

Report on Examination

of

CCRC OPCO – Bradenton, LLC

d/b/a

Freedom Village

Bradenton, Florida

as of

December 31, 2020



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SCOPE OF EXAMINATION

The Florida Office of Insurance Regulation (“OIR”), Life & Health Financial Oversight unit conducted a routine examination of CCRC OPCO – Bradenton, LLC (“Freedom Village”), pursuant to Section 651.105, Florida Statutes. The objective of the examination was to determine the extent of compliance with the provisions of Chapter 651, Florida Statutes, and Rule Chapter 69O-193, Florida Administrative Code. The examination covered the period of December 12, 2014 through December 31, 2020.

COMPANY HISTORY

CCRC OPCO – Bradenton, LLC, a Delaware Limited Liability Company was granted a certificate of authority by the OIR to offer continuing care contracts on December 12, 2014. CCRC OPCO – Bradenton, LLC operates the continuing care retirement community (“CCRC”) facility Freedom Village located in Bradenton, Florida. Freedom Village is managed by Life Care Services, LLC.

Freedom Village operates on a calendar year basis. As of December 31, 2020, Freedom Village reported in its Annual Report filed with the OIR: 552 Continuing Care Units consisting of 486 Independent Living Units and 66 Assisted Living Units; 120 Skilled Nursing Units consisting solely of Sheltered Beds; and 69 Rental Units. As of that date, there were 517 individuals reported residing at Freedom Village: 480 pursuant to a continuing care contract; and, 137 not pursuant to a continuing care contract.

SUMMARY OF FINDINGS

The following is a summary of findings. The findings are discussed in more detail in the pages that follow with recommendations beginning on page 8.

ANNUAL REPORTS

The annual reports filed with the OIR during the scope period of the examination were reviewed for compliance with Section 651.026, Florida Statutes.

Finding:

Freedom Village failed to accurately report wait list deposit information in its Annual Reports filed with the OIR, as required by Section 651.026(1), Florida Statutes. Specifically, the Wait List Schedule in the Annual Reports filed with the OIR for calendar years ended 2014, 2015, 2016, 2017, 2018, and 2019, included wait list deposits and other non-related amounts.

QUARTERLY MEETING WITH RESIDENTS

Quarterly meeting documentation and meeting dates contained in the annual reports filed with the OIR during the scope period of the examination were reviewed for compliance with Section 651.085, Florida Statutes.

Finding 1:

Section 651.085(1), Florida Statutes, provides in part that the governing body of a provider, or the designated representative of the provider, shall hold quarterly meetings with the residents of the continuing care facility and residents shall be provided at least 7 days' advance notice of each quarterly meeting.

In five instances, Freedom Village failed to provide residents with at least 7 days' advance notice of quarterly meetings between the governing body of the provider, or the designated representative of the provider and the residents, as required by Section 651.085(1), Florida Statutes.

<u>Meeting Date</u>	<u>Date Notice Provided</u>
November 10, 2017	November 6, 2017
February 9, 2018	February 5, 2018
February 9, 2019	February 5, 2019
November 8, 2019	November 4, 2019
August 10, 2020	August 14, 2020

Finding 2:

In eight instances, Freedom Village failed to provide documentation to demonstrate that residents were provided at least 7 days' advance notice of quarterly meetings between the governing body of the provider, or the designated representative of the provider and the residents, as required by Section 651.085(1), Florida Statutes.

<u>Meeting Date</u>	<u>Meeting Date</u>
March 20, 2015	March 18, 2016
June 19, 2015	July 15, 2016
September 18, 2015	September 2, 2016
December 7, 2015	February 9, 2017

Finding 3:

Section 651.085(4), Florida Statutes, provides in part that at a quarterly meeting prior to the implementation of any increase in the monthly maintenance fee, the designated representative of the provider must provide the reasons, by department cost centers, for any increase in the fee that exceeds the most recently published Consumer Price Index for All Urban Consumers, all items, Class A Areas of the Southern Region.

In six instances, Freedom Village failed to provide documentation to demonstrate that at a quarterly meeting with the residents prior to the increase in monthly maintenance fees, the reasons, by department cost centers, for monthly maintenance fee increase that exceeded the Consumer Price Index for All Urban Consumers, all items, Class A Areas of the Southern Region was provided, as required by Section 651.085(4), Florida Statutes. For the monthly fee increases effective for the calendar years 2015, 2016, 2017, 2018, 2019, and 2020, the examination was unable to determine if this requirement had been met.

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

Documentation was reviewed to determine compliance with the Residents' Council disclosure requirements, pursuant to Sections 651.081(2)(a), 651.085(3), and 651.091(2), Florida Statutes.

Finding 1:

Section 651.085(3), Florida Statutes, provides that the designated representative of the residents' council shall be notified at least 14 days in advance of any meeting of the full governing body at which proposed changes in resident fees or services will be discussed and the representative shall be invited to attend and participate in that portion of the meeting designated for the discussion of the changes.

For the fee increases effective for calendar years 2016, 2017, 2018, 2019, and 2020, Freedom Village failed to notify and invite the designated representative of the Residents' Council to attend and participate in that portion of the meetings of the full governing body at which proposed changes in resident fees were discussed, as required by Section 651.085(3), Florida Statutes.

Finding 2:

Section 651.081(2)(a), Florida Statutes, provides in part that within 30 days after the election of a newly elected president or chair of the residents' council, the provider shall give the president or chair a copy of Chapter 651, Florida Statutes and rules adopted thereunder, or direct him or her to the appropriate public website to obtain this information.

