

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

1 Committee/Subcommittee hearing bill: Insurance & Banking
2 Subcommittee

3 Representative Grant, J. offered the following:

4
5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Subsections (5) and (6) of section 651.011,
8 Florida Statutes, are renumbered as subsections (9) and (10),
9 respectively, subsections (8) and (9) are renumbered as
10 subsections (12) and (13), respectively, subsection (10) is
11 renumbered as subsection (15), subsections (11), (12), and (13)
12 are renumbered as subsections (18), (19), and (20),
13 respectively, and subsections (14) and (15) are renumbered as
14 subsections (21) and (22), respectively, present subsections
15 (7), (9), and (13) are amended, and new subsections (5), (6),

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16 (7), (8), (11), (14), (16), (17), and (21) are added to that
17 section, to read:

18 651.011 Definitions.—As used in this chapter, the term:

19 (5) "Controlling company" means any corporation, trust, or
20 association that directly or indirectly owns 25 percent or more
21 of the voting securities of one or more facilities that are
22 stock corporations, or 25 percent or more of the ownership
23 interest of one or more facilities that are not stock
24 corporations.

25 (6) "Corrective order" means an order issued by the office
26 which specifies corrective actions the office has determined are
27 required.

28 (7) "Days cash on hand" means the quotient obtained by
29 dividing the value of paragraph (a) by the value of paragraph
30 (b).

31 (a) The sum of unrestricted cash, unrestricted short-term
32 and long-term investments, provider restricted funds, and the
33 liquid reserve as required under s. 651.035 as of the reporting
34 period.

35 (b) Operating expenses less depreciation, amortization,
36 and other noncash expenses and nonoperating losses, divided by
37 365. Operating expenses, depreciation, amortization, and other
38 noncash expenses and nonoperating losses are each the sum of
39 their respective values over the 12-month period immediately
40 preceding the reporting date.

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42 With prior written approval of the office, a demand note or
43 other parental guarantee may be considered a short-term or long-
44 term investment for the purposes of paragraph (a). However, the
45 total of all demand notes issued by the parent may not, at any
46 time, be more than the sum of unrestricted cash and unrestricted
47 short-term and long-term investments held by the parent.

48 (8) "Debt service coverage ratio" means the quotient
49 obtained by dividing the value of paragraph (a) by the value of
50 paragraph (b).

51 (a) The sum of total expenses less interest expense on the
52 facility, depreciation, amortization, and other noncash expenses
53 and nonoperating losses, subtracted from the sum of total
54 revenues (excluding noncash revenues and nonoperating gains) and
55 gross entrance fees received less earned entrance fees and
56 refunds paid. Expenses, interest expense on the facility,
57 depreciation, amortization, other noncash expenses and
58 nonoperating losses, revenues, noncash revenues, nonoperating
59 gains, gross entrance fees, earned entrance fees, and refunds
60 are each the sum of their respective values over the 12-month
61 period immediately preceding the reporting date.

62 (b) Total annual principal and interest expense due on the
63 facility over the 12-month period immediately preceding the
64 reporting date. For purposes of this paragraph, principal
65 excludes any balloon principal payment amounts, and interest

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66 expense due is the sum of the interest over the 12-month period
67 immediately preceding the reporting date which is reflected in
68 the provider's audit.

69 ~~(7) "Generally accepted accounting principles" means those~~
70 ~~accounting principles and practices adopted by the Financial~~
71 ~~Accounting Standards Board and the American Institute of~~
72 ~~Certified Public Accountants, including Statement of Position~~
73 ~~90-8 with respect to any full year to which the statement~~
74 ~~applies.~~

75 (11) "Impaired" or "impairment" means that any of the
76 following have occurred:

77 (a) A provider has failed to maintain the liquid reserve
78 as required in s. 651.035, unless the provider has received
79 prior written approval from the office for a withdrawal pursuant
80 to s. 651.035(6) and is compliant with the approved payment
81 schedule; or

82 (b) Beginning July 1, 2019:

83 1. For a provider with mortgage financing from a third-
84 party lender or public bond issue, the provider's debt service
85 coverage ratio is less than 1.00:1 and the provider's days cash
86 on hand is less than 90; or

87 2. For a provider without mortgage financing from a third-
88 party lender or public bond issue, the provider's days cash on
89 hand is less than 90.

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90 ~~(13)~~⁽⁹⁾ "Licensed" means that the provider has obtained a
91 certificate of authority from the office department.

92 (14) "Manager" or "management" means a person who
93 administers the day-to-day business operations of a facility for
94 a provider, subject to the policies, directives, and oversight
95 of the provider; a person who exercises or has the ability to
96 exercise effective control of the provider; or a person who
97 influences or has the ability to influence the transaction of
98 the business of the provider.

99 (16) "Obligated group" means a group of entities that have
100 jointly agree to be bound by a financing structure containing
101 security provisions and covenants applicable to the group, and
102 debt issued under such a financing structure is a joint and
103 several obligation of each member of the group.

104 (17) "Occupancy" means the total number of occupied
105 independent living, assisted living, and skilled nursing units
106 in a facility divided by the total number of units in that
107 facility, excluding units that are unavailable to market or
108 reserve, as of the most recent report filed with the office or
109 the most recent examination by the office.

110 ~~(20)~~⁽¹³⁾ "Records" means all documents, correspondence,
111 and the permanent financial, directory, and personnel
112 information and data maintained by a provider pursuant to this
113 chapter, regardless of the physical form, characteristics, or
114 means of transmission.

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115 (21) "Regulatory action level event" means that at least
116 two of the following have occurred:

117 (a) The provider's debt service coverage ratio is less
118 than the minimum ratio specified in the provider's bond
119 covenants or lending agreement for long-term financing, or, if
120 the provider does not have a debt service coverage ratio
121 required by its lending institution, the provider's debt service
122 coverage ratio is less than 1.20:1 as of the most recent report
123 filed with the office or the most recent examination by the
124 office. For a provider that is a member of an obligated group
125 having cross-collateralized debt and an investment grade credit
126 rating from a nationally recognized credit rating agency, as
127 applicable, from Moody's Investors Service, Standard & Poor's,
128 or Fitch Ratings, the obligated group's debt service coverage
129 ratio may be used as the provider's debt service coverage ratio
130 if the provider furnishes documentation to the satisfaction of
131 the office.

132 (b) The provider's days cash on hand is less than the
133 minimum number of days cash on hand specified in the provider's
134 bond covenants or lending agreement for long-term financing. If
135 the provider does not have a days cash on hand required by its
136 lending institution, the days cash on hand may not be less than
137 100 as of the most recent report filed with the office or the
138 most recent examination by the office. For a provider that is a
139 member of an obligated group having cross-collateralized debt

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140 and an investment grade credit rating from a nationally
141 recognized credit rating agency, as applicable, from Moody's
142 Investors Service, Standard & Poor's, or Fitch Ratings, the days
143 cash on hand of the obligated group may be used as the
144 provider's days cash on hand if the provider furnishes
145 documentation to the satisfaction of the office.

