

ASSEMBLY THIRD READING
AB 1983 (Blanca Rubio)
As Introduced February 13, 2026
Majority vote

SUMMARY

Additionally defines a Continuing Care Retirement Community (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.

Major Provisions

- 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.

COMMENTS

Continuing Care Retirement Communities. CCRCs offer people aged 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 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 Residential Care for the Elderly license and if they offered skilled nursing services, must hold a Skilled Nursing Facility License issued by the California Department of Public Health.

The Department of Social Services (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.¹

In the California Advocates for Nursing Home Reform (CANHR) Guide to CCRCs the following information details the types of CCRC contracts.² Continuing care contracts are

¹ <https://www.cdss.ca.gov/continuing-care-communities#:~:text=The%20California%20Department%20of%20Social,residents%2C%20and%20quality%20of%20service.>

² canhr.org/wp-content/uploads/2021/08/CCRCGuide.pdf

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.³

According to the Author

"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."

Arguments 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.

Arguments in Opposition

None.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, the California Department of Housing and Community Development (HCD) estimates ongoing General Fund costs of \$185,000 in the first year and \$181,000 annually ongoing for one permanent position to review the new contract types.

³ <https://malegislature.gov/Commissions/Detail/674/Documents>

VOTES

ASM AGING AND LONG-TERM CARE: 6-0-1

YES: Bains, Ellis, Arambula, Patterson, Blanca Rubio, Sharp-Collins

ABS, ABST OR NV: Ávila Farías

ASM HUMAN SERVICES: 6-0-1

YES: Lee, Calderon, Elhawary, Blanca Rubio, Ahrens, Tangipa

ABS, ABST OR NV: Castillo

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

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