In one instance, Freedom Village failed to provide documentation to demonstrate that the newly elected President of the Residents' Council, was provided a copy of Chapter 651, Florida Statutes and rules adopted thereunder, or directed him or her to the appropriate public website to obtain this information, as required by Section 651.081(2)(a), Florida Statutes. The examination was unable to determine if the newly elected President or Chair of the Residents' Council for the year 2015, was provided the required information.

Finding 3:

Section 651.091(2)(d), Florida Statutes (2015), provides that each continuing care facility distribute a copy of the full annual statement and a copy of the most recent third-party financial audit filed with the annual report to the president or chair of the residents' council within 30 days after filing the annual report with the OIR.

Freedom Village failed to provide documentation to demonstrate that the President or Chair of the Residents' Council was provided a copy of the full annual statement for the calendar year ended 2015, as required by Section 651.091(2)(d), Florida Statutes (2015). In this instance, the examination was unable to determine if the required information has been provided.

Finding 4:

Section 651.091(2)(f), Florida Statutes (2015), provides that each continuing care facility shall deliver to the president or chair of the residents' council a summary of entrance fees collected and refunds paid during the period covered in the annual report and the refund balances due at the ending of the reporting period.

In one instance, Freedom Village failed to provide documentation to demonstrate that a a summary of entrance fees collected and refunds paid during the period covered in the 2015 Annual Report and the refund balances due at the ending of this reporting period was delivered to the Residents' Council President or Chair, as required by Section 651.091(2)(f), Florida Statutes (2015). In this instance, the examination was unable to determine if the required information has been provided.

Finding 5:

Section 651.091(2)(g), Florida Statutes (2018), provides that each continuing care facility shall deliver to the president or chair of the residents' council a copy of each quarterly statement within 30 days after the quarterly statement is filed with the OIR if the facility is required to file quarterly.

Freedom Village failed to provide documentation to demonstrate that a copy of the quarterly statement was delivered to the President or Chair of the Residents' Council within 30 days after the quarterly statement was filed with the OIR, as required by Section 651.091(2)(g), Florida Statutes (2018). The examination was unable to determine if the information was provided as required for the following quarterly statements: December 31, 2014; March 31, 2015; June 30, 2015; September 30, 2015; December 31, 2015; March 31, 2017; March 31, 2018, and June 30, 2018.

UNFAIR TRADE & DECEPTIVE PRACTICES

Finding:

Pursuant to Section 651.106(15), Florida Statutes, the certificate of authority of a continuing care provider may be suspended or revoked if the OIR finds that the provider in the conduct of business under the license, is engaging in unfair methods of competition or in unfair or deceptive acts or practices prohibited under Part IX of Chapter 626, Florida Statutes, the Unfair Insurance Trade Practices Act.

Section 626.9541(1)(j), Florida Statutes, of the Unfair Insurance Trade Practices Act, provides that a provider shall maintain a complete record of all complaints received since the date of the last examination and defines "complaint" as any written communication primarily expressing a grievance.

Freedom Village failed to maintain a complete record of all complaints received since the date of the last examination, as required by Section 626.9541(1)(j), Florida Statutes.

MINIMUM LIQUID RESERVE

As of December 31, 2020, Freedom Village's Minimum Liquid Reserve was funded in accordance with Section 651.035, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

ANNUAL REPORTS

The OIR recommends Freedom Village establish adequate procedures and controls to ensure that wait list deposit information is accurately reported in its Annual Reports filed with the OIR, in accordance with Section 651.026(1), Florida Statutes.

QUARTERLY MEETING WITH RESIDENTS

Findings 1 and 2: The OIR recommends Freedom Village establish adequate procedures and controls to ensure that residents are provided at least 7 days' advance notice of each quarterly meeting, in accordance with Section 651.085(1), Florida Statutes. The OIR further recommends Freedom Village maintain documentation to demonstrate quarterly meetings are properly noticed.

Finding 3: The OIR recommends Freedom Village establish adequate procedures and controls to ensure that at a quarterly meeting prior to the implementation of any increase in the monthly maintenance fee, the designated representative of the provider provide the reasons, by department cost centers, for any increase in the fee that exceeds the most recently published Consumer Price Index for All Urban Consumers, all items, Class A Areas of the Southern Region, in accordance with Section 651.085(4), Florida Statutes.

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

Findings 1, 2, 3, 4, and 5: The OIR recommends Freedom Village establish adequate procedures and controls to ensure that all required Residents' Council disclosures are properly delivered to the appropriate individuals, in accordance with Chapter 651, Florida Statutes. The OIR further recommends Freedom Village obtain documentation to demonstrate the required disclosures were provided.

UNFAIR AND DECEPTIVE TRADE PRACTICES

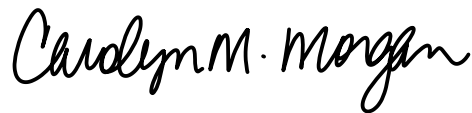
The OIR recommends Freedom Village of Florida establish adequate procedures and controls to ensure a complete record of all the complaints received since the date of the last examination is maintained, in accordance with Section 626.9541(1)(j), Florida Statutes.

CONCLUSION

This Final Report of Examination is based upon the information provided to the OIR from CCRC OPCO – Bradenton, LLC, and additional research conducted by the OIR.

The following individuals from the Florida Office of Insurance Regulation participated in the examination: Bernie L. Stoffel, Senior Management Analyst Supervisor, and Kyle Barber, Financial Specialist.

Respectfully submitted,



Carolyn M. Morgan, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date signed: February 3, 2023