



General Assembly

February Session, 2022

Raised Bill No. 5193

LCO No. 1443



Referred to Committee on AGING

Introduced by:
(AGE)

AN ACT CONCERNING RENT INCREASES, FEE INCREASES AND CHANGES IN RESIDENCY STATUS AT CONTINUING-CARE FACILITIES AND MANAGED RESIDENTIAL COMMUNITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-523 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2022*):

3 (a) Each continuing-care contract shall provide:

4 (1) That the party contracting with the provider may rescind the
5 contract by notifying the provider in writing by registered or certified
6 mail of such rescission within thirty days following the execution of the
7 contract; that in the event of such rescission, any money or property
8 transferred to the provider shall be refunded, less (A) those costs
9 specifically incurred by the provider or facility at the request of the
10 resident and described in the contract or in an addendum thereto signed
11 by the resident; and (B) a reasonable service charge, not to exceed the

12 greater of one thousand dollars or two per cent of the entrance fees; and,
13 if applicable, that the resident to whom the contract pertains shall not
14 be required to move into the facility before the expiration of the thirty-
15 day period;

16 (2) That if, after the thirty-day period, a resident dies before
17 occupying a contracted-for living unit, or on account of illness, injury or
18 incapacity is precluded from occupying a contracted-for living unit
19 under the terms of the continuing-care contract, or a resident dies before
20 the commencement of care under a continuing-care contract to provide
21 care in such person's home, upon notice to the provider by registered or
22 certified mail, the contract is automatically cancelled and the resident or
23 the resident's legal representative shall receive a refund of all money or
24 property transferred to the provider, less (A) those costs specifically
25 incurred by the provider or facility at the request of the resident and
26 described in the contract or in an addendum thereto signed by the
27 resident; (B) a reasonable service charge not to exceed the greater of one
28 thousand dollars, or two per cent of the entrance fee, and (C) if the
29 contract includes occupying a living unit in a facility and the unit was
30 actually available for occupancy, the usual monthly charge for that unit,
31 prorated on a per diem basis, for the period beginning seven days after
32 the execution of the contract and ending on the last day of the month in
33 which the provider receives notice that the resident will not occupy the
34 unit;

35 (3) For contracts entered into after October 1, 2015, that if construction
36 of the facility has not yet begun, construction will not begin until a
37 minimum number of living units, which shall not be less than one-half
38 of the units in the facility or fifty per cent of any designated part or parts
39 thereof determined by the commissioner have been presold, and a
40 minimum deposit of ten thousand dollars per unit for all presold units
41 has been received by the provider. The requirements of this subdivision
42 shall not apply to any continuing-care contract for the provision of care
43 in a person's home; [.]

44 (4) For contracts entered into on and after October 1, 2022, that:

45 (A) Any rental increase shall not exceed five per cent from the
46 previous rental period unless a facility provides notice of ninety days to
47 residents and an explanation for the increase;

48 (B) Any notice period required of residents for a change of residency
49 shall not be enforced in the event of the death, injury, illness or
50 incapacity of a resident requiring permanent transfer of such resident to
51 a skilled nursing facility, except that a provider may charge a pro-rated,
52 per diem fee based on the contracted monthly charge for the remainder
53 of any month in which a resident dies or is permanently transferred to
54 a skilled nursing facility;

55 (C) A provider shall not require a resident who contracted for assisted
56 living services to pay for skilled nursing services twenty-four hours a
57 day, seven days a week, or to move from the facility for failure to obtain
58 such services, unless (i) the resident is given the opportunity to seek an
59 independent medical opinion from a physician or physician's assistant
60 licensed pursuant to chapter 370 or an advanced practice registered
61 nurse licensed pursuant to chapter 378 as to the need for such skilled
62 nursing services, and (ii) the opinion confirms the need for such
63 services.

64 (b) Each continuing-care contract shall also specify:

65 (1) The circumstances under which the resident will be permitted to
66 continue to receive care and shelter in a facility or care at home with the
67 right to future access to care and shelter in such facility and medical or
68 nursing services or other health-related benefits, and other benefits
69 under the continuing-care contract in the event of possible financial
70 difficulties on the part of the resident;

71 (2) The terms and conditions under which a contract for continuing
72 care may be cancelled by the provider or by the resident; and the
73 conditions, if any, under which all or any portion of the entrance fee will
74 be refunded in the event of cancellation of the contract by the provider
75 or by the resident or in the event of the death of the resident prior to or
76 following occupancy of a living unit, provided for contracts entered into

77 after October 1, 2015, any refund shall be delivered to the resident or the
78 resident's estate not later than three years from the date the contract is
79 terminated or when contractual conditions for releasing the refund have
80 been met, whichever occurs first;

81 (3) The conditions under which a living unit occupied by a resident
82 may be made available by the provider to a different or new resident
83 other than on the death of the original resident;

84 (4) The manner in which the provider may adjust periodic charges or
85 other recurring fees and the limitations of such adjustments, if any,
86 including, but not limited to, (A) for contracts entered into after October
87 1, 2015, no periodic charges or other recurring fees may be increased
88 unless a resident has been provided not less than thirty days' advance
89 written notice of such fee increase, and (B) for contracts entered into on
90 and after October 1, 2022, increases in periodic charges or recurring fees
91 shall not exceed, on an annualized basis, the most recent increase in the
92 consumer price index for all urban consumers as published by the
93 United States Department of Labor, Bureau of Labor Statistics.

