Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON AGING AND LONG-TERM CARE
Jasmeet Bains, Chair
AB 1983 (Blanca Rubio) – As Introduced February 13, 2026

SUBJECT: Continuing care retirement communities (CCRC): repayable contracts

SUMMARY: Additionally defines a CCRC repayable contract to include a promise to repay all or a portion of an entrance fee based on the sequential order in which a repayable contract is terminated. Specifically, **this bill requires**:

1) A provider, if using the sequential order method, to assign each terminated contract a sequential repayment number.
2) Each time entrance fees are paid for a reoccupied unit, a repayment account would be credited until funds are sufficient to repay the next terminated contract in sequential order.
3) The provider to issue repayment within 14 days.

EXISTING LAW: Regulates different types of CCRC contracts including among others a repayable contract. A repayable contract is a CCRC contract that includes a promise to repay all or a portion of an entrance fee that is conditioned upon reoccupancy or resale of the unit previously occupied by the resident.

1) Provides that residents of CCRCs shall not be deprived of any civil or legal right, benefit, or privilege guaranteed by law, by the California Constitution, or the United States Constitution, solely by reason of status as a resident of a community. *(Health and Safety Code (HSC) § 1771.7(a))*

2) Provides that all residents in residential living units in CCRCs shall have various rights, including:
   a) To live in an attractive, safe, and well maintained physical environment;
   b) To live in an environment that enhances personal dignity, maintains independence, and encourages self-determination;
   c) To participate in activities that meet individual physical, intellectual, social, and spiritual needs;
   d) To expect effective channels of communication between residents and staff, and between residents and the administration or provider's governing body;
   e) To receive a clear and complete written contract that establishes the mutual rights and obligations of the resident and the CCRC;
   f) To manage his or her financial affairs;
   g) To be assured that all donations, contributions, gifts, or purchases of provider-sponsored financial products shall be voluntary, and may not be a condition of acceptance or of ongoing eligibility for services;
   h) To maintain and establish ties to the local community; and,
   i) To organize and participate freely in the operation of independent resident organizations and associations. *(HSC § 1771.7(c))*.

3) Establishes the "California Residential Care Facilities for the Elderly (RCFE) Act" to provide for the licensure and regulation of RCFEs as a separate category within the

existing licensing structure of California Department of Social Services (DSS). *(HSC § 1569 et seq.)*

4) Provides for the certification and regulation of CCRCs by DSS. *(HSC §1770 et seq.)*

5) Requires an applicant for a certificate of authority to operate a CCRC to obtain appropriate licenses for the entire CCRC as otherwise required by law, including RCFE and/or skilled nursing facility (SNF) licenses. *(HSC §1771.5)*

6) Defines a "continuing care contract" to mean a contract that includes a promise by a provider to provide one or more elements of care to an elderly resident, as specified, in exchange for an entrance fee and/or the payment of periodic charges. *(HSC § 1771(c)(8) and (9))*

7) Requires a continuing care contract to contain numerous specified elements including, but not limited to, the duration of the contract, the list of services that will be made available to the resident as required to provide the appropriate level of care, an itemization of the services included in the monthly fee and services available for an extra charge, and others. Further requires additional information and disclosures to be attached to the continuing care contract. *(HSC § 1788)*

8) Establishes requirements regarding the cancellation of a continuing care contract. *(HSC § 1788.2)*

9) Requires a lump-sum payment that is conditioned upon resale of a unit to be paid to the resident within 14 calendar days after resale of the unit. Further requires that this payment not be considered, characterized, or advertised as a refund. *(HSC 1788.4)*

10) Requires the CCRC provide a copy of the bill of rights at any time when the resident is proposed to be moved to a different level of care. *(HSC § 1771.7(e))*

11) Requires DSS to consolidate and develop one comprehensive Patients' Bill of Rights for SNFs and shall be a mandatory attachment to all SNFs, intermediate care facility, and nursing facility contracts as specified. *(HSC § 1599.61et seq.)*

12) Allows DSS to impose and collect a civil penalty upon a CCRC for a violation (*HSC § 1569.49)*

FISCAL EFFECT: This bill has not yet been analyzed by a fiscal committee.

COMMENTS:

Author's Statement: "AB 1983 addresses delays and uncertainty in the repayment of entrance fees to residents of Continuing Care Retirement Communities (CCRCs). Under current law, refunds are tied to the re-occupancy of a specific unit, which can leave residents and their families waiting months or even years for repayment. The bill authorizes a sequential repayment method, in which refunds are issued based on when residents vacate rather than when a unit is resold. This approach creates a more predictable, transparent, and equitable system, increasing fairness for residents and their families while giving providers flexibility to adopt a system that meets the needs of a growing older adult population.

