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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO HEALTH AND SAFETY -- CONTINUING CARE PROVIDER
REGISTRATION AND DISCLOSURE

Introduced By: Senators McKenney, Murray, Sosnowski, Tikoian, Lawson, and
LaMountain

Date Introduced: April 04, 2025

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 23-59-1, 23-59-2, 23-59-3, 23-59-4, 23-59-6, 23-59-7, 23-59-11 and
2 23-59-12 of the General Laws in Chapter 23-59 entitled "Continuing Care Provider Registration
3 and Disclosure" are hereby amended to read as follows:

4 **23-59-1. Definitions.**

5 As used in this chapter:

6 (1) "Continuing care" means providing or committing to provide board, lodging, and
7 nursing services to an individual, other than an individual related by blood or marriage: (i) pursuant
8 to an agreement effective for the life of the individual or for a period in excess of one year, including
9 mutually terminable contracts, and (ii) in consideration of the payment of an entrance fee and/or
10 periodic charges. A contract shall be deemed to be one offering nursing services, irrespective of
11 whether such services are provided under the contract, if nursing services are offered to the resident
12 entering the contract either at the facility in question or continuing care at home program or
13 pursuant to arrangement specifically offered to residents of the facility or participants of a
14 continuing care at home program.

15 (2) "Continuing care at home program" means a membership-based program that provides
16 participants with a comprehensive package of support services designed to enable older adults to
17 live independently in their homes while ensuring access to higher levels of care if needed. Such
18 services may include, but are not limited to, home care, adult day services, assisted living, and

1 [skilled nursing facility care. Participants in a continuing care at home program shall be required to](#)
2 [pay an entrance fee and subsequent monthly fees for the provision of services.](#)

3 ~~(2)~~(3) “Department” means the Rhode Island state department of health.

4 ~~(3)~~(4) “Entrance fee” means an initial or deferred transfer to a provider of a sum of money
5 or other property made or promised to be made in advance or at some future time as full or partial
6 consideration for acceptance of a specified individual as a resident in a facility [or participant in a](#)
7 [continuing care at home program](#). A fee which is less than the sum of the regular periodic charges
8 for one year of residency shall not be considered to be an entrance fee.

9 ~~(4)~~(5) “Facility” means the place or places in which a person undertakes to provide
10 continuing care to an individual.

11 ~~(5)~~(6) “Provider” means any person, corporation, partnership, or other entity that provides
12 or offers to provide continuing care to any individual in an existing or proposed facility in this state
13 [or in the individual’s home through a continuing care at home program](#). Two or more related
14 individuals, corporations, partnerships, or other entities may be treated as a single provider if they
15 cooperate in offering services to the residents of a facility [or to participants of continuing care at](#)
16 [home programs](#).

17 ~~(6)~~(7) “Resident” means an individual entitled to receive continuing care in a facility [or at](#)
18 [home through a continuing care at home program](#).

19 ~~(7)~~(8) “Solicit” means all actions of a provider or the provider’s agent in seeking to have
20 individuals enter into continuing care agreement by any means such as, but not limited to, personal,
21 telephone, or mail communication or any other communication directed to and received by an
22 individual, and any advertisements in any media distributed or communicated by any means to
23 individuals.

24 **23-59-2. Registration.**

25 (a) Except as provided in § 23-59-13, no provider shall engage in the business of providing
26 or offering to provide continuing care at a facility [or at a participant’s home through a continuing](#)
27 [care at home program](#) in this state unless the provider has registered with the department with
28 respect to the facility [or continuing care at home program](#).

29 (b) A registration statement shall be filed with the department by the provider on forms
30 prescribed by the department and shall include:

31 (1) All information required by the department pursuant to its enforcement of this chapter;
32 and

33 (2) The initial disclosure statement required by § 23-59-3.

34 (c) Registration shall be deemed complete if the department has not notified the provider

1 of incompleteness within ninety (90) days of the filing.

