Representative Yarborough offered the following:

Amendment (with title amendment)

Remove lines 1324-2159 and insert:

15-day period constitutes acknowledgment by the office that it has received all requested additional information, and the application is deemed complete for purposes of review on the date the applicant files all of the required additional information. If the application submitted is determined by the office to be substantially incomplete so as to require substantial additional information, including biographical information, the office may return the application to the applicant with a written notice stating that the application as
received is substantially incomplete and, therefore, is unacceptable for filing without further action required by the office. Any filing fee received must be refunded to the applicant.

(b) An application is deemed complete upon the office receiving all requested information and the applicant correcting any error or omission of which the applicant was timely notified or when the time for such notification has expired. The office shall notify the applicant in writing of the date on which the application was deemed complete.

(6) Within 45 days after the date on which an application is deemed complete as provided in paragraph (5)(b), the office shall complete its review and, based upon its review, approve an expansion by the applicant and issue a determination that the application meets all requirements of law, that the feasibility study was based on sufficient data and reasonable assumptions, and that the applicant will be able to provide continuing care or continuing care at-home as proposed and meet all financial and contractual obligations related to its operations, including the financial requirements of this chapter. If the application is denied, the office must notify the applicant in writing, citing the specific failures to meet the requirements of this chapter. The denial entitles the applicant to a hearing pursuant to chapter 120.
Section 12. Paragraphs (b) and (c) of subsection (2) and subsection (3) of section 651.026, Florida Statutes, are amended, subsection (10) is added to that section, and paragraph (a) of subsection (2) of that section is republished, to read:

651.026 Annual reports.—

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

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

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

1. An accountant's opinion and, in accordance with generally accepted accounting principles:
   a. A balance sheet;
   b. A statement of income and expenses;
   c. A statement of equity or fund balances; and
   d. A statement of changes in cash flows.

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

(c) The following financial information:
1. A detailed listing of the assets maintained in the
iliquid reserve as required under s. 651.035 and in accordance
with part II of chapter 625;

2. A schedule giving additional information relating to
property, plant, and equipment having an original cost of at
least $25,000, so as to show in reasonable detail with respect
to each separate facility original costs, accumulated
depreciation, net book value, appraised value or insurable value
and date thereof, insurance coverage, encumbrances, and net
equity of appraised or insured value over encumbrances. Any
property not used in continuing care must be shown separately
from property used in continuing care;

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

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

5. Any change or increase in fees if the provider changes
the scope of, or the rates for, care or services, regardless of
whether the change involves the basic rate or only those
services available at additional costs to the resident;
6. If the provider has more than one certificated facility, or has operations that are not licensed under this chapter, it shall submit a balance sheet, statement of income and expenses, statement of equity or fund balances, and statement of cash flows for each facility licensed under this chapter as supplemental information to the audited financial report statements required under paragraph (b); and-

7. The management's calculation of the provider's debt service coverage ratio, occupancy, and days cash on hand for the current reporting period.

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

(a) Debt service coverage ratios.
(b) Current ratios.
(c) Adjusted current ratios.
(d) Cash flows.
(e) Occupancy rates.
(f) Other measures, ratios, or trends.
(g) Other factors as may be appropriate.

(10) By August 1 of each year, the office shall publish on its website an annual industry report for the preceding calendar year which contains all of the following:

(a) The median days cash on hand for all providers.
(b) The median debt service coverage ratio for all providers.

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

(d) Documentation of the office's compliance with the requirements in s. 651.105(1) relating to examination timeframes. The documentation must include the number of examinations completed in the preceding calendar year, the number of such examinations for which the report has been issued, and the percentage of all examinations completed within the statutorily required timeframes.

(e) The number of annual reports submitted to the office pursuant to this section in the preceding calendar year and the percentage of such reports that the office has reviewed in order to determine whether a regulatory action level event has occurred.