146 (c) The occupancy at the provider's facility is less than
147 80 percent.

148 Section 2. Section 651.012, Florida Statutes, is amended
149 to read:

150 651.012 Exempted facility; written disclosure of
151 exemption.—Any facility exempted under ss. 632.637(1)(e) and
152 651.011(19) ~~651.011(12)~~ must provide written disclosure of such
153 exemption to each person admitted to the facility ~~after October~~
154 ~~1, 1996~~. This disclosure must be written using language likely
155 to be understood by the person and must briefly explain the
156 exemption.

157 Section 3. Subsection (2) of section 651.013, Florida
158 Statutes, is amended to read:

159 651.013 Chapter exclusive; applicability of other laws.—

160 (2) In addition to other applicable provisions cited in
161 this chapter, the office has the authority granted under ss.
162 624.302 and 624.303, 624.307-624.312, 624.318 ~~624.308-624.312,~~
163 624.319(1)-(3), 624.320-624.321, 624.324, ~~and~~ 624.34, and

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164 624.422 of the Florida Insurance Code to regulate providers of
165 continuing care and continuing care at-home.

166 Section 4. Paragraphs (c) and (f) of subsection (2) and
167 subsection (8) of section 651.022, Florida Statutes, are
168 amended, and subsection (9) is added to that section, to read:

169 651.022 Provisional certificate of authority;
170 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 (c)1. Evidence that the applicant is competent and
175 trustworthy ~~reputable and of responsible~~ character. If the
176 applicant is a firm, association, organization, partnership,
177 business trust, corporation, or company, the form must ~~shall~~
178 require evidence that the members or shareholders are competent
179 and trustworthy ~~reputable and of responsible~~ character, and the
180 person in charge of providing care under a certificate of
181 authority must ~~shall~~ likewise be required to produce evidence of
182 being competent and trustworthy ~~reputable and of responsible~~
183 character.

184 2. Evidence satisfactory to the office of the ability of
185 the applicant to comply with ~~the provisions of~~ this chapter and
186 with rules adopted by the commission pursuant to this chapter.

187 3. A statement of whether a person identified in the
188 application for a provisional certificate of authority or the

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189 administrator or manager of the facility, if such person has
190 been designated, or any such person living in the same location:

191 a. Has been convicted of a felony or has pleaded nolo
192 contendere to a felony charge, or has been held liable or has
193 been enjoined in a civil action by final judgment, if the felony
194 or civil action involved fraud, embezzlement, fraudulent
195 conversion, or misappropriation of property.

196 b. Is subject to a currently effective injunctive or
197 restrictive order or federal or state administrative order
198 relating to business activity or health care as a result of an
199 action brought by a public agency or department, including,
200 without limitation, an action affecting a license under chapter
201 400 or chapter 429.

202

203 The statement must ~~shall~~ set forth the court or agency, the date
204 of conviction or judgment, and the penalty imposed or damages
205 assessed, or the date, nature, and issuer of the order. Before
206 determining whether a provisional certificate of authority is to
207 be issued, the office may make an inquiry to determine the
208 accuracy of the information submitted pursuant to this paragraph
209 ~~subparagraphs 1. and 2.~~

210 (f) Such other reasonable documents, data, records,
211 financial statements, and pertinent information as the
212 commission or office may reasonably require with respect to the
213 provider or the facility, including the most recent audited

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214 financial statements of comparable facilities currently or
215 previously owned, managed, or developed by the applicant or its
216 principal, to assist in determining the financial viability of
217 the project and the management capabilities of its managers and
218 owners.

219 (8) The office may ~~shall~~ not approve any application that
220 ~~which~~ includes in the plan of financing any encumbrance of the
221 operating reserves or renewal and replacement reserves required
222 by this chapter.

223 (9) If any material change occurs in the facts set forth
224 in an application filed with the office pursuant to this
225 section, an amendment setting forth such change must be filed
226 with the office within 10 business days after the applicant
227 becomes aware of such change, and a copy of the amendment must
228 be sent by registered mail to the principal office of the
229 facility and to the principal office of the controlling company.

230 Section 5. Paragraph (i) of subsection (1) and subsection
231 (9) of section 651.023, Florida Statutes, are amended, and
232 subsection (10) is added to that section, to read:

233 651.023 Certificate of authority; application.-

234 (1) After issuance of a provisional certificate of
235 authority, the office shall issue to the holder of such
236 provisional certificate a certificate of authority if the holder
237 of the provisional certificate provides the office with the
238 following information:

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239 (i) Such other reasonable documents, data, records,
240 financial statements, and pertinent information as the
241 commission or office may require with respect to the applicant
242 or the facility, to determine the financial status of the
243 facility and the management capabilities of its managers and
244 owners.

245 (9) The office may not approve an application that
246 includes in the plan of financing any encumbrance of the
247 operating reserves or renewal and replacement reserves required
248 by this chapter.

249 (10) If any material change occurs in the facts set forth
250 in an application filed with the office pursuant to this
251 section, an amendment setting forth such change must be filed
252 with the office within 10 business days after the applicant
253 becomes aware of such change, and a copy of the amendment must
254 be sent by registered mail to the principal office of the
255 facility and to the principal office of the controlling company.

256 Section 6. Section 651.024, Florida Statutes, is amended
257 to read:

258 651.024 Acquisition.—

259 (1) Except with the prior written approval of the office,
260 a person may not, individually or in conjunction with an
261 affiliated person of such person, directly or indirectly acquire
262 a facility operating under a subsisting certificate of authority
263 and engage in the business of providing continuing care.

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264 (2) A person who seeks to assume the role of general
265 partner of a provider or otherwise assume ownership or
266 possession of, or control over, 10 percent or more of a
267 provider's assets, based on the balance sheet from the most
268 recent audited financial statement filed with the office, or who
269 seeks to acquire 10 percent or more of the ownership interest of
270 a provider is subject to s. 628.4615.

271 (3) A person may rebut a presumption of control by filing
272 a disclaimer of control with the office on a form prescribed by
273 the commission. The disclaimer must fully disclose all material
274 relationships and bases for affiliation between the person and
275 the provider or facility, as well as the basis for disclaiming
276 the affiliation. In lieu of such form, a person or acquiring
277 party may file with the office a copy of a Schedule 13G filed
278 with the Securities and Exchange Commission pursuant to Rule
279 13d-1(b) or (c), 17 C.F.R. s. 240.13d-1, under the Securities
280 Exchange Act of 1934, as amended. A person issued a certificate
281 of authority to operate a continuing care facility or a
282 provisional certificate of authority shall be subject to the
283 provisions of s. 628.4615.

