

CS/HB 1253 — Continuing Care Facilities

by Insurance, Business and Financial Affairs Policy Committee; and Rep. Proctor and others (CS/SB 2030 by Banking and Insurance Committee and Senator Fasano)

Continuing care retirement communities (CCRCs), also known as life-care facilities, are retirement facilities that furnish residents with shelter and health care for an entrance fee and monthly payments. Under ch. 651, F.S., the Office of Insurance Regulation (OIR) authorizes and monitors a CCRC's operation, its financial status, and the management capabilities of its managers and owners. The OIR is also mandated to discipline a facility for violations of residents' rights. Currently there are 70 CCRCs in the state, and approximately 29,000 residents call these facilities home.

In June 2009, the Florida Life Care Residents Association and the Florida Association of Homes and Services for the Aging created a joint task force to review the provisions of ch. 651, F.S., and the recommendations of the task force form the basis of this legislation. This bill provides disclosures to residents of CCRCs and provides for more financial transparency in the operation of CCRCs. Among its key provisions, the bill:

- Increases the availability and distribution of certain information and reports to residents and prospective residents of CCRCs.
- Increases transparency by requiring providers to give the residents' council chair a copy of ch. 651, F.S., the quarterly and annual reports that must be filed with the OIR, and, if requested, a copy of new contracts approved by the OIR.
- Gives residents the right to receive memos and announcements from the residents' council as well as unrestricted access to the council.
- Increases allowable cancellation processing fees for prospective residents who cancel a contract prior to occupancy.
- Clarifies that a provider may assess a non-refundable application processing fee.
- Clarifies that the taxes and insurance that must be factored into the escrow account as a debt service reserve, pertain to "property."
- Clarifies that if a prospective resident signs a contract but delays moving into the facility, he or she is considered to have occupied a unit in the facility when he or she pays an entrance fee, or any portion thereof, and has begun paying a monthly fee. Provides that such resident has seven days from the date of signing the contract to cancel without financial penalty.
- Changes the OIR inspections from once every three years to once every five years.
- Requires the Continuing Care Advisory Council (council) to annually report the council's findings and recommendations concerning CCRCs to the Governor and to the OIR.
- Requires the OIR to disclose to council members specified information regarding complaints filed with the Division of Consumer Services within the Department of Financial Services and to notify the council regarding rule changes and rule workshops and hearings.

If approved by the Governor, these provisions take effect on July 1, 2010.

Vote: Senate 38-0; House 114-0.