Section 13. Section 651.0261, Florida Statutes, is amended to read:

651.0261 Quarterly and monthly statements.—

(1) Within 45 days after the end of each fiscal quarter, each provider shall file a quarterly unaudited financial statement of the provider or of the facility in the form prescribed by commission rule and days cash on hand, occupancy, debt service coverage ratio, and a detailed listing of the
assets maintained in the liquid reserve as required under s. 651.035. The last quarterly statement for a fiscal year is not required if a provider does not have pending a regulatory action level event, impairment, or a corrective action plan. If a provider falls below two or more of the thresholds set forth in s. 651.011(25) at the end of any fiscal quarter, the provider shall submit to the office, at the same time as the quarterly statement, an explanation of the circumstances and a description of the actions it will take to meet the requirements.

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

(a) Within 25 days after the end of each month, a monthly unaudited financial statement of the provider or of the facility in the form prescribed by the commission by rule and a detailed listing of the assets maintained in the liquid reserve as required under s. 651.035, within 45 days after the end of each fiscal quarter, a quarterly unaudited financial statement of the provider or of the facility in the form prescribed by the commission by rule. The commission may by rule require all or part of the statements or filings required under this section to be submitted by electronic means in a computer-readable form.
compatible with the electronic data format specified by the commission.

(b) Such other data, financial statements, and pertinent information as the commission or office may reasonably require with respect to the provider or the facility, its directors, or its trustees; or with respect to any parent, subsidiary, or affiliate, if the provider or facility relies on a contractual or financial relationship with such parent, subsidiary, or affiliate in order to meet the financial requirements of this chapter, to determine the financial status of the provider or of the facility and the management capabilities of its managers and owners.

(3) A filing under subsection (2) may be required if any of the following applies:

(a) The provider is:

1. Subject to administrative supervision proceedings;

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

3. Subject to delinquency or receivership proceedings or has filed for bankruptcy.

(b) The provider or facility displays a declining financial position.

Approved For Filing: 4/23/2019 3:56:22 PM

Page 8 of 38
(c) A change of ownership of the provider or facility has occurred within the previous 2 years.

(d) The provider is found to be impaired.

(4) The commission may by rule require all or part of the statements or filings required under this section to be submitted by electronic means in a computer-readable format compatible with an electronic data format specified by the commission.

Section 14. Section 651.028, Florida Statutes, is amended to read:

651.028 Accredited facilities.—If a provider or facility is deemed accredited for purposes of ss. 400.235(5)(b)1 and 651.105(1) if it is accredited without stipulations or conditions by a process found by the commission office to be acceptable, and substantially equivalent to the provisions of this chapter, and consistent the office may, pursuant to rule of the commission, waive any requirements of this chapter with respect to the provider if the office finds that such waivers are not inconsistent with the security protections intended by this chapter.

Section 15. Subsections (1), (2), (3), and (5) of section 651.033, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

651.033 Escrow accounts.—
(1) When funds are required to be deposited in an escrow account pursuant to s. 651.0215, s. 651.022, s. 651.023, s. 651.0246, s. 651.035, or s. 651.055:

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

(b) An escrow agreement shall be entered into between the bank, savings and loan association, or trust company and the provider of the facility; the agreement shall state that its purpose is to protect the resident or the prospective resident; and, upon presentation of evidence of compliance with applicable portions of this chapter, or upon order of a court of competent jurisdiction, the escrow agent shall release and pay over the funds, or portions thereof, together with any interest accrued thereon or earned from investment of the funds, to the provider or resident as directed.

(c) Any agreement establishing an escrow account required under the provisions of this chapter is subject to
approval by the office. The agreement must be in writing and shall contain, in addition to any other provisions required by law, a provision whereby the escrow agent agrees to abide by the duties imposed by paragraphs (b) and (e), (3)(a), (3)(b), and (5)(a) and subsection (6) under this section.

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

(e) At the request of either the provider or the office, the escrow agent shall issue a statement indicating the status of the escrow account.

