

By Senator Fasano

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1 A bill to be entitled
2 An act relating to continuing care facilities;
3 amending s. 651.011, F.S.; revising definitions
4 relating to ch. 651, F.S.; amending s. 651.012, F.S.;
5 conforming cross-references; amending s. 651.015,
6 F.S.; increasing the fees for a certificate of
7 authority and a provisional certificate of authority
8 to operate a continuing care facility; amending s.
9 651.022, F.S.; increasing the threshold amount for
10 businesses that must be identified in an application
11 for a provisional certificate of authority; adding
12 wait-list contracts to the forms that must be
13 submitted with the application; amending s. 651.0235,
14 F.S.; conforming provisions to changes made by the
15 act; amending s. 651.026, F.S.; revising the financial
16 information that must be submitted annually for each
17 certified facility; requiring the annual report to
18 reflect any changes in accounting principle
19 terminology; amending s. 651.033, F.S.; authorizing a
20 provider to assess a separate, nonrefundable fee for
21 processing an application for continuing care;
22 amending s. 651.035, F.S.; clarifying that the amounts
23 maintained in escrow relating to taxes refer to
24 property taxes; deleting an obsolete provision;
25 amending s. 651.055, F.S.; providing that a resident
26 is deemed to be occupying a unit upon the payment of
27 certain fees; providing a timeframe for rescinding a
28 contract; increasing the application processing fee;
29 conforming provisions to changes made by the act;

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30 amending s. 651.081, F.S.; renaming residents'
31 organizations as residents' councils; requiring the
32 provider to provide a newly elected chair of a council
33 with a copy of ch. 651, F.S., and related rules;
34 amending s. 651.083, F.S.; clarifying that a resident
35 has a right to receive residents' council memos and
36 announcements; prohibiting a provider from restricting
37 a resident's access to the council; amending s.
38 651.085, F.S.; requiring the provider to provide the
39 reasons for increasing the maintenance fee to the
40 chair of the residents' council; allowing a designated
41 representative to represent the provider at meetings;
42 amending s. 651.091, F.S.; specifying that a
43 management company or operator is an agent of the
44 provider for the purposes of disclosing certain
45 information to residents; expanding the list of items
46 that must be provided to the chair of the residents'
47 council; requiring the provider to provide a copy of
48 s. 651.071, F.S., relating to receivership or
49 liquidation, to all prospective residents; amending s.
50 651.105, F.S.; increasing the amount of time that the
51 Office of Insurance Regulation has to inspect a
52 facility; requiring the office to determine if all
53 disclosures have been made to the chair of the
54 residents' council; amending ss. 651.114 and 651.1151,
55 F.S.; conforming provisions to changes made by the
56 act; amending s. 651.121, F.S.; conforming provisions
57 to changes made by the act; requiring the chair of the
58 Continuing Care Advisory Council to report the

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59 council's findings and recommendations to the Governor
60 and the Commissioner of Insurance Regulation;
61 requiring the office to provide certain information to
62 the council; repealing s. 651.133, F.S., relating to
63 provisional certificates under prior law; amending s.
64 628.4615, F.S.; conforming cross-references; providing
65 an effective date.
66

67 Be It Enacted by the Legislature of the State of Florida:
68

69 Section 1. Section 651.011, Florida Statutes, is reordered
70 and amended to read:

71 651.011 Definitions.—For the purposes of this chapter, the
72 term:

73 (3)~~(1)~~ "Continuing Care Advisory Council" or "advisory
74 council" means the ~~Continuing Care Advisory~~ council established
75 in ~~by~~ s. 651.121.

76 (2) "Continuing care" or "care" means, furnishing pursuant
77 to a contract, furnishing shelter and ~~either~~ nursing care or
78 personal services as defined in s. 429.02, whether such nursing
79 care or personal services are provided in the facility or in
80 another setting designated by the contract for continuing care,
81 to an individual not related by consanguinity or affinity to the
82 provider furnishing such care, upon payment of an entrance fee.
83 Other personal services provided must ~~shall~~ be designated in the
84 continuing care contract. Contracts to provide continuing care
85 include agreements to provide care for any duration, including
86 contracts that are terminable by either party.

87 (4)~~(3)~~ "Entrance fee" means an initial or deferred payment

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88 of a sum of money or property made as full or partial payment to
89 assure the resident a place in a facility. An accommodation fee,
90 admission fee, or other fee of similar form and application are
91 ~~shall be~~ considered to be an entrance fee.

92 (5)~~(4)~~ "Facility" means a place that provides ~~in which it~~
93 ~~is undertaken to provide~~ continuing care.

94 (8)~~(5)~~ "Licensed" means that the provider has obtained a
95 certificate of authority from the department.

96 (9)~~(6)~~ "Provider" means the owner or operator, whether a
97 natural person, partnership or other unincorporated association,
98 however organized, trust, or corporation, of an institution,
99 building, residence, or other place, whether operated for profit
100 or not, which owner or operator provides ~~undertakes to provide~~
101 continuing care for a fixed or variable fee, or for any other
102 remuneration of any type, whether fixed or variable, for the
103 period of care, payable in a lump sum or lump sum and monthly
104 maintenance charges or in installments, but does not mean an ~~any~~
105 entity that has existed and continuously operated a facility
106 located on at least ~~no less than~~ 63 acres in this state
107 providing residential lodging to members and their spouses for
108 at least 66 years on or before July 1, 1989, and ~~such facility~~
109 has the residential capacity of 500 persons, is directly or
110 indirectly owned or operated by a nationally recognized
111 fraternal organization, is not open to the public, and accepts
112 only its members and their spouses as residents ~~at such a~~
113 ~~facility~~.

114 (10)~~(7)~~ "Records" means the permanent financial, directory,
115 and personnel information and data maintained by a provider
116 pursuant to this chapter.

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117 (11)~~(8)~~ "Resident" means a purchaser of, ~~or~~ a nominee of,
118 or a subscriber to, a continuing care agreement. Such ~~an~~
119 agreement does ~~may not be construed to~~ give the resident a part
120 ownership of the facility in which the resident is to reside,
121 unless expressly provided for in the agreement.

122 (6)~~(9)~~ "Generally accepted accounting principles" means
123 those accounting principles and practices adopted by the
124 Financial Accounting Standards Board and the American Institute
125 of Certified Public Accountants, including Statement of Position
126 90-8 with respect to any full year to which the statement
127 applies.

128 (7)~~(10)~~ "Insolvency" means the condition in which the
129 provider is unable to pay its obligations as they come due in
130 the normal course of business.

