

Dear Delegate Israel O'Quinn and Members:

January 24, 2022

I am a physician-educator specialized in geriatrics who retired from EVMS in Norfolk after helping implement a fellowship program to train geriatricians.

I am writing to ask your support for House Bill 425 that would modify legislation governing Continuing Care Retirement Communities (CCRCs), sometimes called Life Care Communities.

CCRCs are insurance products. Eighty percent of CCRC residents buy Type A contracts. For an entry fee in the range of a half million dollars, and a monthly rental fee of around five thousand dollars, a retiree lives in a modest apartment and is guaranteed future long-term care.

This promised long-term care consists of assisted living, nursing home care, and memory care. The management teams in these CCRCs must administer funds with discretion to have resources available to provide the long-term care promised years or decades in the future.

Every year in the United States, two or three CCRCs go bankrupt from poor management. Other CCRCs spend money based on priorities other than planning for future healthcare.

The State Corporation Commission (SCC) under Chapter 49 of Title 38.2 of the Code of Virginia refuses to hear or to pass on judicially resident complaints about financial mismanagement.

The US Congress and the Commonwealth of Virginia see the need for greater oversight. A study done by the Department of Social Services is the basis of the recommendations in HB 425.

Long-term facilities are difficult to manage. One CCRC in Richmond area received a one-star rating on the most recent Medicare review of quality.

The SCC guarantees the right to self-organize, but some CCRCs do not follow through. They have directed their Resident Councils to organize according to administration guidelines.

Where the board of directors is supposed to hold quarterly meetings with the residents, some facilities meet only twice a year. And they are not transparent with strategic plans.

These legislative changes would strengthen resident input into administration decision-making and would track problems that are occurring but go unreported.

There are real problems in this industry. Objective studies have shown this. Seniors living in these communities are funding these businesses. They deserve a voice. Currently the model is "resident in care, manager is charge." We would like the playing field to be more even.

This legislation asks for residents to be members of the boards of directors. This assures effective communication about strategic planning and fiscal responsibility.

This legislation sets up a system to report, track, and record problems. This will determine the extent and severity of the problems across the industry.

Only 10% of CCRCs nationwide subscribe to the Commission on Accreditation of Rehabilitation Facilities (CARF), a marker for quality care.

CCRCs lack oversight, monitors, and data. I feel the time has come for the Virginia House of Delegates to support the expanding number of seniors seeking to improve CCRCs.

I ask you to support HB 425 and move it forward toward passage.

Sincerely,

*Charles H. Webb, MD M Div.*