(2) Notwithstanding s. 651.035(7), In addition, the escrow agreement shall provide that the escrow agent or another person designated to act in the escrow agent's place and the provider, except as otherwise provided in s. 651.035, shall notify the office in writing at least 10 days before the withdrawal of any portion of any funds required to be escrowed under the provisions of s. 651.035. However, in the event of an emergency and upon petition by the provider, the office may waive the 10-
day notification period and allow a withdrawal of up to 10 percent of the required minimum liquid reserve. The office shall have 3 working days to deny the petition for the emergency 10-percent withdrawal. If the office fails to deny the petition within 3 working days, the petition is deemed to have been granted by the office. For purposes of this section, the term "working day" means each day that is not a Saturday, Sunday, or legal holiday as defined by Florida law. Also, for purposes of this section, the day the petition is received by the office is not counted as one of the 3 days.

(3) In addition, when entrance fees are required to be deposited in an escrow account pursuant to s. 651.0215, s. 651.022, s. 651.023, s. 651.0246, or s. 651.055:

(a) The provider shall deliver to the resident a written receipt. The receipt must show the payor's name and address, the date, the price of the care contract, and the amount of money paid. A copy of each receipt, together with the funds, must be deposited with the escrow agent or as provided in paragraph (c). The escrow agent must release such funds to the provider 7 days after the date of receipt of the funds by the escrow agent if the provider, operating under a certificate of authority issued by the office, has met the requirements of s. 651.0215(8), s. 651.023(6), or s. 651.0246. However, if the resident rescinds the contract within the 7-day period, the...
escrow agent **must** **shall** release the escrowed fees to the resident.

(b) At the request of an individual resident of a facility, the escrow agent shall issue a statement indicating the status of the resident's portion of the escrow account.

(c) At the request of an individual resident of a facility, the provider may hold the check for the 7-day period and **may** **shall** not deposit it during this time period. If the resident rescinds the contract within the 7-day period, the check **must** **shall** be immediately returned to the resident. Upon the expiration of the 7 days, the provider shall deposit the check.

(d) A provider may assess a nonrefundable fee, which is separate from the entrance fee, for processing a prospective resident's application for continuing care or continuing care at-home.

(5) When funds are required to be deposited in an escrow account pursuant to s. 651.0215, s. 651.022, s. 651.023, s. 651.0246, or s. 651.035, the following **shall** apply:

(a) The escrow agreement **must** **shall** require that the escrow agent furnish the provider with a quarterly statement indicating the amount of any disbursements from or deposits to the escrow account and the condition of the account during the period covered by the statement. The agreement **must** **shall** require that the statement be furnished to the provider by the
escrow agent on or before the 10th day of the month following
the end of the quarter for which the statement is due. If the
escrow agent does not provide the quarterly statement to the
provider on or before the 10th day of the month following the
month for which the statement is due, the office may, in its
discretion, levy against the escrow agent a fine not to exceed
$25 a day for each day of noncompliance with the provisions of
this subsection.

(b) If the escrow agent does not provide the quarterly
statement to the provider on or before the 10th day of the month
following the quarter for which the statement is due, the
provider shall, on or before the 15th day of the month following
the quarter for which the statement is due, send a written
request for the statement to the escrow agent by certified mail
return receipt requested.

(c) On or before the 20th day of the month following the
quarter for which the statement is due, the provider shall file
with the office a copy of the escrow agent's statement or, if
the provider has not received the escrow agent's statement, a
copy of the written request to the escrow agent for the
statement.

(d) The office may, in its discretion, in addition to any
other penalty that may be provided for under this chapter, levy
a fine against the provider not to exceed $25 a day for each day
the provider fails to comply with the provisions of this subsection.

(e) Funds held on deposit with the department are exempt from the reporting requirements of this subsection.

(6) Except as described in paragraph (3)(a), the escrow agent may not release or otherwise allow the transfer of funds without the written approval of the office, unless the withdrawal is from funds in excess of the amounts required by ss. 651.0215, 651.022, 651.023, 651.0246, 651.035, and 651.055.