131 (1)~~(11)~~ "Advertising" means the dissemination of ~~any~~
132 written, visual, or electronic information by a provider, or any
133 person affiliated with or controlled by a provider, to potential
134 residents or their representatives for the purpose of inducing
135 such persons to subscribe to or enter into a contract to reside
136 in a continuing care community that is subject to this chapter
137 ~~covered by this act.~~

138 Section 2. Section 651.012, Florida Statutes, is amended to
139 read:

140 651.012 Exempted facility; written disclosure of
141 exemption.—Any facility exempted under ss. 632.637(1)(e) and
142 651.011(9) ~~651.011(6)~~ must provide written disclosure of such
143 exemption to each person admitted to the facility after October
144 1, 1996. This disclosure must be written using language likely
145 to be understood by the person and must briefly explain the

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146 ~~exemption provisions of ss. 632.637(1)(e) and 651.011(6).~~

147 Section 3. Subsection (2) of section 651.015, Florida
148 Statutes, is amended to read:

149 651.015 Administration; forms; fees; rules; fines.—The
150 administration of this chapter is vested in the commission,
151 office, and department, which shall:

152 (2) Collect in advance, and the applicant shall pay in
153 advance, the following fees:

154 (a) At the time of filing an application for a certificate
155 of authority, an application fee ~~in the amount~~ of \$5,000 ~~\$75~~ for
156 each facility.

157 (b) At the time of filing the annual report required by s.
158 651.026, a fee ~~in the amount~~ of \$100 for each year or part
159 thereof for each facility.

160 (c) A late fee not to exceed \$50 per ~~a~~ day for each day of
161 noncompliance.

162 (d) A fee to cover the actual cost of a credit report and
163 fingerprint processing.

164 (e) At the time of filing an application for a provisional
165 certificate of authority, a fee ~~in the amount~~ of \$5,000 ~~\$50~~.

166 Section 4. Paragraph (b) of subsection (2) of section
167 651.022, Florida Statutes, is amended, paragraph (g) is added to
168 that subsection, and paragraphs (i) and (j) of subsection (3) of
169 that section are amended, to read:

170 651.022 Provisional certificate of authority; application.—

171 (2) The application for a provisional certificate of
172 authority shall be on a form prescribed by the commission and
173 shall contain the following information:

174 (b) The full names, residences, and business addresses of:

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175 1. The proprietor, if the applicant or provider is an
176 individual.

177 2. Every partner or member, if the applicant or provider is
178 a partnership or other unincorporated association, however
179 organized, having fewer than 50 partners or members, together
180 with the business name and address of the partnership or other
181 organization.

182 3. The principal partners or members, if the applicant or
183 provider is a partnership or other unincorporated association,
184 however organized, having 50 or more partners or members,
185 together with the business name and business address of the
186 partnership or other organization. If such unincorporated
187 organization has officers and a board of directors, the full
188 name and business address of each officer and director may be
189 set forth in lieu of the full name and business address of its
190 principal members.

191 4. The corporation and each officer and director thereof,
192 if the applicant or provider is a corporation.

193 5. Every trustee and officer, if the applicant or provider
194 is a trust.

195 6. The manager, whether an individual, corporation,
196 partnership, or association.

197 7. Any stockholder holding at least a 10 percent ~~10 percent~~
198 interest in the operations of the facility in which the care is
199 to be offered.

200 8. Any person whose name is required to be provided in the
201 application under ~~the provisions of~~ this paragraph and who owns
202 any interest in or receives any remuneration from, ~~either~~
203 directly or indirectly, any professional service firm,

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204 association, trust, partnership, or corporation providing goods,
205 leases, or services to the facility for which the application is
206 made, with a real or anticipated value of \$10,000 ~~\$500~~ or more,
207 and the name and address of the professional service firm,
208 association, trust, partnership, or corporation in which such
209 interest is held. The applicant shall describe such goods,
210 leases, or services and the probable cost to the facility or
211 provider and shall describe why such goods, leases, or services
212 should not be purchased from an independent entity.

213 9. Any person, corporation, partnership, association, or
214 trust owning land or property leased to the facility, along with
215 a copy of the lease agreement.

216 10. Any affiliated parent or subsidiary corporation or
217 partnership.

218 (g) The forms of the continuing care residency contracts,
219 reservation contracts, escrow agreements, and wait-list
220 contracts, if applicable, which are proposed to be used by the
221 provider in the furnishing of care. If the office finds that the
222 continuing care contracts and escrow agreements comply with ss.
223 651.023(1)(c), 651.033, and 651.055, it shall approve them.
224 Thereafter, no other form of contract or agreement may be used
225 by the provider until it has been submitted to the office and
226 approved.

227 (3) In addition to the information required in subsection
228 (2), an applicant for a provisional certificate of authority
229 shall submit a market feasibility study. The market feasibility
230 study shall include at least the following information:

231 ~~(i) The application for a provisional certificate of~~
232 ~~authority shall be accompanied by the forms of the continuing~~

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233 ~~care residency and reservation contracts and escrow agreements~~
234 ~~proposed to be used by the provider in the furnishing of care.~~
235 ~~If the office finds that the continuing care contracts and~~
236 ~~escrow agreements comply with ss. 651.023(1)(c), 651.033, and~~
237 ~~651.055, it shall approve them. Thereafter, no other form of~~
238 ~~contract or agreement may be used by the provider until it has~~
239 ~~been submitted to the office and approved.~~

240 ~~(i)-(j)~~ The name of the person who prepared the feasibility
241 study and the experience of such person in preparing similar
242 studies or otherwise consulting in the field of continuing care.

243 Section 5. Subsection (2) of section 651.0235, Florida
244 Statutes, is amended to read:

245 651.0235 Validity of provisional certificates of authority
246 and certificates of authority.—

247 (2) If the provider fails to meet the requirements of this
248 chapter for a provisional certificate of authority or a
249 certificate of authority, the office may notify the provider of
250 any deficiencies and require the provider to correct such
251 deficiencies within a period to be determined by the office. If
252 such deficiencies are not corrected within 20 days after the
253 notice to the provider, or within less time at the discretion of
254 the office, the office shall notify the Continuing Care Advisory
255 Council, which may assist the facility in formulating a remedial
256 plan to be submitted to the office within ~~no later than~~ 60 days
257 after ~~from~~ the date of notification. The time period for
258 correcting the ~~granted to correct~~ deficiencies may be extended
259 upon submission of a plan for corrective action approved by the
260 office. If such deficiencies have not been cleared by the
261 expiration of such time period, as extended, the office shall

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262 petition for a delinquency proceeding or pursue such other
263 relief as ~~is~~ provided ~~for~~ under this chapter, as the
264 circumstances may require.

265 Section 6. Subsection (2) of section 651.026, Florida
266 Statutes, is amended to read:

267 651.026 Annual reports.—

268 (2) The annual report shall be in such form as the
269 commission prescribes and shall contain at least the following:

270 (a) Any change in status with respect to the information
271 required to be filed under s. 651.022(2).

