

## **OP ED Submitted to State Newspapers**

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### **My View: Legislature Must Protect Continuing Care Facilities**

By: Pat Arends

With only one week left in the legislative session, protections for seniors are at risk of being left behind. Despite clear evidence of a major regulatory problem and a clear solution to that problem, the legislature is not providing the protection seniors deserve. There is still time for the legislature to act to protect seniors and I urge them to do so.

I live in Freedom Village in Bradenton. It's a Continuing Care Retirement Community (CCRC). It's a retirement home, but a CCRC is different in that residents make a large up-front payment in exchange for lifelong care provided by the facility. The facilities offer a graduated level of care over time as residents needs changes, so residents may begin in an apartment style setup, and may eventually move on to assisted living up to full nursing home care within the same campus. Most residents invest their life savings in order to afford these facilities.

My late husband and I for example, sold our home more than ten years ago in order to pay for our entrance fee and life care contract, which is the CCRC's promise of life long care. Thankfully the facility we selected is wonderful and accommodating. But that hasn't been the case for all seniors.

There are 30,000 retirees living in Florida's 71 CCRCs, and concerning, in the last five years, three of those CCRCs have filed for bankruptcy.

This week in Tampa, bankruptcy proceedings are moving forward for a CCRC called University Village. University Village in Tampa went bankrupt and the owners' attorneys used loopholes in the state law that prevented the Florida Office of Insurance Regulation (OIR) from removing a general partner who illegally seized control of the company. The litigation prior to the bankruptcy held OIR hostage for 18 months where they were unable to take needed action. During this time frame, the new owners, who did not receive state approval to hold a CCRC license siphoned millions of dollars of cash out of University Village, in part by using shell companies owned by relatives and friends by charging huge monthly management fees,

As you would expect, resident quality of life took a nosedive. Residents had to wear winter coats to eat in the dining halls because of a faulty heating unit, where the temperature was 51 degrees this past January. Residents have dealt with backed up sewage and plumbing, as well as overflowing trash bins and faulty elevators. Some residents have moved out, and new residents are not moving in given the severity of the situation.

Some residents with refundable entrance fee contracts could lose thousands of their hard earned retirement savings <http://www.flicra.com/regulation/> depending on the outcomes of the bankruptcy. Insult to injury, is the residents also have had to fund their own outside attorneys to represent their interests before the bankruptcy court.

University Village has served as the impetus for legislation seeking to close these loopholes this session. Senator Tom Lee has proposed SB 438, which strengthens Florida's continuing care laws to close loopholes that leave retirees living in CCRCs vulnerable.

This bill increases the transparency and communication with CCRC residents. It gives the OIR the necessary authority and tools to intervene earlier to prevent a financial challenge from becoming a crisis. It improves regulatory efficiencies to promote financial stability and stops hazardous transactions.

While most seniors in Florida are very pleased with our experience with our continuing care facilities, as we age it is so vital that we monitor the regulations around the administration of our facilities. We need to know that the state has the tools it needs to prevent these financial shenanigans.

There may be a day that you or a loved one are in a continuing care facility, and I hope that when that day comes, you aren't left vulnerable like the residents of University Village have been. We urge the legislature to take up this issue and provide the protections seniors in Florida deserve.

*Pat Arends is a resident of Freedom Village, a CCRC in Bradenton. She is president of the 14,000-member Florida Life Care Residents Association (FLiCRA) which was established in 1989, and is the oldest and largest association of continuing care residents in the country. Its mission is to ensure quality of life for residents.*