

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 680
Finance

(Senator Gladden)

**Continuing Care Retirement Communities - Construction - Environmental
Impact Statement**

This bill requires that a feasibility study submitted by a potential provider of Continuing Care Retirement Community (CCRC) services include an environmental impact statement and documentation that the provider has considered using any other property in a jurisdiction that is zoned for the proposed use. The environmental impact statement is only required if a proposed project will be constructed on undeveloped property of at least 10 acres. If a provider submits an environmental impact statement, the Maryland Department of Aging (MDoA), in consultation with the Maryland Department of the Environment (MDE), may approve a feasibility study if MDoA determines that the project will not have a significant negative impact on the environment.

The bill takes effect June 1, 2009.

Fiscal Summary

State Effect: MDE and MDoA can handle the bill's requirements with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: MDoA's Continuing Care Division regulates CCRCs. CCRCs offer a full range of housing, residential services, and health care in order to serve their older residents as their medical needs change over time. A CCRC is intended

to supply a continuum of care throughout the lifetime of its senior residents. It does so by maintaining various on-site medical and social services facilities. These facilities and services allow residents to enter into the community while still relatively healthy and then move on to more intensive care as it becomes necessary. Most CCRCs have nursing facilities on site or contract with nursing homes that are nearby.

MDoA's Continuing Care Division is responsible for reviewing feasibility studies prepared by entities that want to develop CCRCs. A continuing care provider may not collect deposits or begin construction of a new facility until MDoA approves a feasibility study. A feasibility study submitted to MDoA must demonstrate that the entity proposing the CCRC has the financial plan, resources, market, capacity, and appropriate facility to run a viable program. MDoA contracts with consultants to review feasibility studies and approves studies that meet its standards on the categories outlined above.

In 2008, MDoA issued initial certificates of registration that allowed for expansion of two existing CCRCs: Asbury Methodist Village in Montgomery County and William Hill Manor in Talbot County. In addition, the department approved a feasibility study for a new CCRC in Howard County called Lutheran Village at Miller's Grant. MDoA is evaluating feasibility studies for two proposed continuing care communities, one in Montgomery County and one in Frederick County.

An environmental impact statement includes information about the purpose and environmental impact of a proposed action, any adverse environmental effects that cannot be avoided if the proposal is implemented, and alternatives to the action.

Additional Information

Prior Introductions: None.

Cross File: HB 940 (Delegate Carter, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Department of Aging, Maryland Department of the Environment, Department of Budget and Management, Department of General Services, Department of Legislative Services

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ncs/mwc

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