Section 16. Section 651.034, Florida Statutes, is created to read:

651.034  Financial and operating requirements for providers.—

(1)(a) If a regulatory action level event occurs, the office must:

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

2. Perform an examination pursuant to s. 651.105 or an analysis, as the office considers necessary, of the assets, liabilities, and operations of the provider, including a review of the corrective action plan or the revised corrective action plan; and

3. After the examination or analysis, issue a corrective order, if necessary, specifying any corrective actions that the office determines are required.
(b) In determining corrective actions, the office shall consider any factor relevant to the provider based upon the office's examination or analysis of the assets, liabilities, and operations of the provider. The provider must submit the corrective action plan or the revised corrective action plan within 30 days after the occurrence of the regulatory action level event. The office shall review and approve or disapprove the corrective action plan within 45 business days.

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

(2) Except when the office's remedial rights are suspended pursuant to s. 651.114(11)(a), the office must take action necessary to place an impaired provider under regulatory control, including any remedy available under part I of chapter 631. An impairment is sufficient grounds for the department to be appointed as receiver as provided in chapter 631, except when the office's remedial rights are suspended pursuant to s. 651.114(11)(a). If the office's remedial rights are suspended pursuant to s. 651.114(11)(a), the impaired provider must make
available to the office copies of any corrective action plan
approved by the third-party lender or trustee to cure the
impairment and any related required report. For purposes of s.
631.051, impairment of a provider is defined according to the
term "impaired" under s. 651.011. The office may forego taking
action for up to 180 days after the impairment if the office
finds there is a reasonable expectation that the impairment may
be eliminated within the 180-day period.

(3) There is no liability on the part of, and a cause of
action may not arise against, the commission, department, or
office, or their employees or agents, for any action they take
in the performance of their powers and duties under this
section.

(4) The office shall transmit any notice that may result
in regulatory action by registered mail, certified mail, or any
other method of transmission which includes documentation of
receipt by the provider. Notice is effective when the provider
receives it.

(5) This section is supplemental to the other laws of this
state and does not preclude or limit any power or duty of the
department or office under those laws or under the rules adopted
pursuant to those laws.

(6) The office may exempt a provider from subsection (1)
or subsection (2) until stabilized occupancy is reached or until
the time projected to achieve stabilized occupancy as reported
in the last feasibility study required by the office as part of
an application filing under s. 651.0215, s. 651.023, s. 651.024,
or s. 651.0246 has elapsed, but for no longer than 5 years after
the date of issuance of the certificate of occupancy.

(7) The commission may adopt rules to administer this
section, including, but not limited to, rules regarding
corrective action plans, revised corrective action plans,
corrective orders, and procedures to be followed in the event of
a regulatory action level event or an impairment.

Section 17. Paragraphs (a), (b), and (c) of subsection (1)
of section 651.035, Florida Statutes, are amended, and
subsections (7) through (11) are added to that section, to read:

651.035 Minimum liquid reserve requirements.—

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

(a) Each provider shall maintain in escrow as a debt
service reserve the aggregate amount of all principal and
interest payments due during the fiscal year on any mortgage
loan or other long-term financing of the facility, including
property taxes as recorded in the audited financial report
statements required under s. 651.026. The amount must include
any leasehold payments and all costs related to such payments.
If principal payments are not due during the fiscal year, the
provider must maintain in escrow as a minimum liquid
reserve an amount equal to interest payments due during the next
12 months on any mortgage loan or other long-term financing of the facility, including property taxes. If a provider does not have a mortgage loan or other financing on the facility, the provider must deposit monthly in escrow as a minimum liquid reserve an amount equal to one-twelfth of the annual property tax liability as indicated in the most recent tax notice provided pursuant to s. 197.322(3), and must annually pay property taxes out of such escrow.