2 **23-59-3. Disclosure statement.**

3 (a) The disclosure statement of each facility [or continuing care at home program](#) shall
4 contain all of the following information unless the information is contained in the continuing care
5 contract and a copy of that contract is attached to and made a part of the initial disclosure statement:

6 (1) The name and business address of the provider and a statement of whether the provider
7 is a partnership, foundation, association, corporation, or other type of business or legal entity.

8 (2) Full information regarding ownership of the property on which the facility [or continuing](#)
9 [care at home program](#) is or will be operated and of the buildings in which it is or will be operated.

10 (3) The names and business addresses of the officers, directors, trustees, managing or
11 general partners, and any person having a ten percent (10%) or greater equity or beneficial interest
12 in the provider, and a description of that person's interest in or occupation with the provider.

13 (4) For the provider, any person named in response to subsection (a)(3), or the proposed
14 management, if the facility [or continuing care at home program](#) will be managed on a day-to-day
15 basis by a person other than an individual directly employed by the provider:

16 (i) A description of any business experience in the operation or management of similar
17 facilities [or continuing care at home program](#).

18 (ii) The name and address of any professional service, firm, association, foundation, trust,
19 partnership, or corporation or any other business or legal entity in which the person has, or which
20 has in the person, a ten percent (10%) or greater interest and which it is presently intended will or
21 may provide goods, leases, or services to the provider of a value of five hundred dollars (\$500) or
22 more, within any year, including:

23 (A) A description of the goods, leases, or services and the probable or anticipated cost
24 thereof to the provider;

25 (B) The process by which the contract was awarded;

26 (C) Any additional offers that were received; and

27 (D) Any additional information requested by the department detailing how and why a
28 contract was awarded.

29 (iii) A description of any matter in which the person:

30 (A) Has been convicted of a felony or pleaded nolo contendere to a felony charge, or been
31 held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud,
32 embezzlement, fraudulent conversion, or misappropriation of property; or

33 (B) Is subject to an injunctive order of a court of record, or within the past five (5) years
34 had any state or federal license or permit suspended or revoked as a result of an action brought by

1 a governmental agency or department, arising out of or relating to business activity or health care,
2 including without limitation actions affecting a license to operate a foster care facility, nursing
3 home, retirement home, home for the aged, or facility [or continuing care at home program](#)
4 registered under this chapter or similar laws in another state; or

5 (C) Is currently the subject of any state or federal prosecution or administrative
6 investigation involving allegations of fraud, embezzlement, fraudulent conversion, or
7 misappropriation of property.

8 (5) A statement as to:

9 (i) Whether the provider is or ever has been affiliated with a religious, charitable, or other
10 nonprofit organization, the nature of any such affiliation, and the extent to which the affiliate
11 organization is or will be responsible for the financial and contractual obligations of the provider;
12 and

13 (ii) Any provision of the federal Internal Revenue Code, 26 U.S.C. § 1 et seq., under which
14 the provider is exempt from the payment of income tax.

15 (6) The location and description of the real property of the facility, existing or proposed,
16 and to the extent proposed, the estimated completion date or dates of improvements, whether or not
17 construction has begun and the contingencies under which construction may be deferred.

18 (7) The services provided or proposed to be provided under continuing care contracts,
19 including the extent to which medical care is furnished or is available pursuant to any arrangement.
20 The disclosure statement shall clearly state which services are included in basic continuing care
21 contracts and which services are made available by the provider at extra charge.

22 (8) A description of all fees required of residents, including any entrance fees and periodic
23 charges. The description shall include: (i) a description of all proposed uses of any funds or property
24 required to be transferred to the provider or any other person prior to the resident's occupancy of
25 the facility and of any entrance fee, (ii) whether provisions exist for the escrowing and return of
26 any such funds, property, or entrance fee and the manner and any conditions of return, and (iii) the
27 manner by which the provider may adjust periodic charges or other recurring fees and any
28 limitations on such adjustments. If the facility is already in operation, or if the provider operates
29 one or more similar facilities within this state, there shall be included tables showing the frequency
30 and average dollar amount of each increase in periodic rates at each facility for the previous five
31 (5) years or such shorter period that the facility has been operated by the provider.

