of a long-term health care facility to dispose of his or her property interests in the facility, but any facility operated by a receiver pursuant to this article shall remain subject to such administration until terminated by the court. The termination shall be promptly effectuated, provided that the interests of the patients have been safeguarded as determined by the court.

(b) Nothing in this article shall limit the power of the court to appoint a receiver under any other applicable provision of law or to order any other remedy available under law.

(Added by Stats. 1982, Ch. 1456, Sec. 2.)

1335. The state department shall adopt regulations for the administration of this article. Nothing in this article shall impair the authority of the state department to temporarily suspend licenses under Section 1296 or to reach a voluntary agreement with the licensee for alternate management of a long-term health care facility. Nothing in this article shall authorize the state department to interfere in any labor dispute.

(Added by Stats. 1982, Ch. 1456, Sec. 2.)