(b) A provider that has outstanding indebtedness that requires a debt service reserve to be held in escrow pursuant to a trust indenture or mortgage lien on the facility and for which the debt service reserve may only be used to pay principal and interest payments on the debt that the debtor is obligated to pay, and which may include property taxes and insurance, may include such debt service reserve in computing the minimum liquid reserve needed to satisfy this subsection if the provider furnishes to the office a copy of the agreement under which such debt service is held, together with a statement of the amount being held in escrow for the debt service reserve, certified by the lender or trustee and the provider to be correct. The trustee shall provide the office with any information concerning the debt service reserve account upon request of the provider or the office. Any such separate debt service reserves are not subject to the transfer provisions set forth in subsection (8).
(c) Each provider shall maintain in escrow an operating reserve equal to 30 percent of the total operating expenses projected in the feasibility study required by s. 651.023 for the first 12 months of operation. Thereafter, each provider shall maintain in escrow an operating reserve equal to 15 percent of the total operating expenses in the annual report filed pursuant to s. 651.026. If a provider has been in operation for more than 12 months, the total annual operating expenses shall be determined by averaging the total annual operating expenses reported to the office by the number of annual reports filed with the office within the preceding 3-year period subject to adjustment if there is a change in the number of facilities owned. For purposes of this subsection, total annual operating expenses include all expenses of the facility except depreciation and amortization; interest and property taxes included in paragraph (a); extraordinary expenses that are adequately explained and documented in accordance with generally accepted accounting principles; liability insurance premiums in excess of those paid in calendar year 1999; and changes in the obligation to provide future services to current residents. For providers initially licensed during or after calendar year 1999, liability insurance must be included in the total operating expenses in an amount not to exceed the premium paid during the first 12 months of facility operation. Beginning January 1, 1993, the operating reserves required under this
subsection must be in an unencumbered account held in escrow for the benefit of the residents. Such funds may not be encumbered or subject to any liens or charges by the escrow agent or judgments, garnishments, or creditors' claims against the provider or facility. However, if a facility had a lien, mortgage, trust indenture, or similar debt instrument in place before January 1, 1993, which encumbered all or any part of the reserves required by this subsection and such funds were used to meet the requirements of this subsection, then such arrangement may be continued, unless a refinancing or acquisition has occurred, and the provider is in compliance with this subsection.

(7)(a) A provider may withdraw funds held in escrow without the approval of the office if the amount held in escrow exceeds the requirements of this section and if the withdrawal will not affect compliance with this section.

(b) 1. For all other proposed withdrawals, in order to receive the consent of the office, the provider must file documentation showing why the withdrawal is necessary for the continued operation of the facility and such additional information as the office reasonably requires.

2. The office shall notify the provider when the filing is deemed complete. If the provider has complied with all prior requests for information, the filing is deemed complete after 30 days without communication from the office.
3. Within 30 days after the date a file is deemed complete, the office shall provide the provider with written notice of its approval or disapproval of the request. The office may disapprove any request to withdraw such funds if it determines that the withdrawal is not in the best interest of the residents.

(8) The office may order the immediate transfer of up to 100 percent of the funds held in the minimum liquid reserve to the custody of the department pursuant to part III of chapter 625 if the office finds that the provider is impaired or insolvent. The office may order such a transfer regardless of whether the office has suspended or revoked, or intends to suspend or revoke, the certificate of authority of the provider.

(9) Each facility shall file with the office annually, together with the annual report required by s. 651.026, a calculation of its minimum liquid reserve determined in accordance with this section on a form prescribed by the commission.

(10) Any increase in the minimum liquid reserve must be funded not later than 61 days after the minimum liquid reserve calculation is due to be filed as provided in s. 651.026.

(11) If the minimum liquid reserve is less than the required minimum amount at the end of any fiscal quarter due to a change in the market value of the invested funds, the provider must fund the shortfall within 10 business days.
Section 18. Effective July 1, 2019, section 651.043, Florida Statutes, is created to read:

651.043 Approval of change in management.—

(1) A contract with a management company entered into after July 1, 2019, must be in writing and include a provision that the contract will be canceled upon issuance of an order by the office pursuant to this section and without the application of a cancellation fee or penalty. If a provider contracts with a management company, a separate written contract is not required for the individual manager employed by the management company or contractor hired by the management company to oversee a facility. If a management company executes a contract with an individual manager or contractor, the contract is not required to be submitted to the office unless requested by the office.