284 Section 7. Subsections (2) and (3) of section 651.026,
285 Florida Statutes, are amended, and subsection (10) is added to
286 that section, to read:

287 651.026 Annual reports.—

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288 (2) The annual report must ~~shall~~ be in such form as the
289 commission prescribes and must ~~shall~~ contain at least the
290 following:

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

293 (b) Financial statements audited by an independent
294 certified public accountant which must contain, for two or more
295 periods if the facility has been in existence that long, all of
296 the following:

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

299 a. A balance sheet;

300 b. A statement of income and expenses;

301 c. A statement of equity or fund balances; and

302 d. A statement of changes in cash flows.

303 2. Notes to the financial statements considered customary
304 or necessary for full disclosure or adequate understanding of
305 the financial statements, financial condition, and operation.

306 (c) The following financial information:

307 1. A detailed listing of the assets maintained in the
308 liquid reserve as required under s. 651.035 and in accordance
309 with part II of chapter 625;

310 2. A schedule giving additional information relating to
311 property, plant, and equipment having an original cost of at
312 least \$25,000, so as to show in reasonable detail with respect

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313 to each separate facility original costs, accumulated
314 depreciation, net book value, appraised value or insurable value
315 and date thereof, insurance coverage, encumbrances, and net
316 equity of appraised or insured value over encumbrances. Any
317 property not used in continuing care must be shown separately
318 from property used in continuing care;

319 3. The level of participation in Medicare or Medicaid
320 programs, or both;

321 4. A statement of all fees required of residents,
322 including, but not limited to, a statement of the entrance fee
323 charged, the monthly service charges, the proposed application
324 of the proceeds of the entrance fee by the provider, and the
325 plan by which the amount of the entrance fee is determined if
326 the entrance fee is not the same in all cases; ~~and~~

327 5. Any change or increase in fees if the provider changes
328 the scope of, or the rates for, care or services, regardless of
329 whether the change involves the basic rate or only those
330 services available at additional costs to the resident; ~~and~~

331 6. If the provider has more than one certificated
332 facility, or has operations that are not licensed under this
333 chapter, ~~it shall submit~~ a balance sheet, statement of income
334 and expenses, statement of equity or fund balances, and
335 statement of cash flows for each facility licensed under this
336 chapter as supplemental information to the audited financial
337 statements required under paragraph (b); ~~and~~

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338 7. Calculation of the provider's debt service coverage
339 ratio and days cash on hand for the current reporting period,
340 and an opinion from an independent certified public accountant
341 of such calculations.

342 (d) The provider's occupancy at each facility.

343 (e)-(d) Such other reasonable documents, data, records,
344 financial statements, and pertinent information as the
345 commission or office may require with respect to the provider or
346 the facility, or its directors, trustees, members, branches,
347 subsidiaries, or affiliates, to determine the financial status
348 of the facility and the management capabilities of its managers
349 and owners.

350 (f)-(e) For each facility, the provider must ~~shall~~ file
351 with the office annually, together with the annual report
352 required by this section, a computation of its minimum liquid
353 reserve calculated in accordance with s. 651.035 on a form
354 prescribed by the commission.

355 (g)-(f) If, due to a change in generally accepted
356 accounting principles, the balance sheet, statement of income
357 and expenses, statement of equity or fund balances, or statement
358 of cash flows is known by any other name or title, the annual
359 report must contain financial statements using the changed names
360 or titles that most closely correspond to a balance sheet,
361 statement of income and expenses, statement of equity or fund
362 balances, and statement of changes in cash flows.

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363 (3) The commission must ~~shall~~ adopt by rule additional
364 meaningful measures of assessing the financial viability of a
365 provider. ~~The rule may include the following factors:~~

366 ~~(a) Debt service coverage ratios.~~

367 ~~(b) Current ratios.~~

368 ~~(c) Adjusted current ratios.~~

369 ~~(d) Cash flows.~~

370 ~~(e) Occupancy rates.~~

371 ~~(f) Other measures, ratios, or trends.~~

372 ~~(g) Other factors as may be appropriate.~~

373 (10) Within 90 days after the conclusion of each annual
374 reporting period, the office must publish an industry
375 benchmarking report that contains all of the following:

376 (a) The median days cash on hand for all providers.

377 (b) The median debt service coverage ratio for all
378 providers.

379 (c) The median occupancy rate for all providers by
380 setting, including independent living, assisted living, skilled
381 nursing, and the entire facility.

382 Section 8. Section 651.0261, Florida Statutes, is amended
383 to read:

384 651.0261 Quarterly and monthly statements.—

385 (1) Within 45 days after the end of each fiscal quarter,
386 each provider must file a quarterly unaudited financial
387 statement in the form prescribed by rule of the commission and a

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388 detailed listing of the assets maintained in the liquid reserve
389 as required pursuant to s. 651.035.

390 (2) If the office finds that such information is needed to
391 properly monitor the financial condition of a provider or
392 facility or is otherwise needed to protect the public interest,
393 the office may require the provider to file:

394 (a) Within 25 days after the end of each month, a monthly
395 unaudited financial statement of the provider or of the facility
396 in the form prescribed by the commission by rule, a detailed
397 listing of the assets maintained in the liquid reserve as
398 required pursuant to s. 651.035, calculation of the provider's
399 debt service coverage ratio and days cash on hand for the
400 current reporting period, an opinion from an independent
401 certified public accountant of such calculations, and the
402 provider's occupancy at each facility.

403 (b) Such other reasonable documents, data, records,
404 financial statements, and pertinent information as the
405 commission or office may reasonably require with respect to the
406 provider or the facility, or its directors, trustees, members,
407 branches, subsidiaries, or affiliates, to determine the
408 financial status of the provider or of the facility and the
409 management capabilities of its managers and owners.

410 (3) Filings under subsection (2) are required if any of
411 the following apply:

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412 (a) The facility has been operational for less than 2
413 years;

414 (b) The provider is:

415 1. Subject to administrative supervision proceedings;

416 2. Subject to a corrective action plan resulting from a
417 regulatory action level event and for up to 2 years after the
418 factors that caused the regulatory action level event have been
419 corrected; or

420 3. Subject to delinquency, receivership, or bankruptcy
421 proceedings;

422 (c) The provider or facility displays an adverse material
423 change in financial condition;

424 (d) A change of ownership subject to s. 651.024(2) has
425 occurred within the previous 2 years; or

426 (e) The facility is found to be impaired.

