

AMENDED IN SENATE APRIL 1, 2002

SENATE BILL

No. 1898

Introduced by Senator Soto

February 22, 2002

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

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

20 (c) A *licensee of a* residential care facility for the elderly may
21 not require, request, or accept any funds from a resident or a
22 resident’s representative that constitutes a deposit against any
23 possible damages by the resident.

24 (d) Any fee charged by a *licensee of a* residential care facility
25 for the elderly, whether prior to or after admission, shall be clearly
26 outlined in the admission agreement.

27 (e) *For the purposes of this section, an application fee is*
28 *defined as a nonrefundable, preadmission or processing fee,*



1 *however designated, that is requested or accepted by a licensee of*
2 *a residential care facility for the elderly.*

3 *(f) This section applies only to licensees of residential care*
4 *facilities for the elderly, as defined in subdivision (k) of Section*
5 *1569.2, and not to licensees of continuing care retirement*
6 *communities, as defined in paragraph (11) of subdivision (c) of*
7 *Section 1771.*

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

10 1569.655. (a) *A licensee of a residential care facility for the*
11 *elderly may impose rate increases, whether assessed to the basic*
12 *rate or the rate for particular items or services, only once every 12*
13 *months.*

14 (b) In addition to the limitations provided for in subdivision (a),
15 when a resident is admitted to a residential care facility for the
16 elderly, a rate increase may not be imposed on that resident until
17 he or she has resided in the residential care facility for the elderly
18 for a period of 12 consecutive months.

19 *(c) This section applies only to licensees of residential care*
20 *facilities for the elderly, as defined in subdivision (k) of Section*
21 *1569.2, and not to licensees of continuing care retirement*
22 *communities, as defined in paragraph (11) of subdivision (c) of*
23 *Section 1771.*

24 SEC. 3. No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 the only costs that may be incurred by a local agency or school
27 district will be incurred because this act creates a new crime or
28 infraction, eliminates a crime or infraction, or changes the penalty
29 for a crime or infraction, within the meaning of Section 17556 of
30 the Government Code, or changes the definition of a crime within
31 the meaning of Section 6 of Article XIII B of the California
32 Constitution.

