

**CONTINUING CARE RETIREMENT COMMUNITY  
DISCLOSURE STATEMENT INSTRUCTION SHEET**

At least 30 days prior to the execution of a contract to provide continuing care, or 30 days prior to the transfer of any money or other property to a provider by or on behalf of a prospective resident, whichever occurs first, the provider must deliver a current disclosure statement to the person with whom the contract is to be entered into. This 30-day period may be waived at the sole request of the prospective resident. The cover page of the disclosure statement must state, in a prominent location and in boldface type, the date of the disclosure statement, the last date through which that disclosure statement may be delivered if not earlier revised, and that the delivery of the disclosure statement to a contracting party before the execution of a contract for the provision of continuing care is required by the Continuing Care Retirement Act but that *the disclosure statement has not been reviewed or approved by any government agency or representative to ensure accuracy or completeness of the information set forth.*

The text of the disclosure statement must contain at least:

- (1) The name and business address of the provider and a statement of whether the provider is a partnership, corporation, or other type of legal entity;
- (2) The names and business addresses of the officers, directors, trustees, managing general partners, any person having a 10% or greater equity or beneficial interest in the provider, and any person who shall be managing the facility on a day-to-day basis, and a description of these persons' interests in or occupations with the provider;
- (3) The following information on all persons named in response to paragraph (2) of this subsection:
  - (A) A description of the business experience, if any, of this person, in the operation or management of similar facilities;
  - (B) The name and address of any professional service firm, association, trust, partnership, or corporation in which the person has a 10% or greater interest and which it is presently intended shall currently or in the future provide goods, leases, or services to the facility, or to residents of the facility, including a description of the goods, leases, or services; and
  - (C) A description of any matter in which the person:
    - (i) Has been convicted of a felony or pleaded nolo contendere to a felony charge, or 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
    - (ii) Is subject to a currently effective injunctive or restrictive court order, or within the past 5 years, had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, if the order or action arose out of or related to business activity of health care, including actions affecting a license to operate a foster

care facility, nursing home, retirement home, home for aged, or facility subject to this title or a similar law in another state;

(4) A statement as to whether the provider is, or is not, affiliated with a religious, charitable, or other nonprofit organization, the extent of the affiliation, if any; the extent to which the affiliate organization shall be responsible for the financial and contract obligations of the provider; and the provision of the Internal Revenue Code of 1986, approved October 22, 1986 (100 Stat. 2085; 26 U.S.C. § 1 et seq.), if any, under which the provider or affiliate is exempt from the payment of income tax;

(5) The location and description of the physical property of the facility, existing or proposed, and to the extent proposed, the estimated completion date, whether construction has begun, and the contingencies subject to which construction may be deferred;

(6) The services provided or proposed to be provided pursuant to the contracts for continuing care at the facility, including the extent to which medical care is furnished, and a statement of which services are included for specified basic fees for continuing care and which services are made available at or by the facility at extra charge;

(7) A description of all fees required of residents, including the entrance fee and periodic charges, if any, which description must include:

(A) A statement of the fees that will be charged if the resident marries while at the facility, and a statement of the terms concerning the entry of a spouse or non-spouse to the facility and the consequences if the spouse or non-spouse does not meet the requirements for entry;

(B) The circumstances under which the provider may discharge or evict a resident for failure or inability to pay any amount due under the contract or for other violations of the contract;

(C) The terms and conditions under which a contract for continuing care at the facility may be canceled by the provider or by the resident, and the conditions, if any, under which all or any portion of the entrance fee or any other fee will be refunded if the contract is cancelled by the provider or by the resident or if the resident dies prior to or following occupancy of a living unit;

(D) The conditions under which a living unit occupied by a resident may be made available by the facility to a different or new resident other than on the death of the prior resident; and

(E) The manner by which the provider may adjust periodic charges or other recurring fees and the limitations on these adjustments, if any, if the facility is already in operation, or if the provider or manager operates one or more similar continuing care locations within the District, tables must be included showing the frequency and average dollar amount of each increase in periodic charges, or other recurring fees at each facility or location for the previous 5 years, or such shorter period as the facility or location may have been operated by the provider or manager);

