



# Florida Office of Insurance Regulation

## **Presentation to the Governor's Continuing Care Advisory Council**

Presented By Leean Chojnowski, Deputy Director  
Life & Health Financial Oversight



# Florida Office of Insurance Regulation

## Introduction & Greetings



Joel Anderson



# Florida Office of Insurance Regulation

## Reading of the Conflict of Interest Statement

Michael Lawrence, Jr.

# Travel Reimbursement Forms

- A copy of the travel reimbursement form and supplementary materials are in your folder.
- Please submit your completed travel reimbursement form to Melinda Cupp by Friday, February 8, 2019.
- If you did not submit the authorization to travel and POV forms prior to the meeting, they will need to be submitted with the travel reimbursement form.
- Contact Melinda at [Melinda.Cupp@flor.com](mailto:Melinda.Cupp@flor.com) with any questions.





# Florida Office of Insurance Regulation

## **Review & Approval of August 17, 2017 Meeting Minutes**

Joel Anderson



# Florida Office of Insurance Regulation

## Summary and Comparison of CCRC Data

Leean Chojnowski

*\*Based on the advice of the Continuing Care Advisory Council, some slides have been revised for clarity as of 2/20/2019.*

# CCRC Industry News, Notes, & Developments

- **New Provisional Certificate of Authority**
  - Siena Lakes received a PCOA in November 2018.
- **Facility Acquisitions**
  - John Knox Village of Tampa Bay was acquired by Concordia of Florida and is now known as Concordia Village of Tampa.
  - Glenmoor has been acquired by Westminster Pines and is now known as Westminster St. Augustine.
- **Surrender of Certificate of Authority**
  - Evangelical Lutheran Good Samaritan surrendered its Certificate of Authority for the facility known as Florida Lutheran Retirement Company.
- University Village emerged from bankruptcy and is under the control of a liquidating trustee who is seeking a buyer for the facility.
- Annual reports have not been submitted for University Village, so its occupancy and financial information have not been included in this report.



# Florida CCRCs

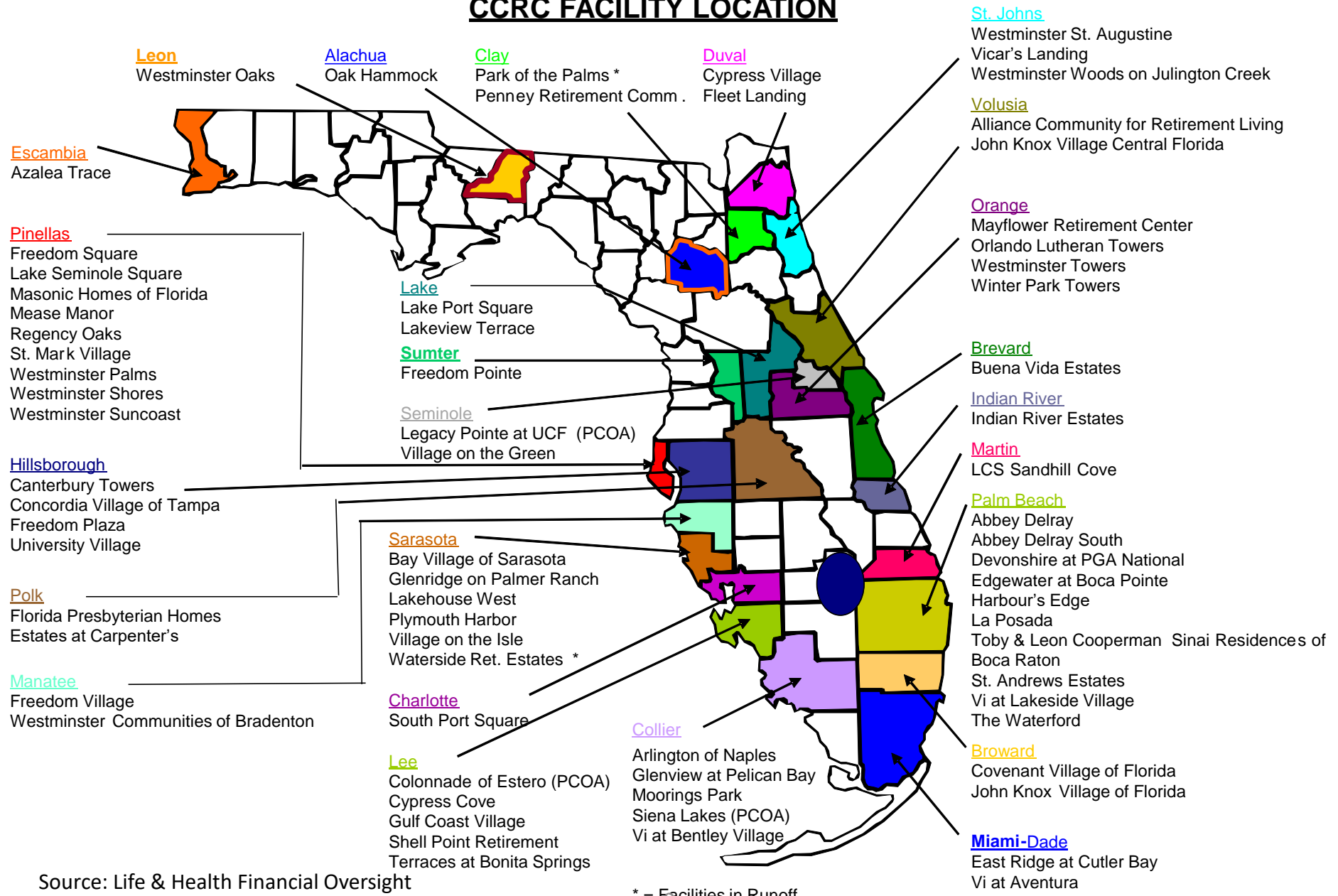
|                                       | 2017 | 2018 |
|---------------------------------------|------|------|
| Facilities                            | 70   | 70   |
| Provisional Certificates of Authority | 2    | 3    |
| Monthly Reporters                     | 4    | 3    |
| Quarterly Reporters                   | 63   | 64   |
| Accredited Providers                  | 9    | 9    |
| Facilities in Run-Off                 | 2    | 2    |