(2) A provider shall notify the office, in writing or electronically, of any change in management within 10 business days. For each new management company or manager not employed by a management company, the provider shall submit to the office the information required by s. 651.022(2) and a copy of the written management contract, if applicable.

(3) For a provider that is found to be impaired or that has a regulatory action level event pending, the office may disapprove new management and order the provider to remove the new management after reviewing the information required under subsection (2).
(4) For a provider other than that specified in subsection (3), the office may disapprove new management and order the provider to remove the new management after receiving the required information under subsection (2), if the office:

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

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

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

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

The office shall complete its review as required under subsections (3) and (4) and, if applicable, issue notice of disapproval of the new management within 30 business days after the filing is deemed complete. A filing is deemed complete upon the office's receipt of all requested information and the provider's correction of any error or omission for which the
provider was timely notified. If the office does not issue
notice of disapproval of the new management within 30 business
days after the filing is deemed complete, the new management is
deemed approved.

(5) Management disapproved by the office must be removed
within 30 days after receipt by the provider of notice of such
disapproval.

(6) The office may revoke, suspend, or take other
administrative action against the certificate of authority of
the provider if the provider:

(a) Fails to timely remove management disapproved by the
office;

(b) Fails to timely notify the office of a change in
management;

(c) Appoints new management without a written contract
when a written contract is required under this section; or

(d) Repeatedly appoints management that was previously
disapproved by the office or that is not approvable under
subsection (4).

(7) The provider shall remove any management immediately
upon discovery of either of the following conditions, if the
conditions were not disclosed in the notice to the office
required under subsection (2):

(a) That a manager has been found guilty of, or has pled
guilty or no contest to, a felony charge, or has been held

200477

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Page 25 of 38
liable or has been enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property.

(b) That a manager is now, or was in the past, affiliated, directly or indirectly, through ownership interest of 10 percent or more in, or control of, any business, corporation, or other entity that has been found guilty of or has pled guilty or no contest to a felony charge, or has been held liable or has been enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property.

The failure to remove such management is grounds for revocation or suspension of the provider's certificate of authority.

Section 19. Section 651.051, Florida Statutes, is amended to read:

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

Section 20. Subsection (3) of section 651.055, Florida
Statutes, is amended to read:

651.055 Continuing care contracts; right to rescind.—

(3) The contract must include or be accompanied by a
statement, printed in boldfaced type, which reads: "This
facility and all other continuing care facilities (also known as
life plan communities) in the State of Florida are regulated by
the Office of Insurance Regulation pursuant to chapter 651,
Florida Statutes. A copy of the law is on file in this facility.
The law gives you or your legal representative the right to
inspect our most recent financial statement and inspection
report before signing the contract. The financial structure of a
continuing care provider can be complex, and the decision to
enter into a contract for continuing care is a long-term
commitment between a resident and the continuing care provider. You may wish to consult an attorney or a financial advisor before entering into such a contract."

Section 21. Subsection (2) of section 651.057, Florida Statutes, is amended to read:

651.057 Continuing care at-home contracts.—
(2) A provider that holds a certificate of authority and wishes to offer continuing care at-home must also:

(a) Submit a business plan to the office with the following information:

1. A description of the continuing care at-home services that will be provided, the market to be served, and the fees to be charged;

2. A copy of the proposed continuing care at-home contract;

3. An actuarial study prepared by an independent actuary in accordance with the standards adopted by the American Academy of Actuaries which presents the impact of providing continuing care at-home on the overall operation of the facility; and

4. A market feasibility study that meets the requirements of s. 651.022(3) and documents that there is sufficient interest in continuing care at-home contracts to support such a program;

(b) Demonstrate to the office that the proposal to offer continuing care at-home contracts to individuals who do not
immediately move into the facility will not place the provider
in an unsound financial condition;

(c) Comply with the requirements of s. 651.0246(1) or
651.021(2), except that an actuarial study may be substituted
for the feasibility study; and

(d) Comply with the requirements of this chapter.

