



CDSS

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**DEPARTMENT OF SOCIAL SERVICES**

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EDMUND G. BROWN JR.  
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October 31, 2018

PIN 18-14-ASC-CCR

TO: ALL CONTINUING CARE PROVIDERS AND INTERESTED PARTIES

FROM: EVON LENERD, CHIEF  
Continuing Care Branch  
Community Care Licensing Division

SUBJECT: **NOTIFICATION REQUIREMENTS**

**Provider Information Notice (PIN) Summary**

PIN 18-14-ASC-CCR serves as a reminder to all providers of the notification requirements, pursuant to Health and Safety Code (H&SC) sections 1779, 1789 and 1789.2.

Health and Safety Code (H&SC) section 1779(a)(4) requires a provider to submit an application if it expands its existing continuing care retirement community (CCRC) whether by converting existing buildings or by new construction. H&SC section 1779(b) further defines an expansion as an addition of units whether residential care facility for the elderly or skilled nursing facility beds, or additions to or replacement of existing structures within the CCRC that may affect the obligations to current residents. This includes acquisition of property adding to the CCRC unit census.

H&SC section 1789 requires a provider to notify the California Department of Social Services (Department) and obtain its approval before making any changes to its name, business structure or form of doing business; the overall management of its CCRC or the terms of its financing. This written notice must be given to the Department at least 60 calendar days in advance. This requirement does not apply to routine staff changes.

H&SC section 1789.2 requires a provider to submit written notice to the Department within 90 calendar days prior to closing any transaction that results in an

encumbrance or lien on the CCRC or its revenues. The notice must include a description of the terms and amount of the proposed transaction; an analysis of the source of funds for repayment; an analysis of the impact on the monthly care fees; and an analysis of the impact on the liquid reserves and refund reserve, if applicable.

Additionally, the provider must notify the resident association of the proposed change/encumbrance within 10 calendar days of submitting notification to the Department. As outlined in H&SC section 1779(e), a summary of the plans and application shall be posted in a prominent location in the CCRC so as to be accessible to all residents and the general public, indicating in the summary where the complete plans and application may be reviewed in the CCRC.

Failure to comply with the above requirements required by the continuing care statutes may be considered a violation of H&SC section 1793.21(v) and may be subject to an administrative fine not to exceed one thousand (\$1,000) per violation, pursuant to H&SC section 1793.27.

If you have any questions, please feel free to contact the Continuing Care Branch at (916) 654-0591.