272 (b) Financial statements audited by an independent
273 certified public accountant, which must ~~shall~~ contain, for two
274 or more periods if the facility has been in existence that long,
275 all of the following:

276 1. An accountant's opinion and, in accordance with
277 generally accepted accounting principles:

- 278 a. A balance sheet;
279 b. A statement of income and expenses;
280 c. A statement of equity or fund balances; and
281 d. A statement of changes in cash flows. ~~;~~ and

282 2. Notes to the financial statements considered customary
283 or necessary for ~~to~~ full disclosure or adequate understanding of
284 the financial statements, financial condition, and operation.

285 (c) The following financial information:

286 1. A detailed listing of the assets maintained in the
287 liquid reserve as required under ~~in~~ s. 651.035 and in accordance
288 with part II of chapter 625;

289 2. A schedule giving additional information relating to
290 property, plant, and equipment having an original cost of at

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291 least \$25,000, so as to show in reasonable detail with respect
292 to each separate facility original costs, accumulated
293 depreciation, net book value, appraised value or insurable value
294 and date thereof, insurance coverage, encumbrances, and net
295 equity of appraised or insured value over encumbrances. Any
296 property not used in continuing care must ~~shall~~ be shown
297 separately from property used in continuing care;

298 3. The level of participation in Medicare or Medicaid
299 programs, or both;

300 4. A statement of all fees required of residents,
301 including, but not limited to, a statement of the entrance fee
302 charged, the monthly service charges, the proposed application
303 of the proceeds of the entrance fee by the provider, and the
304 plan by which the amount of the entrance fee is determined if
305 the entrance fee is not the same in all cases; and

306 5. Any change or increase in fees if ~~when~~ the provider
307 changes ~~either~~ the scope of, or the rates for, care or services,
308 regardless of whether the change involves the basic rate or only
309 those services available at additional costs to the resident.

310 ~~6.a.~~ If the provider has more than one certificated
311 facility, or has operations that are not licensed under this
312 chapter, it shall submit a balance sheet, statement of income
313 and expenses, statement of equity or fund balances, and
314 statement of cash flows ~~statement of operations~~ for each
315 facility licensed under this chapter as supplemental information
316 to the audited financial statements required under paragraph (b)
317 ~~as part of the annual report.~~

318 ~~b. If the provider has operations that are not Florida~~
319 ~~certificated facilities, the provider shall also submit as~~

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320 ~~supplemental information to the audited financial statements,~~
321 ~~balance sheets, statements of changes in equity, and statements~~
322 ~~of cash flows for each Florida certificated facility.~~

323 (d) Such other reasonable data, financial statements, and
324 pertinent information as the commission or office may require
325 with respect to the provider or the facility, or its directors,
326 trustees, members, branches, subsidiaries, or affiliates, to
327 determine the financial status of the facility and the
328 management capabilities of its managers and owners.

329 (e) Each facility shall file with the office annually,
330 together with the annual report required by this section, a
331 computation of its minimum liquid reserve calculated in
332 accordance with s. 651.035 on a form prescribed by the
333 commission.

334 (f) If, due to a change in generally accepted accounting
335 principles, the balance sheet, statement of income and expenses,
336 statement of equity or fund balances, or statement of cash flows
337 is known by any other name or title, the annual report must
338 contain financial statements using the changed names or titles
339 that most closely correspond to a balance sheet, statement of
340 income and expenses, statement of equity or fund balances, and
341 statement of changes in cash flows.

342 Section 7. Paragraph (d) of subsection (1) of section
343 651.033, Florida Statutes, is amended, and paragraph (d) is
344 added to subsection (3) of that section, to read:

345 651.033 Escrow accounts.—

346 (1) When funds are required to be deposited in an escrow
347 account pursuant to s. 651.022, s. 651.023, s. 651.035, or s.
348 651.055:

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349 (d) All funds deposited in an escrow account, if invested,
 350 shall be invested as set forth in part II of chapter 625;
 351 however, such investment may ~~shall~~ not diminish the funds held
 352 in escrow below the amount required by this chapter. ~~All~~ Funds
 353 deposited in an escrow account are ~~shall~~ not be subject to any
 354 charges by the escrow agent except escrow agent fees associated
 355 with administering the accounts, or subject to any liens,
 356 judgments, garnishments, creditor's claims, or other
 357 encumbrances against the provider or facility except as provided
 358 in s. 651.035(1) ~~651.035(2)~~.

359 (3) In addition, when entrance fees are required to be
 360 deposited in an escrow account pursuant to s. 651.022, s.
 361 651.023, or s. 651.055:

362 (d) A provider may assess a nonrefundable fee, which is
 363 separate from the entrance fee, for processing a prospective
 364 resident's application for continuing care.

365 Section 8. Section 651.035, Florida Statutes, is amended to
 366 read:

367 651.035 Minimum liquid reserve requirements.—

368 (1) A provider shall maintain in escrow a minimum liquid
 369 reserve consisting of the following reserves, as applicable:
 370 ~~reserves specified in subsection (2).~~

371 ~~(2)~~(a) Each ~~A~~ provider shall maintain in escrow as a debt
 372 service reserve ~~an amount equal to~~ the aggregate amount of all
 373 principal and interest payments due during the fiscal year on
 374 any mortgage loan or other long-term financing of the facility,
 375 including property taxes as recorded in the audited financial
 376 statements required under s. 651.026. The amount must ~~shall~~
 377 include any leasehold payments and all costs related to such

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378 payments. If principal payments are not due during the fiscal
379 year, the provider shall maintain in escrow as a minimum liquid
380 reserve an amount equal to interest payments due during the next
381 12 months on any mortgage loan or other long-term financing of
382 the facility, including property taxes.

383 (b) A provider that ~~which~~ has outstanding indebtedness that
384 ~~which~~ requires ~~what is normally referred to as~~ a "debt service
385 reserve" to be held in escrow pursuant to a trust indenture or
386 mortgage lien on the facility and for which the debt service
387 reserve may only be used to pay principal and interest payments
388 on the debt that ~~which~~ the debtor is obligated to pay, and which
389 may include property taxes and insurance, may include such debt
390 service reserve in computing the ~~its computation of its~~ minimum
391 liquid reserve needed to satisfy this subsection if, provided
392 ~~that~~ the provider furnishes to the office a copy of the
393 agreement under which such debt service is held, together with a
394 statement of the amount being held in escrow for the debt
395 service reserve, certified by the lender or trustee and the
396 provider to be correct. The trustee shall provide the office
397 with any information concerning the debt service reserve account
398 upon request of the provider or the office.

