

4611--B

2013-2014 Regular Sessions

I N   A S S E M B L Y

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Introduced by M. of A. SCHIMMINGER, ABINANTI, PAULIN, BENEDETTO, GALEF, COOK, BOYLAND, SKOUFIS, ROBERTS, HOOPER -- Multi-Sponsored by -- M. of A. BRENNAN, JAFFEE, MAGEE, McDONALD, WEISENBERG -- read once and referred to the Committee on Health -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Health in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public health law, in relation to ability of continuing care retirement communities to offer seniors additional service options

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Subdivisions 2-a, 2-b, 3, 8, 10 and 10-a of section 4601 of  
2     the public health law, subdivision 2-a as added and subdivisions 3 and 8  
3     as amended by chapter 659 of the laws of 1997, subdivision 2-b as  
4     amended by chapter 523 of the laws of 2011, subdivision 10 as added by  
5     chapter 689 of the laws of 1989, and subdivision 10-a as added by chap-  
6     ter 401 of the laws of 2003, are amended and three new subdivisions 7-a,  
7     7-b and 7-c are added to read as follows:  
8     2-a. "Continuing care retirement COMMUNITY contract" shall mean a  
9     single contract to provide a person the services provided by a continu-  
10    ing care retirement community.  
11    2-b. "Continuing care retirement community" or "community" shall mean  
12    a facility or facilities established to provide a comprehensive, cohe-  
13    sive living arrangement for the elderly, oriented to the enhancement of  
14    the quality of life and which, pursuant to the terms of the continuing  
15    care RETIREMENT COMMUNITY contract, at a minimum:  
16    a. provides, OR SUPPORTS THROUGH CONTINUING CARE AT HOME, independent  
17    living units, and [provides a] meal plan OPTIONS. The independent  
18    living unit can be made available either through a non-equity arrange-

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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ment or through an equity arrangement including, but not limited to a cooperative or condominium. For purposes of this article, the purchase price of an independent living unit in an equity arrangement, regardless of the form of the purchase agreement, shall not be considered an entry fee for purposes of calculating reserve liabilities, but shall be considered an entry fee for escrow purposes;

b. provides a range of health care and social services, subject to such terms as may be included within the contract, which shall include adult care facility services of an on-site or affiliated adult care facility, and at a minimum, sixty days of prepaid services of an on-site or affiliated nursing facility for residents not receiving services under a fee-for-service contract;

c. provides access to health services as defined in the contract, prescription drugs, and rehabilitation services;

d. nothing in this article shall eliminate the obligation of a continuing care retirement community to provide at least sixty days of prepaid nursing facility services to all residents, with the exception of residents receiving services under the terms of a fee-for-service continuing care contract as defined in this section. The prepaid days must include the first sixty days of nursing facility services, whether or not consecutive, not covered by Title XVIII of the federal social security act; and

e. communities established under this article and offering fee-for-service continuing care contracts must offer, along with such fee-for-service continuing care contracts, life care and/or continuing care contracts as defined in subdivision eight-a of this section.

3. "Contracts" or "agreements" shall mean CONTINUING CARE AT HOME OR continuing care retirement COMMUNITY contracts as defined in this article.

7-A. "CONTINUING CARE AT HOME CORPORATION" SHALL MEAN A NOT-FOR-PROFIT CORPORATION AFFILIATED WITH A CONTINUING CARE RETIREMENT COMMUNITY CAMPUS PROVIDER THROUGH WHICH CONTRACT HOLDERS PAY AN ENTRANCE FEE AND A MONTHLY FEE, BOTH OF WHICH WOULD CORRESPOND TO THE LEVEL OF SERVICE CHOSEN BY THE CONTRACT HOLDER.

