

Florida Life Care Residents Association

POSITION STATEMENT ON SENATE BILL 1430 and HOUSE COMPANION BILL

Sponsors: Senator Tom Lee and Representative Cyndi Stevenson

Background:

FLiCRA is keenly interested and aware of the magnitude of recent activities at several CCRCs in the state of Florida that have negatively impacted not only the welfare and finances of specific resident populations but also have affected the CCRC brand.

It is further acknowledged that financial concerns exist in a number of CCRCs other than those that have reached media focus. Thus, the concerns that have precipitated focus on CCRC reform are not limited to one or two higher profile situations.

However, with any reform, it is important that careful deliberation occurs. That generally takes considerable time to ensure stakeholders have the ability to adequately vet not only short but long term outcomes and possible consequences of proposed changes to Florida Statute 651.

FLiCRA Position:

FLiCRA has purposely taken time to provide a measured response to proposed legislation that is being considered for the 2017 legislative session. FLiCRA has not wavered from its initial belief that there are key areas that should be passed into law during the current session.

FLiCRA supports the intent of the following sections of proposed legislation as presented in the January 27, 2017 bill draft. FLiCRA does seek modifications to the actual language proposed in several of the sections.

Passage of legislation relative to these sections would improve the ability of the Office of Insurance Regulation (OIR) to protect the rights and welfare of residents. Focus in 2017 only on these sections would also ensure less disruption and fiscal impact to the providers that manage and residents who reside in predominately well run and managed CCRCs in the state of Florida.

<i>651.011</i>	<i>Definitions</i>
<i>651.013</i>	<i>Chapter</i>
<i>651.014</i>	<i>Other Business</i>
<i>651.024</i>	<i>Acquisition</i>
<i>651.025</i>	<i>Insolvent facilities or providers</i>
<i>651.0261</i>	<i>Quarterly and monthly statements</i>
<i>651.043</i>	<i>Approval of change in management</i>

<i>651.051</i>	<i>Maintenance of assets and records in the state</i>
<i>651.071</i>	<i>Contracts as preferred claims</i>
<i>651.091</i>	<i>Availability, distribution, and posting of reports and records; requirement of full disclosure</i>
<i>651.1055</i>	<i>Duty to cooperate</i>
<i>651.114</i>	<i>Delinquency proceedings; remedial rights</i>
<i>651.1141</i>	<i>Immediate Final Orders</i>

FLiCRA recommends that a Task Force be established between FLiCRA and LeadingAge Florida no later than May 15, 2017. Such a Task Force would collaborate with OIR. The intent behind a Task Force would be to review other areas that may be worthy of consideration for 2018 legislation. The following sections as outlined in the January 27, 2017 proposed legislation would be the primary focus for the Task Force:

Sections: 651.036; 651.064, 651.119

Refundable Entrance Fee Contract Reserves:

FLiCRA has formally adopted a position relative to contractual reserve requirements for refundable entrance fee contracts.

FLiCRA believes that this topic in particular requires considerable debate and time for deliberation and should not be addressed during the 2017 legislative session.

FLiCRA does understand and believes that protection is necessary for residents who purchase such contracts. However, residents who purchase such contracts and providers who offer such contracts should be the parties who bear the burden for funding the risk and reward of such product offerings.

FLiCRA believes that any proposed legislative protection related to refundable entrance fee contracts should be funded solely by the purchasers of such contracts. Any solution that proposes to pass any financial liability to residents who are not a party to such contracts, or onto providers who do not sell such contracts, is unfair and not acceptable.

Further, it is believed that any such proposal should be "date specific for a future effective date" and not retroactive.