



## The New State Law Regulating CCRCs

**Title of the new law: Continuing Care Retirement Communities.** It was signed by Governor Inslee on April 1, 2016 and becomes effective on July 1, 2017. You can find the text of the law in the WA State Legislature, Revised Code of Washington, Chapter 18.390 RCW, CONTINUING CARE RETIREMENT COMMUNITIES. Online at: <http://app.leg.wa.gov/RCW/default.aspx?cite=18.390>

### FAQ (Frequently Asked Questions)

#### 1. Why is the law important?

It is the first law enacted by the Washington State legislature that directly addresses the interests of residents of continuing care retirement communities (CCRCs) (“the residents”) and the persons or entities that own and operate them (“the providers”).

#### 2. Why did the WA State Legislature enact this law at this time?

Independent living residents of CCRCs in Washington were concerned that their needs were not protected by existing state law. The new law was enacted at this time because the providers and the residents worked with each other and with key legislators to get it enacted promptly. From start to finish, the entire legislative process was accomplished in a remarkably short period of time. This indicates there is a strong and continuing public interest in CCRCs in the state of Washington.

#### 3. What are some key provisions of the law?

The new law defines a CCRC as “an entity that agrees to provide continuing care to a resident under a residency agreement.” (Section 18.390.010(4))

The law establishes two registration requirements: a person or entity must be registered with the state in order to do business as a CCRC (Section 18.390.020); and an entity cannot represent itself as a CCRC unless it is registered with the state. (Section 18.390.050) The registration is valid for two years. (Section 18.390.060(4))

The law lists several important mandatory disclosures that CCRCs must make to prospective residents. For example, it requires “An explanation of all types of fees charged by the [CCRC], how each type of fee is determined, current ranges for each type of fee, and refund policies for each type of fee.” It also requires the CCRC to disclose its policies for placing residents in off-site locations. (Section 18.390.060(1) (f))

The law provides for inspection of CCRC facilities by prospective residents. (Section 18.390.070(1)) It also identifies specific expectations all residents of CCRCs have who are residing in independent living units. (Section 18.390.070(2))

The law establishes the state of Washington's strong and continuing public interest in CCRCs (Section 18.390.080(1)) It also instructs the state Attorney General to investigate complaints and to consider whether the state Consumer Protection Act should be applied. (Section 18.390.080(2))

The law provides that nothing in it affects any of the requirements and standards associated with a license to operate an assisted living facility or a nursing home as provided for under other provisions of state law. (Section 18.390.090)

#### **4. How is the law administered?**

The Department of Social and Health Services (DSHS) has the responsibility to administer the registration requirements. (Section 18.390.010(5) and (Section 18.390.04) The law contains detailed information about what is required in the application to register with DSHS (Section 18.390.030), and what are the duties of DSHS to administer the registration requirements. (Section 18.390.040)

DSHS registration duties include reviewing an application for completeness. (Section 18.390.040(2)) The review for completeness does not signify that DSHS has otherwise issued a certification or license to that CCRC or any of its component parts. (Section 18.390.040(2))

#### **5. Do providers and residents always have the same opinions about the operation and management of CCRCs?**

No. Providers and residents do have a strong community of interests in the operation and management of CCRC's. However, consideration of how to accomplish this strong community of interests sometimes reflects the reality that providers and residents have different perspectives on some issues.

For example, as the owners and operators of CCRCs, providers' perspectives are informed by the responsibility they have to successfully manage and sustain a complex business activity in order to: provide a very high level of present services to residents; and plan for the future so the high level of services provided is sustainable for the rest of the residents' lives.

On the other hand, residents' perspectives are informed by the fact they make significant financial commitments to provide the money that makes CCRCs possible. After a resident makes the financial commitments and they become irrevocable, many residents no longer have any "financial options" should they subsequently decide they want to leave the CCRC. In addition, the residents have very little direct control over how the CCRC will use the funds they have contributed. Accordingly, the residents have a very strong lifetime interest in the operation and management of CCRCs.

The fact that there is a strong and continuing public interest in CCRCs means that the state legislature is an appropriate forum for the residents and providers to look to regarding their respective interests in CCRCs; and state legislators will continue to pay attention to the operation and management of CCRCs.