7-B. "CONTINUING CARE AT HOME CONTRACT" SHALL MEAN A SINGLE CONTRACT TO PROVIDE A PERSON WITH LONG TERM CARE SERVICES AND SUPPORTS BASED UPON AN INDIVIDUAL'S NEEDS AND COORDINATED BY A CASE MANAGER, WHICH SHALL INCLUDE SERVICES PROVIDED TO THE INDIVIDUAL IN HIS OR HER RESIDENCE AND SERVICES OF THE AFFILIATED COMMUNITY'S NURSING FACILITY AND ADULT CARE FACILITY, OR AFFILIATED FACILITIES.

7-C. A. "CONTINUING CARE AT HOME" CORPORATIONS PROVIDING SERVICES IN A NURSING HOME AS DEFINED IN SECTION TWENTY-EIGHT HUNDRED ONE OF THIS CHAPTER MUST BE LICENSED UNDER ARTICLE TWENTY-EIGHT AND SHALL BE SUBJECT TO THE PROVISIONS AND STANDARDS OF SUCH ARTICLE.

B. "CONTINUING CARE AT HOME" CORPORATIONS PROVIDING HOME CARE SERVICES AS DEFINED IN SECTION THIRTY-SIX HUNDRED TWO OF THIS CHAPTER MUST BE LICENSED UNDER ARTICLE THIRTY-SIX AND SHALL BE SUBJECT TO THE PROVISIONS AND STANDARDS OF SUCH ARTICLE.

8. "Life care contract" shall mean a single continuing care retirement COMMUNITY contract OR A CONTINUING CARE AT HOME CONTRACT to provide a person, for the duration of such person's life, the services provided by the continuing care retirement community OR THE CONTINUING CARE AT HOME CORPORATION, which services shall include unlimited services of [an on-site or affiliated nursing facility] THE AFFILIATED COMMUNITY'S NURSING FACILITY OR AFFILIATED NURSING HOME. Such term also shall mean a single continuing care retirement COMMUNITY contract to provide a

1 person, for the duration of such person's life, the services provided by  
2 the continuing care retirement community under an arrangement in which  
3 the costs of the residents' unlimited nursing home or home [health] care  
4 services are paid for in whole or in part by a long term care insurance  
5 policy approved by the superintendent in accordance with applicable  
6 regulations or by long term care insurance or medical assistance  
7 payments in accordance with the partnership for long term care program  
8 pursuant to the provisions of section three hundred sixty-seven-f of the  
9 social services law, section three thousand two hundred twenty-nine of  
10 the insurance law and section four thousand six hundred twenty-three of  
11 this chapter.

12 10. "Living unit" shall mean an apartment, room, cottage, or other  
13 area within a community set aside for the exclusive use of one or more  
14 residents, OR IN THE CASE OF A CONTINUING CARE AT HOME CONTRACT, THE  
15 CONTRACT HOLDER'S PRIVATE RESIDENCE.

16 [10-a. "Meal plan" shall mean an arrangement whereby the person enter-  
17 ing into the continuing care retirement contract is provided with no  
18 fewer than five meals per month. Additional meals shall be available on  
19 a fee-for-service basis.]

20 S 2. The opening paragraph of subdivision 2 of section 4602 of the  
21 public health law, as amended by chapter 659 of the laws of 1997, is  
22 amended to read as follows:

23 The council shall meet as often as may be deemed necessary to fulfill  
24 its responsibilities[, but in no event less than four times per year].  
25 The council shall have the following powers and duties:

26 S 3. Subdivision 1 of section 4603-a of the public health law, as  
27 added by chapter 393 of the laws of 1991, is amended to read as follows:

28 1. The commissioner, upon approval of the [life care] CONTINUING CARE  
29 RETIREMENT community council and the public health council shall issue a  
30 certificate of incorporation of up to three residential health care  
31 demonstration facilities. Notwithstanding any provision of article twen-  
32 ty-eight of this chapter or any other provisions of law to the contrary,  
33 the public health council may approve without regard to the requirement  
34 of public need as set forth in subdivision three of section twenty-eight  
35 hundred one-a of this chapter, a certificate of incorporation or appli-  
36 cation for establishment of such facilities.

