

WASHINGTON



CONTINUING CARE  
RESIDENTS ASSOCIATION

Continuing Care  
Retirement  
Communities (CCRCs)  
in Washington State  
and the Issues they  
Present

June 2026



## WACCRA in brief

### Our purpose

Educating present and future residents on relevant Continuing Care Retirement Communities (CCRC) topics, supporting and collaborating with the CCRC executive teams to achieve our mutual common goals, and advocating for CCRC resident's rights.

### Key achievements to date

Orchestrated the initial 2016 Washington State law recognizing and protecting CCRC residents. In 2025 enhanced that law to add Consumer Protection Act coverage under the auspice of the Attorney General. Independent financial review of actuarial reporting on largest CCRCs by the Office of the Insurance Commissioner added in 2026.

### Beneficiaries of the new law

More than 8000 seniors in 23 CCRCs in Washington State and their families.

### WACCRA members

Residents, relatives and other individuals who want to learn about CCRCs are WACCRA members. Members live at: Bayview, eliseo (formerly Tacoma Lutheran), Emerald Heights, Franke Tobey Jones, Horizon House, Mirabella, Panorama, Parkshore, Riverview, Rockwood South Hill, Skyline, The Hearthstone, Timber Ridge at Talus, and Wesley Des Moines.



# CCRC Basics

- A CCRC, sometimes known as a life plan community, is a type of retirement community in the U.S. where a continuum of aging care needs—from independent living, assisted living, and skilled nursing care—can all be met within the community.
  - Some CCRCs provide these services from a single campus, others have contracts for these services with other entities off campus.
- Group living arrangements have been around for 100+ years but changing regulations and federal tax rules in the 1960s encouraged the development of CCRCs to address the needs of a growing elderly population in America.
- According to Washington State law (Chapter 18.390 RCW), “a Continuing Care Retirement Community is an entity that agrees to provide continuing care to a resident, for at least a year, under a residency agreement”.
  - In Washington, entities calling themselves a CCRC must register with the Department of Social and Health Services (DSHS) and residents' complaints are handled by the Attorney General.
  - As of June 2026, Washington State had 23 CCRCs, home to more than 8000 residents.
- CCRCs can be not-for-profit or for-profit entities. The majority of CCRCs in Washington are not-for-profit entities.
- CCRCs offer a variety of contracts for their services and charge residents a very wide range of fees.
- Non-profit CCRCs, under federal tax rules, are not allowed to evict residents for non-payment of monthly fees if the resident runs out of funds through no fault of their own.

# Summary of Contract Types

|  | TYPE A  | TYPE B   | TYPE C  | TYPE D   |
|--|---|--|---|--|
| <b>Contract for life</b>                   | Yes   | Yes  | Yes   | In some cases  |
| <b>Entrance Fees</b>                       | \$300K – \$2M<br>A portion may be refundable on exit of the CCRC. | Entrance fee less than Type A. A portion may be refundable on exit of the CCRC.          | Entrance fee less than Type B. Some part of it may be refundable on exit of the CCRC. | Minimal or no entrance fees.                             |
| <b>Monthly Fees for Independent Living</b> | Vary depending on CCRC and type of apartment or cottage.          | Vary depending on CCRC and type of apartment or cottage.                                 | Vary depending on CCRC and type of apartment or cottage.                              | Vary depending on CCRC and type of apartment or cottage. |
| <b>IRS Tax Deductibility</b>               | Part of entrance fee and monthly fee is deductible.               | Part of entrance fee and monthly fee is deductible.                                      | Not applicable in most contracts.   | Not applicable.  |
| <b>Long Term Care Costs</b>                | Some minor additional cost beyond regular monthly fee.            | Below market rate for healthcare OR time-limited reduced rate and then full market rate. | Market rate for all forms of healthcare.  | Market rate for all forms of healthcare.                 |

# CCRC Finances

- Type A and B CCRC contracts are analogous to annuities and insurance contracts in several aspects - revenues are received in advance for promised future health benefits.
- Unlike qualified pensions and insurance contracts, CCRCs are primarily funded from current revenues, with little/no governmental requirements for secured reserves or funds, although commitment is made for lifelong care.
  - Entrance and monthly fees must fund ongoing costs associated with real estate (maintenance, updates, etc.) and operating expenses are subject to typical inflationary increases.
  - Hyper-inflationary long-term healthcare expenses are inadequately addressed.
  - Additionally, CCRCs face concerns regarding occupancy rates since much of their operational expenses are inelastic. For example, COVID affected occupancy rates due to concerns about communal living.
- Assets accumulated by the CCRC from resident's entrance fees are meant to provide a source of financial security to residents. However, CCRC management can divert those assets to other projects potentially impairing residents' financial security and future care.
- While several states are now requiring them, Washington does not require any actuarial analysis of the ability of CCRCs to meet their contractual obligations.
- Residents do not have access to easily understood, comprehensive financial information about the status of the CCRC in which they have invested sizable funds for their lifetime of advanced health care.