32 (9) Any provisions that have been made or will be made to provide reserve funding or
33 security to enable the provider to fully perform its obligations under continuing care contracts,
34 including the establishment of escrow accounts, trusts, or reserve funds, together with the manner

1 in which such funds will be invested and the names and experience of persons who will make the
2 investment decisions.

3 (10) Certified financial statements of the provider, including: (i) a balance sheet as of the
4 end of the two (2) most recent fiscal years and (ii) income statements of the provider for the two
5 (2) most recent fiscal years or such shorter period that the provider has been in existence.

6 (11) A pro forma income statement for the current fiscal year.

7 (12) If the operation of the facility [or continuing care at home program](#) has not yet
8 commenced, a statement of the anticipated source and application of the funds used or to be used
9 in the purchase or construction of the facility [or continuing care at home program](#), including:

10 (i) An estimate of the cost of purchasing or constructing and equipping the facility
11 including such related costs as financing expense, legal expense, land costs, occupancy
12 development costs, and all other similar costs that the provider expects to incur or become obligated
13 for prior to the commencement of operations.

14 (ii) A description of any mortgage loan or other long-term financing intended to be used
15 for any purpose in the financing of the facility [or continuing care at home program](#) and of the
16 anticipated terms and costs of the financing, including without limitation all payments of the
17 proceeds of the financing to the provider, management, or any related person.

18 (iii) An estimate of the percentage of entrance fees that will be used or pledged for the
19 construction or purchase of the facility [or continuing care at home program](#), as security for long-
20 term financing or for any other use in connection with the commencement of operation of the
21 facility [or continuing care at home program](#).

22 (iv) An estimate of the total entrance fees to be received from or on behalf of residents at
23 or prior to commencement of operation of the facility [or continuing care at home program](#).

24 (v) An estimate of the funds, if any, which are anticipated to be necessary to fund start-up
25 losses and provide reserve funds to assure full performance of the obligations of the provider under
26 continuing care contracts.

27 (vi) A projection of estimated income from fees and charges other than entrance fees,
28 showing individual rates presently anticipated to be charged and including a description of the
29 assumptions used for calculating the estimated occupancy rate of the facility and the effect on the
30 income of the facility of any government subsidies for health care services to be provided pursuant
31 to the continuing care contracts.

32 (vii) A projection of estimated operating expenses of the facility [or continuing care at home](#)
33 [program](#), including (i) a description of the assumptions used in calculating any expenses and
34 separate allowances for the replacement of equipment and furnishings and anticipated major

1 structural repairs or additions and (ii) an estimate of the percentage of occupancy required for
2 continued operation of the facility [or continuing care at home program](#).

3 (viii) Identification of any assets pledged as collateral for any purpose.

4 (ix) An estimate of annual payments of principal and interest required by the mortgage loan
5 or other long-term financing.

6 (13) A description of the provider's criteria for admission of new residents.

7 (14) A description of the provider's policies regarding access to the facility [or continuing](#)
8 [care at home program](#) and its services for nonresidents.

9 (15) Any other material information concerning the facility [or continuing care at home](#)
10 [program](#) or the provider that may be required by the department or included by the provider.

11 (b) The disclosure statement shall state on its cover that the filing of the disclosure
12 statement with the department does not constitute approval, recommendation, or endorsement of
13 the facility by the department.

14 (c) A copy of the standard form or forms for continuing care contracts used by the provider
15 shall be attached as an exhibit to each disclosure statement.

16 (d) If the department determines that the disclosure statement does not comply with the
17 provisions of this chapter, it shall have the right to take action pursuant to § 23-59-16.

18 **23-59-4. Availability of disclosure statement to prospective residents.**

19 At least three (3) days prior to the execution of a continuing care contract or the transfer of
20 any money or other property to a provider by or on behalf of a prospective resident, whichever first
21 occurs, the provider shall deliver to the person with whom the contract is to be entered into a copy
22 of a disclosure statement with respect to the facility [or continuing care at home program](#) in question
23 meeting all requirements of this chapter as of the date of its delivery.

