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## Health Care & Wellness Committee

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### SSB 5691

**Brief Description:** Adopting the department of social and health services report recommendations addressing a regulatory oversight plan for continuing care retirement communities.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Cleveland and Nobles).

#### Brief Summary of Substitute Bill

- Applies the Consumer Protection Act to all registration requirements related to continuing care retirement communities (CCRCs), rather than select requirements, and allows the Attorney General or a private citizen to enforce the standards.
- Removes the requirement that the Attorney General notify the management of the CCRC of complaints that it receives to allow the CCRC to take corrective action.

**Hearing Date:** 3/19/25

**Staff:** Chris Blake (786-7392).

#### Background:

Continuing care retirement communities (CCRCs) are entities that provide care and housing to residents under a residency agreement that lasts longer than a year. Care services may include nursing care, medical care, assistance with activities of daily living, and protection or supervision. There are currently 23 CCRCs in Washington with approximately 8,500 residents.

An entity must be registered as a CCRC by the Department of Social and Health Services

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(Department) if it operates a CCRC, enters into a residency agreement with a prospective resident, solicits a prospective resident to pay an application fee or execute a residency agreement, or collects an entrance fee. Only entities that are registered as CCRCs may advertise or market themselves as "CCRCs" or "registered CCRCs."

To become registered, an applicant must submit information about the assisted living and nursing home components of the CCRC, copies of residency agreements, a copy of the current disclosure statement, copies of audited financial statements, and an attestation that the CCRC is in compliance with disclosure notification requirements. Disclosure requirements for prospective residents include 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 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.

Compliance with CCRC standards is enforced through the Consumer Protection Act with respect to operating a CCRC without a registration, representing oneself as a CCRC without being registered, failing to comply with disclosure statement delivery and content requirements, and failing to comply with resident expectation requirements. The Attorney General must notify the management of the CCRC of complaints that it receives to allow the CCRC to take corrective action. Other than complaints related to the failure to register, the Attorney General may only take action when there is a pattern of complaints or other activity that likely establishes an unfair or deceptive act in trade or commerce or an unfair method of competition.

The 2023-25 Operating Budget directed the Department to create a regulatory oversight plan for CCRCs with a focus on establishing and implementing resident consumer protections. The Department submitted the oversight plan to the Legislature in December 2024, with recommendations related to revising the oversight structure regarding CCRCs and increasing consumer protection for CCRC residents.

### **Summary of Bill:**

The regulatory standards related to continuing care retirement communities (CCRCs) are declared matters affecting the public interest under the Consumer Protection Act. Provisions are removed that limit the application of the Consumer Protection Act to only operating a CCRC without a registration, representing oneself as a CCRC without being registered, failing to comply with disclosure statement delivery and content requirements, and failing to comply with resident expectation requirements.

The CCRC regulatory standards may be enforced by a private right of action or by the Attorney General. The requirement that the Attorney General notify the management of the CCRC of complaints that it receives to allow the CCRC to take corrective action is removed. The limitation on the Attorney General only taking action when there is a pattern of complaints or other activity that demonstrates a pattern of similar conduct that likely establishes an unfair or deceptive act in trade or commerce or an unfair method of competition is removed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.