399 (c) Each provider shall maintain in escrow an operating
400 reserve ~~in an amount~~ equal to 30 percent of the total operating
401 expenses projected in the feasibility study required by s.
402 651.023 for the first 12 months of operation. Thereafter, each
403 provider shall maintain in escrow an operating reserve ~~in an~~
404 ~~amount~~ equal to 15 percent of the total operating expenses in
405 the annual report filed pursuant to s. 651.026. If ~~Where~~ a
406 provider has been in operation for more than 12 months, the

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407 total annual operating expenses shall be determined by averaging
408 the total annual operating expenses reported to the office by
409 the number of annual reports filed with the office within the
410 ~~immediate~~ preceding 3-year period subject to adjustment if in
411 ~~the event~~ there is a change in the number of facilities owned.
412 For purposes of this subsection, total annual operating expenses
413 ~~shall~~ include all expenses of the facility except: depreciation
414 and amortization; interest and property taxes included in
415 paragraph (a) subsection (1); extraordinary expenses that ~~which~~
416 are adequately explained and documented in accordance with
417 generally accepted accounting principles; liability insurance
418 premiums in excess of those paid in calendar year 1999; and
419 changes in the obligation to provide future services to current
420 residents. For providers initially licensed during or after
421 calendar year 1999, liability insurance shall be included in the
422 total operating expenses in an amount not to exceed the premium
423 paid during the first 12 months of facility operation. Beginning
424 January 1, 1993, the operating reserves required under this
425 subsection shall be in an unencumbered account held in escrow
426 for the benefit of the residents. Such funds may not be
427 encumbered or subject to any liens or charges by the escrow
428 agent or judgments, garnishments, or creditors' claims against
429 the provider or facility. However, if a facility had a lien,
430 mortgage, trust indenture, or similar debt instrument in place
431 before ~~prior to~~ January 1, 1993, which encumbered all or any
432 part of the reserves required by this subsection and such funds
433 were used to meet the requirements of this subsection, then such
434 arrangement may be continued, unless a refinancing or
435 acquisition has occurred, and the provider shall be in

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436 compliance with this subsection.

437 (d) Each provider shall maintain in escrow a renewal and
438 replacement reserve ~~in an amount~~ equal to 15 percent of the
439 total accumulated depreciation based on the audited financial
440 statement required to be filed pursuant to s. 651.026, not to
441 exceed 15 percent of the facility's average operating expenses
442 for the past 3 fiscal years based on the audited financial
443 statements for each of those ~~such~~ years. For a provider who is
444 an operator of a facility but is not the owner and depreciation
445 is not included as part of the provider's financial statement,
446 the renewal and replacement reserve required by this paragraph
447 must ~~shall~~ equal 15 percent of the total operating expenses of
448 the provider, as described in this section. Each provider
449 licensed before ~~prior to~~ October 1, 1983, shall ~~be required to~~
450 fully fund the renewal and replacement reserve by October 1,
451 2003, by multiplying the difference between the former escrow
452 requirement and the present escrow requirement by the number of
453 years the facility has been in operation after October 1, 1983.

454 ~~(3) In lieu of fulfilling the escrow requirements provided~~
455 ~~in subsections (1) and (2), each facility licensed prior to~~
456 ~~October 1, 1983, shall be required to maintain in escrow the~~
457 ~~minimum liquid reserve that would have been required under this~~
458 ~~section as it existed on October 1, 1982, plus 5 percent of the~~
459 ~~difference between the former escrow requirement and the present~~
460 ~~escrow requirement multiplied by the number of years the~~
461 ~~facility has been in operation after October 1, 1983. Beginning~~
462 ~~October 1, 2003, the escrow requirements provided in subsections~~
463 ~~(1) and (2) shall apply in full to facilities licensed before~~
464 ~~October 1, 1983.~~

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465 (2)~~(4)~~(a) In facilities where not all residents are under
466 continuing care contracts, the reserve requirements of
467 subsection (1) ~~(2)~~ shall be computed only with respect to the
468 proportional share of operating expenses which are ~~that is~~
469 applicable to residents as defined in s. 651.011. For purposes
470 of this calculation, the proportional share shall be based upon
471 the ratio of residents under continuing care contracts to those
472 residents who do not hold such contracts.

473 (b) In facilities that ~~which~~ have voluntarily and
474 permanently discontinued marketing continuing care contracts,
475 the office may allow a reduced debt service reserve as required
476 in subsection (1) based upon the ratio of residents under
477 continuing care contracts to those residents who do not hold
478 such contracts if the office finds that such reduction is not
479 inconsistent with the security protections intended by this
480 chapter. In making this determination, the office may consider
481 such factors as the financial condition of the facility, the
482 provisions of the outstanding continuing care contracts, the
483 ratio of residents under continuing care agreements to those
484 residents who do not hold a continuing care contract, current
485 occupancy rates, previous sales and marketing efforts, life
486 expectancy of the remaining contract holders, and the written
487 policies of the board of directors of the provider or a similar
488 board.

489 (3)~~(5)~~ If ~~When~~ principal and interest payments are paid to
490 a trust that ~~which~~ is beneficially held by the residents as
491 described in s. 651.023(5), the office may waive all or any
492 portion of the escrow requirements for mortgage principal and
493 interest contained in subsection (1) if the office finds that

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494 such waiver is not inconsistent with the security protections
495 intended by this chapter.

496 (4)~~(6)~~ The office, upon approval of a plan for fulfilling
497 the requirements of this section and upon demonstration by the
498 facility of an annual increase in liquid reserves, may extend
499 the time for compliance.

500 (5)~~(7)~~~~(a)~~ A provider may satisfy the minimum liquid reserve
501 requirements of this section by acquiring from a financial
502 institution, as specified in paragraph (b), a clean,
503 unconditional irrevocable letter of credit ~~in an amount~~ equal to
504 the requirements of this section.

505 (a) The letter of credit must ~~shall~~ be issued by a
506 financial institution participating in the State of Florida
507 Treasury Certificate of Deposit Program, and must be approved by
508 ~~the letter of credit shall be subject to the approval of the~~
509 office before ~~prior to~~ issuance and before ~~prior to~~ any renewal
510 or modification thereof. At a minimum, the letter of credit must
511 ~~shall~~ provide for:

512 1. Ninety days' prior written notice to both the provider
513 and the office of the financial institution's determination not
514 to renew or extend the term of the letter of credit.

515 2. Unless otherwise arranged by the provider to the
516 satisfaction of the office, deposit by the financial institution
517 of ~~such~~ letter of credit funds in an account designated by the
518 office no later than 30 days before ~~prior to~~ the expiration of
519 the letter of credit.