427 ~~(4) If the office finds, pursuant to rules of the~~
428 ~~commission, that such information is needed to properly monitor~~
429 ~~the financial condition of a provider or facility or is~~
430 ~~otherwise needed to protect the public interest, the office may~~
431 ~~require the provider to file, within 45 days after the end of~~
432 ~~each fiscal quarter, a quarterly unaudited financial statement~~
433 ~~of the provider or of the facility in the form prescribed by the~~
434 ~~commission by rule. The commission may by rule require all or~~
435 ~~part of the statements or filings required under this section to~~
436 ~~be submitted by electronic means in a computer-readable form~~

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437 compatible with the electronic data format specified by the
438 commission.

439 Section 9. Paragraph (a) of subsection (1) and subsection
440 (2) of section 651.033, Florida Statutes, are amended, and
441 subsections (6) and (7) are added to that section, to read:

442 651.033 Escrow accounts.—

443 (1) When funds are required to be deposited in an escrow
444 account pursuant to s. 651.022, s. 651.023, s. 651.035, or s.
445 651.055:

446 (a) The escrow account must ~~shall~~ be established in a
447 Florida bank, Florida savings and loan association, ~~or~~ Florida
448 trust company, or a national bank that is chartered and
449 supervised by the Office of the Comptroller of the Currency
450 within the United States Department of the Treasury and that has
451 a branch in this state which is acceptable to the office, or
452 such funds must be deposited ~~on deposit~~ with the department; and
453 the funds deposited therein must ~~shall~~ be kept and maintained in
454 an account separate and apart from the provider's business
455 accounts.

456 (2) (a)1. A provider may withdraw funds held in escrow
457 without the approval of the office if the amount held in escrow
458 exceeds the requirements of this section and if the withdrawal
459 will not affect compliance with s. 651.035.

460 2. For all other proposed withdrawals, in order to receive
461 the consent of the office, the provider must file documentation

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462 showing why the withdrawal is necessary for the continued
463 operation of the facility and file such additional information
464 as the office reasonably requires. A filing is deemed complete
465 upon the office's receipt of all requested information and the
466 provider's correction of any error or omission for which the
467 provider was timely notified. The office must notify the
468 provider when the filing is deemed complete. Within 30 days
469 after the filing is deemed complete, the office must provide the
470 provider with written notice of its approval or disapproval of
471 the request. The office may disapprove any request to withdraw
472 such funds if it determines that the withdrawal is not in the
473 best interest of the residents. In addition, the escrow
474 ~~agreement shall provide that the escrow agent or another person~~
475 ~~designated to act in the escrow agent's place and the provider,~~
476 ~~except as otherwise provided in s. 651.035, shall notify the~~
477 ~~office in writing at least 10 days before the withdrawal of any~~
478 ~~portion of any funds required to be escrowed under the~~
479 ~~provisions of s. 651.035. However,~~

480 (b) In the event of an emergency and upon petition by the
481 provider, the office may ~~waive the 10-day notification period~~
482 ~~and~~ allow a withdrawal of up to 10 percent of the required
483 minimum liquid reserve. The office shall have 3 working days to
484 deny the petition for the emergency 10-percent withdrawal. If
485 the office fails to deny the petition within 3 working days, the
486 petition is ~~shall be~~ deemed to have been granted by the office.

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487 For purposes ~~the purpose~~ of this section, "working day" means
488 each day that is not a Saturday, Sunday, or legal holiday as
489 defined by Florida law. Also, for purposes ~~the purpose~~ of this
490 section, the day the petition is received by the office is ~~shall~~
491 not ~~be~~ counted as one of the 3 days.

492 (6) The escrow agent may not release or otherwise allow
493 the transfer of funds without the written approval of the
494 office, unless the withdrawal is made pursuant to paragraph
495 (3) (a) or the withdrawal is from funds in excess of the amounts
496 required by s. 651.022, s. 651.023, s. 651.035, or s. 651.055.

497 (7) If the office finds that the provider is impaired or
498 insolvent, the office may order the immediate transfer to the
499 custody of the department, pursuant to part III of chapter 625,
500 up to 100 percent of the funds required under s. 651.035 to be
501 held in escrow for purposes of the minimum liquid reserve. The
502 office may order such a transfer regardless of whether the
503 office has suspended or revoked, or intends to suspend or
504 revoke, the provisional certificate of authority or the
505 certificate of authority of the provider.

506 Section 10. Section 651.034, Florida Statutes, is created
507 to read:

508 651.034 Financial and operating requirements for
509 providers.-

510 (1) The provider must immediately notify the office of the
511 occurrence of an impairment or regulatory action level event.

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512 (2) (a) If a regulatory action level event occurs, the
513 office must:

514 1. Require the provider to prepare and submit a corrective
515 action plan or, if applicable, a revised corrective action plan.

516 2. Perform an examination pursuant to s. 651.105 or an
517 analysis of the assets, liabilities, and operations of the
518 provider, including a review of the corrective action plan or
519 the revised corrective action plan.

520 3. After the examination or analysis, issue a corrective
521 order specifying any corrective actions that the office
522 determines are required.

523 (b) In determining corrective actions, the office may
524 consider any factor relevant to the provider based upon the
525 office's examination or analysis of the assets, liabilities, and
526 operations of the provider. The provider must submit the
527 corrective action plan or the revised corrective action plan
528 within 30 days after the occurrence of the regulatory action
529 level event. The office must review and approve or disapprove
530 the corrective action plan within 15 business days after receipt
531 of the plan. If the office disapproves the corrective action
532 plan, the office must notify the provider of the deficiencies
533 that led to the disapproval. The provider must, within 30 days
534 after notification of the disapproval and deficiencies, correct
535 the deficiencies and resubmit the corrective action plan.

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536 (c) The office may consult members of the Continuing Care
537 Advisory Council, individually or as a group, or may retain
538 actuaries, investment experts, and other consultants to review a
539 provider's corrective action plan or revised corrective action
540 plan; examine or analyze the assets, liabilities, and operations
541 of a provider; and formulate the corrective order with respect
542 to the provider. The fees, costs, and expenses relating to
543 consultants must be borne by the affected provider.

544 (3) If an impairment occurs, the office may take any
545 action available to it, including any remedy available under
546 chapter 631. An impairment is sufficient grounds for the
547 department to be appointed as receiver as provided in chapter
548 631. A provider that meets the definition of "impaired" as
549 defined in s. 651.011 is deemed impaired for purposes of s.
550 631.051. The office may forego taking action for up to 180 days
551 after the impairment if the office finds there is a reasonable
552 expectation that the impairment may be eliminated within the
553 180-day period.

554 (4) The office may exempt a provider from subsection (2)
555 or subsection (3) for up to 5 years from the date of issuance of
556 the certificate of authority.

557 (5) The commission may adopt rules to administer this
558 section, including, but not limited to, rules regarding
559 corrective action plans, revised corrective action plans,

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560 corrective orders, and procedures to be followed in the event of
561 a regulatory action level event or an impairment.

