Florida Life Care Residents Association

FLiCRA

A resident-led association to ensure quality of life in retirement communities

2011 Legislative Session Priorities

Continuing Care Without Walls

FLiCRA, the Florida Association of Homes and Services for the Aging and the Florida Office of Insurance Regulation participated in a Joint Task Force in 2010. The work of the Task Force resulted in a legislative package agreed to by all parties that would result in creating new law that would authorize licensed continuing care retirement communities to offer "contracts" to residents living outside the campus environment. Such contracts would be developed by the provider and would be limited in scope. Providers would have to seek approval from the Office of Insurance Regulation prior to marketing or selling such contracts. Requirements include submission of a business plan and third party acturarial study. Two communities have received approval from the state already to offer these types of contracts through a legal consent order. This legislation would streamline the process and provide specific criteria for other providers to offer such contracts. The proposals in the legislation are geared to ensure preservation of the campus environment that traditional contract holders enjoy.

Sales Tax Reform

The 2011 Legislature is facing another $3 billion dollar shortfall due to lacking state revenue streams. During the 2010 legislative session, the House and Senate went through a review current sales tax exemptions and exclusions for possible repeal of those that do not serve a public purpose. This is a non election year, so if the Legislatures is to make tough decisions on repeal of any exemptions 2011 is the likely year.

Currently, :"homes for the aged," which include continuing care retirement communities are exempt from the state sales tax if they hold a 501 (c)(3) tax exempt certificate from the IRS. In addition, section 212.07 (7)(i), F.S., exempts residents of nursing homes, assisted living facilities (ALFs), continuing care retirement communities and other similar facilities (whether for-profit or nonprofit) from a sales tax on meals served to residents. Florida law is silent on entrance fees and monthly fees charged to residents in continuing care retirement communities and ALFs; therefore, these fees are also excluded from the state sales tax.

All of these sales tax exemptions and exclusions serve a public purpose and should be retained. If the Legislature were to repeal these exemptions or exclusions, it would cost each senior citizen residing in these communities a minimum of $3,500.00 in new taxes annually. There are over 26,000 residents living in Florida's continuing care retirement communities. A Florida TaxWatch study in April 2009 indicated if such exemptions were repealed, it would have a negative impact on Florida's economy.

Sheltered Beds in CCRC Skilled Nursing Homes

As part of the 2010 Joint Task Force between FLiCRA and FAHSA, it was agreed to seek legislation that would offer flexibility to CCRC's to offer additional beds to "non community residents" that are available in the community's skilled nursing center. The ability to offer a few additional beds that are currently vacant generates additional private pay revenue to the community thus helping the community maintain maintenance fees for the general resident population at a lower level.

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