

Report on Examination

of

CCRC OPCO – Freedom Square, LLC

Seminole, 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 – Freedom Square, LLC (“Freedom Square”), 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 – Freedom Square, 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 – Freedom Square, LLC operates the continuing care retirement community (“CCRC”) facility Freedom Square located in Seminole, Florida. Freedom Square is managed by Life Care Services, LLC.

Freedom Square operates on a calendar year basis. As of December 31, 2020, Freedom Square reported in its Annual Report filed with the OIR: 376 Continuing Care Units consisting of 295 Independent Living Units and 81 Assisted Living Units; 236 Skilled Nursing Units consisting solely of Community Beds; and 103 Rental Units. As of that date, there were 622 individuals reported residing at Freedom Square: 360 pursuant to a continuing care contract; and, 262 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 5.

QUARTERLY MEETING WITH RESIDENTS

Quarterly meeting minutes, meeting notices, agenda, 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 one instance, Freedom Square failed to provide documentation to demonstrate that the residents were provided with at least 7 days' advance notice of a quarterly meeting 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. Upon review of the documentation submitted, the examination was unable to determine if the notice had been timely provided for the meeting held on January 17, 2018.

Finding 2:

Section 651.085(1), Florida Statutes, provides in part that the annual report required pursuant to Section 651.026, Florida Statutes, shall include the dates on which quarterly meetings with residents were held during the reporting period.

In 14 instances, Freedom Square failed to accurately report in its Annual Reports filed with the OIR, the dates on which quarterly meetings with residents were held, as required by Section 651.085(1), Florida Statutes.

Date Quarterly Meeting Held Per Freedom Square	Date Quarterly Meeting Reported in the Annual Report
January 21, 2015	January 14, 2015
January 20, 2016	December 28, 2016
April 19, 2017	April 18, 2017
July 19, 2017	July 16, 2017
October 18, 2017	September 13, 2017
December 27, 2017	December 5, 2017
January 17, 2018	March 15, 2018
April 25, 2018	May 25, 2018
July 18, 2018	August 23, 2018
December 19, 2018	November 21, 2018
April 17, 2019	March 15, 2019
July 24, 2019	May 17, 2019
October 16, 2019	September 18, 2019
December 18, 2019	December 19, 2019

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:

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 Square 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.

MINIMUM LIQUID RESERVE

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

SUMMARY OF RECOMMENDATIONS

QUARTERLY MEETING WITH RESIDENTS

Finding 1: The OIR recommends Freedom Square 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.

Finding 2: The OIR recommends Freedom Square ensure that the actual dates on which the quarterly meetings with residents are held are accurately reported in its Annual Reports filed with the OIR, in accordance with Section 651.085(1), Florida Statutes.

RESIDENTS' COUNCIL REQUIRED DISCLOSURES

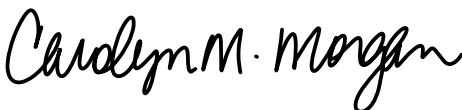
Finding: The OIR recommends Freedom Square establish adequate procedures and controls to ensure that all required Residents' Council disclosures and notices are properly delivered to the appropriate individuals, in accordance with Chapter 651, Florida Statutes. The OIR further recommends Freedom Square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

CONCLUSION

This Final Report of Examination is based upon the information provided to the OIR from CCRC OPCO – Freedom Square, 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,

A handwritten signature in black ink that reads "Carolyn M. Morgan". The signature is written in a cursive style with a large initial 'C' and 'M'.

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