24 **23-59-6. Resident's contract.**

25 (a) In addition to other provisions considered proper to effect the purpose of any continuing
26 care contract, each contract executed on or after June 18, 1987 shall:

27 (1) Provide for the continuing care of only one resident, or for two (2) or more persons
28 occupying space designed for multiple occupancy, under appropriate rules established by the
29 provider.

30 (2) Show the value of all property transferred, including donations, subscriptions, fees, and
31 any other amounts paid or payable by, or on behalf of, the resident or residents.

32 (3) Specify all services which are to be provided by the provider to each resident including,
33 in detail, all items that each resident will receive and whether the items will be provided for a
34 designated time period or for life and the estimated current monthly cost to the provider for

1 providing the care. Such items may include, but are not limited to, food, shelter, nursing care, drugs,
2 burial, and incidentals.

3 (4) Describe the physical and mental health and financial conditions, if any, upon which
4 the provider may require the resident to relinquish his or her space in the designated facility [or](#)
5 [continuing care at home program](#).

6 (5) Describe the physical and mental health and financial conditions required for a person
7 to continue as a resident [of the facility or continuing care at home program](#).

8 (6) Describe the circumstances under which the resident will be permitted to remain in the
9 facility [or continuing care at home program](#) in the event of financial difficulties of the resident.

10 (7) State:

11 (i) The current fees that would be charged if the resident marries while at the designated
12 facility [or continuing care at home program](#);

13 (ii) The terms concerning the entry of a spouse to the facility [or continuing care at home](#)
14 [program](#); and

15 (iii) The consequences if the spouse does not meet the requirements for entry.

16 (8) Provide that the provider shall not cancel any continuing care contract with any resident
17 without good cause. Good cause shall be limited to:

18 (i) Proof that the resident is a danger to himself, herself, or others;

19 (ii) Nonpayment by the resident of a monthly or periodic fee;

20 (iii) Repeated conduct by the resident that interferes with other residents' quiet enjoyment
21 of the facility; or

22 (iv) Persistent refusal to comply with reasonable written rules and regulations of the
23 facility. If a provider seeks to cancel a contract and terminate a resident's occupancy [within a](#)
24 [facility or participation in a continuing care at home program](#), the provider shall give the resident
25 written notice of, and a reasonable opportunity to cure within a reasonable period, whatever conduct
26 is alleged to warrant the cancellation of the agreement. Nothing herein shall operate to relieve the
27 provider from duties under chapter 18 of title 34 when seeking to terminate a resident's occupancy.

28 (9) Provide in clear and understandable language, in print no smaller than the largest type
29 used in the body of the contract, the terms governing the refund of any portion of the entrance fee
30 and the terms under which entrance fees can be used by the provider.

31 (10) State the terms under which a contract is cancelled by the death of the resident. The
32 contract may contain a provision to the effect that, upon the death of the resident, the money paid
33 for the continuing care of the deceased resident shall be considered earned and become the property
34 of the provider. When more than one individual shares a residential unit, the contract shall set forth

1 the effect that the death of one resident will have on the agreement between the other resident or
2 residents and the provider.

3 (11) Provide for at least thirty (30) days' advance notice to the resident, before any change
4 in fees, charges, or the scope of care or services may be effective, except for changes required by
5 state or federal assistance programs.

6 (12) Provide that charges for care paid in one lump sum shall not be increased or changed
7 during the duration of the agreed upon care, except for changes required by state or federal
8 assistance programs.

9 (b) A resident shall have the right to rescind a continuing care contract, without penalty or
10 forfeiture, within seven (7) days after making an initial deposit or executing the contract. A resident
11 shall not be required to move into the facility designated in the contract before the expiration of
12 that seven (7) day period.

13 (c) If a resident dies before occupying the facility [or beginning the continuing care at home](#)
14 [program](#), or is precluded through illness, injury, or incapacity from becoming a resident under the
15 terms of the continuing care contract, the contract is automatically rescinded, and the resident or
16 his or her legal representative shall receive a full refund of all money paid to the provider, except
17 those costs specifically incurred by the provider at the request of the resident and set forth in writing
18 in a separate addendum, signed by both parties to the contract.

