

AMENDED IN ASSEMBLY JULY 1, 2005
AMENDED IN ASSEMBLY JUNE 16, 2005
AMENDED IN SENATE MAY 3, 2005
AMENDED IN SENATE APRIL 19, 2005
AMENDED IN SENATE MARCH 9, 2005

SENATE BILL

No. 141

Introduced by Senator Soto

February 3, 2005

An act to amend Section 1569.651 of the Health and Safety Code, relating to residential care facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 141, as amended, Soto. Residential care facilities: preadmission fee refunds.

Existing law regulates the licensure and operation of residential care facilities for the elderly, including setting forth the basic services a facility is required to provide. Existing law requires that a licensee of a residential care facility for the elderly, if the licensee charges a preadmission fee, provide the applicant or his or her representative with a written general statement describing costs associated with the preadmission fee charges and stating whether or not the preadmission fee is refundable. If the preadmission fee or some portion thereof is refundable, existing law requires the statement to describe the conditions for the refund. A violation of the provisions relating to the licensure or operation of a residential care facility for the elderly is a crime.

This bill would provide that if the applicant decides not to enter the facility prior to the facility's completion of a preadmission appraisal

or if the facility fails to provide full written disclosure of the preadmission fee charges and refund conditions, the applicant or the applicant's representative would be entitled to a refund of 100% of the preadmission fee. It would also require a preadmission fee in excess of \$500 to be refundable under certain conditions, and would require the licensee to provide the applicant or his or her representative with a written statement, stating that the preadmission fee is refundable and describing the conditions for the refund. By changing the definition of a crime, 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 of the Health and Safety Code
2 is amended to read:

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

9 (b) If a licensee charges a preadmission fee, the licensee shall
10 provide the applicant or his or her representative with a written
11 general statement describing all costs associated with the
12 preadmission fee charges and stating that the preadmission fee is
13 refundable. The statement shall describe the conditions for the
14 refund as specified in subdivision (g). A licensee shall only
15 charge a single preadmission fee as defined in subdivision (e) per
16 resident admission.

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

1 (d) Any fee charged by a licensee of a residential care facility
2 for the elderly, whether prior to or after admission, shall be
3 clearly specified in the admission agreement.

4 (e) For the purposes of this section, “preadmission fee” means
5 an application fee, processing fee, admission fee, entrance fee,
6 community fee, or other fee, however designated, that is
7 requested or accepted by a licensee of a residential care facility
8 for the elderly prior to admission.

9 (f) This section shall not apply to licensees of residential care
10 facilities for the elderly that have obtained a certificate of
11 authority to offer continuing care contracts, as defined in
12 paragraph (8) of subdivision (c) of Section 1771.

13 (g) If the applicant decides not to enter the facility prior to the
14 facility’s completion of a preadmission appraisal or if the facility
15 fails to provide full written disclosure of the preadmission fee
16 charges and refund conditions, the applicant or the applicant’s
17 representative shall be entitled to a refund of 100percent of the
18 preadmission fee.

19 (h) Unless subdivision (g) applies, preadmission fees in excess
20 of five hundred dollars (\$500) shall be refunded according to the
21 following:

22 (1) If the applicant does not enter the facility after a
23 preadmission appraisal is conducted, the applicant or the
24 applicant’s representative shall be entitled to a refund of at least
25 80 percent of the preadmission fee amount in excess of five
26 hundred dollars (\$500).

27 (2) If the resident leaves the facility for any reason during the
28 first month of residency, the resident shall be entitled to a refund
29 of at least 80 percent of the preadmission fee amount in excess of
30 five hundred dollars (\$500).

31 (3) If the resident leaves the facility for any reason during the
32 second month of residency, the resident shall be entitled to a
33 refund of at least 60 percent of the preadmission fee amount in
34 excess of five hundred dollars (\$500).

35 (4) If the resident leaves the facility for any reason during the
36 third month of residency, the resident shall be entitled to a refund
37 of at least 40 percent of the preadmission fee amount in excess of
38 five hundred dollars (\$500).

1 (5) The facility may, but is not required to, make a refund of
2 the preadmission fee for residents living in the facility for ~~five~~
3 *four* or more months.

4 SEC. 2. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the
9 penalty for a crime or infraction, within the meaning of Section
10 17556 of the Government Code, or changes the definition of a
11 crime within the meaning of Section 6 of Article XIII B of the
12 California Constitution.