

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 588

(Delegate Hettleman, *et al.*)

Health and Government Operations

Finance

**Continuing Care Retirement Communities - Mediation - Representation by
Counsel**

This bill repeals the prohibition against a continuing care retirement community (CCRC) provider, subscriber, or group of subscribers being represented by counsel during a mediation following an internal grievance procedure.

Fiscal Summary

State Effect: The bill is not anticipated to impact State operations or finances.

Local Effect: None.

Small Business Effect: None, as no CCRC in Maryland is a small business.

Analysis

Current Law: Generally, “subscriber” means an individual for whom a continuing care agreement is purchased.

A CCRC provider must establish an internal grievance procedure to address a subscriber’s grievance. The internal grievance procedure must at least:

- allow a subscriber or group of subscribers to submit a written grievance to the provider;
- require the provider to send a written acknowledgment to the subscriber or group of subscribers within five days after receipt of the written grievance;

- require the provider to assign personnel to investigate the grievance;
- give a subscriber or group of subscribers who file a written grievance the right to meet with management of the provider within 30 days after receipt of the written grievance; and
- require the provider to respond in writing within 45 days after receipt of the written grievance regarding the investigation and resolution of the grievance.

Within 30 days after the conclusion of an internal grievance, a subscriber, group of subscribers, or provider may seek mediation. If a provider, subscriber, or group of subscribers seeks mediation, the mediation must be nonbinding, and the provider, subscriber, or group of subscribers may not be represented by counsel.

Background: The Maryland Department of Aging advises that 38 CCRCs currently operate in Maryland. As of January 1, 2019, CCRCs, both operating and under construction, contain more than 16,000 continuing care units, of which more than 12,000 are independent living, more than 2,000 are assisted living, and more than 2,000 are nursing care. Generally, in CCRCs: (1) the consumer pays an entrance fee that is, at a minimum, three times the average monthly fee; (2) the provider furnishes or makes available shelter and health-related services to persons age 60 or older; and (3) the shelter and services are offered under a contract that lasts for a period of more than one year, usually for life.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Aging; Department of Legislative Services

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