Source: Life & Health Financial Oversight





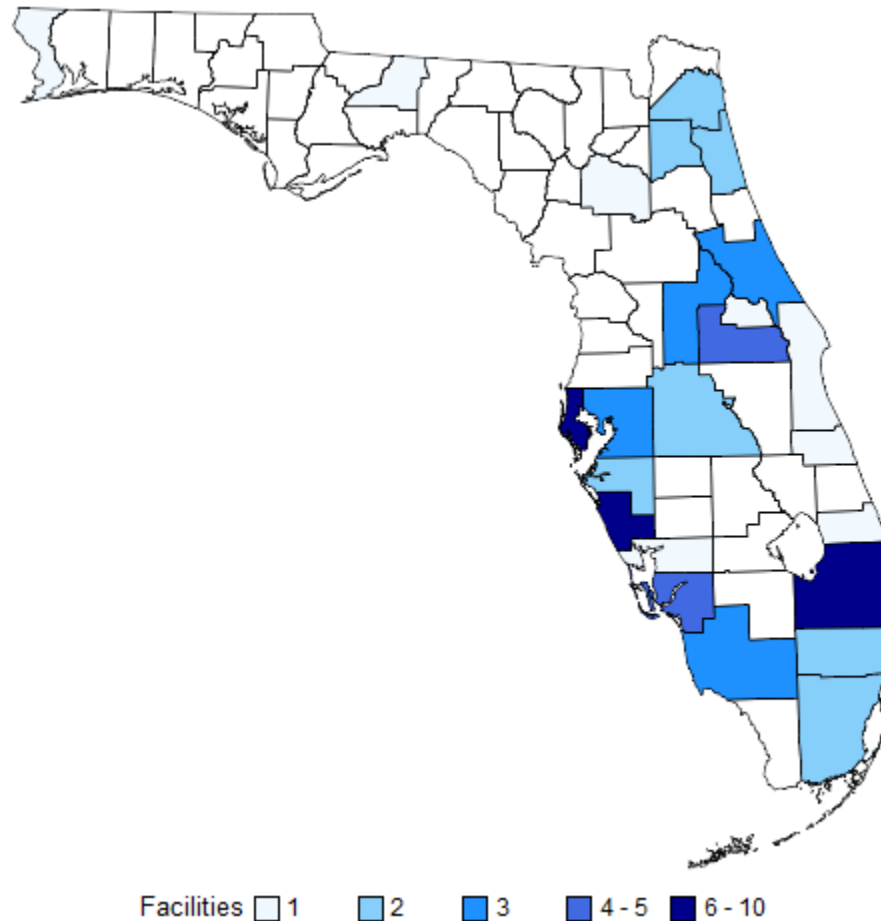
# CCRC FACILITY LOCATION



Source: Life & Health Financial Oversight

\* = Facilities in Runoff

# Facility Distribution

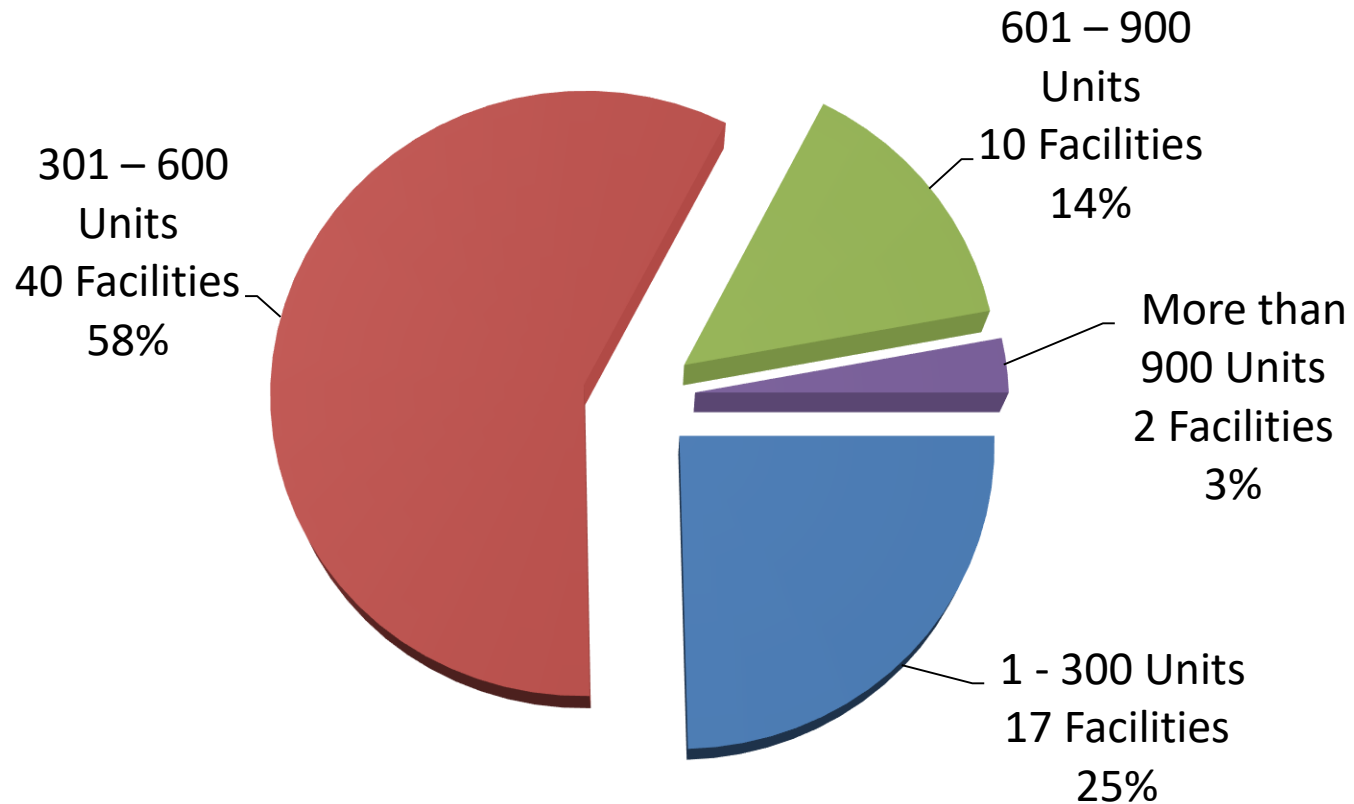


Source: Life & Health Financial Oversight





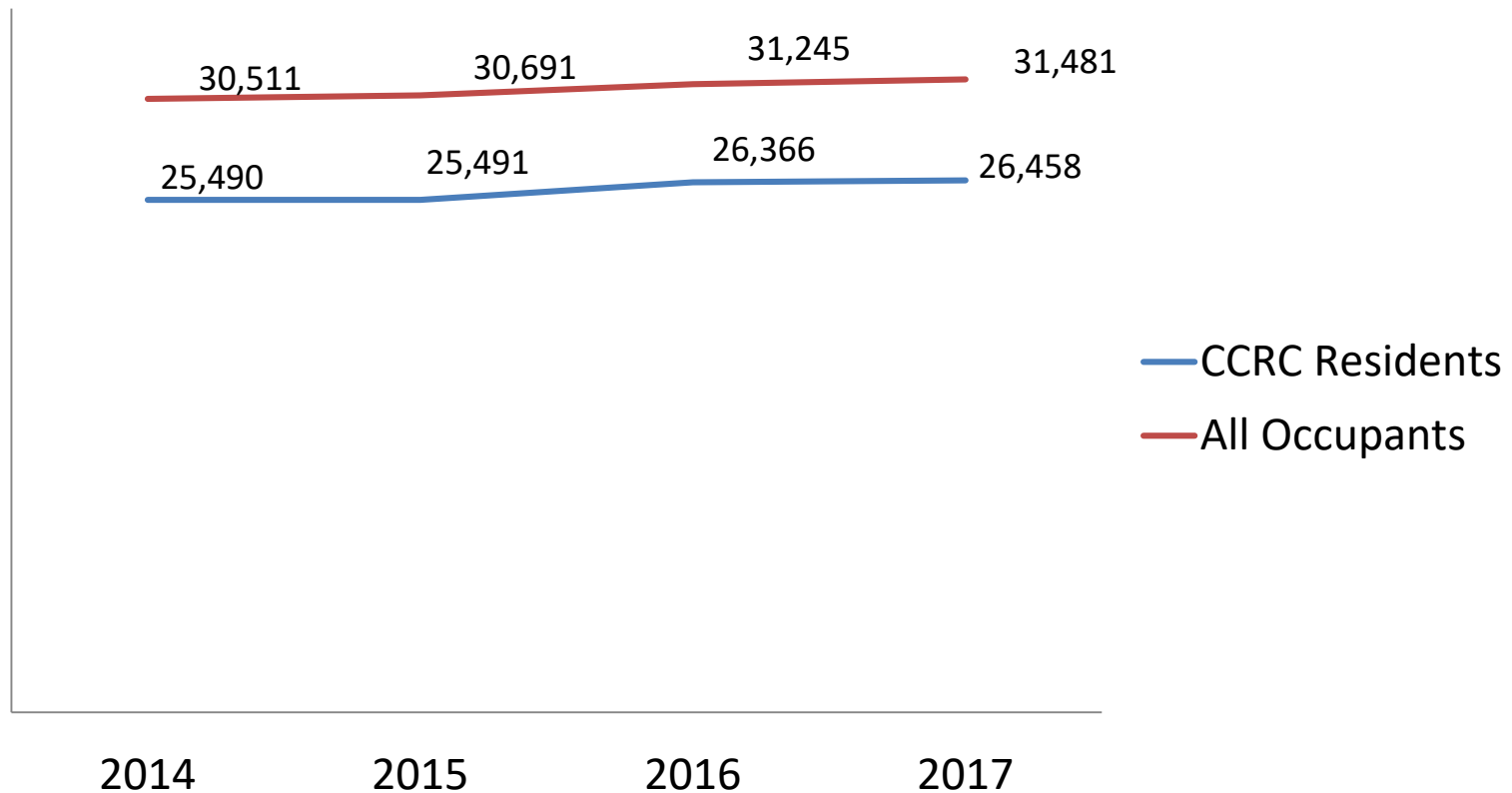