(8) The health and financial condition required for an individual to be accepted as a resident and to continue as a resident once accepted, including the effect of any change in the health or financial condition of a person between the date of entering into a contract for continuing care and the date of initial occupancy of a living unit by the person;

(9) The provisions that have been made or will be made to provide reserve funding or security to enable the provider to perform its obligations fully under contracts to provide continuing care at the facility, including the establishment of escrow accounts, trusts, or reserve funds, the manner in which these funds will be invested, and the names and experience of any individuals in the direct employment or on the board of directors of the provider who will make the investment decisions;

(10) Financial statements of the provider, certified by an independent certified public accountant as of the end of the most recent fiscal year or such shorter period of time as the provider has been in existence; provided, that if the provider's fiscal year ended more than 120 days prior to the date of the disclosure statement, interim financial statements as of a date not more than 90 days prior to the date of the statement must be included, but need not be certified by an independent certified public accountant;

(11) If the facility has had an actuarial report prepared within the prior 2 years of the date of the disclosure statement, the summary of a report of an actuary that estimates the capacity of the provider to meet its contractual obligations to the residents;

(12) Financial forecasts for the facility for the next 5 years, including a balance sheet, a statement of operations, a statement of cash flows, and a statement detailing all significant assumptions, compiled by an independent certified public accountant;

(13) The estimated number of residents of the facility to be provided services by the provider pursuant to the contract for continuing care;

(14) Proposed or development stage facilities shall additionally provide:

(A) The summary of the report of an actuary estimating the capacity of the provider to meet its contractual obligation to the residents;

(B) Narrative disclosure detailing all significant assumptions used in the preparation of the forecast financial statements, including:

(i) Details of any long-term financing for the purchase or construction of the facility, including interest rate, repayment terms, loan covenants, and assets pledged;

(ii) Details of any other funding sources, including the provider of the funds and other funding sources, that the provider anticipates using to fund any start-up losses or to provide reserve funds to assure full performance of the obligations of the provider under contracts for the provision of continuing care;

(iii) The total life occupancy fees to be received from or on behalf of, residents at, or prior to, commencement of operations, and anticipated accounting methods used in the recognition of revenues from, and expected refunds of, life occupancy fees;

(iv) A description of any equity capital to be received by the facility;

(v) The cost of the acquisition of the facility or, if the facility is to be constructed, the estimated cost of the acquisition of the land and construction cost of the facility;

(vi) Related costs, such as financing any development costs that the provider expects to incur or become obligated for prior to the commencement of operations;

(vii) The marketing and resident acquisition costs to be incurred prior to commencement of operations;

(viii) A description of the assumptions used for calculating the estimated occupancy rate of the facility and the effect on the income of the facility of government subsidies for health care services; and

(ix) Whether there are any plans anticipated to use any funds or to pledge any assets of this facility in the purchase or construction of any other facility or the purchase of any property not a part of this facility and for the purposes of the residents of this facility;

(15) Any other material information concerning the facility or the provider necessary to make the disclosed information not misleading; and

(16) In addition to any other requirements of this section, if a provider's continuing care agreement includes a provision to provide assisted living program services or nursing home services, and the provider does not execute a separate assisted living agreement, the disclosure statement shall contain, with regard to the assisted living program:

(A) The name, address and a description of each facility that the provider operates;

(B) A statement regarding the relationship of the provider to other providers or services if the relationship affects the care of the resident;

(C) A description of any special programming, staffing, and training provided by the program for individuals with particular needs or conditions, such as cognitive impairment or confinement to bed;

(D) The security practices and procedures, which the provider must implement to protect the resident and the resident's property;

(E) A statement of the obligations of the provider and the obligations and added charges, if any, to the resident or the resident's agent as to:

(i) Arranging for or overseeing medical care;

(ii) Monitoring the health status of the resident; and

(iii) Purchasing or renting essential or desired equipment and supplies; and

(F) An explanation of the assisted living program's and the nursing home component's complaint or grievance procedure.