562 Section 11. Paragraphs (a) and (b) of subsection (1) of
563 section 651.035, Florida Statutes, are amended, to read:

564 651.035 Minimum liquid reserve requirements.—

565 (1) A provider shall maintain in escrow a minimum liquid
566 reserve consisting of the following reserves, as applicable:

567 (a) Each provider must ~~shall~~ maintain in escrow as a debt
568 service reserve the aggregate amount of all principal and
569 interest payments due during the fiscal year on any mortgage
570 loan or other long-term financing of the facility, including
571 property taxes as recorded in the audited financial statements
572 required under s. 651.026. The amount must include any leasehold
573 payments and all costs related to such payments. If principal
574 payments are not due during the fiscal year, the provider must
575 ~~shall~~ maintain in escrow as a minimum liquid reserve an amount
576 equal to interest payments due during the next 12 months on any
577 mortgage loan or other long-term financing of the facility,
578 including property taxes. If a provider does not have a mortgage
579 loan or other financing on the facility, the provider must
580 deposit monthly in escrow as a minimum liquid reserve an amount
581 equal to one-twelfth of the annual property tax liability as
582 indicated in the most recent tax notice provided pursuant to s.
583 197.322(3).

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584 (b) A provider that has outstanding indebtedness that
585 requires a debt service reserve to be held in escrow pursuant to
586 a trust indenture or mortgage lien on the facility and for which
587 the debt service reserve may only be used to pay principal and
588 interest payments on the debt that the debtor is obligated to
589 pay, and which may include property taxes and insurance, may
590 include such debt service reserve in computing the minimum
591 liquid reserve needed to satisfy this subsection if the provider
592 furnishes to the office a copy of the agreement under which such
593 debt service is held, together with a statement of the amount
594 being held in escrow for the debt service reserve, certified by
595 the lender or trustee and the provider to be correct. The
596 trustee must ~~shall~~ provide the office with any information
597 concerning the debt service reserve account upon request of the
598 provider or the office. Such separate debt service reserves, if
599 any, are not subject to the transfer provisions set forth in s.
600 651.033(7).

601 Section 12. Section 651.043, Florida Statutes, is created
602 to read:

603 651.043 Approval of change in third-party management.—

604 (1) A contract for third-party management entered into
605 after January 1, 2019, must be in writing and include a
606 provision that the contract will be canceled, without the
607 application of any cancellation fee or penalty, upon issuance of
608 an order by the office pursuant to this section.

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609 (2) A provider must notify the office, in writing or
610 electronically, of any change in third-party management within
611 10 business days after the earlier of the execution of a
612 management contract or the effective date of the change in
613 management. For each new third-party management appointment, the
614 provider must submit the information required by s. 651.022(2)
615 and a copy of the written management contract, if applicable.

616 (3) For a provider that is found to be impaired or that is
617 under a regulatory action level event, the office may disapprove
618 the new management and order the provider to remove the new
619 management after reviewing the information required in
620 subsection (2).

621 (4) For a provider other than that specified in subsection
622 (3), the office may disapprove the new management and order the
623 provider to remove the new management after receiving the
624 required information in subsection (2) if the office:

625 (a) Finds that the new management is incompetent or
626 untrustworthy;

627 (b) Finds that the new management is so lacking in
628 relevant managerial experience as to make the proposed operation
629 hazardous to the residents or potential residents;

630 (c) Finds that the new management is so lacking in
631 relevant experience, ability, and standing as to jeopardize the
632 reasonable promise of successful operation; or

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633 (d) Has good reason to believe that the new management is
634 affiliated directly or indirectly through ownership, control, or
635 business relations with any person or persons whose business
636 operations are or have been marked, to the detriment of
637 residents, stockholders, investors, creditors, or the public, by
638 manipulation of assets or accounts or by bad faith.

639 (5) The office must complete its review as required under
640 subsections (3) and (4) and issue any notice of disapproval of
641 the new management within 15 business days after the filing is
642 deemed complete. A filing is deemed complete upon the office's
643 receipt of all requested information and the provider's
644 correction of any error or omission of which the provider was
645 timely notified. If the office does not issue notice of
646 disapproval of the new management within 15 business days after
647 the filing is deemed complete, then the new management is deemed
648 approved. If any material change occurs in the facts set forth
649 in information filed with the office pursuant subsection (2), a
650 notice setting forth such change must be filed with the office
651 within 10 business days after the provider becomes aware of such
652 change. The office may disapprove the previously approved
653 management based upon the information contained in such notice
654 or upon its own discovery of a material change to the facts set
655 for in information filed pursuant to subsection (2).

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656 (6) Management disapproved by the office under this
657 section must be removed within 30 days after receipt by the
658 provider of notice of such disapproval.

659 (7) The provider must remove the management immediately
660 upon discovery of any of the following conditions, if the
661 conditions were not disclosed in the notice to the office
662 required in subsection (2):

663 (a) That any manager or other person acting in such
664 capacity, has been found guilty of, or has pled guilty or no
665 contest to, regardless of adjudication, any felony or crime
666 punishable by imprisonment of 1 year or more under the laws of
667 the United States or any state thereof or under the laws of any
668 other country which involves moral turpitude.

669 (b) That any person who exercises or has the ability to
670 exercise effective control of the organization, or acts in the
671 capacity of a manager, is now or was in the past affiliated,
672 directly or indirectly, through ownership interest of 10 percent
673 or more in, or control of, any business, corporation, or other
674 entity that has been found guilty of or has pled guilty or no
675 contest to, regardless of adjudication, any felony or crime
676 punishable by imprisonment for 1 year or more under the laws of
677 the United States, any state, or any other country.

678 (8) The office may revoke, suspend, or take other
679 administrative action against the provisional certificate of
680 authority or the certificate of authority of the provider if the

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681 provider violates this section or persists in appointing
682 disapproved managers.

683 Section 13. Section 651.051, Florida Statutes, is amended
684 to read:

685 651.051 Maintenance of assets and records in state.—All
686 records and assets of a provider must be maintained or readily
687 accessible in this state, or, if the provider's corporate office
688 is located in another state, records must be electronically
689 stored in a manner that will ensure that the records are readily
690 accessible by the office. No records or assets may be removed
691 from this state by a provider unless the office consents to such
692 removal in writing before such removal. Such consent must ~~shall~~
693 be based upon the provider's submitting satisfactory evidence
694 that the removal will facilitate and make more economical the
695 operations of the provider and will not diminish the service or
696 protection thereafter to be given the provider's residents in
697 this state. Before ~~Prior to~~ such removal, the provider must
698 ~~shall~~ give notice to the president or chair of the facility's
699 residents' council. If such removal is part of a cash management
700 system which has been approved by the office, disclosure of the
701 system must ~~shall~~ meet the notification requirements. The
702 electronic storage of records on a web-based, secured storage
703 platform by contract with a third party is acceptable if the
704 records are readily accessible by the office.

