

Committee on Banking and Insurance

CS/HB 749 — Continuing Care Communities

by Insurance and Banking Subcommittee and Rep. Van Zant and others (CS/CS/SB 1126 by Fiscal Policy Committee; Banking and Insurance Committee; and Senators Altman and Margolis)

The bill revises laws governing continuing care retirement communities (CCRCs), which are facilities that provide shelter and nursing care or personal services to residents upon the payment of an entrance fee. The bill requires continuing care facilities to provide refunds of entrance fees within 90 days after the continuing care contract is terminated and the unit is vacated, instead of within 120 days of the notice to cancel under current law. The bill requires continuing care contracts to specify one of three sources of payment for refunds paid from the proceeds of subsequent entrance fees and prohibits refunds conditioned on receipt of the entrance fee for the same unit after October 1, 2016.

The bill requires continuing care retirement communities (CCRCs) to establish residents' councils, whose activities must be independent of the CCRC.

The bill specifies that continuing care and continuing care at-home contracts are preferred claims in the event of receivership or liquidation and are subordinate only to secured claims.

The bill revises disclosure requirements for third-party audits of the CCRC and notice requirements related to examination reports and any related corrective action plan.

There is no fiscal impact to the state.

If approved by the Governor, these provisions take effect October 1, 2015.

Vote: Senate 39-0; House 113-0