

Assembly Bill No. 2370

CHAPTER 478

An act to add Section 1569.658 to the Health and Safety Code, relating to care facilities.

[Approved by Governor September 28, 2008. Filed with Secretary of State September 28, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2370, Bass. Residential care facilities for the elderly: rate increases.

Under existing law, the State Department of Social Services regulates the licensure and operation of community care facilities, including residential care facilities for the elderly. Under existing law, the licensee of a residential care facility for the elderly is required to provide notice to residents when facility rates are increased. Violation of the provisions relating to residential care facilities for the elderly, or related regulations, is a misdemeanor.

This bill would require the licensee of a residential care facility for the elderly, on or before January 31 of each year, to prepare a document disclosing its average monthly rate increases over the previous 3 years, or less if the facility has been serving residents for less than 3 years. The bill would also require the licensee to provide a written copy of the disclosure to new and prospective facility residents, as specified. This bill would not apply to a licensee of a residential care facility for the elderly that has obtained a certificate of authority to offer a continuing care contract, as defined. By changing the definition of an existing 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.

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

SECTION 1. Section 1569.658 is added to the Health and Safety Code, to read:

1569.658. (a) On or before January 31 of each year, the licensee of a licensed residential care facility for the elderly shall prepare a document disclosing its average monthly rate increases, inclusive of rates for living units and service fees, for each of the previous 3 years. For purposes of this section, "service fees" do not include fees for optional services or services provided by a third party. The licensee shall disclose the average amount

of the increase, as well as the average percentage of increase. Newly licensed facilities without three years of resident rate increase history shall disclose the average increase for the years during which the facility has been serving residents. This section does not apply to newly licensed facilities with no current residents.

(b) The licensee shall provide a written copy of the disclosure required by this section to every resident or resident’s representative, upon signing an admission agreement to receive residential or other services from the facility. The resident or resident’s representative shall sign a confirmation of receipt of the disclosure, which shall be maintained by the facility in the resident’s file.

(c) The licensee shall provide a copy of the most recent disclosure required by this section to any prospective resident, or his or her representative.

(d) This section shall not apply to a licensee of a residential care facility for the elderly that has obtained a certificate of authority to offer a continuing care contract, as defined in paragraph (5) of subdivision (c) of Section 1771.

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