520 3. Deposit by the financial institution of ~~such~~ letter of
521 credit funds in an account designated by the office within ~~no~~
522 ~~later than~~ 4 business days following written instructions from

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523 the office that, in the sole judgment of the office, funding of
524 the minimum liquid reserve is required.

525 (b) The terms of the ~~such~~ letter of credit must ~~shall~~ be
526 approved by the office and the long-term debt of the financial
527 institution providing such letter of credit must ~~shall~~ be rated
528 in one of their top three long-term debt rating categories by
529 either Moody's Investors Service, Standard & Poor's Corporation,
530 or a recognized securities rating agency acceptable to the
531 office.

532 (c) The letter of credit must ~~shall~~ name the office as
533 beneficiary.

534 (d) Notwithstanding any other provision of this section, a
535 provider using ~~utilizing~~ a letter of credit pursuant to this
536 subsection shall, at all times, have and maintain in escrow an
537 operating cash reserve equal to 2 months' operating expenses as
538 determined pursuant to s. 651.026.

539 (e) If ~~In the event~~ the issuing financial institution no
540 longer participates in the State of Florida Treasury Certificate
541 of Deposit Program, such financial institution shall deposit as
542 collateral with the department eligible securities, as
543 prescribed by s. 625.52, having a market value equal to or
544 greater than 100 percent of the stated amount of the letter of
545 credit.

546 ~~(6)(8)(a)~~ Each fiscal year, a provider may withdraw up to
547 33 percent of the total renewal and replacement reserve
548 available. The reserve available is equal to the market value of
549 the invested reserves at the end of the provider's prior fiscal
550 year. The withdrawal must ~~is to~~ be used for capital items or
551 major repairs, ~~and~~

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552 (a) Before any funds are eligible for withdrawal, the
553 provider must obtain written permission from the office by
554 submitting the following ~~information~~:

555 1. The amount of the withdrawal and the intended use of the
556 proceeds.

557 2. A board resolution and sworn affidavit signed by two
558 officers or general partners of the provider which indicates
559 approval of the withdrawal and use of the funds.

560 3. Proof that the provider has met all funding requirements
561 for the operating, debt service, and renewal and replacement
562 reserves computed for the previous fiscal year.

563 4. Anticipated payment schedule for refunding the renewal
564 and replacement reserve fund.

565 (b) Within 30 days after the withdrawal of funds ~~from the~~
566 ~~renewal and replacement reserve fund~~, the provider must begin
567 refunding the reserve account in equal monthly payments that
568 ~~which~~ allow for a complete funding of the ~~such~~ withdrawal within
569 36 months. If the payment schedule required under subparagraph
570 (a)4. has changed, the provider must update the office with the
571 new payment schedule. If the provider fails to make a required
572 monthly payment or the payment is late, the provider must notify
573 the office within 5 days after the due date of the payment. No
574 additional withdrawals from the renewal and replacement reserve
575 will be allowed until all scheduled payments are current.

576 Section 9. Paragraphs (d) and (g) of subsection (1) and
577 subsections (2) and (5) of section 651.055, Florida Statutes,
578 are amended to read:

579 651.055 Contracts; right to rescind.—

580 (1) Each continuing care contract and each addendum to such

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581 contract shall be submitted to and approved by the office prior
582 to its use in this state. Thereafter, no other form of contract
583 shall be used by the provider unless it has been submitted to
584 and approved by the office. Each contract shall:

585 (d) Describe the health and financial conditions required
586 for a person to be accepted as a resident and to continue as a
587 resident, once accepted, including the effect of any change in
588 the health or financial condition of the a person between the
589 date of submitting an application for admission to the facility
590 and entering into a continuing care contract and the date of
591 taking occupancy in a unit. If a prospective resident signs a
592 contract but postpones moving into the facility, the individual
593 is deemed to be occupying a unit at the facility when he or she
594 pays the entrance fee or any portion of it, other than a
595 reservation deposit, and begins making monthly maintenance fee
596 payments. Such resident may rescind the contract and receive a
597 full refund of any funds paid, without penalty or forfeiture,
598 within 7 days after executing the contract as specified in
599 subsection (2).

600 (g) Provide that the contract may be canceled by ~~upon the~~
601 ~~giving~~ at least 30 days' ~~of~~ written notice of cancellation ~~of at~~
602 ~~least 30 days~~ by the provider, the resident, or the person who
603 provided the transfer of property or funds for the care of such
604 resident; however, if a contract is canceled because there has
605 been a good faith determination that a resident is a danger to
606 himself or herself or others, only such notice as is reasonable
607 under the circumstances is ~~shall be~~ required.

608 1. The contract must also ~~shall further~~ provide in clear
609 and understandable language, in print no smaller than the

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610 largest type used in the body of the contract, the terms
611 governing the refund of any portion of the entrance fee.

612 2. For a resident whose contract with the facility provides
613 that the resident does not receive a transferable membership or
614 ownership right in the facility, and who has occupied his or her
615 unit, the refund shall be calculated on a pro rata basis with
616 the facility retaining up to ~~no more than~~ 2 percent per month of
617 occupancy by the resident and up to a 5 percent ~~no more than a~~
618 ~~4-percent fee for processing fee~~. Such refund must ~~shall~~ be paid
619 within ~~no later than~~ 120 days after ~~the~~ giving the ~~of~~ notice of
620 intention to cancel.

621 3. In addition to a processing fee, if the contract
622 provides for the facility to retain up to ~~no more than~~ 1 percent
623 per month of occupancy by the resident, it may provide that such
624 refund will be paid from the proceeds of the next entrance fees
625 received by the provider for units for which there are no prior
626 claims by any resident until paid in full or, if the provider
627 has discontinued marketing continuing care contracts, within 200
628 days after the date of notice.

629 4. Unless ~~the provisions of~~ subsection (5) applies apply,
630 for any prospective resident, regardless of whether or not such
631 a resident receives a transferable membership or ownership right
632 in the facility, who cancels the contract before ~~prior to~~
633 occupancy of the unit, ~~the refund shall be the entire amount~~
634 paid toward the entrance fee shall be refunded, less a
635 processing fee of up to 5 percent ~~not to exceed 4 percent~~ of the
636 entire entrance fee; however, the ~~but in no event shall such~~
637 processing fee may not exceed the amount paid by the prospective
638 resident. Such refund must ~~shall~~ be paid within ~~no later than~~ 60

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639 days after ~~the~~ giving the ~~of~~ notice of intention to cancel. For
640 a resident who has occupied his or her unit and who has received
641 a transferable membership or ownership right in the facility,
642 the foregoing refund provisions do ~~shall~~ not apply but are ~~shall~~
643 ~~be~~ deemed satisfied by the acquisition or receipt of a
644 transferable membership or an ownership right in the facility.
645 The provider may ~~shall~~ not charge any fee for the transfer of
646 membership or sale of an ownership right.