# Facility Size By Unit Count



Source: Life & Health Financial Oversight



# Total Residents



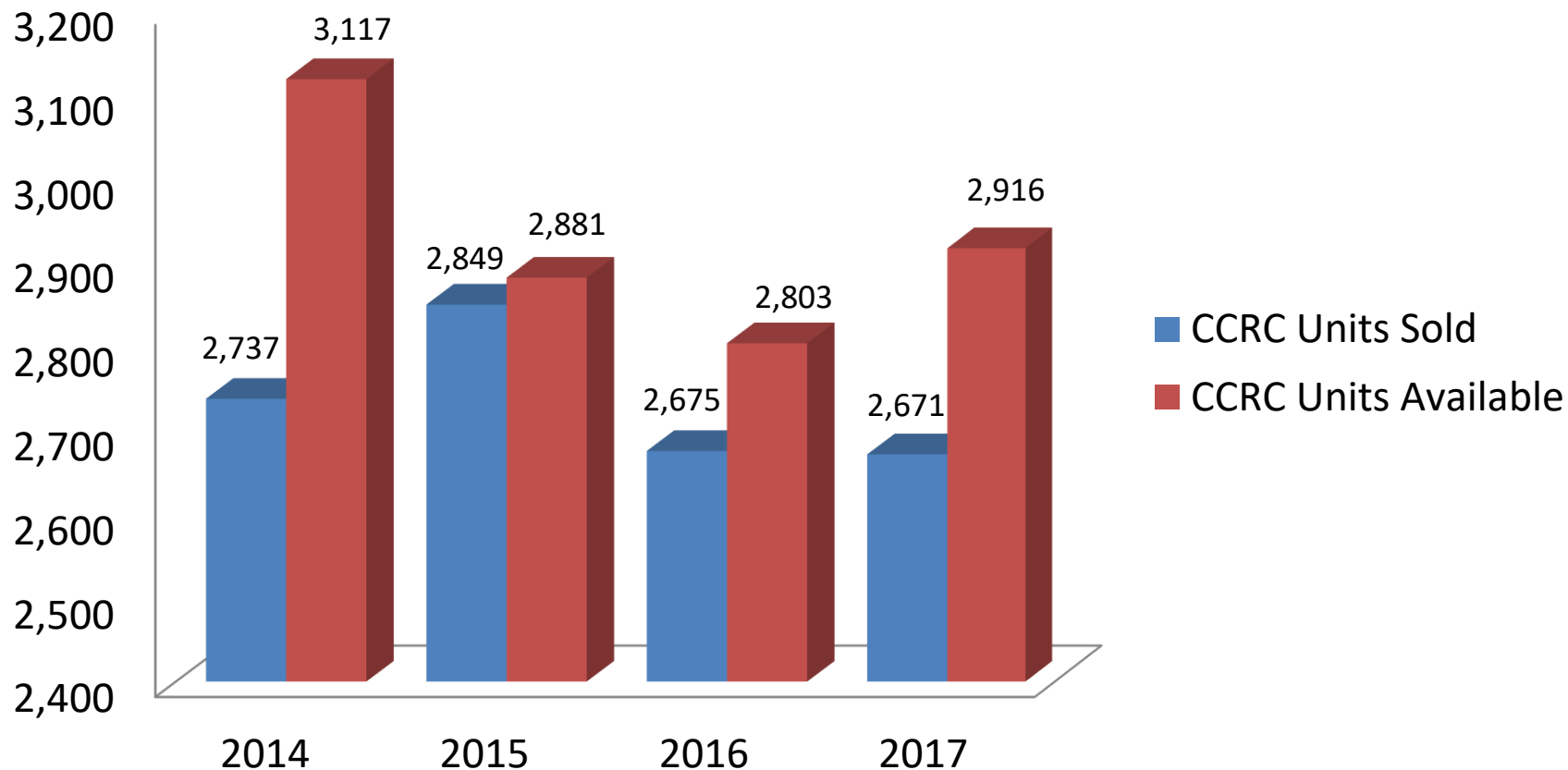
*CCRC Residents is the sum of all individuals residing at a CCRC facility pursuant to a continuing care contract at all levels of care, as reported by each facility in its Annual Report. CCRC Residents includes those residing in Independent Living, Assisted Living, or Skilled Nursing units pursuant to a continuing care contract. All Occupants is the sum of CCRC Residents plus those residing at a CCRC facility pursuant to a rental contract, as reported by each facility in its Annual Report.*

