

CONTINUING CARE COMMUNITY DISCLOSURE ACT (EXCERPT)
Act 448 of 2014

554.919 Initial registration; submission of information; missing or unreliable information; cost of investigation; deposit of payment; registration of 2 or more retirement communities as single continuing care community; consideration of opinions, appraisals, and reports of experts; electronic transmission of application and fee.

Sec. 19. (1) A person seeking initial registration under this act shall submit the following information to the department:

(a) An initial registration application on a form prescribed by the department, signed and verified by an individual authorized to act on behalf of the continuing care community.

(b) The organizing documents of the applicant, and all amendments thereto, authorizing the applicant to conduct business in this state and a copy of the most recent annual report, if required under state law.

(c) A disclosure statement that complies with section 37.

(d) A copy of each form of continuing care agreement for the continuing care community, which shall comply with section 39, and all exhibits or addenda to each form of continuing care agreement.

(e) A copy of any rules, policies, and procedures of the applicant required for compliance with this act.

(f) A statement, on a form prescribed by the department, of whether any of the following apply to any executive officer, administrator, or director identified in the application for registration:

(i) Has been convicted of a felony 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.

(ii) Is subject to an injunctive or restrictive order or federal or state administrative order relating to business activity or health care as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license to operate a continuing care community, foster care facility, nursing home, retirement home, or home for the aged. The statement shall, if applicable, specify the court or agency, any penalty imposed or damages assessed, and the date of conviction or judgment or the date, nature, and issuer of the order.

(g) An executed irrevocable consent to service of process subject to section 61.

(h) Financial statements that comply with section 41.

(i) Unless waived by the department, a statement of the use of proceeds of entrance fees to be collected by the continuing care community.

(j) A pro forma financial plan that complies with section 43.

(k) A feasibility study, unless waived in the reasonable discretion of the department. The feasibility study shall be made available for review upon the request of a member or prospective member. The department may require the feasibility study to include 1 or more of the following:

(i) A statement of the purpose of the continuing care community and the need for the proposed services.

(ii) Documentation of the financial resources to be made available for the continuing care community.

(iii) A plan demonstrating the financial feasibility of the proposed continuing care community, including future funding sources.

(iv) An actuarial forecast that has been reviewed by a qualified actuary.

(v) A study demonstrating the proposed market for the continuing care community.

(vi) A detailed statement of the continuing care services to be offered.

(l) For a continuing care community seeking to offer continuing care at home, both of the following:

(i) A detailed business plan on how the needs and requirements of the members receiving continuing care at home will be met.

(ii) Agreements showing how and under what circumstances future specialized care, including assisted living, dementia care, and skilled nursing, will be provided when appropriate.

(m) Other material information as may reasonably be required by the department.

(n) Other material information as the applicant wishes to include.

(o) The initial registration application fee specified in section 31.

(2) If information required pursuant to subsection (1)(m) is not furnished by the applicant, or the department considers information submitted pursuant to subsection (1)(m) to be unreliable or substantially incomplete, the department may investigate any matters concerning the missing or unreliable information. The applicant shall pay the actual cost of the investigation as determined in the reasonable discretion of the department. The payment shall be deposited in the continuing care administration fund.

(3) An applicant may request and the department may order that 2 or more retirement communities be registered as a single continuing care community.

(4) The department may consider the opinions, appraisals, and reports of engineers, appraisers, or other

experts presented by an applicant or an interested party on a question of fact concerning or affecting the continuing care agreements proposed to be offered and sold.

(5) An applicant may electronically transmit an application and fee for initial registration or renewal of registration to the department after the department posts notice on its website that it is prepared to receive those electronic filings.

History: 2014, Act 448, Eff. Apr. 2, 2015.