Section 22. Subsection (1) of section 651.071, Florida
Statutes, is amended to read:

651.071 Contracts as preferred claims on liquidation or
receivership.—

(1) In the event of receivership or liquidation
proceedings against a provider, all continuing care and
continuing care at-home contracts executed by a provider are
shall be deemed preferred claims against all assets owned by the
provider; however, such claims are subordinate to any secured
claim. For purposes of s. 631.271, such contracts are deemed
Class 2 claims.

Section 23. Subsections (2) and (3) of section 651.091,
Florida Statutes, are amended, and subsection (4) of that
section is republished, to read:

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

(2) Every continuing care facility shall:

(a) Display the certificate of authority in a conspicuous
place inside the facility.
(b) Post in a prominent position in the facility which is accessible to all residents and the general public a concise summary of the last examination report issued by the office, with references to the page numbers of the full report noting any deficiencies found by the office, and the actions taken by the provider to rectify such deficiencies, indicating in such summary where the full report may be inspected in the facility.

(c) Post in a prominent position in the facility, accessible to all residents and the general public, a notice containing the contact information for the office and the Division of Consumer Services of the department and stating that the division or office may be contacted for the submission of inquiries and complaints with respect to potential violations of this chapter committed by a provider. Such contact information must include the division's website and the toll-free consumer helpline and the office's website and telephone number.

(d) Provide notice to the president or chair of the residents' council within 10 business days after issuance of a final examination report or the initiation of any legal or administrative proceeding by the office or the department and include a copy of such document.

(e) Post in a prominent position in the facility which is accessible to all residents and the general public a summary of the latest annual statement, indicating in the summary where the full annual statement may be inspected in the facility. A
listing of any proposed changes in policies, programs, and services must also be posted.

(f) Distribute a copy of the full annual statement and a copy of the most recent third-party financial audit filed with the annual report to the president or chair of the residents' council within 30 days after filing the annual report with the office, and designate a staff person to provide explanation thereof.

(g) Deliver the information described in s. 651.085(4) in writing to the president or chair of the residents' council and make supporting documentation available upon request. Notify the residents' council of any plans filed with the office to obtain new financing, additional financing, or refinancing for the facility and of any applications to the office for any expansion of the facility.

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

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

(j) Upon request, deliver to the president or chair of the residents' council a copy of any newly approved continuing
care or continuing care at-home contract within 30 days after approval by the office.

(k) Provide to the president or chair of the residents' council a copy of any notice filed with the office relating to any change in ownership within 10 business days after such filing by the provider.

(l) Make the information available to prospective residents pursuant to paragraph (3)(d) available to current residents and provide notice of changes to that information to the president or chair of the residents' council within 3 business days.

(3) Before entering into a contract to furnish continuing care or continuing care at-home, the provider undertaking to furnish the care, or the agent of the provider, shall make full disclosure, obtain written acknowledgment of receipt, and provide copies of the disclosure documents to the prospective resident or his or her legal representative, of the following information:

(a) The contract to furnish continuing care or continuing care at-home.

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

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

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

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

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

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

(h)\(\text{(i)}\) A copy of s. 651.083.

(i) Notice of the issuance of a final examination report or the initiation of any legal or administrative proceeding by the office or the department, including where the report or filing may be inspected in the facility, and that, upon request, an electronic copy or specific website address will be provided from which the document can be downloaded at no cost.
(j) Notice that if the resident does not exercise the right to rescind a continuing care contract within 7 days after executing the contract, the resident's funds held in escrow pursuant to s. 651.055(2) will be released to the provider.

(k) A statement that distribution of the provider's assets or income may occur or a statement that such distributions will not occur.

(l) Notice of any holding company system or obligated group of which the provider is a member.

(4) A true and complete copy of the full disclosure document to be used must be filed with the office before use. A resident or prospective resident or his or her legal representative may inspect the full reports referred to in paragraph (2)(b); the charter or other agreement or instrument required to be filed with the office pursuant to s. 651.022(2), together with all amendments thereto; and the bylaws of the corporation or association, if any. Upon request, copies of the reports and information shall be provided to the individual requesting them if the individual agrees to pay a reasonable charge to cover copying costs.