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705 Section 14. Subsection (1) of section 651.071, Florida
706 Statutes, is amended to read:

707 651.071 Contracts as preferred claims on liquidation or
708 receivership.—

709 (1) In the event of receivership or liquidation
710 proceedings against a provider, all continuing care and
711 continuing care at-home contracts executed by a provider are
712 ~~shall be~~ deemed policyholder loss preferred claims pursuant to
713 s. 631.271(1)(b) against all assets owned by the provider;
714 however, such claims are subordinate to any secured claim.

715 Section 15. Subsections (1) and (5) of section 651.105,
716 Florida Statutes, are amended, to read:

717 651.105 Examination and inspections.—

718 (1)(a) The office may at any time, and must ~~shall~~ at least
719 once every 3 years, examine the business of any applicant for a
720 certificate of authority and any provider engaged in the
721 execution of care contracts or engaged in the performance of
722 obligations under such contracts, in the same manner as is
723 provided for the examination of insurance companies pursuant to
724 s. 624.316. For a provider as described ~~defined~~ in s. 651.028,
725 such examinations must ~~shall~~ take place at least once every 5
726 years. Such examinations must ~~shall~~ be made by a representative
727 or examiner designated by the office whose compensation will be
728 fixed by the office pursuant to s. 624.320. Routine examinations
729 may be made by having the necessary documents submitted to the

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730 office; and, for this purpose, financial documents and records
731 conforming to commonly accepted accounting principles and
732 practices, as required under s. 651.026, are deemed adequate.
733 The final written report of each examination must be filed with
734 the office and, when so filed, constitutes a public record.

735 (b) Any provider being examined must ~~shall~~, upon request,
736 give reasonable and timely access to all of its records. In
737 addition, the provider must furnish, upon request, such other
738 reasonable documents, data, records, financial statements, and
739 pertinent information as the commission or office may reasonably
740 require with respect to a provider's or facility's directors,
741 trustees, members, branches, subsidiaries, or affiliates, to
742 determine the financial status of the provider or of the
743 facility and the management capabilities of its managers and
744 owners.

745 (c) The representative or examiner designated by the
746 office may at any time examine the records and affairs and
747 inspect the physical property of any provider, whether in
748 connection with a formal examination or not.

749 (5) A provider must respond to written correspondence from
750 the office and provide documents, data, records, financial
751 statements, and pertinent information as required by the
752 commission or office. The office has standing to petition a
753 circuit court for mandatory injunctive relief to compel access
754 to and require the provider to produce such documents, data,

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755 records, financial statements, and other information. The office
756 may petition the circuit court in the county in which the
757 facility is situated or the Circuit Court of Leon County to
758 enforce this section. At the time of the routine examination,
759 ~~the office shall determine if all disclosures required under~~
760 ~~this chapter have been made to the president or chair of the~~
761 ~~residents' council and the executive officer of the governing~~
762 ~~body of the provider.~~

763 Section 16. Section 651.106, Florida Statutes, is amended
764 to read:

765 651.106 Grounds for discretionary denial ~~refusal~~,
766 suspension, or revocation of certificate of authority.— The
767 office may deny an application or may deny, suspend, or revoke
768 the provisional certificate of authority or the certificate of
769 authority of any applicant or provider if it finds that any one
770 or more of the following grounds applicable to the applicant or
771 provider exist:

772 (1) Failure by the provider to continue to meet the
773 requirements for the authority originally granted.

774 (2) Failure by the provider to meet one or more of the
775 qualifications for the authority specified by this chapter.

776 (3) Material misstatement, misrepresentation, or fraud in
777 obtaining the authority, or in attempting to obtain the same.

778 (4) Demonstrated lack of fitness or trustworthiness.

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779 (5) Fraudulent or dishonest practices of management in the
780 conduct of business.

781 (6) Misappropriation, conversion, or withholding of
782 moneys.

783 (7) Failure to comply with, or violation of, any proper
784 order or rule of the office or commission or violation of any
785 provision of this chapter.

786 (8) The insolvent or impaired condition of the provider or
787 the provider's being in such condition or using such methods and
788 practices in the conduct of its business as to render its
789 further transactions in this state hazardous or injurious to the
790 public.

791 (9) Refusal by the provider to be examined or to produce
792 its accounts, records, and files for examination, or refusal by
793 any of its officers to give information with respect to its
794 affairs or to perform any other legal obligation under this
795 chapter when required by the office.

796 (10) Failure by the provider to comply with the
797 requirements of s. 651.026 or s. 651.033.

798 (11) Failure by the provider to maintain escrow accounts
799 or funds as required by this chapter.

800 (12) Failure by the provider to meet the requirements of
801 this chapter for disclosure of information to residents
802 concerning the facility, its ownership, its management, its

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803 development, or its financial condition or failure to honor its
804 continuing care or continuing care at-home contracts.

805 (13) Any cause for which issuance of the license could
806 have been refused had it then existed and been known to the
807 office.

808 (14) Having been found guilty of, or having pleaded guilty
809 or nolo contendere to, a felony in this state or any other
810 state, without regard to whether a judgment or conviction has
811 been entered by the court having jurisdiction of such cases.

812 (15) In the conduct of business under the license,
813 engaging in unfair methods of competition or in unfair or
814 deceptive acts or practices prohibited under part IX of chapter
815 626.

816 (16) A pattern of bankrupt enterprises.

817 (17) The ownership, control, or third-party management of
818 the organization includes any person:

819 (a) Who is incompetent or untrustworthy;

820 (b) Who causes the operation of the provider to be
821 hazardous to potential and existing residents;

822 (c) Who jeopardizes the reasonable promise of successful
823 operation of the provider or facility;

824 (d) Who is affiliated, directly or indirectly, through
825 ownership or control, with any person whose business operations
826 are or have been marked by manipulation of assets or accounts or

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827 by bad faith, to the detriment of the public, stockholders,
828 investors, or creditors; or

829 (e) Whose business operations are or have been marked by
830 manipulation of assets or accounts or by bad faith, to the
831 detriment of the public, stockholders, investors, or creditors.

832 (18) The provider violated s. 651.043 or persists in
833 appointing disapproved managers.

834

835 Revocation of a certificate of authority under this section does
836 not relieve a provider from the provider's obligation to
837 residents under the terms and conditions of any continuing care
838 or continuing care at-home contract between the provider and
839 residents or the provisions of this chapter. The provider must
840 ~~shall~~ continue to file its annual statement and pay license fees
841 to the office as required under this chapter as if the
842 certificate of authority had continued in full force, but the
843 provider may ~~shall~~ not issue any new contracts. The office may
844 seek an action in the Circuit Court of Leon County to enforce
845 the office's order and the provisions of this section.

