

**Introduced by Senator Soto**

February 22, 2002

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An act to add Sections 1569.651 and 1569.655 to the Health and Safety Code, relating to residential care facilities for the elderly.

LEGISLATIVE COUNSEL'S DIGEST

SB 1898, as introduced, Soto. Residential care facilities for the elderly: fees and charges.

Existing law provides for the regulation and licensure of residential care facilities for the elderly by the State Department of Social Services. A violation of these provisions is a misdemeanor.

This bill would provide that a facility may charge a nonrefundable application fee to private paying residents that is not greater than the actual cost of processing or \$150, whichever is less. The bill would also provide that the fee is collectable by the facility only after the applicant enters the facility as a resident.

This bill would prohibit the collection of any application fee from a recipient of benefits under the State Supplementary Program for the Aged, Blind and Disabled who applies for admission to the facility.

The bill would also limit a residential care facility for the elderly to the assessment of rate increases once every 12 months, and would additionally prohibit any rate increase from being assessed against a resident after his or her admittance until he or she has resided in the facility for 12 consecutive months.

By creating new crimes, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1569.651 is added to the Health and  
2 Safety Code, to read:

3 1569.651. (a) A residential care facility for the elderly may  
4 not require any form of application fee or deposit from a recipient  
5 under the State Supplementary Program for the Aged, Blind and  
6 Disabled (Article 5 (commencing with Section 12200) of Chapter  
7 3 of Part 3 of Division 9 of the Welfare and Institutions Code) who  
8 applies for admission to the facility.

9 (b) A residential care facility for the elderly may charge a  
10 nonrefundable application fee to a private paying resident. The  
11 amount of the application fee may not exceed the actual cost of  
12 processing the application fee or one hundred fifty dollars (\$150),  
13 whichever is less. The application fee may only be collected if the  
14 individual enters the facility as a resident. A residential care  
15 facility for the elderly may not assess or collect any other type of  
16 fee, whether refundable or not, prior to admitting a resident.

17 (c) A residential care facility for the elderly may not require,  
18 request, or accept any funds from a resident or a resident's  
19 representative that constitutes a deposit against any possible  
20 damages by the resident.

21 (d) Any fee charged by a residential care facility for the elderly,  
22 whether prior to or after admission, shall be clearly outlined in the  
23 admission agreement.

24 SEC. 2. Section 1569.655 is added to the Health and Safety  
25 Code, to read:

26 1569.655. (a) A residential care facility for the elderly may  
27 impose rate increases, whether assessed to the basic rate or the rate  
28 for particular items or services, only once every 12 months.

29 (b) In addition to the limitations provided for in subdivision (a),  
30 when a resident is admitted to a residential care facility for the  
31 elderly, a rate increase may not be imposed on that resident until



1 he or she has resided in the residential care facility for the elderly  
2 for a period of 12 consecutive months.

3 SEC. 3. No reimbursement is required by this act pursuant to  
4 Section 6 of Article XIII B of the California Constitution because  
5 the only costs that may be incurred by a local agency or school  
6 district will be incurred because this act creates a new crime or  
7 infraction, eliminates a crime or infraction, or changes the penalty  
8 for a crime or infraction, within the meaning of Section 17556 of  
9 the Government Code, or changes the definition of a crime within  
10 the meaning of Section 6 of Article XIII B of the California  
11 Constitution.

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