647 (2) A resident has the right to rescind a continuing care
648 contract and receive a full refund of any funds paid, without
649 penalty or forfeiture, within 7 days after executing the
650 contract. A resident may ~~shall~~ not be required to move into the
651 facility designated in the contract before the expiration of the
652 7-day period. During the 7-day period, the resident's funds must
653 be held in an escrow account unless otherwise requested by the
654 resident pursuant to s. 651.033(3)(c).

655 (5) Except for a resident who postpones moving into the
656 facility but is deemed to have occupied a unit as described in
657 paragraph (1)(d), if a prospective resident dies before
658 occupying the facility or, through illness, injury, or
659 incapacity, is precluded from becoming a resident under the
660 terms of the continuing care contract, the contract is
661 automatically canceled, and the prospective resident or his or
662 her the resident's legal representative shall receive a full
663 refund of all moneys paid to the facility, except those costs
664 specifically incurred by the facility at the request of the
665 prospective resident and set forth in writing in a separate
666 addendum, signed by both parties, to the contract.

667 Section 10. Section 651.081, Florida Statutes, is amended

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668 to read:

669 651.081 ~~Continuing care facilities~~ Residents' council
670 ~~organizations.~~

671 (1) Residents living in a facility holding a valid
672 certificate of authority under this chapter have the right of
673 self-organization, the right to be represented by an individual
674 of their own choosing, and the right to engage in concerted
675 activities for the purpose of keeping informed on the operation
676 of the facility that ~~which~~ is caring for them or for the purpose
677 of other mutual aid or protection.

678 (2) A residents' council ~~organization~~ created for the
679 purpose of representing residents on matters set forth in s.
680 651.085 may be established through an election in which the
681 residents, as defined in s. 651.011 ~~this chapter~~, vote by
682 ballot, ~~either~~ physically or by proxy. If the election is to be
683 held during a meeting, a notice of the organizational meeting
684 must be provided to all residents of the community at least 10
685 business days before the meeting. Notice may be given through
686 internal mailboxes, communitywide newsletters, bulletin boards,
687 in-house television stations, and other similar means of
688 communication. An election ~~for~~ creating a residents' council
689 ~~organization~~ is valid if at least 40 percent of the total
690 resident population participates in the election and a majority
691 of the participants vote affirmatively for the council
692 ~~organization~~. The initial residents' council ~~organization~~
693 created under this section is valid for at least 12 months. A
694 residents' organization formalized by ~~If the facility has a~~
695 ~~residents' association, residents' council, or similarly~~
696 ~~organized body with~~ bylaws and elected officials, ~~such~~

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697 ~~organization~~ must be recognized as the residents' council
698 ~~organization~~ under this section and s. 651.085. Within 30 days
699 after the election of a newly elected president or chair of the
700 residents' council, the provider shall give the president or
701 chair a copy of this chapter and rules adopted thereunder, or
702 direct him or her to the appropriate public website to obtain
703 this information. ~~There shall be~~ Only one residents' council may
704 ~~organization~~ to represent residents before the governing body of
705 the provider as described in s. 651.085(2).

706 Section 11. Paragraphs (c) and (f) of subsection (1) of
707 section 651.083, Florida Statutes, are amended, present
708 subsection (5) of that section is redesignated as subsection
709 (6), and a new subsection (5) is added to that section, to read:

710 651.083 Residents' rights.—

711 (1) No resident of any facility shall be deprived of any
712 civil or legal rights, benefits, or privileges guaranteed by
713 law, by the State Constitution, or by the United States
714 Constitution solely by reason of status as a resident of a
715 facility. Each resident of a facility has the right to:

716 (c) Unrestricted private communication, including receiving
717 and sending unopened correspondence. This includes the right to
718 receive memos or announcements from or approved for distribution
719 by the residents' council.

720 (f) Present grievances and recommend changes in policies,
721 procedures, and services to the staff of the facility, governing
722 officials, or any other person without restraint, interference,
723 coercion, discrimination, or reprisal. This right includes
724 access to ombudsman volunteers and advocates and the right to be
725 a member of, and active in, and to associate with, advocacy or

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726 special interest groups or associations.

727 (5) The provider may not restrict a resident's access to
728 the residents' council.

729 Section 12. Subsections (1) and (2) of section 651.085,
730 Florida Statutes, are amended to read:

731 651.085 Quarterly meetings between residents and the
732 governing body of the provider; resident representation before
733 the governing body of the provider.—

734 (1) The governing body of a provider, or the designated
735 representative of the provider, shall hold quarterly meetings
736 with the residents of the continuing care facility for the
737 purpose of free discussion of subjects including, but not
738 limited to, income, expenditures, and financial trends and
739 problems as they apply to the facility, as well as a discussion
740 on proposed changes in policies, programs, and services. At
741 quarterly meetings where monthly maintenance fee increases are
742 discussed, a summary of the reasons for raising the fee as
743 specified in subsection (4) must be provided in writing to the
744 president or chair of the residents' council. Upon request of
745 the residents' council organization, a member of the governing
746 body of the provider, such as a board member, a general partner,
747 ~~or a~~ principal owner, or designated representative shall attend
748 such meetings. Residents are ~~shall be~~ entitled to at least 7
749 days' advance notice of each quarterly meeting. An agenda and
750 any materials that will be distributed by the governing body or
751 representative of the provider shall be posted in a conspicuous
752 place at the facility and shall be available upon request to
753 residents of the facility. The office shall request verification
754 from a facility that quarterly meetings are held and open to all

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755 residents if ~~when~~ it receives a complaint from the residents'
756 council that a facility is not in compliance with ~~the provisions~~
757 ~~of~~ this subsection. In addition, a facility shall report to the
758 office in the annual report required under s. 651.026 the dates
759 on which quarterly meetings were held during the reporting
760 period.

761 (2) A residents' council ~~organization~~ formed pursuant to s.
762 651.081, members of which are elected by the residents, may
763 designate a resident to represent them before the governing body
764 of the provider or organize a meeting or ballot election of the
765 residents ~~of the facility~~ to determine whether to elect a
766 resident to represent them before the governing body of the
767 provider. If a residents' council ~~organization as described in~~
768 ~~s. 651.081~~ does not exist, any resident may organize a meeting
769 or ballot election of the residents of the facility to determine
770 whether to elect a resident to represent them before the
771 governing body and, if applicable, elect the representative. The
772 residents' council ~~organization~~, or the resident that organizes
773 a meeting or ballot election to elect a representative, shall
774 give all residents ~~of the facility~~ notice at least 10 business
775 days before the meeting or election. Notice may be given through
776 internal mailboxes, communitywide newsletters, bulletin boards,
777 in-house television stations, and other similar means of
778 communication. An election of the representative is valid if at
779 least 40 percent of the total resident population participates
780 in the election and a majority of the participants vote
781 affirmatively for the representative. The initial designated
782 representative elected under this section shall be elected to
783 serve ~~for a period of~~ at least 12 months.