Source: Life & Health Financial Oversight. Revised 2/20/2019. 13



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# CCRC Unit Sales



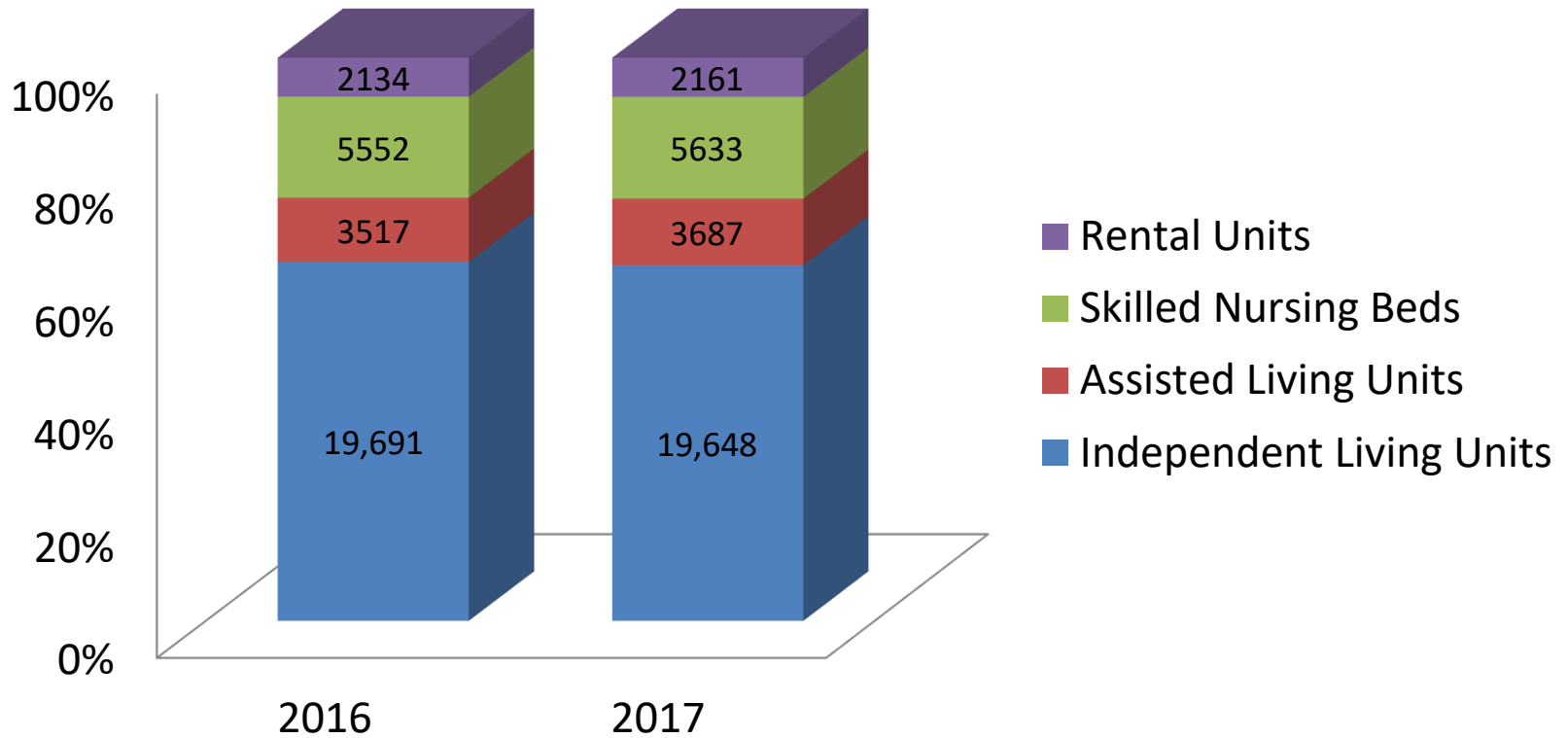
*CCRC Units Sold is the sum of the number of CCRC units reported as sold during the reporting period by each facility in its Annual Report. CCRC Units Available is the sum of the number of CCRC units reported as being available at the end of the reporting period by each facility in its Annual Report.*

