

MEETING WITH A RIGHT TO ADDRESS THE GOVERNING BODY SHALL APPOINT A SELECT COMMITTEE OF ITS MEMBERS TO MEET AT LEAST TWICE ANNUALLY WITH THE FACILITY'S RESIDENT ASSOCIATION TO ADDRESS CONCERNS OF THE SUBSCRIBERS AND TO ENSURE THAT THE OPINIONS OF SUBSCRIBERS ARE RELAYED TO THE GOVERNING BODY. IF A COMMUNITY DOES NOT HAVE A RESIDENT ASSOCIATION, THE COMMITTEE SHALL MEET WITH A REASONABLE NUMBER OF REPRESENTATIVES, NOT REQUIRED TO EXCEED FIFTEEN, ELECTED BY THE SUBSCRIBERS.

11B.

(A) IN THIS SECTION, "NET OPERATING EXPENSES" MEANS THE PROVIDER'S TOTAL OPERATING EXPENSES RELATED TO FURNISHING CONTINUING CARE AT EACH FACILITY OF THE PROVIDER, LESS DEPRECIATION, AMORTIZATION, UNUSUAL AND INFREQUENT EXPENSES, AND CHANGES IN THE OBLIGATION TO PROVIDE FUTURE SERVICES. INTEREST EXPENSES MAY BE EXCLUDED FROM CALCULATION OF NET OPERATING EXPENSES, IF THE PROVIDER HAS FUNDED A DEBT SERVICE RESERVE OR OTHER INTEREST RESERVE UNDER REQUIREMENTS IMPOSED BY A FINANCIAL INSTITUTION OR UNDER APPLICABLE FINANCING DOCUMENTS, TO THE EXTENT AND IN THE AMOUNT THE FUND INCLUDES AMOUNTS TO COVER INTEREST FOR THE YEAR IN QUESTION.

(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE PROVIDER SHALL SET ASIDE FOR EACH FACILITY SUBJECT TO THIS SUBTITLE OPERATING RESERVES THAT EQUAL 15% OF THE FACILITY'S NET OPERATING EXPENSES FOR THE MOST RECENT FISCAL YEAR FOR WHICH A CERTIFIED FINANCIAL STATEMENT IS AVAILABLE. THE RESERVES SHALL BE MAINTAINED IN REASONABLY LIQUID FORM IN THE JUDGEMENT OF THE PROVIDER.

(C) THE PROVIDER SHALL COMPUTE OPERATING RESERVES FOR EACH FACILITY AS OF THE END OF THE FACILITY'S MOST RECENT FISCAL YEAR AND, SIMULTANEOUSLY WITH SUBMISSION OF ITS APPLICATION FOR A RENEWAL CERTIFICATE, SHALL INDICATE COMPLIANCE BY SETTING FORTH IN A LETTER TO THE OFFICE FROM A CERTIFIED PUBLIC ACCOUNTANT THE AMOUNT ACTUALLY SET ASIDE OR BY DISCLOSING THE AMOUNT IN A CERTIFIED FINANCIAL STATEMENT.

(D) A PROVIDER MAY APPLY TOWARD THE RESERVE REQUIRED BY THIS SECTION ANY RESERVES, OTHER THAN DEBT SERVICE RESERVES, MAINTAINED UNDER APPLICABLE FINANCING DOCUMENT REQUIREMENTS IF THE RESERVES ARE AVAILABLE TO THE PROVIDER TO MEET THE FACILITY'S OPERATING EXPENSES.

(E) FOR THE PURPOSE OF CALCULATING THE PROVIDER'S OPERATING RESERVES, INVESTMENTS HELD TO THE CREDIT OF THE RESERVES SHALL BE CALCULATED AT THEIR MARKET VALUE AS OF THE END OF THE PROVIDER'S MOST RECENT FISCAL YEAR FOR WHICH A CERTIFIED FINANCIAL STATEMENT IS AVAILABLE.

(F) THE PROVIDER SHALL NOTIFY THE OFFICE IN WRITING SIMULTANEOUSLY WITH DRAWING ANY AMOUNT FROM THE FUNDS AVAILABLE TO SATISFY THE OPERATING RESERVE THAT IS REQUIRED BY SUBSECTION (B) OF THIS SECTION. WITHIN 30 DAYS OF SUCH DRAW, THE PROVIDER SHALL SUBMIT TO THE