# Pros and Cons of CCRCs

## Advantages

- Active retirement both within the CCRCs and the wider community, including a focus on wellness.
- Provide relief from the challenges and stresses of growing older – housekeeping, home maintenance, meal preparation – if desired - and skilled nursing, assisted living and memory care - when needed
- Assure a measure of financial security for future expenses to the resident and their family.
- Group life-style reduces loneliness and isolation associated with aging.

## Disadvantages

- Considerable upfront entrance fees are typical, plus high and escalating monthly fees.
- Significant barriers to leaving the CCRC, including non-refundable entrance fees.
- Dependence on CCRC management to maintain the scope and quality of services.
- Potential retaliation against residents with complaints.
- Lack of guarantees on the long-term financial stability of CCRCs.
- Residents, and any interest they have in a refundable entrance fees, are unsecured creditors in the case of bankruptcy.

# Current Regulatory Environment in Washington

- Washington Legislation –
  - Washington State law (Chapter 18.390 RCW) defines CCRCs in Washington State.
  - Voluntary registration of CCRCs is managed by the DSHS Home & Community Living Administration, consumer protection cases are handled by the Attorney General, and in 2027 reviews of actuarial reporting for Type A CCRCs will be done by the Office of the Insurance Commissioner.
  - Regulations reflect:
    - Voluntary requirements for filing and distribution of financial information.
    - Required financial disclosures to prospective residents.
    - Consumer protection through the Attorney General.
    - Type A CCRCs are subject to actuarial reviews by the Office of the Insurance Commissioner.
- Regulations don't -
  - Reflect requirement to fund reserves. Financial statements show "reserves", but the CCRC has no statutory requirement to maintain dedicated funds for those obligations.

# WACCRA's Legislative Goals

To bring Washington CCRC legislation up to date with other states' regulatory protections for CCRC residents, including:

- CCRC licensure by the State.
- Residents' rights and ombuds support for residents.
- Periodic financial reviews by the State.
- Periodic actuarial reviews by the State for all CCRCs providing health care services .
- Board of Directors Representation by residents elected by the residents.
- State oversight of and requirements for use of a CCRC's funds.
- Protection of residents' contracts and entrance fees in bankruptcy as preferred creditors.
- Timely repayment of refundable entrance fees.
- Financial guarantee of promised lifetime care.

# Recent Legislative Achievements

To bring Washington CCRC legislation up to date with other states' regulatory protections for CCRC residents, WACCRA's achievements include:

- **2026** - WACCRA worked with legislators in the House and Senate to introduce and pass legislation that introduced independent financial review of certain types of CCRCs actuarial reporting by the Office of the Insurance Commissioner (OIC).
- **2025** - WACCRA worked with legislators to pass legislation that resulted in the expansion of the Attorney General's Office's (AGO) authority under the Consumer Protection Act to include issues related to CCRCs.
- **2024** – Participated in Department of Social and Health Services (DSH/O(Office of the Insurance Commissioner (OIC)/AGO “listening sessions” with CCRC stakeholders and provided feedback on draft report to the legislature.  
[https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=092524\\_RCS%205187%20Report\\_FINAL\\_88445601-ffd0-4ef3-987e-88296d4ea11c.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=092524_RCS%205187%20Report_FINAL_88445601-ffd0-4ef3-987e-88296d4ea11c.pdf).
- **2023** - Secured funding in the budget for DSHS/OIC/AGO to provide the legislature with recommendations for improvement in financial oversight and consumer protection in conjunction with stakeholders.
- **2022** – Secured proviso in State budget to fund the OIC study into Washington's CCRC consumer protections in comparison to other states. Report found that Washington regulations do not provide adequate financial oversight or consumer protection.  
<https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=2022%20OIC%20Report%20CCRC%20Study7516110b-d4c0-48ad-b8ed-acb8fd82adc7.pdf>