Source: Life & Health Financial Oversight. Revised 2/20/2019.



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# CCRC Unit Count



*Unit Count reported above is the sum of each type of unit as reported by each facility in its Annual Report.*

Source: Life & Health Financial Oversight. Revised 2/20/2019.



# Occupancy

|                           | Lower Quartile | Median | Upper Quartile |
|---------------------------|----------------|--------|----------------|
| Independent Living (2017) | 81.3%          | 88.6%  | 95.0%          |
| Independent Living (2016) | 79.3%          | 88.6%  | 94.3%          |
| Assisted Living (2017)    | 47.9%          | 78.6%  | 88.8%          |
| Assisted Living (2016)    | 41.8%          | 78.6%  | 90.9%          |
| Skilled Nursing (2017)    | 74.9%          | 83.3%  | 91.3%          |
| Skilled Nursing (2016)    | 70.0%          | 83.3%  | 90.1%          |
| All Units (2017)          | 79.1%          | 86.3%  | 91.2%          |
| All Units (2016)          | 80.1%          | 86.3%  | 91.5%          |

Occupancy percentages are calculated pursuant to Rule 690-193.006(6)(d), Florida Administrative Code, as the total number of occupied units in a facility divided by the total number of units in that facility and tracked by each level of care.

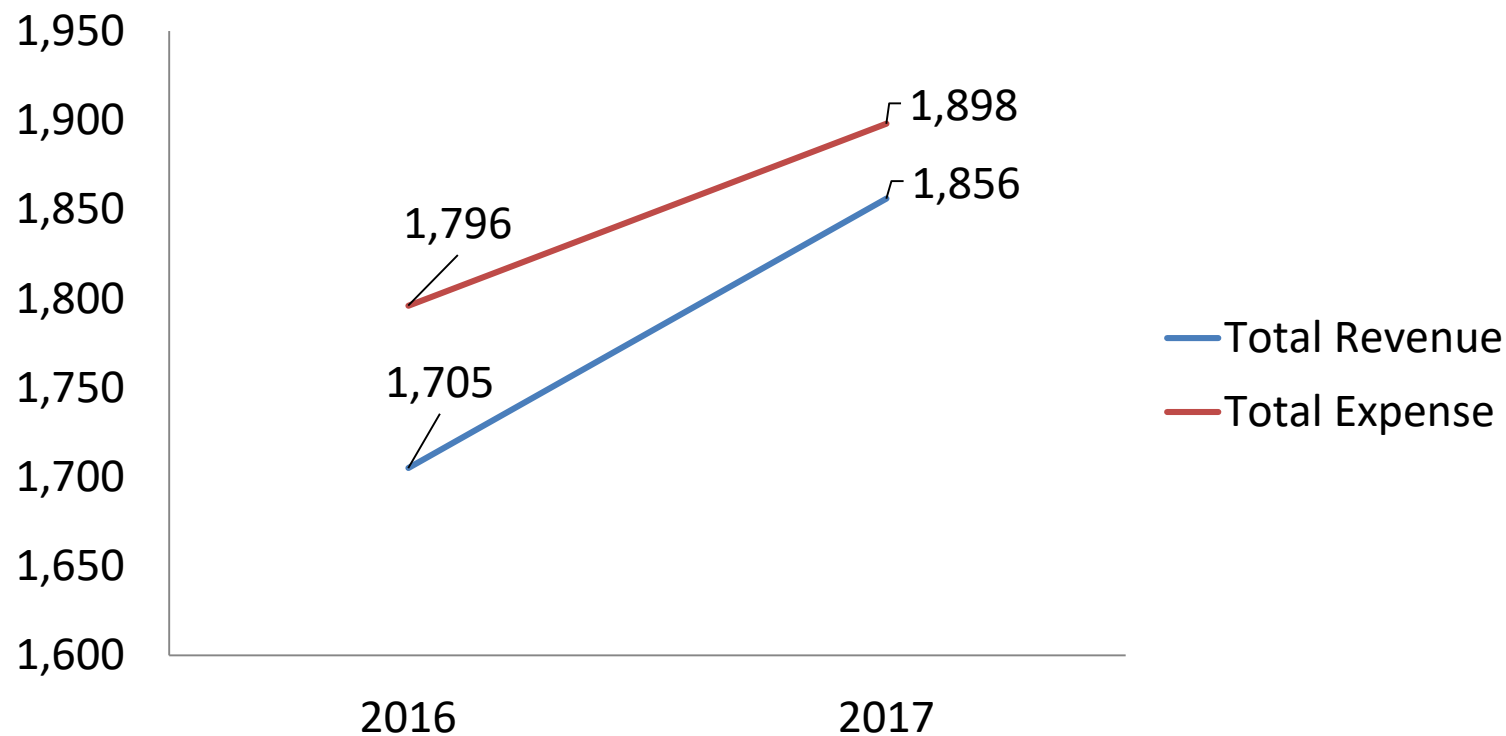
Source: Life & Health Financial Oversight. Revised 2/20/2019.





