

ACTION REQUIRED

SB 141(Soto), CHAPTER 250, STATUTES OF 2005

Affects: Residential Care Facilities for the Elderly (RCFEs)

Subject: Preadmission Fee Refunds

Summary: Amends Health and Safety Code (H&S) Section 1569.651 to require RCFE licensees to state in their admission agreements that preadmission fees, if charged, will be refunded under the following circumstances:

- Should the resident decide not to enter the facility before the licensee completes a preadmission appraisal, or if the licensee fails to provide full written disclosure of the preadmission fee charges and refund conditions, then the prospective resident (or his or her representative) is entitled to a 100% refund of the preadmission fee.
- If the prospective resident does not enter the facility after a preadmission appraisal is conducted, or if the resident leaves the facility for any reason during the first month of residency, the resident is entitled to a minimum refund of 80% of the preadmission fee in excess of \$500.
- If the resident leaves the facility for any reason during the second month of residency, the resident is entitled to a minimum refund of 60% of the preadmission fee in excess of \$500.
- If the resident leaves the facility for any reason during the third month of residency, the resident is entitled to a minimum refund of 40% of the preadmission fee in excess of \$500.

This legislation does not change the current prohibition against charging preadmission fees to recipients under the State Supplementary Program for the Aged, Blind and Disabled Program.

Implementation:

These statutory requirements are effective January 1, 2006. Regulations will be amended to include these changes under the Admission Agreements Section.

- When conducting licensing visits or investigating complaints related to admission agreements, licensing staff will need to review preadmission fees paid on or after January 1, 2006, to ensure compliance with the provisions of this bill. If an admission agreement is not in compliance with the provisions of this bill, cite H&S Code Sections 1569.651(b)(g) and (h) until regulations have been adopted.
- When substantiating a complaint related to the failure to refund preadmission fees to residents or prospective residents who paid the fee on or after

January 1, 2006, cite H&S Code Section 1569.651(g) and (h).