

FINAL BILL REPORT

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).

Senate Committee on Health & Long-Term Care **House Committee on Health Care & Wellness**

Background: A Continuing Care Retirement Community (CCRC) is an entity that agrees to provide continuing care to a resident under a residency agreement. It is a residential community for adults that offers a range of housing options—normally independent living through nursing home care, and varying levels of medical and personal care services.

As of February 2025, there are over 20 CCRCs registered in Washington State and in February 2021, there were approximately 8500 CCRC residents in the state.

Current Statute. Currently, the Department of Social and Health Services (DSHS) oversees the CCRC registration process and the Attorney General's Office (AGO) provides civil enforcement related to the CCRCs. Since July 1, 2017, CCRCs have been required to register with DSHS. 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 requirement.

The following violations are a matter vitally affecting the public interest for the purpose of applying the Consumer Protection Act (CPA):

- title protection requirements and the failure of a CCRC to register with DSHS;
- comply with the disclosure statement delivery and content requirements; and
- comply with resident expectations.

These violations are not reasonable in relation to the development and preservation of business and are an unfair or deceptive act in trade or commerce and an unfair method of

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competition for the purpose of applying the CPA.

The AGO shall provide notice to the CCRC management of submitted complaints including the name of the complainant to allow the community to take corrective action. Except for violations of the title protection requirements and the failure of a CCRC to register with DSHS, the AGO must limit its application of the CPA to those cases in which a pattern of complaints, submitted by affected parties, or other activity that, when considered together, demonstrate a pattern of similar conduct that, without enforcement, likely establishes an unfair or deceptive act in trade or commerce and an unfair method of competition.

2024 Department of Social and Health Services Report. In 2023, the Legislature appropriated funds directing DSHS in collaboration with OIC and the AGO, to create a regulatory oversight plan for CCRCs, focusing primarily on establishing and implementing resident consumer protections, and submit a final plan to the Legislature by December 1, 2024.

The plan concluded that there needed to be a clarification of the authority for DSHS and AGO to enable them to meet the increased responsibilities and support the consumer protections recommended in the plan.

The plan's recommendations for increasing consumer protection for CCRC residents include:

- recommendations for increasing consumer protection for residents of CCRCs;
- establish more financial protections and transparency;
- establish a more robust registration process;
- clarify AGO's statutory authority to enforce the Revised Code of Washington (RCW) 18.390;
- establish an independent ombuds program specifically for CCRC residents;
- establish more operational transparency for CCRC residents;
- clarify resident access to contracted services; and
- define data needs and requirements for regulatory monitoring and oversight.

Summary: Practices covered by the RCW statutes related to CCRCs are matters vitally affecting the public interest for the purpose of applying the CPA. A violation of those statutes is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the CPA.

Applications to register as a CCRC are required to include a written statement indicating whether the residency agreement includes an entrance fee in lieu of payment for future care and services and whether those services are covered completely or partially by the entrance fee.

Votes on Final Passage:

Senate	48	0	
House	72	23	(House amended)
Senate	48	0	(Senate concurred)

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