37 S 4. Paragraphs d and e and clause (C) of subparagraph (iv) of para-  
38 graph j of subdivision 2 of section 4604 of the public health law, para-  
39 graph d as added by chapter 689 of the laws of 1989 and paragraph e and  
40 clause (C) of subparagraph (iv) of paragraph j as amended by chapter 659  
41 of the laws of 1997, are amended to read as follows:

42 d. a copy of the proposed forms of contracts to be entered into with  
43 residents of the community OR CONTINUING CARE AT HOME CONTRACT HOLDERS;

44 e. complete details of any agreements with a licensed insurer, includ-  
45 ing copies of proposed contracts, requiring the insurer to assume, whol-  
46 ly or in part, the cost of medical or health related services to be  
47 provided to a resident OR CONTINUING CARE AT HOME CONTRACT HOLDERS  
48 pursuant to a continuing care retirement COMMUNITY OR CONTINUING CARE AT  
49 HOME contract;

50 (C) is or was subject to a currently effective injunctive or restric-  
51 tive order or federal or state administrative order relating to business  
52 activity or health care as a result of an action brought by a public  
53 agency or department, including, without limitation, actions affecting a  
54 license to operate a hospital as defined by section twenty-eight hundred  
55 one of this chapter, or a facility required to be licensed or certified  
56 by the department [of social services]. The statement shall set forth

1 the court or agency, date of conviction or judgment, the penalty imposed  
2 or damages assessed, or the date, nature and issuer of the order;

3 S 5. Paragraphs b, c and d of subdivision 4 of section 4604 of the  
4 public health law, as amended and paragraph d as added by chapter 659 of  
5 the laws of 1997, are amended to read as follows:

6 b. the commissioner [of social services] as to those aspects of the  
7 application relating to adult care facility beds, if any;

8 c. the public health AND HEALTH PLANNING council under section twen-  
9 ty-eight hundred one-a of this chapter as to the establishment of a  
10 skilled nursing facility by the applicant and as to such other facili-  
11 ties and services as may require the public health AND HEALTH PLANNING  
12 council's approval of the application; provided, however, that the  
13 recommendations of the [state hospital review and planning council and  
14 the] health systems agency having geographical jurisdiction of the area  
15 where the continuing care retirement community is located shall not be  
16 required with respect to the establishment of an on-site or affiliated  
17 residential health care facility to serve residents as part of the  
18 continuing care retirement community, for up to the total number of  
19 residential health care facility beds provided for in subdivision five  
20 of this section in communities statewide;

21 d. the commissioner under section twenty-eight hundred two of this  
22 chapter; provided, however, that, the recommendations of the [state  
23 hospital review and] PUBLIC HEALTH AND HEALTH planning council and the  
24 health systems agency having geographical jurisdiction of the area where  
25 the continuing care retirement community is located shall not be  
26 required with respect to the construction of an on-site or affiliated  
27 residential health care facility to serve residents as part of the  
28 continuing care retirement community, for up to the total number of  
29 residential health care facility beds provided for in subdivision five  
30 of this section in communities statewide; and

31 S 6. Paragraph g of subdivision 2 of section 4604-a of the public  
32 health law, as added by chapter 659 of the laws of 1997, is amended to  
33 read as follows:

34 g. Unless all residents OR CONTINUING CARE AT HOME CONTRACT HOLDERS  
35 have life care contracts, the operator has adequately made the assur-  
36 ances required by subdivision two of section forty-six hundred twenty-  
37 four of this article and has agreed to fund the liability in the event  
38 that [resident] SUCH RESIDENT'S OR CONTRACT HOLDER'S assets are insuffi-  
39 cient to pay for nursing facility services for a one year period.

