

# CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)

## Legislative Update

### AB 839

October 26, 2023

**ACTION:** AB 839 was signed into law on October 10, 2023, which slightly altered the definition of “health facility” as it relates to residential care facilities for the elderly, commonly referred to as “care homes” (RCFE) under the CHFFA Act.

**BACKGROUND:** Previously, RCFEs could only be financed by CHFFA if they were operated as a part of, or in conjunction with 1) an intermediate care facility, 2) a skilled nursing facility (SNF), or 3) a general acute care hospital (“hospital”). A standalone RCFE without an adjacent intermediate care facility, SNF, or a hospital was not eligible to access lower interest rate tax-exempt financing through CHFFA as authorized by the CHFFA Act. In the past years, CHFFA has financed a number of RCFE’s that were operated in conjunction with SNFs, but now with this bill, CHFFA can finance standalone RCFEs (without SNFs) that offer housing, supportive personal care services, and 24-hour staff to assist residents with daily activities in addition to medication management.

**PREVIOUS STATUTORY LANGUAGE:** Section 15432(d) of the CHFFA Act that required the conjunction of an intermediate care facility, SNF, or hospital.

*(9) A multilevel facility is an institutional arrangement where a residential facility for the elderly is operated as a part of, or in conjunction with, an intermediate care facility, a skilled nursing facility, or a general acute care hospital...*

**NEW STATUTORY LANGUAGE:** Section 15432(d) of the CHFFA Act was amended to add the additional definition of a type of health facility:

*(20) (A) A residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code.*

*(B) This paragraph shall not be construed as affecting the licensing of health facilities under Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, or any other provisions relating to health facilities, except as the term “health facility” is interpreted for purposes of the California Health Facilities Financing Authority Act under this part. The designation of a residential care facility for the elderly as a health facility, as made pursuant to this paragraph, shall apply to this part only.*