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784 Section 13. Section 651.091, Florida Statutes, is amended
785 to read:

786 651.091 Availability, distribution, and posting of reports
787 and records; requirement of full disclosure.—

788 (1) Each continuing care facility shall maintain as public
789 information, available upon request, records of all cost and
790 inspection reports pertaining to that facility which ~~that~~ have
791 been filed with or issued by any governmental agency. A copy of
792 each ~~such~~ report shall be retained ~~in such records~~ for at least
793 ~~not less than~~ 5 years after ~~from~~ the date the report is filed or
794 issued. Each facility shall also maintain as public information,
795 available upon request, all annual statements that have been
796 filed with the office. For purposes of this section, a
797 management company or operator is considered an agent of the
798 provider.

799 (2) Every continuing care facility shall:

800 (a) Display the certificate of authority in a conspicuous
801 place inside the facility.

802 (b) Post in a prominent position in the facility which is
803 ~~so as to be~~ accessible to all residents and ~~to~~ the general
804 public a concise summary of the last examination report issued
805 by the office, with references to the page numbers of the full
806 report noting any deficiencies found by the office, and the
807 actions taken by the provider to rectify such deficiencies,
808 indicating in such summary where the full report may be
809 inspected in the facility.

810 (c) Post in a prominent position in the facility which is
811 ~~so as to be~~ accessible to all residents and ~~to~~ the general
812 public a summary of the latest annual statement, indicating in

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813 the summary where the full annual statement may be inspected in
814 the facility. A listing of any proposed changes in policies,
815 programs, and services must ~~shall~~ also be posted.

816 (d) Distribute a copy of the full annual statement to the
817 president or chair of the residents' council within 30 days
818 after ~~the~~ filing ~~of~~ the annual report with the office, and
819 designate a staff person to provide explanation thereof.

820 (e) Notify the residents' council of any plans filed with
821 the office to obtain new financing, additional financing, or
822 refinancing for the facility and of any applications to the
823 office for any expansion of the facility.

824 (f) Deliver to the president or chair of the residents'
825 council a summary of entrance fees collected and refunds made
826 during the time period covered in the annual report and the
827 refund balances due at the end of the report period.

828 (g) Deliver to the president or chair of the residents'
829 council a copy of each quarterly statement within 30 days after
830 the quarterly statement is filed with the office if the facility
831 is required to file quarterly.

832 (h) Upon request, deliver to the president or chair of the
833 residents' council a copy of any newly approved continuing care
834 contract within 30 days after approval by the office.

835 (3) Before entering into a contract to furnish continuing
836 care, the provider undertaking to furnish the care, or the agent
837 of the provider, shall make full disclosure, and provide copies
838 of the disclosure documents to the prospective resident or his
839 or her legal representative, of the following information:

840 (a) The contract to furnish continuing care.

841 (b) The summary listed in paragraph (2) (b).

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842 (c) All ownership interests and lease agreements, including
843 information specified in s. 651.022(2)(b)8.

844 (d) In keeping with the intent of this subsection relating
845 to disclosure, the provider shall make available for review,
846 master plans approved by the provider's governing board and any
847 plans for expansion or phased development, to the extent that
848 the availability of such plans will not put at risk real estate,
849 financing, acquisition, negotiations, or other implementation of
850 operational plans and thus jeopardize the success of
851 negotiations, operations, and development.

852 (e) Copies of the rules and regulations of the facility and
853 an explanation of the responsibilities of the resident.

854 (f) The policy of the facility with respect to admission to
855 and discharge from the various levels of health care offered by
856 the facility.

857 (g) The amount and location of any reserve funds required
858 by this chapter, and the name of the person or entity having a
859 claim to such funds in the event of a bankruptcy, foreclosure,
860 or rehabilitation proceeding.

861 (h) A copy of s. 651.071.

862 (i) ~~(h)~~ A copy of the resident's rights as described in s.
863 651.083.

864 (4) A true and complete copy of the full disclosure
865 document to be used must ~~shall~~ be filed with the office before
866 ~~prior to its~~ use. A resident or prospective resident or his or
867 her legal representative may ~~shall be permitted to~~ inspect the
868 full reports referred to in paragraph (2)(b); the charter or
869 other agreement or instrument required to be filed with the
870 office pursuant to s. 651.022(2), together with all amendments

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871 thereto; and the bylaws of the corporation or association, if
 872 any. Upon request, copies of the reports and information shall
 873 be provided to the individual requesting them if the individual
 874 agrees to pay a reasonable charge to cover copying costs.

875 Section 14. Subsection (1) of section 651.105, Florida
 876 Statutes, is amended, and subsection (5) is added to that
 877 section, to read:

878 651.105 Examination and inspections.—

879 (1) The office may at any time, and shall at least once
 880 every 5 ~~3~~ years, examine the business of any applicant for a
 881 certificate of authority and any provider engaged in the
 882 execution of care contracts or engaged in the performance of
 883 obligations under such contracts, in the same manner as is
 884 provided for the examination of insurance companies pursuant to
 885 s. 624.316. Such examinations shall be made by a representative
 886 or examiner designated by the office, whose compensation will be
 887 fixed by the office pursuant to s. 624.320. Routine examinations
 888 may be made by having the necessary documents submitted to the
 889 office; and, for this purpose, financial documents and records
 890 conforming to commonly accepted accounting principles and
 891 practices, as required under s. 651.026, are ~~will be~~ deemed
 892 adequate. The final written report of each ~~such~~ examination must
 893 ~~shall~~ be filed with the office and, when so filed, constitutes
 894 ~~will constitute~~ a public record. Any provider being examined
 895 shall, upon request, give reasonable and timely access to all of
 896 its records. The representative or examiner designated by the
 897 office may at any time examine the records and affairs and
 898 inspect the physical property of any provider, whether in
 899 connection with a formal examination or not.

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900 (5) At the time of the routine examination, the office
901 shall determine if all disclosures required under this chapter
902 have been made to the president or chair of the residents'
903 council.

904 Section 15. Subsections (1) through (4) of section 651.114,
905 Florida Statutes, are amended to read:

906 651.114 Delinquency proceedings; remedial rights.—

907 (1) Upon determination by the office that a provider is not
908 in compliance with this chapter, the office may notify the chair
909 of the Continuing Care Advisory Council, who may assist the
910 office in formulating a corrective action plan.

911 (2) A provider shall make available to the advisory
912 council, within no later than 30 days after being requested to
913 do so by the ~~advisory~~ council, a plan for obtaining compliance
914 or solvency.