94 Sec. 2. Section 19a-694 of the general statutes is amended by adding
95 subsection (c) as follows (*Effective October 1, 2022*):

96 (NEW) (c) For written residency agreements entered into on and after
97 October 1, 2022, no managed residential community shall impose: (1) A
98 rental increase that exceeds five per cent from the previous rental period
99 without notice of ninety days to residents and an explanation for the
100 increase, (2) an increase in periodic charges or recurring fees that
101 exceeds, on an annualized basis, the most recent increase in the
102 consumer price index for all urban consumers as published by the
103 United States Department of Labor, Bureau of Labor Statistics, or (3) a
104 requirement that a resident who contracted for assisted living services
105 pay for skilled nursing services twenty-four hours a day, seven days a
106 week, or move from the facility for failure to obtain such skilled nursing
107 services, unless (A) the resident is given the opportunity to seek an
108 independent medical opinion from a physician or physician's assistant

109 licensed pursuant to chapter 370 or an advanced practice registered
110 nurse licensed pursuant to chapter 378 as to the need for such skilled
111 nursing services, and (B) the opinion confirms the need for such
112 services.

113 Sec. 3. Section 19a-700 of the general statutes is repealed and the
114 following is substituted in lieu thereof (*Effective October 1, 2022*):

115 A managed residential community shall enter into a written
116 residency agreement with each resident that clearly sets forth the rights
117 and responsibilities of the resident and the managed residential
118 community, including the duties set forth in section 19a-562. The
119 residency agreement shall be set forth in plain language and printed in
120 not less than fourteen-point type. The residency agreement shall be
121 signed by the managed residential community's authorized agent and
122 by the resident, or the resident's legal representative, prior to the
123 resident taking possession of a private residential unit and shall include,
124 at a minimum:

125 (1) An itemization of assisted living services, transportation services,
126 recreation services and any other services and goods, lodging and meals
127 to be provided on behalf of the resident by the managed residential
128 community;

129 (2) A full and fair disclosure of all charges, fees, expenses and costs
130 to be borne by the resident and, for written residency agreements
131 entered into on and after October 1, 2022, a statement that any increase
132 in rents, fees or other costs, or requirements concerning paying for
133 skilled nursing services, shall be imposed in accordance with section
134 19a-694, as amended by this act;

135 (3) A schedule of payments and disclosure of all late fees or potential
136 penalties;

137 (4) The grievance procedure with respect to enforcement of the terms
138 of the residency agreement;

139 (5) The managed residential community's covenant to comply with
140 all municipal, state and federal laws and regulations regarding
141 consumer protection and protection from financial exploitation;

142 (6) The managed residential community's covenant to afford
143 residents all rights and privileges afforded under title 47a;

144 (7) The conditions under which the agreement can be terminated by
145 either party;

146 (8) Full disclosure of the rights and responsibilities of the resident and
147 the managed residential community in situations involving serious
148 deterioration in the health of the resident, hospitalization of the resident
149 or death of the resident, including a provision that specifies that in the
150 event that a resident of the community dies, the estate or family of such
151 resident shall only be responsible for further payment to the community
152 for a period of time not to exceed fifteen days following the date of death
153 of such resident as long as the private residential unit formerly occupied
154 by the resident has been vacated; [and]

155 (9) For written residency agreements on and after October 1, 2022, a
156 statement that any notice period required of residents for a change of
157 residency shall include exemptions in the event of the death, injury,
158 illness or incapacity of a resident requiring permanent transfer of a
159 resident to a skilled nursing facility, except that a managed residential
160 community may charge a pro-rated, per diem fee based on the
161 contracted monthly charge for the remainder of any month in which a
162 resident dies or is permanently transferred to a skilled nursing facility,
163 or for fifteen days, whichever is less; and

164 [(9)] (10) Any adopted rules of the managed residential community
165 reasonably designed to promote the health, safety and welfare of
166 residents.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	October 1, 2022	17b-523
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Sec. 2	<i>October 1, 2022</i>	19a-694
Sec. 3	<i>October 1, 2022</i>	19a-700

Statement of Purpose:

To require ninety-day notice to residents of rent increases exceeding five per cent, limit fee increases, prohibit residents who contracted for assisted living services from being forced to pay for a higher level of skilled nursing care or move except under certain circumstances and provide certain exceptions to notice periods for change of residency.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]