



## Compare CCRC Regulations in 4 States

<https://www.cga.ct.gov/2010/rpt/2010-R-0330.htm>

Summary by Sally W. Soest, Education Committee, WACCRA

*This 2010 study by the State of Connecticut compares CCRC regulatory mechanisms enacted by Connecticut, California, Florida, and New York, examples that WACCRA might study while considering similar regulatory measures.*

**Table 1: 4 State Comparison of CCRC Regulatory Requirement**

State	Certificate to Operate	Right of Residents to Organize	Resident Bill of Rights	Liquid Reserves	Cooling-Off Period / Refund	Required Audits	Maximum Financial Penalty for Violations
<b>CT</b>	No	No	No	Yes	Yes	Allowed	\$10,000
<b>CA</b>	Yes	Yes	Yes	Yes	Yes	Required	\$1,000
<b>FL</b>	Yes	Yes	Yes	Yes	Yes	Required	\$10,000
<b>NY</b>	Yes	Yes	No	Yes	Yes	Required	\$1,000

In all four states, the laws establish maximum penalties for violations of the CCRC law.

CT. CGS § 17b-520, *et. seq.*; Conn. Agency Regs., § 17b-533-1, *et. seq.*  
 Fla. Laws, Chapter 651

Cal. Health and Safety Code, Ch. 10, § 1770, *et. seq.*  
 N.Y. Public Health Law § 46; 10 NYCRR 900.1, *et. seq.*

## State Agency That Regulates CCRCs

<b>CT</b>	Dep't Social Services, continuing care branch, certificate of need rate-setting division
<b>CA</b>	Dep't SS, continuing care branch
<b>FL</b>	Office of Insurance Regulation authorizes & monitors operations, determines financial status and management capabilities; Health Care Admin licenses part providing healthcare.
<b>NY</b>	Insurance Dept approves actuarial principles, financial feasibility, monthly fees. Social services: parts that have beds Public Health Council approves healthcare standards Attorney Gen approves CCRC applications for independent living units. Life Care Community Council (state agency heads, AG, public members) coordinates oversight, assigns reviews and reg. responsibility to appropriate state agencies

**Source: Regulation of Continuing Care Retirement Communities (CCRC): 4-State Comparison**

Connecticut OLR Research Report, September 30, 2010, 210-R-0330, By Robin K. Cohen, Principal Analyst

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## Regulation of Continuing Care Retirement Communities (CCRC): 4-State Comparison

### Authority to Operate

<b>CA</b>	Must have certificate issued by regulating agency. Provisional certificate: CCRC may collect entrance fee and deposits. Fees into escrow until certificate of authority.
<b>FL</b>	Must have certificate issued by regulating agency. Provisional certificate: CCRC may collect entrance fee and deposits. Fees into escrow until certificate of authority.
<b>NY</b>	Must have certificate issued by regulating agency.

### Financial Disclosure

Before operating: CCRC submits financial statement to reg. agency, including financial risks a resident might face. Copies of statement to prospective resident before any contract with them.

### Criminal background disclosure on provider and key persons related to provider:

Flags for financial crimes, bankruptcy, felony, nolo contender. NY: any conviction.

### Ongoing Reporting Requirements All: Annual reports to regulators, requirements vary.

<b>CT</b>	Annual reports to regulators, requirements vary. Certified balance sheets, actuarial soundness for next 5 yrs, rate schedules, occupancy, turnover, healthcare use rates. After year 1: revised disclosures, financials, analysis of differences from previous statement.
<b>CA</b>	Annual reports to regulators, requirements vary.
<b>FL</b>	Annual reports to regulators, requirements vary. Community's condition: changes in financial disclosure, audited financials. Regulator can require these reports quarterly.
<b>NY</b>	Annual reports to regulators, requirements vary. Annual computations of long-term debt service, projected annual rev and expense for next 10 yrs.

### Liquid Reserves: debt service and operating expenses

<b>CT</b>	Operating expenses: 1 month. Debt service enough to cover 12 months
<b>CA</b>	Operating expenses: 75 days. Debt service enough to cover 12 months
<b>FL</b>	Operating expenses: 75 days. Debt service enough to cover 12 months
<b>NY</b>	Operating expenses: 6 months + 12 months for repairs/replacements. Debt service enough to cover 12 mo.