846 Section 17. Section 651.114, Florida Statutes, is amended
847 to read:

848 651.114 Delinquency proceedings; remedial rights.—

849 (1) Upon determination by the office that a provider is
850 not in compliance with this chapter, the office may notify the

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851 chair of the Continuing Care Advisory Council, who may assist
852 the office in formulating a corrective action plan.

853 (2) Within 30 days after a request by the advisory council
854 or the office, a provider must ~~shall~~ make a plan for obtaining
855 compliance or solvency available to the advisory council and the
856 office, within 30 days after being requested to do so by the
857 council, a plan for obtaining compliance or solvency.

858 (3) Within 30 days after receipt of a plan for obtaining
859 compliance or solvency, the office, or ~~notification,~~ the
860 advisory council, at the request of the office, must ~~shall~~:

861 (a) Consider and evaluate the plan submitted by the
862 provider.

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

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

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

867
868 This subsection may not be interpreted so as to delay or prevent
869 the office from taking any regulatory measures it deems
870 necessary regarding the provider that submitted the plan.

871 (4) If the financial condition of a continuing care
872 facility or provider is impaired or is such that if not modified
873 or corrected, its continued operation would result in
874 insolvency, the office may direct the provider to formulate and
875 file with the office a corrective action plan. If the provider

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876 fails to submit a plan within 30 days after the office's
877 directive, or submits a plan that is insufficient to correct the
878 condition, the office may specify a plan and direct the provider
879 to implement the plan. Before specifying a plan, the office may
880 seek a recommended plan from the advisory council.

881 (5)-(4) After receiving approval of a plan by the office,
882 the provider must ~~shall~~ submit a progress report monthly to the
883 advisory council or the office, or both, in a manner prescribed
884 by the office. After 3 months, or at any earlier time deemed
885 necessary, the council must ~~shall~~ evaluate the progress by the
886 provider and must ~~shall~~ advise the office of its findings.

887 (6)-(5) If ~~Should~~ the office finds ~~find~~ that sufficient
888 grounds exist for rehabilitation, liquidation, conservation,
889 reorganization, seizure, or summary proceedings of an insurer as
890 set forth in ss. 631.051, 631.061, and 631.071, the department
891 ~~office~~ may petition for an appropriate court order or may pursue
892 such other relief as is afforded in part I of chapter 631. A
893 provider that meets the definition of "impaired" as defined in
894 s. 651.011 is deemed impaired for purposes of s. 631.051. Before
895 invoking its powers under part I of chapter 631, the department
896 must ~~office shall~~ notify the chair of the advisory council.

897 (7)-(6) In the event an order of rehabilitation,
898 liquidation, conservation, reorganization, seizure, or summary
899 proceeding has been entered against a provider, the department
900 and office are vested with all of the powers and duties they

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901 have under ~~the provisions of~~ part I of chapter 631 in regard to
902 delinquency proceedings of insurance companies. A provider must
903 give written notice of the proceeding to its residents within 3
904 business days after the initiation of a delinquency proceeding
905 under chapter 631 and must include a notice of the delinquency
906 proceeding in any written materials provided to prospective
907 residents.

908 ~~(7) If the financial condition of the continuing care~~
909 ~~facility or provider is such that, if not modified or corrected,~~
910 ~~its continued operation would result in insolvency, the office~~
911 ~~may direct the provider to formulate and file with the office a~~
912 ~~corrective action plan. If the provider fails to submit a plan~~
913 ~~within 30 days after the office's directive or submits a plan~~
914 ~~that is insufficient to correct the condition, the office may~~
915 ~~specify a plan and direct the provider to implement the plan.~~

916 (8) (a) If the petition for rehabilitation, liquidation,
917 conservation, reorganization, seizure, or summary proceedings is
918 based solely upon the default of the provider under the terms of
919 a resolution, ordinance, loan agreement, indenture of trust,
920 mortgage, lease, security agreement, or other instrument
921 creating or securing bonds or notes issued to finance a
922 facility, the rights of the office described in this section are
923 subordinate to the rights of a trustee or lender pursuant to the
924 terms of a resolution, ordinance, loan agreement, indenture of
925 trust, mortgage, lease, security agreement, or other instrument

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926 creating or securing bonds or notes issued to finance a
927 facility, and the office, subject to the provisions of paragraph
928 (c), ~~may shall~~ not exercise its remedial rights provided under
929 this section and ss. 651.018, 651.106, 651.108, and 651.116 with
930 respect to a facility that is subject to a lien, mortgage,
931 lease, or other encumbrance or trust indenture securing bonds or
932 notes issued in connection with the financing of the facility,
933 if the trustee or lender, by inclusion or by amendment to the
934 loan documents or by a separate contract with the office, agrees
935 that the rights of residents under a continuing care or
936 continuing care at-home contract will be honored and will not be
937 disturbed by a foreclosure or conveyance in lieu thereof as long
938 as the resident:

939 1. Is current in the payment of all monetary obligations
940 required by the contract;

941 2. Is in compliance and continues to comply with all
942 provisions of the contract; and

943 3. Has asserted no claim inconsistent with the rights of
944 the trustee or lender.

945 (b) This subsection does not require a trustee or lender
946 to:

947 1. Continue to engage in the marketing or resale of new
948 continuing care or continuing care at-home contracts;

949 2. Pay any rebate of entrance fees as may be required by a
950 resident's continuing care or continuing care at-home contract

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951 as of the date of acquisition of the facility by the trustee or
952 lender and until expiration of the period described in paragraph
953 (d);

954 3. Be responsible for any act or omission of any owner or
955 operator of the facility arising before the acquisition of the
956 facility by the trustee or lender; or

957 4. Provide services to the residents to the extent that
958 the trustee or lender would be required to advance or expend
959 funds that have not been designated or set aside for such
960 purposes.

961 (c) Should the office determine, at any time during the
962 suspension of its remedial rights as provided in paragraph (a),
963 that the trustee or lender is not in compliance with paragraph
964 (a), or that a lender or trustee has assigned or has agreed to
965 assign all or a portion of a delinquent or defaulted loan to a
966 third party without the office's written consent, the office
967 shall notify the trustee or lender in writing of its
968 determination, setting forth the reasons giving rise to the
969 determination and specifying those remedial rights afforded to
970 the office which the office shall then reinstate.

971 (d) Upon acquisition of a facility by a trustee or lender
972 and evidence satisfactory to the office that the requirements of
973 paragraph (a) have been met, the office shall issue a 90-day
974 temporary certificate of authority granting the trustee or
975 lender the authority to engage in the business of providing

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976 continuing care or continuing care at-home and to issue
977 continuing care or continuing care at-home contracts subject to
978 the office's right to immediately suspend or revoke the
979 temporary certificate of authority if the office determines that
980 any of the grounds described in s. 651.106 apply to the trustee
981 or lender or that the terms of the contract used as the basis
982 for the issuance of the temporary certificate of authority by
983 the office have not been or are not being met by the trustee or
984 lender since the date of acquisition.

