

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Life Care Facilities Act is amended by
5 adding Sections 5.1 and 5.2 as follows:

6 (210 ILCS 40/5.1 new)

7 Sec. 5.1. Pre-sale disclosures.

8 (a) Prior to the execution of a refundable life care
9 contract and the transfer of any money or other property to a
10 provider or escrow agent, the provider shall deliver to the
11 consumer a pre-sale disclosure printed on paper. The pre-sale
12 disclosure shall be signed by the consumer prior to executing
13 the life care contract. The pre-sale disclosure shall include:

14 (1) the caption, "ENTRY FEE REFUNDS: CONSUMER NOTICE",
15 in at least 28-point font and the remaining portion in at
16 least 12-point font;

17 (2) the caption, "The timing of refunds for past
18 residents may not be indicative of your refund experience.
19 Your ability to collect on the full amount of the
20 calculated refund may be modified or nullified pending
21 market conditions, any future sale of this organization,
22 or in the event of bankruptcy. Current residents, former
23 residents awaiting refunds, and the estates of former

1 residents awaiting refunds shall be provided with the most
2 recent entry fee refund data disclosure upon request.";

3 (3) for refunds returned by the provider in the most
4 recently completed calendar year:

5 (A) the average number of months passed before the
6 refund of an entry fee by the provider; and

7 (B) the median number of months passed before the
8 refund of an entry fee by the provider;

9 (4) the percentage of entry fee contracts awaiting
10 refunds from the provider with wait times exceeding 24
11 months as of the end of the most recently completed
12 calendar year;

13 (5) the percentage of entry fee contracts awaiting
14 refunds from the provider with wait times exceeding 36
15 months as of the end of the most recently completed
16 calendar year;

17 (6) the percentage of entry fee contracts awaiting
18 refunds from the provider with wait times exceeding 60
19 months as of the end of the most recently completed
20 calendar year;

21 (7) the number of entry fee contracts awaiting refunds
22 from the provider as of the last day of the most recently
23 completed calendar year; and

24 (8) the number of entry fee refunds returned by the
25 provider in the most recently completed calendar year.

26 (b) For the purpose of determining the time a refund is

1 due, the start time of the refund begins after the unit has
2 been permanently vacated, returned to resalable condition, and
3 the outgoing resident has a zero balance due, excluding
4 outstanding balances to be payable by outside payors,
5 including, but not limited to, Medicare, Medicaid, Managed
6 Medicare, or within 30 days of the unit being permanently
7 vacated and the outgoing resident has a zero balance due,
8 whichever is shorter. Refund delays due to estate factors
9 outside of the community's control, including, but not limited
10 to, probate challenges, estate challenges, or an inability to
11 confirm next of kin, are not included in the outstanding
12 refunds to be disclosed.

13 (c) Pre-sale disclosures may include additional data by
14 calendar year.

15 (d) If a payee for an entry fee refund cannot be
16 determined, for purposes of calculating the data in subsection
17 (a), a refund shall be considered complete when a new resident
18 occupies the specified living unit.

19 (e) The most current pre-sale disclosure data detailed in
20 subsection (a) shall be made available, upon request, to
21 current residents that have refundable entry fee contracts,
22 former residents who have not yet received refunds for their
23 refundable entry fees, and the estates of former residents who
24 have not yet received refunds for their refundable entry fees.

25 (f) Failure to provide the pre-sale disclosure in
26 accordance with this Section may result in a minimum monetary

1 penalty of \$500 at the discretion of the Department. The
2 Department shall adopt rules to enforce this Section and
3 provide for factors to be considered when imposing monetary
4 penalties and for repeat violations of this Section.

5 (210 ILCS 40/5.2 new)

6 Sec. 5.2. Living unit reappropriation. If an unoccupied
7 living unit is contemplated for use for a purpose other than as
8 a living unit, including, but not limited to, an exam room or a
9 storage room, and if there exist beneficiaries awaiting an
10 entry fee refund, the beneficiaries of the entry fee refund
11 must provide a signed acknowledgment of, and agreement to, the
12 reappropriation that may be in effect up to a specific date.
13 The reappropriation acknowledgment shall include:

14 (1) the caption, "ENTRY FEE REFUND DELAYS: CONSUMER
15 NOTICE" in at least 28-point font and the remaining
16 portion in at least a 12-point font;

17 (2) the caption, "Your agreement to this arrangement
18 may result in the delayed sale of the living unit as well
19 as the delayed return of the entry fee."; and

20 (3) a statement that the rights provided under this
21 Section may not be waived.