



Senate Bill 438 & House Bill 783 Continuing Care Retirement Communities

Senate Bill 438 by Senator Lee and House Bill 783 by Representative Grant makes needed changes to Florida's continuing care laws to protect Florida retirees living in CCRCs.

Major problems occurred at University Village in Tampa, a CCRC that is still in bankruptcy. In the University Village legal case, the owner's attorneys used loopholes in Chapter 651 to legally prevent the Office of Insurance Regulation from removing a general partner that illegally seized control and prevented OIR from appointing a receiver.

The abuse of process caused a delay in enforcement of over 18 months which the owners used to syphon cash out of University Village, in part by assessing exorbitant weekly management fees and using the Minimum Liquid Reserve funds to illegally collateralize a sale of University Village's nursing home from one shell entity to another shell entity, enriching themselves at the expense of the community's retiree residents.

For over a year now, FLiCRA and LeadingAge Florida have been working providers, residents, lenders, attorney and OIR on the changes to Chapter 651 needed to help prevent a recurrence of a University Village type of situation. The bill focuses four primary areas:

- **Closes loopholes** - and eliminates opportunities for abuse of process that resulted in substantial delays in the University Village case. For example, clarifies the circumstances under which OIR's remedial power may be suspended and clarifies OIR's ability to review changes in ownership or in the general partner.
- **Protects residents** - by providing clearer metric that trigger earlier OIR review of troubled CCRCs and a preference for resident claims. Also clarifies the permissible use of required reserves.
- **Provides greater transparency** - by improving the level of information shared with residents. For example, when providers submit information to OIR related to ownership changes, they must also provide the information to the residents.
- **Provides OIR with the information and enforcement tools needed** - to promptly enforce against any future rouge actors.

***For additional information contact the Florida Life Care Residents Association
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