985 Section 18. Section 651.1141, Florida Statutes, is created
986 to read:

987 651.1141 Immediate final orders.—A violation of s.
988 651.024, s. 651.035, s. 651.043, s. 651.083(1)(a), or s. 651.105
989 constitutes an immediate danger to the public health, safety, or
990 welfare. Pursuant to s. 120.569, the office may issue an
991 immediate final order to cease and desist if it finds that a
992 provider is in violation of such sections.

993 Section 19. Subsections (1) and (4) of section 651.125,
994 Florida Statutes, are amended to read:

995 651.125 Criminal penalties; injunctive relief.—

996 (1) Any person who maintains, enters into, or, as manager
997 or officer or in any other administrative capacity, assists in
998 entering into, maintaining, or performing any continuing care or
999 continuing care at-home contract subject to this chapter without
1000 ~~doing so in pursuance of~~ a valid provisional certificate of

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1001 authority or certificate of authority ~~or renewal thereof~~, as
1002 contemplated by or provided in this chapter, or who otherwise
1003 violates any provision of this chapter or rule adopted in
1004 pursuance of this chapter, commits a felony of the third degree,
1005 punishable as provided in s. 775.082 or s. 775.083. Each
1006 violation of this chapter constitutes a separate offense.

1007 (4) Any action brought by the office against a provider
1008 shall not abate by reason of a sale or other transfer of
1009 ownership of the facility used to provide care, which provider
1010 is a party to the action, except with the express written
1011 consent of the ~~director of the~~ office.

1012 Section 20. This act shall take effect January 1, 2019.

1014 -----
1015 **T I T L E A M E N D M E N T**

1016 Remove everything before the enacting clause and insert:
1017 An act relating to continuing care contracts; amending
1018 s. 651.011, F.S.; providing and amending definitions;
1019 amending s. 651.012, F.S.; conforming a cross-
1020 reference; deleting an obsolete date; amending s.
1021 651.013, F.S.; revising applicability of specified
1022 provisions of the Florida Insurance Code as to the
1023 Office of Insurance Regulation's authority to regulate
1024 providers of continuing care and continuing care at-
1025 home; amending s. 651.022, F.S.; revising information

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1026 required in an application for a provisional
1027 certificate of authority; specifying requirements for
1028 review of such applications and for application
1029 amendments if material changes occur; amending s.
1030 651.023, F.S.; revising requirements for an
1031 application for a certificate of authority; revising
1032 procedures and requirements for the office's review of
1033 such applications and for application amendments if
1034 material changes occur; amending s. 651.024, F.S.;

1035 providing and revising applicability of certain
1036 requirements for a person seeking to acquire or assume
1037 a specified role of a provider or seeking specified
1038 ownership, possession, or control of a provider's
1039 assets; providing procedures for filing a disclaimer
1040 of control; providing construction; amending s.
1041 651.026, F.S.; revising requirements for annual
1042 reports filed with the office by providers and
1043 facilities; requiring a specified annual report by the
1044 office; amending s. 651.0261, F.S.; providing
1045 requirements for quarterly statements filed with the
1046 office by providers and facilities; authorizing the
1047 office to require, under certain circumstances,
1048 providers or facilities to file monthly statements and
1049 certain other information; amending s. 651.033, F.S.;

1050 revising requirements for and restrictions for

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1051 withdrawals from escrow accounts; revising procedures
1052 for the office's review and approval of specified
1053 withdrawals; providing construction; authorizing the
1054 office to order transfer of escrowed funds under
1055 specified conditions; creating s. 651.034, F.S.;
1056 requiring a provider to notify the office of specified
1057 events; requiring the office to take specified actions
1058 if a regulatory action level event occurs; providing
1059 requirements and procedures for submission and
1060 approval of corrective actions plans; authorizing the
1061 office to retain consultants for specified purposes;
1062 requiring affected providers or parties directed by
1063 the office to bear fees, costs, and expenses for such
1064 consultants; authorizing the office to take certain
1065 actions if an impairment occurs; authorizing the
1066 office to exempt a provider from such actions for up
1067 to 5 years; authorizing the commission to adopt rules;
1068 amending s. 651.035, F.S.; revising provider minimum
1069 liquid reserve requirements under specified
1070 circumstances; providing construction related to
1071 specified debt service reserves; creating s. 651.043,
1072 F.S.; providing requirements for a contract for
1073 management; providing procedures and requirements for
1074 providers filing notices of change in management with
1075 the office; authorizing the office to disapprove new

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1076 management and order the provider to remove such
1077 management under specified conditions; providing
1078 requirements and procedures for the office's review of
1079 new management and issuance of required notices;
1080 providing timeframes for removal of disapproved
1081 management under specified conditions; authorizing the
1082 office to take administrative action based on
1083 specified violations; amending s. 651.051, F.S.;;
1084 providing requirements for records storage; amending
1085 s. 651.071, F.S.; revising construction as to the
1086 priority of continuing care and continuing care at-
1087 home contracts in the event of receivership or
1088 liquidation proceedings against a provider; amending
1089 s. 651.105, F.S.; requiring a provider to furnish
1090 specified documents related to the provider's or
1091 facility's financial status and to other specified
1092 matters; providing that the office has standing in
1093 court to obtain such documents; amending s. 651.106,
1094 F.S.; authorizing the office to deny an application on
1095 certain grounds; revising and adding grounds for
1096 application denial or disciplinary action by the
1097 office; amending s. 651.114, F.S.; requiring a
1098 provider to make a plan for obtaining compliance or
1099 solvency in delinquency proceedings to the office or
1100 the advisory council; providing a timeframe for the

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1101 office or council upon receipt of such plan to take
1102 specified action; providing construction; authorizing
1103 the office to require the provider to prepare a
1104 corrective action plan under certain conditions, and
1105 to specify such a plan if the provider fails to timely
1106 submit such a plan; defining the term "impaired";
1107 requiring a provider to provide, within a specified
1108 timeframe, a certain notice to residents after the
1109 initiation of a delinquency proceeding; revising
1110 conditions under which the office's rights are
1111 subordinate to the rights of a trustee or lender
1112 pursuant to certain instruments; creating s. 651.1141,
1113 F.S.; authorizing the office to issue an immediate
1114 final order to cease and desist from violations of
1115 specified provisions; amending s. 651.125, F.S.;
1116 providing a criminal penalty for certain actions
1117 performed without a valid provisional certificate of
1118 authority; making a technical change; providing an
1119 effective date.

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