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## Health Care & Wellness Committee

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### HB 2726

**Brief Description:** Concerning the regulation of continuing care retirement communities.

**Sponsors:** Representatives Walkinshaw, Tharinger, Senn, Cody, Ortiz-Self, Magendanz and Goodman.

#### Brief Summary of Bill

- Establishes standards for continuing care retirement communities (CCRCs) to become certified with the Department of Social and Health Services.
- Requires a CCRC to provide prospective residents with a disclosure statement containing specified information about the CCRC.
- Establishes rights for residents of CCRCs and requirements that notice of the rights be posted in the CCRC.

**Hearing Date:** 1/26/16

**Staff:** Chris Blake (786-7392).

#### **Background:**

##### Continuing care retirement communities (CCRCs).

Continuing care retirement communities offer a mix of residential options designed to allow older adults the ability to remain in the same community as their health needs change. Each CCRC offers different services to residents, but they include independent living, assisted living, and, in many cases, skilled nursing. While CCRCs are not a regulated entity in Washington, any assisted living component or skilled nursing component must meet state licensing standards for those types of facilities.

Payment arrangements vary among CCRCs, but residents typically pay for the residence and the services through a combination of an entrance fee and a monthly fee. Contracts with CCRCs range from contracts that include housing, residential services, amenities, and unlimited access to

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health care at little or no increase in the monthly fees at different levels of service to contracts that include housing, residential services, and amenities, but charge residents the market rate for health services. Other arrangements with residents may dispose of entrance fees and charge residents a fee based on the services and care provided.

#### Disclosures and Residential Rights in Long-Term Care Facilities.

Each resident of an assisted living facility, adult family home, or state veterans' home in Washington must be informed, orally and in writing, of his or her rights in a language that the resident understands. The notification must occur prior to the resident's admission to the facility and the resident must acknowledge receipt of the information.

The rights generally pertain to access to records, personal privacy, freedom from physical or chemical restraint, management of financial affairs, the statement of grievances, access to advocacy resources, and examination of facility survey and inspection results. The facility must also disclose certain quality of life rights such as choice of activities and health care, interactions with others, clothing choices, planning for care and treatment, and participation in resident groups. The facility must also disclose its service capabilities to potential residents and attempt to avoid involuntary transfers and, if transfer is necessary, notify the resident of the reason for the transfer. In addition, facilities must disclose the amounts of any admissions fees, deposits, prepaid charges, or minimum stay fees and what portion of such payments will be refunded.

#### **Summary of Bill:**

#### Certification of Continuing Care Retirement Communities (CCRCs).

The term "continuing care" means nursing, medical or other health-related services; protection or supervision; assistance with activities of daily living; or any combination of these services. "Continuing care retirement communities" are defined as entities that are certified by the Department of Social and Health Services (Department) and agree to provide continuing care to a resident under a residency agreement.

An entity must be certified by the Department as a CCRC if it: (1) operates a CCRC, (2) enters into residency agreements with prospective residents, (3) solicits an application fee or residency agreement from a prospective resident, or (4) collects a residency fee.

To become certified as a CCRC, an entity must provide general information, submit copies of proposed residency agreements, submit copies of the CCRC's current disclosure statement, provide copies of financial statements for the previous three years, complete a survey, and pay a fee. The Department is authorized to conduct several regulatory activities, including issuing certifications, investigating complaints, taking disciplinary action for violations, conducting surveys, and reviewing disclosure statements. In addition, the Department shall develop and distribute educational materials for prospective residents of CCRCs related to the benefits of CCRCs, considerations prior to entering a residency agreement with a CCRC, and instructions on filing a complaint related to a CCRC.

## Disclosure Statements and Resident Rights.

Prospective residents must be provided with a copy of the CCRC's current disclosure statement prior to entering into a residency agreement or accepting an entrance fee. The disclosure statement must include:

- the names of the owners and officers;
- the type of ownership;
- persons with at least a ten percent ownership in the CCRC;
- general descriptive information, including the number of living units, number of assisted living and nursing home beds, occupancy rates, and other care facilities owned or operated by the owner of the CCRC;
- the number of residents placed off-site for assisted living and nursing care services in the previous three years due to a lack of capacity at the CCRC;
- an explanation of all types of fees charged, how each type of fee is determined, current fee ranges, and fee refund policies;
- the CCRC's policy for notifying residents of fee increases;
- a description of services provided under residency agreements, including the extent to which medical care and long-term care services are provided, and where medical care and long-term care services are provided, if not provided on the CCRC campus;
- a description of the services made available by the CCRC for an additional charge; and
- the most recent audited financial statement.

Continuing care retirement communities must provide prospective residents with a list of resident rights. In addition, each CCRC must prominently post the resident rights and a statement of the right to file a complaint with the Department. The rights include the right to:

- live in an attractive, safe, well-maintained physical environment;
- live in an environment that enhances personal dignity, maintains independence, and encourages self-determination;
- participate in activities that meet intellectual, physical, social, and spiritual needs;
- receive a clear and complete written contract;
- communicate with the CCRC's management or governing body;
- manage one's own financial affairs;
- be allowed to make donations to the CCRC or purchase products from the CCRC on a voluntary basis;
- maintain ties with the local community; and
- organize and participate in independent resident organizations.

Prospective residents have the right to visit each of the different levels of care and inspect credentialing reports prior to signing a residency agreement.

**Appropriation:** None.

**Fiscal Note:** Requested on January 18, 2016.

**Effective Date:** The bill takes effect on July 1, 2017.