
SUBSTITUTE HOUSE BILL 1232

State of Washington 65th Legislature 2017 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Clibborn, Macri, Rodne, Caldier, Jinkins, and Goodman)

1 AN ACT Relating to strengthening the timing and content of
2 disclosures by continuing care retirement communities; and amending
3 RCW 18.390.060 and 18.390.070.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 18.390.060 and 2016 c 183 s 6 are each amended to
6 read as follows:

7 (1) A continuing care retirement community must prepare a
8 disclosure statement that includes the following information:

9 (a) The names of the individual or individuals who constitute the
10 continuing care retirement community and each of the officers,
11 directors, trustees, or managing general partners of the legal entity
12 and a description of each individual's duties on behalf of the legal
13 entity;

14 (b) The business address of the continuing care retirement
15 community;

16 (c) The type of ownership, the names of the continuing care
17 retirement community's owner and operator, and the names of any
18 affiliated facilities;

19 (d) The names and business addresses of any individual having any
20 more than a ten percent direct or indirect ownership or beneficial
21 interest in the continuing care retirement community, the percentage

1 of the direct or indirect ownership or beneficial interest, and a
2 description of each individual's interest in or occupation with the
3 continuing care retirement community;

4 (e) The location and general description of the continuing care
5 retirement community, including:

6 (i) The year the continuing care retirement community opened;

7 (ii) The location and number of living units, licensed assisted
8 living facility beds, and nursing beds considered part of the
9 continuing care retirement community;

10 (iii) The average annual occupancy rate for the prior three
11 fiscal years for each type of unit or bed; and

12 (iv) Any other care facilities owned or operated by the owner of
13 the continuing care retirement community;

14 (f) An explanation of the continuing care retirement community's
15 policy regarding placement in off-campus assisted living facilities
16 and nursing homes and the payment responsibilities of the continuing
17 care retirement community and the resident in the event of off-campus
18 placement;

19 (g) The number of residents who were placed off-site in the
20 previous three years for assisted living and nursing services due to
21 the lack of available capacity at the continuing care retirement
22 community;

23 (h) An explanation of all types of fees charged by the continuing
24 care retirement community, how each type of fee is determined,
25 current ranges for each type of fee, and refund policies for each
26 type of fee;

27 (i) Statements describing the continuing care retirement
28 community's policy for notifying residents of fee increases,
29 including the amount of prior notification that is provided;

30 (j) Statements describing the continuing care retirement
31 community's policy related to changes in levels of care and any
32 associated fees;

33 (k) Statements describing the continuing care retirement
34 community's policy for the termination of a contract, including the
35 return of any fees or deposits pursuant to the residency agreement;

36 (l) A description of services provided or proposed to be provided
37 by the continuing care retirement community under its residency
38 agreements, including:

39 (i) The extent to which care, long-term care, or health-related
40 services are provided. If the services are provided at a facility

1 that is not (~~certified~~) registered as part of the continuing care
2 retirement community's campus, the disclosure statement must identify
3 the location where the services are provided and any additional fees
4 associated with the services; and

5 (ii) The services made available by the continuing care
6 retirement community for an additional charge; and

7 (m)(i) The continuing care retirement community's two most recent
8 annual audited financial statements prepared in accordance with
9 generally accepted accounting principles by a certified public
10 accountant and the actuarial summary of the most recent annual
11 actuarial analysis prepared in accordance with generally accepted
12 actuarial principles by a qualified actuary. The most recently
13 audited financial statement may not have been prepared more than
14 eighteen months prior to the date that the continuing care retirement
15 community applied for its current registration; or

16 (ii) If the continuing care retirement community is new and:

17 (A) Has obtained financing, but does not have two years of
18 audited financial statements as required under (m)(i) of this
19 subsection, an independent accountant's report opinion letter that
20 has evaluated the financial feasibility of the continuing care
21 retirement community; or

22 (B) Has not obtained financing, a summary of the actuarial
23 analysis for the new continuing care retirement community stating
24 that the continuing care retirement community is in satisfactory
25 actuarial balance.

26 (2) The disclosure statement must be written in understandable
27 language and a clear format.

28 (3) Prior to entering into a residency agreement with, or
29 accepting an entrance fee from, any prospective resident, a
30 continuing care retirement community must deliver to the prospective
31 resident a copy of the disclosure statement most recently submitted
32 to the department.

33 **Sec. 2.** RCW 18.390.070 and 2016 c 183 s 7 are each amended to
34 read as follows:

35 (1) A prospective resident may visit each of the different care
36 levels of the continuing care retirement community, assisted living
37 facility, and nursing home, and may inspect the most recent
38 inspection reports and findings of complaint investigations related
39 to the assisted living and nursing home components covering a period

1 of not less than two years, as available, prior to signing a
2 residency agreement.

3 (2) All residents of a continuing care retirement community in a
4 living unit that is not used exclusively for assisted living or
5 nursing services have the following expectations:

6 (a) Transparency regarding the financial stability of the
7 provider operating the facility;

8 (b) Timely notifications of developments affecting the facility,
9 including ownership changes of the provider operating the facility, a
10 change in the financial condition of the provider operating the
11 facility, and construction and renovation at the facility. The
12 management of the continuing care retirement community may deem
13 certain information to be confidential if it is of a sensitive nature
14 such that disclosure of the information would materially harm the
15 position of the continuing care retirement community;

16 (c) Reasonable accommodations for persons with disabilities;

17 (d) The opportunity to participate freely in the operation of
18 independent resident organizations and associations;

19 (e) The opportunity to seek independent counsel review of all
20 contracts, including residency agreements, prior to executing the
21 residency agreement; (~~and~~)

22 (f) The assurance that all requests for donations, contributions,
23 and gifts, when made by residents to the continuing care retirement
24 community, are voluntary and may not be used as a condition of
25 residency; and

26 (g) The receipt, upon request, of a copy of the current
27 disclosure statement prepared under RCW 18.390.060 and any agreement
28 most recently filed with the department under RCW 18.390.030.

29 (3) The continuing care retirement community shall:

30 (a) Provide a copy of the expectations specified in this section
31 to each prospective resident prior to signing a residency agreement;
32 and

33 (b) Make copies of the expectations specified in this section
34 publicly available in areas accessible to the independent residents
35 and visitors. The copies of the expectations must also state that
36 independent residents have the right, as an affected party, to file a
37 complaint with the attorney general for violations of this chapter
38 that may constitute a violation of the consumer protection act and

1 contain information explaining how and where a complaint may be
2 filed.

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