

Sec. 17b-533-5. Reserve fund escrow

(a) Upon written application by a provider, the commissioner may authorize a facility to maintain a reserve fund escrow or escrows in an amount less than required pursuant to the computation set forth in C.G.S. Sec. 17b-525, if the commissioner finds that the contractual liabilities of the provider and the best interests of the residents may be adequately protected by a reserve fund escrow or escrows in a lesser amount.

(b) The written application by the provider shall contain sufficiently detailed supporting information, including that relating to contracts, deposit agreements, and other material necessary to fully disclose to the commissioner the scope and status of such matters, and the basis for the application.

(c) Matters that will be considered by the commissioner in regard to the application include, but are not limited to, the following:

(1) Whether any separate fund which the provider wishes to have considered is maintained with an escrow agent pursuant to a written agreement;

(2) Whether the portion which would be withdrawn monthly from the reduced Section 17b-525 escrow without approval of the commissioner is substantially in accordance with the following formula:

$$\text{Portion Authorized to be Withdrawn monthly} = A/S \times 1/12$$

Where A = The reduced escrow amount; and

Where S = The statutory escrow amount.

(3) Whether the combined total amount proposed to be withdrawn from all such reserve or operating funds without the prior approval of the commissioner, does not exceed 1/12 of the combined amount of such funds.

(Effective January 31, 1996)