# Florida CCRC Industry Data

(in millions)



*Total Revenue and Total Expense reported are the sum of the Total Revenue and Total Expense reported by each facility in its Annual Report.*

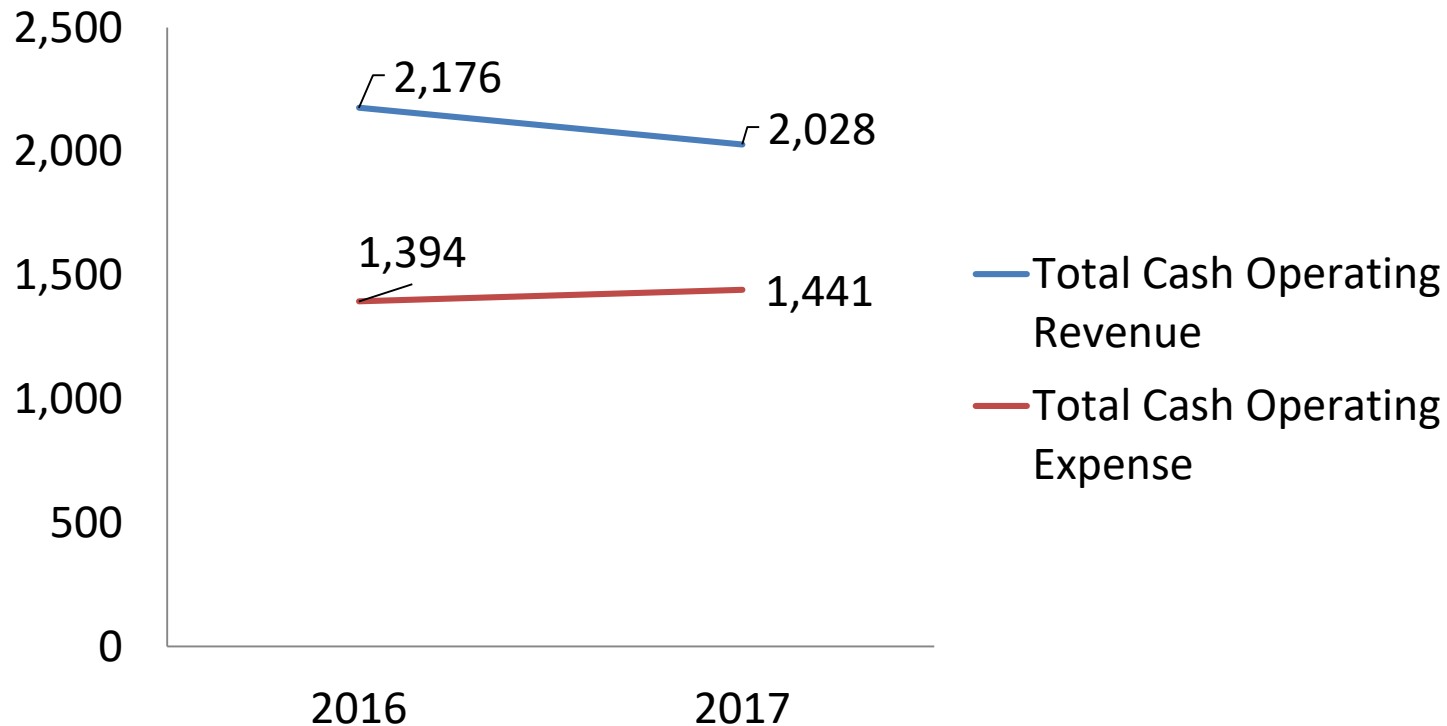
Source: Life & Health Financial Oversight. Revised 2/20/2019.



