

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1132

H.P. 827

House of Representatives, February 20, 1997

An Act to Amend the Continuing Care Retirement Community Laws to Repeal Certain Exemptions and Place Other Requirements on Providers and Developers of Continuing Care Retirement Communities.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative TRIPP of Topsham.

Cosponsored by Representatives: FULLER of Manchester, JOYNER of Hollis, Senators: BENOIT of Franklin, DAGGETT of Kennebec, LAWRENCE of York.

Be it enacted by the People of the State of Maine as follows:

2
3 **Sec. 1. 24-A MRSA §6203, sub-§1, ¶B**, as amended by PL 1995, c.
4 625, Pt. A, §27, is further amended by amending subparagraph (6)
5 to read:

6
7 (6) A list of the names and addresses of stockholders
8 and those persons who hold official positions
9 responsible for the conduct of the affairs of the
10 provider, including all members of the board of
11 directors, the principal officers and persons having a
12 10% or greater equity or beneficial interest in the
13 provider. Section 222, including the requirement of
14 approval of the superintendent, the submission of
15 tender offers or acquisitions materials, information as
16 to acquisitions or tender offers and examination of
17 accounts, records, documents and transactions, is also
18 applicable in the event of either:

19
20 (a) Any tender offer for, or a request or
21 invitation for tenders of, or an agreement to
22 exchange securities for, or otherwise acquire any
23 voting security of a provider or of any person
24 controlling a provider if, as a result of the
25 consummation thereof, the person making the tender
26 offer, request or agreement would directly or
27 indirectly acquire control of the provider or
28 controlling person; or

29
30 (b) Any purchase, exchange, merger or acquisition
31 of control of a provider.

32
33 Those responsible persons shall consent to the
34 performance of a credit investigation report to be
35 performed by a recognized and established independent
36 investigation and reporting agency. The cost of any
37 such report must be paid by or on behalf of the
38 provider upon the request of the superintendent. The
39 superintendent shall keep confidential the contents of
40 any such report;

41
42 **Sec. 2. 24-A MRSA §6203, sub-§2, ¶D**, as amended by PL 1995, c.
43 452, §13, is further amended to read:

44
45 D. The superintendent has determined that the provider's
46 continuing care agreement meets the requirements of section
47 6206, subsection 3, and the rules promulgated adopted in
48 this chapter; and

2 **Sec. 3. 24-A MRSA §6203, sub-§2, ¶G**, as repealed and replaced
by PL 1995, c. 452, §16, is amended to read:

4 G. The provider certifies to the superintendent either:

6 (1) That preliminary continuing care agreements have
8 been entered and deposits of not less than 10% of the
entrance fee have been received either:

10 (a) From subscribers with respect to 70% of the
12 residential units, including names and addresses
of the subscribers, for which entrance fees will
14 be charged; or

16 (b) From subscribers with respect to 70% of the
total entrance fees due or expected at full
18 occupancy of the community; or

20 (2) That preliminary continuing care agreements have
been entered and deposits of not less than 25% of the
22 entrance fee received from either:

24 (a) Subscribers with respect to 60% of the
residential units, including names and addresses
26 of the subscribers, for which entrance fees will
be charged; or

28 (b) Subscribers with respect to 60% of the total
entrance fees due or expected at full occupancy of
30 the community; and

32 **Sec. 4. 24-A MRSA §6203, sub-§2, ¶H** is enacted to read:

34 H. The department certifies to the superintendent that the
36 provider has demonstrated the willingness and potential
38 ability to ensure that the health care services or
40 supportive services, or both, will be provided in a manner
42 to ensure both availability and accessibility of adequate
44 personnel and facilities in a manner enhancing availability,
46 accessibility and continuity of services.

48 **Sec. 5. 24-A MRSA §6203, sub-§6**, as enacted by PL 1995, c.
50 452, §20, is repealed.

SUMMARY

52 This bill repeals a provision added to the laws governing
continuing care retirement communities in 1995 that exempts such
54 communities under specific circumstances from complying with the

2 provisions of the State's certificate of need laws in connection
with the development and construction of any nursing facility.
4 This bill also enacts 2 provisions in the continuing care
retirement community laws that were repealed in 1995 that require
6 credit reports on all persons responsible for the conduct of the
affairs of the developer of a continuing care retirement
8 community and a requirement that the Department of Human
Services, as part of the application process, certify to the
10 Superintendent of Insurance that the proposed provider and
developer of the continuing care retirement community has
12 demonstrated the willingness and ability to ensure that health
care services or supportive services, or both, will be provided
14 in an appropriate manner to the persons who will reside in
continuing care retirement community.