40 S 7. Subdivision 13 of section 4606 of the public health law, as added  
41 by chapter 659 of the laws of 1997, is amended to read as follows:

42 13. The initial disclosure statement and marketing materials of a  
43 continuing care retirement community AND CONTINUING CARE AT HOME CORPO-  
44 RATION must clearly include a description of the services offered as  
45 part of its contract, including, but not limited to, any limitations on  
46 nursing facility services. The initial disclosure statement and market-  
47 ing materials of a continuing care retirement community OR CONTINUING  
48 CARE AT HOME CORPORATION which offers various types of contracts, which  
49 may include life care contracts, must clearly differentiate among the  
50 various types of contracts which it may offer.

51 S 8. Paragraphs e, f and g of subdivision 14 of section 4606 of the  
52 public health law are relettered paragraphs f, g and h and a new para-  
53 graph e is added to read as follows:

54 E. THE TYPES OF MEAL PLANS AVAILABLE;

55 S 9. Section 4608 of the public health law, as added by chapter 689 of  
56 the laws of 1989, the section heading, the opening paragraph and subdi-

vision 6 as amended and subdivision 17 as added by chapter 659 of the laws of 1997, subdivision 2 as amended by chapter 120 of the laws of 1993, subdivision 8 as amended by chapter 66 of the laws of 1994 and subdivision 15 as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

S 4608. Continuing care retirement COMMUNITY contract. A continuing care retirement COMMUNITY OR CONTINUING CARE AT HOME contract shall contain all of the following information in no less than twelve point type and in plain language, in addition to any other terms or matter as may be required by regulations adopted by the council and issued by the superintendent, EXCEPT WHEN SPECIFICALLY NOTED:

1. The amount of all money transferred, including, but not limited to, donations, subscriptions, deposits, fees, and any other amounts paid or payable by, or on behalf of, the resident or residents OR CONTINUING CARE AT HOME CONTRACT HOLDER OR HOLDERS;

2. A description of all services which are to be furnished by the operator, a description of any fees in addition to the entrance fee and periodic charges provided for in the contract, and the conditions under which the fees may be adjusted, provided that an operator shall not charge any non-refundable application fee to a prospective resident who has paid a non-refundable priority reservation agreement application fee;

3. The procedures of the community OR CONTINUING CARE AT HOME CORPORATION relating to a resident's OR CONTRACT HOLDER'S failure to pay the required monthly fees;

4. A statement of the figures and terms concerning the entry of a spouse to the community and the consequences if the spouse does not meet the requirements for entry;

5. A statement of the terms and conditions under which a contract may be cancelled by the operator or by a resident OR CONTRACT HOLDER and the conditions under which all or any portion of the entrance fee will be refunded by the operator, including the mandatory refund provisions set forth in sections forty-six hundred nine and forty-six hundred ten of this article;

6. a. The procedures and conditions under which a resident may be transferred from his or her living unit OR HOME including a statement that, at the time of transfer, the resident will be given the reasons for the transfer; the process by which a transfer decision is made; the persons with the authority to make the decision to transfer; a description of any change in charges to be paid by the resident for services not covered by the contract fees as a result of the transfer; and a statement regarding the disposition of and the right to return to the living unit in cases of temporary and permanent transfers.

b. [The] FOR CONTINUING CARE RETIREMENT COMMUNITY CONTRACTS, THE circumstances under which a living unit may be considered vacant and eligible for transfer or resale to a new resident, either due to the permanent transfer of a resident to the community's nursing or other specialized facility or due to the permanent transfer of a resident to a hospital or other facility outside of the community; provided, however, that nothing therein shall relieve a community from its obligations to provide or to insure provision of all contractually required care pursuant to the terms of a continuing care retirement contract. Should a resident's chronic condition require placement in a more specialized chronic care facility that provides services beyond those provided through the community's nursing facility, the liability of THE community pursuant to the terms of a continuing care retirement contract shall be

equal to the current per diem rate of the nursing facility minus the pro rata apportionment of the resident's monthly fee for the period of care required by the contract. Nothing herein shall obligate a continuing care retirement community which does not have a life care contract with a resident to provide or pay for a level of nursing facility services nor for any duration beyond what is specifically described in its continuing care retirement contract with that resident. This section shall not affect the operator's obligation under subdivision two of section forty-six hundred twenty-four of this article;