BACKGROUND

Aging in California: A recent compiled data report by the Public Policy Institute of California titled "California's Aging Population" states:

> By 2040, California's older adult population (aged 65 and over) is projected to increase by a remarkable 59 percent, from 5.7 million to just over 9 million. This growth stands in stark contrast to the projected changes in other age groups. The working-age population (20–64 years old) is expected to increase only 3 percent, while the population under age 20 is anticipated to decrease by 23 percent. California is projected to have 3.4 million more older adults aged 65 and over, and 1.7 million fewer residents less than 65 years old.
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> This disproportionate growth in the older population will lead to a significant shift in the state's age structure. Almost one-quarter of Californians (22%) will be age 65 or older by 2040, a substantial increase from 14 percent in 2020. The old-age dependency ratio (the number of older adults per 100 adults of working ages) is projected to grow from 24 to 38. In other words, there will be 38 older adults for every 100 working adults in the state.
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> The most dramatic growth is projected among the oldest age groups—or the oldest old. The population aged 80 and over is expected to more than double, increasing by nearly 1.8 million in 2040. This rapid growth in the oldest age groups, driven by both the aging of the baby boomers and increases in longevity, is especially significant because of this group's relatively high personal care and health care needs. [1]

Life expectancy continues to rise,[2] however during 2019-2021 overall life expectancy for Californians fell from 81.4 years to 78.4 years. For Hispanics, life expectancy declined by nearly 6 years, a difference three times greater than their white counterparts. And the difference between those in California's highest and lowest income brackets increased by three-and-a-half years to greater than 15 years (11.5 years before the pandemic to more than 15 years in 2021).[3]

It is important to note that the COVID-19 pandemic caused a brief (and traumatic) deviation from the long-term pattern of increases in life expectancy. The latest estimates suggest that life expectancy has resumed its pre-pandemic trend of gradually increasing longevity. The Department of Finance projects moderate increases in life expectancies through 2060. [4]

Continuing Care Retirement Communities. CCRCs offer people age 60 and older a full range of long-term care options that includes independent living, assisted living, and skilled nursing care. This model allows senior residents to move from independence to high levels of care without leaving the community in which they reside. Typically, this is provided in a campus-like

[1] https://www.ppic.org/publication/californias-aging-population/
[2] https://longevity.stanford.edu/the-new-map-of-life-initiative/
[3] https://newsroom.ucla.edu/releases/covid-life-expectancy-drops-by-race-and-income
[4] www.cdc.gov/nchs/data/databriefs/db492.pdf

community setting, usually for a resident's lifetime, and always for at least one year. CCRCs require residents to sign a contract that sets forth the range of services, sometimes at an additional cost, depending on the type of contract, to be provided by the CCRC to the resident. CCRCs offer a broad range of contract options so that they have the flexibility to offer a range of services that meet their consumers' varying needs.

Each CCRC offers different options on costs of service, payment methods, services provided, and other elements, including lifestyle choices. All CCRCs must obtain a RCFE license and if they offered skilled nursing services, must hold a Skilled Nursing Facility License issued by the California Department of Public Health.

DSS, is responsible for the oversight of continuing care providers. The Department's Community Care Licensing Division has two branches that participate in the regulation. The Senior Care Program monitors continuing care providers for compliance with the Community Care licensing laws and regulations regarding buildings and grounds, accommodations, care and supervision of residents, and quality of service.[5]

In the California Advocates for Nursing Home Reform (CANHR) Guide to CCRCs the following information details the types of CCRC contracts.[6] Continuing care contracts are sometimes referred to by three "types": Type A contracts (also known as life care contracts), are the most expensive and are all-inclusive agreements wherein all housing, services and healthcare are covered by the entrance fee and monthly fees; Type B contracts typically offer discounted healthcare services for limited amounts of time, after which services can be purchased; and, Type C contracts can offer the lowest entrance and monthly fees, but may require residents to be responsible for paying for healthcare services at market rates.

Yvonne Troya is a Clinical Professor of Law and Legal Director of the Medical-Legal Partnership for Seniors at UC Law San Francisco, in a presentation to the Massachusetts Special Commission on Continuing Care Retirement Communities highlighted ongoing concerns with entrance fee repayment practices, including that fees are typically, not escrowed and are often repaid only upon re-occupancy of a unit. This structure can result in significant delays and uncertainty for residents and their families, particularly when occupancy is low or units are less marketable. The presentation also notes that residents generally lack ownership interests or secured claims to their entrance fees, exposing them to financial risk.[7]

Residential Care Facilities for the Elderly. The California Residential Care Facilities for the Elderly Act requires RCFEs to be licensed as a separate category within the existing structure of CDSS. RCFEs are defined as a housing arrangement chosen voluntarily by persons 60 years of age or over, or their authorized representative, where varying levels and intensities of care and supervision, protective supervision, personal care, or health-related services are provided, based upon their varying needs, as determined in order to be admitted and to remain in the facility. Within RCFEs, "health-related services" are services that shall be directly provided by an

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[5] https://www.cdss.ca.gov/continuing-care-communities#:~:text=The%20California%20Department%20of%20Social,residents%2C%20and%20quality%20of%20service.
[6] canhr.org/wp-content/uploads/2021/08/CCRCGuide.pdf
[7] https://malegislature.gov/Commissions/Detail/674/Documents

appropriate skilled professional, including a registered nurse, licensed vocational nurse, physical therapist, or occupational therapist.

