

Committee on Banking and Insurance

CS/CS/CS/HB 1033 — Continuing Care Contracts

by Commerce Committee; Health and Human Services Committee; Insurance and Banking Subcommittee; and Reps. Yarborough, Stevenson, and others (CS/CS/SB 1070 by Appropriations Committee; Banking and Insurance Committee; and Senator Lee)

The bill revises provisions within the Insurance Code governing continuing care retirement communities (CCRCs) or providers, which are regulated by the Office of Insurance Regulation (OIR). The CCRCs provide lifelong housing, household assistance, and nursing care in exchange for a significant entrance fee and monthly fees.

The bill provides the following changes relating to CCRCs:

Protections and Transparency for Residents

- Requires providers to make additional disclosures and reports available to prospective residents and current residents.
- Revises the current procedure for the resolution of residents' complaints to provide greater transparency regarding the resolution process.
- Revises the membership of the Continuing Care Advisory Council to increase the number of resident members from three to four.

Regulatory Oversight

- Creates an early intervention system, based on the CCRC's performance, designed to identify, mitigate, or resolve financial issues so that a provider may avoid bankruptcy, as well as protect the interests of the residents. The bill revises reporting requirements of CCRCs to provide more relevant and timely information about the financial performance of CCRCs.
- Authorizes the OIR, under certain conditions, to issue an immediate suspension order on a CCRC as well as a cease and desist order on a person that violates specified laws.
- Provides additional authority for the OIR to disapprove and remove unqualified management.
- Revises and streamlines provisions of law relating to applications for licensure and acquisition of a CCRC.
- Creates an annual industry report that provides greater transparency regarding the CCRCs' performance and the OIR's activities relating to the examination and regulation of CCRCs.

If approved by the Governor, these provisions take effect January 1, 2020, except as otherwise expressly provided in this act.

Vote: Senate 40-0; House 113-0