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### Cooling Off Period

<b>CT</b>	30 days, full refund less reasonable amount for services rendered
<b>CA</b>	?
<b>FL</b>	7 days, full refund; once occupied, refund prorated minus 2%/month occupied + 5% processing fee
<b>NY</b>	72 hours, full; once occupied minus services and refurbishing; 90 days -2%/mo + 4% processing

### Contract Contents

<b>CT</b>	CT, short: a few provisions for contract rescissions, non-occupancy, and if resident runs out of money.
<b>CA</b>	40 provisions: all services, length of contract, conditions for transferring resident.
<b>FL</b>	Must specify all services, cancellation terms, monthly change and right to know of changes.
<b>NY</b>	What CCRC will do if resident doesn't pay fees, how residents may be transferred, cancellations, refunds, and other items.

### Residents' Rights

**Resident's Bill of Rights:** Right to live in environment that enhances personal dignity, helps maintain independence, encourages self-determination. Right to exercise rights without retaliation.

<b>CT</b>	No bill of rights. Make annual reports available, notify residents of rights to this.
<b>CA</b>	Res. Bill of Rights. Annually: share budgetary information and consult w/ residents. Semiannual meeting, CCRC governing body & residents, discuss all aspects of operation. Meet whenever monthly fee increase, justify and let residents respond with issues they have
<b>FL</b>	Res. Bill of Rights. Quarterly discuss finances with residents and CCRC governing body. Residents may discuss proposed changes in policies, programs, services. Written summary of reasons for monthly fee increase. Residents' council permitted.
<b>NY</b>	No bill of rights. Residents' right to organize, choose 1 or more representatives. CCRC board: 4 times/yr meet with residents' rep, and Annual meeting with all residents.

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### Audits, Inspections

<b>CT</b>	Permits audits
<b>CA</b>	Required audit periodically by state administrative agency. Every 3 years: survey physical condition, compliance w state law, performance of requirements under CCRC contracts.
<b>FL</b>	Required audit periodically by state administrative agency. OIR (insurance regulators?) can audit anytime, and must every 5 yrs, examine CCRC the same way they examine insurance companies.
<b>NY</b>	Required audit periodically by state administrative agency. 72-hour waiting period with full refund of entrance fee without penalty.

### Violations: both civil and criminal remedies

<b>CT</b>	DSS investigates violations of CCRC laws. AG can issue injunctions, seek restitution Violation: Enter into contracts w/out first delivering disclosure, or omitting material fact, or misleading: <ul style="list-style-type: none"> <li>▪ Signer liable for damages &amp; repayment of fees minus care and lodging costs</li> <li>▪ A person has yrs from contract date to file suit</li> <li>▪ Willful &amp; knowing violation of CCRC law: up to \$10,000, 1 yr prison, or both</li> </ul>
<b>CA</b>	Specific CCRC offenses (misdemeanors) & penalties. <ul style="list-style-type: none"> <li>▪ DSS can issue citations, impose civil penalties up to \$1,000/violation, or in place of conditioning, revoking, suspending permits/certificates.</li> <li>▪ DSS or AG can pursue injunctive relief.</li> </ul>
<b>FL</b>	Establishes grounds for OIR to refuse, suspend, revoke certificates. <ul style="list-style-type: none"> <li>▪ Civil penalty up to \$1,000 in lieu of taking certif.</li> <li>▪ Penalty up to \$10,000 for each knowing/willing violation,</li> <li>▪ Individual violators of CCRC law, operating a CCRC without valid certify – 3<sup>rd</sup> degree felony with up to 5 yrs imprisonment, max \$5000, or both.</li> </ul>
<b>NY</b>	Both civil & criminal violations of CCRC law. <ul style="list-style-type: none"> <li>▪ Contract w/o disclosure statements, annual reports, or misleading info: damages and repayment of all fees paid, less cost for care/housing</li> <li>▪ Knowing violation of CCRC = Class A misdemeanor: up to 1 yr prison, max \$1000 fine, or both.</li> </ul>

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