



THE STATE OF FLORIDA

OFFICE OF INSURANCE REGULATION MARKET INVESTIGATIONS

MARKET CONDUCT FINAL EXAMINATION REPORT

OF

JOHN KNOX VILLAGE OF TAMPA BAY, INC.

D/B/A

ST. JOSEPH'S JOHN KNOX VILLAGE OF TAMPA BAY

AS OF

DECEMBER 31, 2013

FLORIDA COMPANY CODE 88027

**Report Issued:
January 8, 2015**

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PURPOSE AND SCOPE OF EXAMINATION

The Office of Insurance Regulation (Office), Market Investigations unit, conducted a routine market conduct examination of John Knox Village of Tampa Bay, Inc. d/b/a St. Joseph's John Knox Village of Tampa Bay (hereinafter "John Knox Village of Tampa Bay"), pursuant to Section 651.105, Florida Statutes. The scope period of this examination was January 1, 2010 through December 31, 2013.

The objective of the examination was to determine the extent of compliance with the provisions of Chapter 651, Florida Statutes and Chapter 690-193, Florida Administrative Code Rules. This market conduct examination did not encompass a financial compliance examination.

This Final Report is based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by John Knox Village of Tampa Bay. This report is a report by exception, and the information within has been limited to identification of exceptions, errors or unusual problems noted during the examination.

COMPANY OPERATIONS

John Knox Village of Tampa Bay, Inc. a Florida not-for-profit corporation, located in Tampa, Florida was granted a certificate of authority by the Office to offer continuing care contracts on June 27, 1980. As of December 31, 2013, John Knox Village of Tampa Bay reported: 375 Continuing Care Units comprised of 283 Independent Living Units and 92 Assisted Living Units; 163 Skilled Nursing Units comprised of 113 Community Beds and 50 Sheltered Beds; and 147 Rental Units. As of the same date, there were 496 individuals residing at the community.

POSTING OF RECORDS

Finding:

Section 651.091(2)(b), Florida Statutes, requires every continuing care facility to post in a prominent position in the facility, which is accessible to all residents and the general public, a concise summary of the last examination report issued by the Office, with references to the page numbers of the full report noting any deficiencies found by the Office, and the actions taken by the provider to rectify such deficiencies, indicating in such summary where the full report may be inspected in the facility.

1. **John Knox Village of Tampa Bay failed to post in a prominent position in the facility, accessible to all residents and the general public, a concise summary or complete copy of the last Market Conduct Examination Report issued by the Office along with the actions taken to rectify the deficiencies, as required by Section 651.091(2)(b), Florida Statutes.** Although a copy of the Market Conduct Examination Report was located in the front lobby of the community it was in a locked display case and its summary or contents could not be inspected unless the viewer requested the display case be unlocked.

POSTING OF RECORDS (Continued)

Recommendation: The Office recommends John Knox Village of Tampa Bay promptly post in a prominent position in the facility which is accessible to all residents and the general public, a concise summary (to include a notation where the full reports can be inspected) or complete copy of the last Market Conduct Report of Examination and Financial Report of Examination along with the actions taken to rectify any deficiencies noted and provide residents and the general public unfettered access to inspect the documents.

Finding:

Section 651.091(2)(c), Florida Statutes, requires every continuing care facility to post in a prominent position in the facility, accessible to all residents and the general public, a summary of the latest annual statement, indicating in the summary where the full statement may be inspected in the facility .

2. **John Knox Village of Tampa Bay failed to post in a prominent position in the facility, a summary or complete copy of the latest annual statement filed with the Office, as required by Section 651.091(2)(c), Florida Statutes.** Although a copy of the annual statement was located in the front lobby of the community it was in a locked display case and its summary or contents could not be inspected unless the viewer requested the display case be unlocked.

Recommendation: The Office recommends John Knox Village of Tampa Bay promptly post in a prominent position in the facility which is accessible to all residents and the general public, a summary (to include a notation where the full annual statement can be inspected) or a complete copy of the latest annual statement filed with the Office and provide residents and the general public unfettered access to inspect the documents.

REQUIRED ESCROW DEPOSITS OR WAIVERS

John Knox Village of Tampa Bay provided a list containing 79 continuing care contracts executed during the scope period of the examination. A random sample consisting of 44 transactions was selected and reviewed for compliance with Section 651.055(2), Florida Statutes.

Finding:

Section 651.055(2), Florida Statutes, provides that during the seven-day rescission period of the continuing care contract, the resident's funds must be held in escrow unless otherwise requested by the resident, pursuant to Section 651.033(3)(c), Florida Statutes. Section 651.033(3)(c), Florida Statutes, further provides that, at the request of an individual resident of a facility, the provider may hold the check for the seven-day period and shall not deposit it during this time period.

REQUIRED ESCROW DEPOSITS OR WAIVERS (Continued)

In six instances, John Knox Village of Tampa Bay failed to timely deposit resident funds into the escrow account for the seven-day rescission period of the contract or obtain authorization from the resident to hold and not deposit the funds for the seven-day period, as required by Section 651.055(2), Florida Statutes. In each of the six instances, John Knox Village of Tampa Bay received the prospective resident's funds upon execution of the continuing care contract, but held the funds for a period ranging from 7 to 12 days rather than remitting the funds to the escrow agent for deposit into the escrow account. As a result, the funds were deposited in the escrow account after the rescission period lapsed.

Recommendation: The Office recommends John Knox Village of Tampa Bay establish adequate procedures and controls to ensure resident funds are promptly remitted to the escrow agent for timely deposit into the escrow account, or obtain written authorization from the resident to hold and not deposit the funds for the rescission period of the contract.

EXAMINATION FINAL REPORT SUBMISSION

The Office hereby issues this Final Report based upon information from the examiner's draft report, additional research conducted by the Office, and additional information provided by John Knox Village of Tampa Bay.