

CALIFORNIA ADVOCATES FOR NURSING HOME REFORM

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September 14, 2009

The Honorable Arnold Schwarzenegger
Governor of California
State Capitol Building
Sacramento, CA 95814

Re: AB 1169 (Ruskin) – Please sign

Dear Governor Schwarzenegger:

On behalf of California Advocates for Nursing Home Reform (CANHR), I am writing to urge you to sign AB 1169, which would require greater transparency in the use of continuing care contract funds.

As you know, signing a Continuing Care Retirement contract is arguably the biggest single financial commitment that a retired consumer can make. Thousands of California consumers have entrusted CCRC providers with well over \$1 billion in entrance fees in return for life-long care. Before moving into a CCRC, consumers are required to provide full financial disclosure of their assets and income to ensure the provider that the consumer is able to afford the initial and monthly fees over a long-term basis.

Given the current financial climate, some multi-facility CCRCs are struggling to meet debt obligations – depleting the reserve funds in one facility to meet the expenses of another. Some CCRCs have little, if any, reserves left. These are dangerous practices for those consumers who have exchanged a great part of their life savings in return for a promise that the CCRC will provide a specific level of services over their lives.

AB 1169 would establish some essential safeguards for CCRC consumers and ensure that the fees paid by residents will be used to provide the services promised by the CCRC providers.

We urge you to sign AB 1169 into law.

Sincerely,

Pat McGinnis
Executive Director