California law provides for a RCFE Resident's Bill of Rights. The rights enumerated in that bill of rights includes, among other things that "A licensed RCFE shall not discriminate against a person seeking admission or a resident based on sex, race, color, religion, national origin, marital status, registered domestic partner status, ancestry, actual or perceived sexual orientation, or actual or perceived gender identity." Since CCRCs must obtain a RCFE license, the Residents Bill of Rights for RCFEs would appear to equally apply to CCRC residents.

Master Plan for Aging: In January of 2021, the Governor released his Master Plan for Aging (MPA). The MPA prioritizes the health and well-being of older Californians and the need for policies that promote healthy aging. The MPA serves as a blueprint for state government, local government, the private sector, and philanthropy to prepare the state for the coming demographic changes and continue California's leadership in aging, disability, and equity.

The work plan laid out in the MPA mid-way through its ten year timeline continues to highlight the urgent needs facing California's older adults, people with disabilities, their families, caregivers, advocates and the workforce supporting these populations..

The MPA for 2025-26 outlines five bold goals and currently seeks to advance 81 initiatives to build a California for All Ages by 2030. Each initiative features a designated area of focus; to deliver, to analyze and to communicate. It also includes a Data Dashboard on Aging to measure progress.[8]

- Goal One: Housing for All Ages and Stages
- Goal Two: Health Reimagined
- Goal Three: Inclusion and Equity, Not Isolation
- Goal Four: Caregiving That Works
- Goal Five: Affording Aging

Argument in Support: Erickson Senior Living, a sponsor of the bill, writes in support " For California's senior residents and their families, AB 1983 offers meaningful benefits. Residents can better anticipate repayment timelines, enabling more informed financial planning. All former residents stand in the same queue, regardless of their unit. Providers can communicate a clear, objective repayment process rather than one dependent on the re-occupancy of a single unit. Under the sequential method, both providers and families share a common goal — reoccupying any unit in the community — removing any potential conflict between a pending repayment and sales incentives. Residents are granted the same California laws and consumer protections as existing repayable contracts.

AB 1983 also offers benefits to CCRC providers. The trigger for repayment is not tied to the vacating or reoccupancy of any specified unit. Instead, repayment only occurs when the repayment account has accumulated sufficient funds from reoccupancies in the community to repay the next vacated unit's beneficiary in the queue. Providers can focus on matching prospective residents with the unit that best meets their unique needs, rather than creating unintended incentives to prioritize a specific unit tied to a pending repayment. Providers may

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[8] https://mpa.aging.ca.gov/DashBoard/

adopt the sequential method on a go-forward basis, phasing out existing same-unit contracts over time. All existing California consumer protections remain unchanged. If providers determine the exact-unit method works best for their facility, such as smaller providers with less inventory, they do not have to switch to the sequential method. It draws on successful models from other states and addresses a gap in California's current law."

Argument in Opposition: None.

Related/Prior Legislation:

AB 2171 (Wieckowski, Chapter 2171, Statutes of 2014) established a bill of rights for residents of RCFEs and provided that a RCFE shall not discriminate against a person seeking admission or a resident based on sex, race, color, religion, national origin, marital status, registered domestic partner status, ancestry, actual or perceived sexual orientation, or actual or perceived gender identity.

AB 853 (Choi, 2017) required CCRCs to utilize sequential order repayment for repayable contracts. - Never heard in committee

AB 2033 (Choi, 2018) required CCRCs to utilize sequential order repayment for repayable contracts- Never heard in committee

SB 475 (Monning, 2015) Forbids assessing a resident or his or her estate a monthly fee once a unit has been permanently vacated by the resident under certain conditions, and alters refund or repayment requirements of a lump sum entrance fee, under certain conditions.-Vetoed

SB 939 (Monning, Chapter 112, Statutes of 2016) Required that continuing care contracts that contain lump sum contract termination payments conditioned on resale of the unit must meet a series of requirements and timelines, must pay interest after a specified period of vacancy, and must meet other requirements.

SB 1352 (Wahab Chapter 338, Statutes of 2024) required a resident who is signing a continuing care contract, or anytime they are proposed to be moved to a different level of care, be provided copies of their rights and a copy of the rights for RCFE. This bill provides that if they are moving into the continuing care retirement community's skilled nursing unit, requires they be provided the rights for skilled nursing facility patients.

Dual referral: This bill is dual-referred and will be sent to the Assembly Committee on Human Services pending passage out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Erickson Senior Living (sponsor)

Opposition

None on file.

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