

Why Review / Rewrite the 1984 PA CCRC Statute

Reviewing and modernizing the statute is necessary even when enforcement is imperfect, because a clearer, up-to-date law is a precondition for any meaningful enforcement, for responsible provider behavior, and for resident protection under today's CCRC realities.

Below are concise talking points for different audiences (Board, CEOs, LeadingAge, residents, regulators).

This brief outlines why Pennsylvania's 1984 CCRC statute needs modernization to address current enforcement gaps, resident expectations, and market realities."

1. Enforcement Problems Often Reflect Statute Weakness

- The current Act was written in 1984 for a very different CCRC world (single-site, simpler contracts, less debt, little “aging in place”).
- Vague or outdated provisions are inherently hard to enforce; regulators are understandably reluctant to push aggressive enforcement when the statutory language is unclear or mismatched to current business structures (multi-site systems, complex financing, rentals, etc.).
- Modernizing definitions, triggers, and standards gives the Insurance Department a sharper set of tools—making it easier to decide when to act and to defend those actions if challenged.

Key line: “If we want better enforcement, we first need a statute that is clear, current, and enforceable in today’s environment.”

2. A Modern Statute Sets Expectations for Providers and Boards

- Even when the Department is not on-site often, the statute shapes what lawyers draft, auditors review, boards oversee, and lenders expect.
- The current Act’s emphasis on technical disclosure and financial filings is helpful, but it does not clearly address multi-campus systems, contemporary corporate structures, or today’s more complex debt and refund obligations.
- Other states have updated their CCRC laws to clarify resident protections, disclosure formats, and board responsibilities so providers can align internal governance with regulatory expectations.

Key line: “We are rewriting the rulebook so responsible providers and boards know exactly what ‘good practice’ looks like and can build it into their own governance.”

3. Resident Protections and Rights Are Not Fully Articulated

- The current statute provides some important protections—escrows, reserves, rescission rights, limits on dismissal, and a right of organization—but it never uses a clear, resident-friendly ‘bill of rights’ framework.
- Since 1984, expectations for resident voice, transparency, and shared governance have changed dramatically; several states have added explicit CCRC resident rights, clearer notice obligations, and stronger participation requirements.
- Clarifying resident rights in statute (voice in governance, information rights, notice of major changes, meaningful access to financial information) helps residents advocate effectively even when regulators are slow to act.

Key line: “Residents should not have to rely on how one community chooses to behave; a modern statute should clearly state core resident rights that apply everywhere.”

4. Early-Warning Tools for Financial Distress Are Limited

- The Act requires reserves and permits rehabilitation or liquidation when serious problems emerge, but it is light on practical early-warning triggers that would require timely notice to residents and regulators.
- Other states have added specific triggers—for example, mandatory notice if reserve levels are breached, if entrance fee refunds are delayed, or if major reductions in living units or services occur—so problems are identified before a crisis.
- Updating Pennsylvania’s statute to include clear metrics and notification requirements will help boards, residents, and the Department intervene earlier, rather than waiting until insolvency or near-insolvency.

Key line: “We need the law to surface financial trouble early, not just give tools to clean up after a failure.”

5. Market and Demographic Changes Make a 1984 Framework Inadequate

- The original Act predates today’s common models: large multi-site systems, diversified senior services corporations, extensive use of tax-exempt bonds, residents aging in place with higher acuity, and hybrid CCRC/rental models.
- The statute’s definitions and assumptions do not always fit these structures, which can leave regulatory gaps and inconsistent treatment of similar risks.
- Updating the definitions, scope, and coverage provisions will help ensure that all entities that function like CCRCs—and pose similar risks to entrance-fee payers—are appropriately within the regulatory framework.

Key line: “A 1984 statute cannot fully address 2026 CCRC models; gaps in coverage are themselves a form of non-enforcement.”

6. Stronger Law Protects Both Residents and Responsible Providers

- Well-run CCRCs and systems can be harmed when weak rules allow outliers to take excessive risks or fail spectacularly, damaging public trust and making financing more expensive for everyone.
- A carefully updated statute can differentiate between responsible and irresponsible practices, allowing regulators to focus on true risk while reducing unnecessary burdens where they do not add value.
- In other states, statute updates have been supported by both residents and reputable providers because clear, modern rules help stabilize the sector.

Key line: “Good providers benefit when the bar is clear, fair, and applied consistently across the industry.”

7. A Rewrite Opens Space to Fix Structural Enforcement Issues

- If the Department currently lacks capacity, priorities, or statutory clarity to enforce aggressively, a rewrite process can explicitly address this by:
 - Clarifying examination frequency and scope.
 - Defining minimum data that must be publicly available or summarized for residents.
 - Re-examining penalties, remedies, and the role of other actors (e.g., the Attorney General or other agencies) in enforcement.
- A modern statute can also signal legislative intent: that CCRC oversight is a priority, which may support appropriate funding and staffing for the Insurance Department.

Key line: “We cannot fix enforcement culture without also revisiting the statute that defines what enforcement should be.”

8. Why PARCR and This Task Force Are the Right Forum

- The existing Act itself recognizes the importance of resident organization and dialogue between residents and boards; our Task Force is a natural evolution of that principle, bringing residents, providers, and experts together.
- North Carolina’s recent update, for example, was the result of sustained resident advocacy and collaborative work with providers, legislators, and regulators; our group is modeling that same shared-stakeholder approach.
- If Pennsylvania does not proactively modernize its statute, change will still occur—but likely only after a crisis, when residents and providers have less ability to shape the outcome.

Key line: “This is our opportunity to shape a thoughtful, balanced framework now, rather than wait for a crisis-driven reaction later.”

