

**Department of Legislative Services**  
 Maryland General Assembly  
 1999 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 145 (Senator Kellev. *et al.*)

Finance

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**Assisted Living Programs - Continuing Care Communities - Requirements**

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This bill alters provisions of law relating to assisted living programs within a continuing care community (CCC). It gives a CCC a choice of meeting the requirements of this bill for continuing care agreements and disclosure statements that apply to assisted living services or executing a separate assisted living resident agreement and a separate assisted living disclosure statement. The bill's continuing care agreement requirements include (1) specification of the contents of a continuing care agreement with regard to assisted living services; and (2) maintaining a continuing care agreement on site and making it available for inspection by the Department of Health and Mental Hygiene (DHMH). The bill's disclosure statement requirements include (1) specification of the contents of a CCC's disclosure statement with regard to assisted living services; (2) annual provision of any revisions to the disclosure statement to each subscriber; (3) ensuring that each subscriber initials the revised disclosure statement; and (4) making available a copy of each initialed disclosure statement to DHMH for inspection.

The bill takes effect June 1, 1999.

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**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures increase by up to \$37,400 in FY 2000. FY 2001 revenues and expenditures reflect completion of the review of resident agreements and disclosure statements. No effect in future years.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
SF Revenues	\$37,400	\$10,000	\$0	\$0	\$0
SF Expenditures	37,400	10,000	0	0	0
Net Effect	\$0	\$0	\$0	\$0	\$0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Minimal.

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## Fiscal Analysis

**Bill Summary:** Any disclosure statement that a CCC is required to provide to a resident must include information required by the statute governing assisted living programs. A continuing care agreement that contains a provision to provide assisted living services and does not require a separate assisted living resident agreement is not required to contain contract provisions required for non-CCC assisted living programs, except for the resident agreement and disclosure statement requirements of this bill.

A transfer of a resident from an assisted living program within a CCC to another assisted living or continuing care arrangement within the CCC may not be considered a relocation or discharge for purposes of triggering any assisted living regulatory requirements.

**Background:** CCCs can offer a continuum of care within the same campus to a senior citizen who wishes to age in place; these include, from the lightest to the heaviest levels of care: independent living units, assisted living units, and nursing home beds. There are currently 29 CCCs in Maryland.

**State Effect:** DHMH currently has regulatory authority for assisted living programs, including those units located within CCCs. The bill gives the Department of Aging (DOA) new regulatory authority for assisted living programs within CCCs. A CCC that chooses to execute a separate assisted living resident agreement and a separate assisted living disclosure statement would come under the regulatory authority of DHMH. A CCC that chooses to meet the bill's disclosure statement and continuing care agreement requirements would come under the regulatory authority of DOA.

Twenty-five of the 29 CCCs offer assisted living. Thus, DOA would be responsible for reviewing assisted living resident agreements and disclosure statements for up to 25 CCCs depending on how many of the 25 CCCs choose not to execute a separate assisted living resident agreement and disclosure statement. Special fund expenditures could increase by up to an estimated \$37,401 in fiscal 2000, which accounts for a 90-day start-up delay. This estimate reflects the cost of one contractual administrator to review assisted living resident agreements and disclosure statements on a one-time basis. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Salaries and Fringe Benefits	\$32,656
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Operating Expenses	<u>4,745</u>
<b>Total FY 2000 State Expenditures</b>	<b>\$37,401</b>

Fiscal 2001 special fund expenditures increase by up to \$10,000 to complete the review of resident agreements and disclosure statements. No effect in future years.

Special fund revenues would increase by up to \$37,401 in fiscal 2000 and up to \$10,000 in fiscal 2001 from a surcharge on the annual certificate renewal fee charged to CCCs to cover DOA expenditures for reviewing CCCs. No effect in future years.

**Information Source(s):** Department of Health and Mental Hygiene (Licensing and Certification Administration), Department of Aging, Department of Legislative Services

**Fiscal Note History:** First Reader - February 8, 1999  
ncs/jr Revised - Senate Third Reader - March 22, 1999  
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