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# Florida CCRC Industry Data – Cash Flow

(in millions)



*Total Cash Operating Revenue and Total Cash Operating Expense reported are the sum of the Cash Operating Revenue and Cash Operating Expenses reported by each facility in its Annual Report and each is defined in Rule 690-193.006(6)(e), Florida Administrative Code. Cash Operating Revenue means all revenue excluding amortized entrance fees and including actual entrance fees received. Cash Operating Expenses means total expenses less interest, depreciation, and amortization expense.*

Source: Life & Health Financial Oversight. Revised 2/20/2019. 18



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# Florida CCRC – Median Facility Data

|                                | 2016           |              |                | 2017           |              |                |
|--------------------------------|----------------|--------------|----------------|----------------|--------------|----------------|
|                                | Lower Quartile | Median       | Upper Quartile | Lower Quartile | Median       | Upper Quartile |
| Revenue                        | \$13,517,357   | \$21,815,680 | \$30,314,492   | \$17,860,192   | \$22,651,429 | \$33,214,966   |
| Expenses                       | \$14,792,039   | \$22,222,834 | \$32,064,478   | \$18,690,029   | \$23,166,047 | \$34,250,615   |
| Net Income                     | (\$2,707,715)  | (\$155,710)  | \$953,041      | (\$1,673,875)  | (\$4,795)    | \$1,308,551    |
| Cash Operating Net Income      | \$2,197,277    | \$5,401,917  | \$10,022,035   | \$3,184,785    | \$5,463,828  | \$10,906,608   |
| Change in Monthly Fee Revenue  |                | 3.65%        |                |                | 2.16%        |                |
| Change in Health Care Revenue  |                | 0.74%        |                |                | 3.83%        |                |
| Change in Other Income Revenue |                | 15.24%       |                |                | 19.95%       |                |

*Cash Operating Net Income was calculated as Cash Operating Revenue minus Cash Operating Expense, as those terms are defined in Rule 690-193.006(6)(e), Florida Administrative Code. The Change in Revenue information is based on the change from Annual Report to Annual Report in the amount of Revenue reported by each facility in those Revenue line items of the Annual Report.*

Source: Life & Health Financial Oversight. Revised 2/20/2019.



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# Resident Fees

|                              | Monthly Fee | Entrance Fee |
|------------------------------|-------------|--------------|
| Average Lowest Fee           | \$1,665.90  | \$86,925.30  |
| Median Lowest Fee            | \$1,840.50  | \$64,869     |
| Average Fee Increase*        | 1.73%       | 1.52%        |
| Median Fee Increase*         | 1.98%       | 0%           |
| Lower Quartile Fee Increase* | 0%          | 0%           |
| Upper Quartile Fee Increase* | 3.82%       | 4.02%        |

\*Calculated using the lowest fee reported by each facility in its Annual Report.  
 Source: Life & Health Financial Oversight. Revised 2/20/2019.





# Florida Office of Insurance Regulation

## **Summary of CCRC Complaints Filed with the Division of Consumer Services**

Leean Chojnowski

# Complaint Resolution

## 1. Company Issue: 03/09/2018

- CCRC dispute with the management company regarding the management company making a profit.
- Status: Closed
- Resolution: Notice issued - No relief

## 2. Company Issue: 1/11/2018

- Concerns regarding company not responding to an emergency pull cord.
- Status: Closed
- Resolution: Facility's position was explained.



# Legislative Reports

- LeadingAge Florida
- Florida Life Care Residents Association
- Office of Insurance Regulation





# Florida Office of Insurance Regulation

## Public Comment







# Florida Office of Insurance Regulation

## Discussion and Recommendations to the Office of Insurance Regulation

Continuing Care Advisory Council



# Florida Office of Insurance Regulation

## New Business



Continuing Care Advisory Council



# Florida Office of Insurance Regulation

## Election of Officers



Continuing Care Advisory Council



# Florida Office of Insurance Regulation

## **Date, Time, and Place of Next Meeting**

Continuing Care Advisory Council



# Florida Office of Insurance Regulation

**Adjournment**