7. [A] FOR CONTINUING CARE RETIREMENT COMMUNITY CONTRACTS, A statement that, if the resident dies prior to occupancy date or, through illness, injury, or incapacity is precluded from becoming a resident under the terms of the contract, the contract is automatically rescinded and the resident or his or her legal representative shall receive a full refund of all moneys paid to the facility, except for those costs specifically incurred by the facility at the request of the resident and set forth in writing in a separate addendum, signed by the parties to the contract;

8. [A] FOR CONTINUING CARE AT HOME CONTRACTS, THE CIRCUMSTANCES UNDER WHICH THE CONTRACT HOLDER MAY MOVE INTO A CAMPUS INDEPENDENT LIVING UNIT, ADULT CARE FACILITY OR NURSING HOME;

9. FOR CONTINUING CARE RETIREMENT COMMUNITY CONTRACTS, A statement of the conditions under which all or any portion of the entrance fee will be released to the operator before the living unit becomes available for occupancy, and a statement of the conditions under which all or any portion of that fee will be refunded in the event of the death of the resident and/or spouse following occupancy of a living unit, including the mandatory refund provisions set forth in section forty-six hundred nine of this article;

[9.] 10. A statement of the advance notice to be provided the resident OR CONTRACT HOLDER, of not less than sixty days, of any change in fees or charges or scope of care or services;

[10.] 11. A statement that no act, agreement, or statement of any resident OR CONTRACT HOLDER, or of an individual purchasing care for a resident OR CONTRACT HOLDER under any agreement to furnish care to the resident OR CONTRACT HOLDER, shall constitute a valid waiver of any provision of this article or of any regulation enacted pursuant thereto intended for the benefit or protection of the resident OR CONTRACT HOLDER or the individual purchasing care for the resident OR CONTRACT HOLDER;

[11. A] 12. FOR CONTINUING CARE RETIREMENT COMMUNITY CONTRACTS, A description of the reinstatement policies if a resident leaves the facility or the contract is cancelled;

[12.] 13. FOR CONTINUING CARE AT HOME CONTRACTS, A DESCRIPTION OF POLICIES IF THE CONTRACT IS CANCELLED.

14. A statement that internal procedures to resolve disputes and grievances have been established, and residents AND CONTRACT HOLDERS notified of them;

[13.] 15. A statement of the grace period, if any, for the payment of periodic fees without a penalty, and the extent of any penalty for the late payment thereof;

[14.] 16. A statement that: a. the resident OR CONTRACT HOLDER, AS APPLICABLE shall, if eligible, enroll in medicare parts a and b or the equivalent and shall continue to maintain that coverage, together with medicare supplement coverage at least equivalent in benefits to those established by the superintendent as minimum benefits for medicare supplement policies;

b. if the resident OR CONTRACT HOLDER fails to maintain medicare coverage and a medicare supplement coverage, or is ineligible for such coverage and fails to purchase the equivalent of such coverage, the community OR CONTINUING CARE AT HOME CORPORATION shall purchase the coverage or equivalent coverage on behalf and at the expense of the resident OR CONTRACT HOLDER and shall have the authority to require an appropriate adjustment in payments by the resident OR CONTRACT HOLDER to the community OR CONTINUING CARE AT HOME CORPORATION;

c. if the community OR CONTINUING CARE AT HOME CORPORATION cannot purchase medicare coverage and medicare supplement coverage or the equivalent, the community shall have the authority to require an adjustment in monthly fees, subject to the approval of the superintendent, to fund the additional risk to the facility OR CORPORATION; and

d. if the resident OR CONTRACT HOLDER fails to purchase or maintain medicare coverage and medicare supplement coverage or the equivalent, and the community OR CONTINUING CARE AT HOME CORPORATION has not purchased such coverage, the community OR CORPORATION will be responsible for any expenses which would have been covered by medicare and medicare supplement coverage. The community OR CORPORATION may add the amount of such expenses to the resident's OR CONTRACT HOLDER'S monthly fees.