19 (d) No standard continuing care contract form shall be used in this state until it has been
20 submitted to the department. If the department determines that the contract does not comply with
21 the provisions of this chapter, it shall have the right to take action pursuant to § 23-59-16 to prevent
22 its use. The failure of the department to object to or disapprove of any contract shall not be evidence
23 that the contract does or does not comply with the provisions of this chapter. However,
24 individualized amendments to any standard form need not be filed with the department.

25 **23-59-7. Sale or transfer of ownership or change in management.**

26 (a) No provider and no person or entity owning a provider shall sell or transfer, directly or
27 indirectly, more than fifty percent (50%) of the ownership of the provider or of a continuing care
28 facility [or continuing care at home program](#) without giving the department written notice of the
29 intended sale or transfer at least thirty (30) days prior to the consummation of the sale or transfer.
30 A series of sales or transfers to one person or entity, or one or more entities controlled by one person
31 or entity, consummated within a six (6) month period that constitutes, in the aggregate, a sale or
32 transfer of more than fifty percent (50%) of the ownership of a provider or of a continuing care
33 facility [or continuing care at home program](#) shall be subject to the foregoing notice provisions.

34 (b) A provider or continuing care facility [or continuing care at home program](#) that shall

1 change its chief executive officer, or its management firm if managed under a contract with a third
2 party, shall promptly notify the department and the residents of each change of chief executive
3 officer or management firm.

4 **23-59-11. Right of residents to organize — Meetings.**

5 (a) Residents shall have the right of self-organization. No retaliatory conduct shall be
6 permitted against any resident for membership or participation in a residents' organization. The
7 provider shall be required to provide to the organization a copy of all submissions to the department.

8 (b) The board of directors, its designated representative, or other such governing body of a
9 continuing care facility [or continuing care at home program](#) shall hold meetings at least quarterly
10 with the residents or representatives elected by the residents of the continuing care facility [or](#)
11 [continuing care at home program](#) for the purpose of free discussion of issues relating to the facility
12 [or continuing care at home program](#). Such issues may include income, expenditures, and financial
13 matters as they apply to the facility [or continuing care at home program](#) and proposed changes in
14 policies, programs, facilities, and services. Residents shall be entitled to seven (7) days' notice of
15 each meeting.

16 **23-59-12. Civil liability.**

17 (a) A person contracting with a provider for continuing care may terminate the continuing
18 care contract, and the provider shall be liable to the person contracting for continuing care for
19 repayment of all fees paid to the provider, facility, or person violating this chapter, together with
20 interest thereon at the legal rate for judgments, court costs, and reasonable attorney's fees, less the
21 reasonable value of care and lodging provided to the resident prior to the termination of the contract
22 and for damages if after June 18, 1987 the provider or a person acting on the provider's behalf,
23 with or without actual knowledge of the violation, entered into a contract with the person:

24 (1) For continuing care at a facility [or continuing care at home program](#) which has not
25 registered under this chapter;

26 (2) Without having first provided to the person a disclosure statement meeting the
27 requirements of this chapter and not omitting a material fact required to be stated therein or
28 necessary in order to make the statements made therein not misleading, in light of the circumstances
29 under which they are made; or

30 (3) If the contract does not meet the requirements of § 23-59-6.

31 (b) A person who willfully or recklessly aids or abets a provider in any act prohibited by
32 this section shall be liable as set out in subsection (a) of this section.

33 (c) The department shall have no jurisdiction to adjudicate controversies concerning
34 continuing care contracts. A breach of contract shall not be deemed a violation of this chapter.

1 Termination of a contract pursuant to subsection (a) shall not preclude the resident's seeking any
2 other remedies available under any law.

3 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO HEALTH AND SAFETY -- CONTINUING CARE PROVIDER
REGISTRATION AND DISCLOSURE

- 1 This act would allow continuing care providers to provide care in an individual's home,
- 2 subject to the same disclosures and requirements as continuing care provided in a facility.
- 3 This act would take effect upon passage.

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