Section 24. Subsection (4) of section 651.095, Florida Statutes, is amended to read:

651.095 Advertisements; requirements; penalties.—

(4) It is unlawful for any person, other than a provider licensed pursuant to this chapter, to advertise or market to the
general public any product similar to continuing care through
the use of such terms as "life care," "life plan," "life plan
at-home," "continuing care," or "guaranteed care for life," or
similar terms, words, or phrases.

Section 25. Section 651.105, Florida Statutes, is amended
to read:

651.105 Examination and inspections.—

(1) The office may at any time, and shall at least once
every 3 years, examine the business of any applicant for a
certificate of authority and any provider engaged in the
execution of care contracts or engaged in the performance of
obligations under such contracts, in the same manner as is
provided for the examination of insurance companies pursuant to
ss. 624.316 and 624.318. For a provider as deemed
accredited under defined in s. 651.028, such examinations shall take place

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T I T L E  A M E N D M E N T

Remove lines 56-132 and insert:
industry report; amending s. 651.0261, F.S.; requiring
providers to file quarterly unaudited financial
statements; providing an exception for filing a
certain quarterly statement; revising information that
the office may require providers to file and the
circumstances under which such information must be filed; revising the commission's rulemaking authority; amending s. 651.028, F.S.; specifying applicability of certain accreditations of providers or facilities; deleting the authority of the office to waive requirements for accredited facilities; providing that the commission, rather than the office, must make certain findings; amending s. 651.033, F.S.; revising applicability of escrow requirements; revising requirements for escrow accounts and agreements; revising the office's authority to allow a withdrawal of a specified percentage of the required minimum liquid reserve; revising applicability of requirements relating to the deposit of certain funds in escrow accounts; prohibiting an escrow agent, except under certain circumstances, from releasing or allowing the transfer of funds; creating s. 651.034, F.S.; specifying requirements for the office if a regulatory action level event occurs; specifying requirements for corrective action plans; authorizing the office to use members of the Continuing Care Advisory Council and to retain consultants for certain purposes; requiring affected providers to bear costs and expenses relating to such consultants; specifying requirements for, and authorized actions of, the office and the Department
of Financial Services if an impairment occurs; providing construction; authorizing the office to exempt a provider from certain requirements for a certain timeframe; authorizing the commission to adopt rules; amending s. 651.035, F.S.; revising minimum liquid reserve requirements for providers; specifying requirements, limitations, and procedures for a provider's withdrawal of funds held in escrow and the office's review of certain requests for withdrawal; authorizing the office to order certain transfers under certain circumstances; requiring facilities to annually file with the office a minimum liquid reserve calculation; requiring increases in the minimum liquid reserve to be funded within a certain timeframe; requiring providers to fund shortfalls in minimum liquid reserves under certain circumstances within a certain timeframe; creating s. 651.043, F.S.; specifying requirements for certain management company contracts; specifying requirements, procedures, and authorized actions relating to changes in provider management and to the office's review of such changes; requiring that disapproved management be removed within a certain timeframe; authorizing the office to take certain disciplinary actions under certain circumstances; requiring providers to immediately
remove management under certain circumstances;
amending s. 651.051, F.S.; revising requirements for
the maintenance of provider records and assets;
amending s. 651.055, F.S.; revising a required
statement in continuing care contracts; amending s.
651.057, F.S.; conforming provisions to changes made
by the act; amending s. 651.071, F.S.; specifying the
priority of continuing care contracts and continuing
care at-home contracts in receivership or liquidation
proceedings against a provider; amending s. 651.091,
F.S.; revising requirements for continuing care
facilities relating to posting or providing notices;
amending s. 651.095, F.S.; adding terms to a list of
prohibited terms in certain advertisements; amending
s. 651.105, F.S.; adding a certain Florida Insurance
Code provision to the office's authority to examine
certain providers and applicants; authorizing the
office to examine records for specified purposes;
requiring providers to respond to the office's written
correspondence and to provide certain information;
providing standing to the office to petition certain
circuit courts for certain relief; revising, and
specifying limitations on, the office's examination