[15.] 17. A statement that any amendment to the contract and any change in fees or charges, other than those within the guidelines of an approved rating system, must be approved by the superintendent of financial services; and

[16.] 18. A statement that property shall not be substituted as payment for either the entrance fee or monthly fee.

[17.] 19. [A] FOR CONTINUING CARE RETIREMENT COMMUNITY CONTRACTS, A statement whether the continuing care retirement COMMUNITY contract includes any ownership, beneficial or trust interest in the assets of the operator, the assets of the facility, or both. Assets shall include, but are not limited to, property, trusts, reserves, interest and other assets.

S 10. Subdivision 1 of section 4612 of the public health law, as added by chapter 689 of the laws of 1989, is amended to read as follows:

1. Residents [living] in a community authorized by this article shall have the right of self-organization, the right to be represented by one or more individuals of their own choosing, and the right to engage in concerted activities for the purpose of keeping informed of the operation of the community in which they live.

S 11. Subdivisions 1 and 2 of section 4614 of the public health law, as amended by chapter 659 of the laws of 1997 and subdivision 2 as further amended by section 104 of part A of chapter 62 of the laws of 2011, are amended to read as follows:

1. The commissioner, or designee; AND the superintendent, or designee; [and, with regard to communities for which the department of social services has regulatory responsibility, the commissioner of social services, or designee,] may at any time, and shall at least once every three years, visit each community and examine the business of any applicant for a certificate of authority and any operator engaged in the execution of continuing care retirement COMMUNITY contracts OR CONTINUING CARE AT HOME CONTRACTS or engaged in the performance of obligations under such contracts. Routine examinations may be conducted by having documents designated by and submitted to such commissioners or superintendent, which shall include financial documents and records conforming to commonly accepted accounting principles and practices. The final

1 written report of each such examination conducted by such commissioners  
2 or superintendent shall be filed with the commissioner and, when so  
3 filed, shall constitute a public record. A copy of each report shall be  
4 provided to members of the continuing care retirement community council.  
5 Any operator being examined shall, upon request, give reasonable and  
6 timely access to all of its records. The representative or examiner  
7 designated by the commissioners or superintendent, respectively, may, at  
8 any time, examine the records and affairs and inspect the community's  
9 facilities, whether in connection with a formal examination or not.

10 2. Any duly authorized officer, employee, or agent of the health  
11 department, [social services department,] or department of financial  
12 services may, upon presentation of proper identification, have access  
13 to, and inspect, any records maintained by the community OR BY THE  
14 CONTINUING CARE AT HOME CORPORATION relevant to the respective agency's  
15 regulatory authority, with or without advance notice, to secure compli-  
16 ance with, or to prevent a violation of, any provision of this article.

17 S 12. Paragraph k of subdivision 1 of section 4615 of the public  
18 health law, as amended by chapter 659 of the laws of 1997, is amended to  
19 read as follows:

20 k. The commissioner [or the commissioner of social services] has found  
21 violations of applicable statutes, rules or regulations which threaten  
22 to affect directly the health, safety, or welfare of a resident of a  
23 continuing care retirement community OR A CONTRACT HOLDER OF A CONTINU-  
24 ING CARE AT HOME CONTRACT.

25 S 13. The section heading of section 4623 of the public health law, as  
26 amended by chapter 659 of the laws of 1997, is amended to read as  
27 follows:

28 Long term care insurance [for] AND continuing care retirement  
29 contracts.

30 S 14. This act shall take effect immediately.