

Below are my comments and suggested additions to the proposed Continuing Care Act Regulations.

Section 9.2.24.17 ACTUARIAL STUDIES:

This section is extremely important. Residents in Type-A Continuing Care communities often invest their life-savings in order to pay the buy-in fees to such communities. Many, perhaps most, senior citizens who invest in these communities do so on blind faith since they are not qualified to assess the long-term future viability of such communities. Unfortunately, Type-A communities do sometimes go bankrupt; this has happened in New Mexico. When a community goes bankrupt it can render residents destitute.

Please consider supplementing this section with an Administrative Regulation. Require that actuaries who do a community's "comprehensive actuarial analysis" provide their best judgment of community's chances of remaining viable for the next 5 to 10 years. Require that actuaries' studies rate the probability of a communities 5 year and 10 year future viability on a scale of poor, average, or good. And, for comparison, require that residents and prospective residents be provided the ratings that have been assigned to every Type A community in the state.

Suggested Addition to Section 9.2.24.8, RATE AND FEE INCREASES:

Monthly fees should be changed no more frequently than on an annual basis. Interim fee increases are disruptive to resident budgeting and can mislead prospective residents who would be assuming only an annual change to monthly fees.

If fee increases are to be assessed more often than annually require that such policy, or possibility, be clearly and specifically spelled out in residents' contracts.

Suggested Regulation:

Fee increases at La Vida Llena and The Neighborhood in Rio Ranch have been assessed down to one-hundredth of a percent. Such an accurate calculation certainly involves mathematics.

Please require that the mathematical computations that support rate increase accurate to one-hundredth of a percent be provided to residents. Vague explanations supporting rate increases are subjective and defy accurate evaluation, but mathematical calculations can be checked.

Respectfully submitted,

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