

SENATE BILL REPORT

SHB 1232

As of March 15, 2017

Title: An act relating to strengthening the timing and content of disclosures by continuing care retirement communities.

Brief Description: Concerning the timing and content of disclosures by continuing care retirement communities.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Clibborn, Macri, Rodne, Caldier, Jinkins and Goodman).

Brief History: Passed House: 2/28/17, 64-34.

Committee Activity: Health Care: 3/13/17.

Brief Summary of Bill

- Allows residents of a continuing care retirement community (CCRC) to receive a copy of the CCRC's current disclosure statement and any agreements filed with the Department of Social and Health Services.
- Requires CCRCs to include the actuarial summary of the CCRC's most recent annual actuarial analysis in their disclosure statements.

SENATE COMMITTEE ON HEALTH CARE

Staff: Kathleen Buchli (786-7488)

Background: Continuing care retirement communities (CCRCs) are entities that provide care and housing to residents under a residency agreement that lasts for longer than a year. Care services may include nursing care, medical care, assistance with activities of daily living, and protection or supervision.

As of July 1, 2017, CCRCs must become registered with the Department of Social and Health Services. In addition, CCRCs must comply with several disclosure requirements to prospective residents, including information about the ownership; descriptive information about the facilities; policies regarding notifications of fee increases, changes in levels of care, and contract termination; a description of standard and supplemental services; and the most recent audited financial statements. Residents of CCRCs are afforded several expectations

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that a CCRC must fulfill. These expectations include transparency in the financial stability of the facility, timely notification of developments affecting the facility, reasonable accommodations for persons with disabilities, the opportunity to participate in resident organizations, the opportunity to seek independent review of contracts and agreements, and the assurance that donations made by residents to the CCRC are voluntary.

Summary of Bill: Disclosure statements prepared by CCRCs must include the actuarial summary of the most recent annual actuarial analysis prepared in accordance with generally accepted actuarial principles by a qualified actuary. The list of expectations that residents may have of their CCRC is expanded to include the receipt of a copy of the CCRC's current disclosure statement and any agreements recently filed with the Department of Social and Health Services.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a clean up bill of a large negotiated settlement and this should have been included in the bill last year. People in CCRCs invest in them and intend to stay there permanently. They need this information to help them make decisions about where they want to live. Once you are in, you don't have the same access to the information; not having this information is disquieting and they need this information to be able to take care of themselves. Each CCRC resident remains a financial decision maker for their own best interest and they do not delegate that interest to the CCRC. To keep personal responsibility, they need to have access to the disclosure statements. This is essential for financial planning. Having a summary of the actuarial statement is important to the resident to be able to determine if they have a sound actuarial basis. Residents must be informed and need to know this in order to plan for their financial futures. They do not want to manage the CCRCs.

OTHER: I was able to find the actuarial information online. People need to know the underlying actuarial assumptions. The bill as introduced in the House of Representatives was superior. It took away the public disclosure exemption and this should be added back to the bill. The provision allowing the CCRC to determine that some information is confidential and should not be included in the disclosure statement should be struck.

Persons Testifying: PRO: Representative Judy Clibborn, Prime Sponsor; Liz Tidyman, citizen; Jim McClaine, WA Continuing Care Retirement Association; David Clancy, citizen.

OTHER: Orin Brustad, citizen; Rowland Thompson, Allied Daily Newspapers of Washington.

Persons Signed In To Testify But Not Testifying: No one.