

Format for disclosure statement for continuing care in residence
(CCRC Form 6b)

FORMAT:

Name of provider

Disclosure statement

Date

Notice to appear conspicuously on first page of disclosure statement:

Notice:

State law requires <Name of Provider> to give you this disclosure statement before you sign a contract or pay an entrance fee. The accuracy of this disclosure statement has not been reviewed or approved by any government agency.

Name, address, and type of legal entity

State the name, business address, and physical address of the provider. State whether the provider is a partnership, corporation, or other type of legal entity. Include the names and business address of each officer, director, trustee, managing or general partner, and any other person who has at least a 10 percent interest in the provider together with a description of that person's interest in or occupation with the partner.

Management other than direct employee of provider

Indicate whether the services will be managed on a day-to-day basis by a person other than an individual directly employed by the provider. If so, provide:

- A description of any business experience in the operation or management of similar services that the person provides.
- The name and address of any professional service, firm, association, trust, partnership, or corporation in which the person or entity has at least a 10 percent interest in the provider and that proposes to provide goods, leases, or services of an aggregate value of at least \$600 in any one year to residents, including a description of the goods, leases or services, and their probable or anticipated cost to the provider, or residents, or a statement that their cost cannot presently be estimated, and:
 - A description of any matter in which the person was convicted of a felony or pleaded no contest to a felony charge or has been held liable or enjoined in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property.

or

- Any matter in which the person is subject to an injunction or restrictive order of court of record, or has had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency if the order or action arose out of or was related to any business activity in a health care field, including actions affecting a license to operate a roster care facility, a nursing home, a retirement home, a home for the aged, or a facility subject to Chapter 246, Health and Safety Code or to a similar statute in another state.

Affiliation and IRS tax exemption

State whether the provider is affiliated with a religious, charitable, or other nonprofit organization and describe the extent of that affiliation, if any. If the provider is affiliated with such an organization, explain the extent to which the organization is responsible for the financial and contractual obligation of the provider. Cite any provision of the Internal Revenue Code under which the provider or affiliate claims to be exempt from the payment of income tax.

Entrance fees and service fees

Describe the services provided under a contract for continuing care in residence, including the extent to which medical care is furnished. Clearly describe which services are included for specified basic fees for continuing care and which are made available at an extra charge. Include a description of all fees required of residents, including the entrance fee and any periodic charges, as well as the actuarial review of entrance fee (and related amortization schedule) and service fee amounts.

Provider's policies

- Explain when a resident is permitted to continue to receive provider's services, if the resident experiences financial difficulties.
- State the conditions under which a contract for continuing care in residence may be canceled by the provider.
- State the conditions, if any, under which all or part of the entrance fee is refundable before a resident begins receiving continuing care in residence services, on cancellation of the contract by the provider or by the resident, or in the event of the death of the resident before or while receiving continuing care.
- State how the provider may adjust periodic charges or other recurring fees and any limitations on those adjustments.

Information regarding resident qualifications

Describe the health and financial criteria required for acceptance as a resident and for continuation as a resident, including the effect of any change in an individual's health or financial condition between the date of the contract for continuing care in residence and the date the individual agrees to begin receiving continuing care in residence.

Provider reserve funding

Describe any provisions made or to be made to provide reserve funding or security to enable the provider to fully perform its obligations under a contract to provide continuing care in residence, including the establishment and location of entrance fee escrow accounts, trusts, or reserve funds together with the way those funds will be invested, and the name and experience of any individual responsible for investment decisions. Include the actuarial review for entrance fee, entrance fee amortization schedule, and service fee amounts.

Financial statements

Include audited financial statements of the provider, including a balance sheet as of the end of the most recent fiscal year, statement of cash flow, and the provider's income statements for the three most recent fiscal years. If the provider does not have three years of financial statements available, state that fact and include all available audited financial statements.

Other information

The disclosure statement must include any other material information reasonably necessary to enable a potential resident or reasonably prudent person to make an informed decision about whether to enter into a continuing care contract with the provider.

Required standard contract language

Attach a copy of the standard contract form used by the provider as an exhibit to the disclosure statement. The standard contract form must comply with 28 Texas Administrative Code Section 33.105.

Refund before receiving services

The standard contract for continuing care in residence must contain a provision for refund of entrance fee, less a reasonable service charge complying with 28 Texas Administrative Code Section 33.401(e), should the resident die or no longer meet resident qualifications.

Submit this form and any attachments by email to: FinancialAnalysis@tdi.texas.gov.