915 (3) Within ~~The council shall, no later than~~ 30 days after
916 notification, the advisory council shall:

917 (a) Consider and evaluate the plan submitted by the
918 provider.

919 (b) Discuss the problem and solutions with the provider.

920 (c) Conduct such other business as is necessary.

921 (d) Report its findings and recommendations to the office,
922 which may require additional modification of the plan.

923 (4) ~~(a)~~ After receiving ~~Upon~~ approval of a plan by the
924 office, the provider shall submit ~~monthly~~ a progress report
925 monthly to the advisory council or the office, or both, in a
926 manner prescribed by the office.

927 ~~(b)~~ After ~~a period of~~ 3 months, or at any earlier time
928 deemed necessary, the council shall evaluate the progress by the

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929 provider and shall advise the office of its findings.

930 Section 16. Subsection (3) of section 651.1151, Florida
931 Statutes, is amended to read:

932 651.1151 Administrative, vendor, and management contracts.—

933 (3) Any contract with an affiliate, an entity controlled by
934 the provider, or an entity controlled by an affiliate of the
935 provider for administrative, vendor, or management services
936 entered into or renewed after October 1, 1991, must include
937 ~~shall contain~~ a provision that the contract will ~~shall~~ be
938 canceled upon issuance of an order by the office pursuant to
939 this section. A copy of the current management services
940 contract, pursuant to this section, if any, must be on file in
941 the marketing office or other area accessible ~~area~~ to residents
942 and the appropriate residents' council ~~resident organizations~~.

943 Section 17. Section 651.121, Florida Statutes, is amended
944 to read:

945 651.121 Continuing Care Advisory Council.—

946 (1) The Continuing Care Advisory Council to the office is
947 created to consist of 10 members who are residents of this state
948 appointed by the Governor and geographically representative of
949 this state. Three members shall be administrators of facilities
950 that ~~which~~ hold valid certificates of authority under this
951 chapter and shall have been actively engaged in the offering of
952 continuing care agreements in this state for 5 years before
953 appointment. The remaining members ~~shall~~ include:

954 (a) A representative of the business community whose
955 expertise is in the area of management.

956 (b) A representative of the financial community who is not
957 a facility owner or administrator.

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958 (c) A certified public accountant.

959 (d) An attorney.

960 (e) Three residents who hold continuing care agreements
961 with a facility certified in this state.

962 (2) The term of office for each member shall be 3 years, or
963 until the member's successor has been appointed and qualifies.

964 (3) The council members shall serve without pay, but shall
965 be reimbursed for per diem and travel expenses by the office in
966 accordance with s. 112.061.

967 (4) Each prospective council member shall submit to the
968 appointing officer a statement detailing any financial interest
969 of 10 percent or more in one or more continuing care facilities,
970 including, but not limited to, ownership interest in a facility,
971 property leased to a facility, and ownership in any company
972 providing goods or services to a facility. This statement shall
973 include the name and address of each facility involved and the
974 extent and character of the financial interest of the applicant.
975 Upon appointment of the council member, this statement shall
976 become a public document.

977 (5) The council shall:

978 (a) Meet at least once a year and, at such annual meeting,
979 elect a chair from their number and elect or appoint a vice
980 chair ~~secretary~~, each of whom shall hold office for 1 year and
981 thereafter until a successor is elected and qualified.

982 (b) Hold other meetings at such times and places as the
983 office or the chair of the council may direct.

984 (c) Keep a record of its proceedings. The books and records
985 of the council shall be prima facie evidence of all matters
986 reported therein and, except for proceedings conducted under s.

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987 651.018, shall be open to inspection at all times.

988 (d) Act in an advisory capacity to the office on matters
989 pertaining to the operation and regulation of continuing care
990 facilities.

991 (e) Recommend to the office needed changes in statutes and
992 rules.

993 (f) Upon the request of the office, assist, with any
994 corrective action, rehabilitation or cessation of business plan
995 of a provider.

996 (6) A provider shall furnish to the council, no later than
997 14 business days after being requested to do so by the council,
998 all documents and information reasonably requested by the
999 council.

1000 (7) The council chair shall report annually the council's
1001 findings and recommendations concerning continuing care
1002 facilities to the Executive Office of the Governor and the
1003 Commissioner of Insurance Regulation.

1004 (8) At the council's annual meeting, the office shall
1005 provide members with a summary and comparison of data on
1006 continuing care facilities submitted in the most recent two
1007 annual reports and a summary of the number, type, and status of
1008 complaints related to continuing care facilities which were
1009 filed with the Division of Consumer Services in the Department
1010 of Financial Services during the preceding fiscal year.

1011 (9) The office shall notify the council by written
1012 memorandum or electronic means of proposed rule changes and
1013 scheduled rule workshops and hearings related to the
1014 administration of this chapter.

1015 Section 18. Section 651.133, Florida Statutes, is repealed.

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1016 Section 19. Subsection (1) of section 628.4615, Florida
1017 Statutes, is amended to read:

1018 628.4615 Specialty insurers; acquisition of controlling
1019 stock, ownership interest, assets, or control; merger or
1020 consolidation.—

1021 (1) For the purposes of this section, the term "specialty
1022 insurer" means any person holding a license or certificate of
1023 authority as:

1024 (a) A motor vehicle service agreement company authorized to
1025 issue motor vehicle service agreements as those terms are
1026 defined in s. 634.011;

1027 (b) A home warranty association authorized to issue "home
1028 warranties" as those terms are defined in s. 634.301(3) and (4);

1029 (c) A service warranty association authorized to issue
1030 "service warranties" as those terms are defined in s.
1031 634.401(13) and (14);

1032 (d) A prepaid limited health service organization
1033 authorized to issue prepaid limited health service contracts, as
1034 those terms are defined in chapter 636;

1035 (e) An authorized health maintenance organization operating
1036 pursuant to s. 641.21;

1037 (f) An authorized prepaid health clinic operating pursuant
1038 to s. 641.405;

1039 (g) A legal expense insurance corporation authorized to
1040 engage in a legal expense insurance business pursuant to s.
1041 642.021;

1042 (h) A provider that ~~which~~ is licensed to operate a facility
1043 that ~~which~~ undertakes to provide continuing care as those terms
1044 are defined in s. 651.011(2), (4), (5), and (6);

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1045 (i) A multiple-employer welfare arrangement operating
1046 pursuant to ss. 624.436-624.446;

1047 (j) A premium finance company authorized to finance
1048 insurance premiums pursuant to s. 627.828; or

1049 (k) A corporation authorized to accept donor annuity
1050 agreements pursuant to s. 627.481.

1051 Section 20. This act shall take effect July 1, 2010.