

AN ACT concerning regulation.

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

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

(210 ILCS 40/5.1 new)

Sec. 5.1. Pre-sale disclosures.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(210 ILCS 40/5.2 new)

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

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

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

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