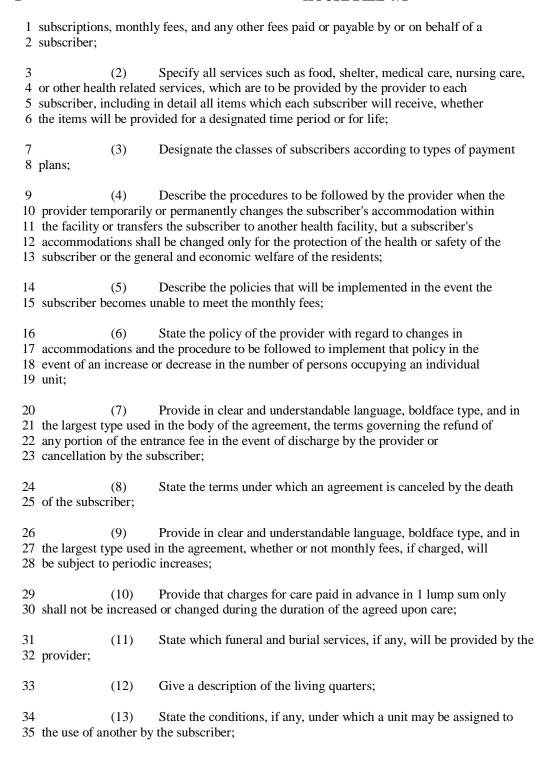
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By: <b>Delegate Hammen</b> Introduced and read first time: February 2, 2001 Assigned to: Environmental Matters
Committee Report: Favorable with amendments House action: Adopted Read second time: March 14, 2001
CHAPTER
1 AN ACT concerning
2 Continuing Care Agreements - Designation of a Beneficiary - Entrance Fee
FOR the purpose of requiring a continuing care agreement to allow the individual for whom the agreement is purchased to designate a beneficiary of a refundable portion of an entrance fee under certain circumstances; and generally relating to the designation of a beneficiary of certain fees paid in accordance with certain continuing care agreements.
8 BY repealing and reenacting, with amendments, 9 Article 70B - Department of Aging 10 Section 13(a) and (b) 11 Annotated Code of Maryland 12 (1998 Replacement Volume and 2000 Supplement)
13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 14 MARYLAND, That the Laws of Maryland read as follows:
15 Article 70B - Department of Aging
16 13.
17 (a) In addition to such other provisions as may be considered proper to 18 effectuate the purpose of any continuing care agreement, each agreement executed 19 between a subscriber and a provider shall, IN A FORM ACCEPTABLE TO THE 20 <u>DEPARTMENT</u> :
21 (1) Show the total consideration paid by the subscriber for continuing 22 care including the value of all property transferred, donations, entrance fees,



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	(14) extent, if any, to whic and contractual obliga	State the religious or charitable affiliations of the provider and the ch the affiliate organization will be responsible for the financial ations of the provider;				
	(15) State the subscriber's and provider's respective rights and obligations as to use of the facility and as to real and personal property of the subscriber placed in the custody of the provider;					
	(16) operate a subscriber a business;	erate a subscriber association at the facility and to meet privately to conduct				
10 11	( /	State what, if any, fee adjustments will be made in the event the rily absent from the facility for an extended period of time;				
14	(18) Specify the circumstances, if any, under which the subscriber will be required to apply for Medicaid, Medicare, public assistance, or any public benefit program and whether or not the facility is a participant in Medicare or medical assistance;					
	(19) State that the subscriber has received and reviewed the latest certified financial statement and that a copy of the certified financial statement was received at least 2 weeks before signing the agreement;					
19 20	` '			facility will make available to the subscriber, upon ent transmitted to the Department;		
23	(21) Where applicable, describe the conditions under which the provider may be issued a certificate of registration, describe the conditions under which the provider may use escrowed deposits, and state the amount of the subscriber's deposit that may be used upon issuance of a certificate of registration;					
	(22) State that fees collected by a provider under the terms of a continuing care agreement may not be used for purposes other than those set forth in the agreement; [and]					
28 29				BSCRIBER TO DESIGNATE A BENEFICIARY FOR RECEIPT OF THE ENTRANCE FEE, IF:		
30 31	(I) THE DESIGNATION OF A BENEFICIARY IS MADE IN A FORM ACCEPTABLE TO THE DEPARTMENT;					
32		<del>(II)</del>	<u>(I)</u>	THE DESIGNATION IS IN WRITING; AND		
33 34	COMPETENT WITH	<del>(III)</del> NESSES;	(II) AND	THE DESIGNATION IS WITNESSED BY TWO OR MORE		
35		<u>(III)</u>	THE DE	ESIGNATION IS NONCONTINGENT; AND		

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- 1 (IV) THE DESIGNATION IS SPECIFIED IN PERCENTAGES AND 2 ACCOUNTS FOR 100 PERCENT OF THE REFUND DUE; AND
- 3 [(23)] (24) Contain the following statement in boldface type, and in the
- 4 largest type used in the agreement: "A preliminary certificate of registration or
- 5 certificate of registration is not an endorsement or guarantee of this facility by the
- 6 State of Maryland. The Maryland Department of Aging urges you to consult with an
- 7 attorney and a suitable financial advisor before signing any documents."
- 8 (b) [A] EXCEPT AS PROVIDED IN SUBSECTION (A)(23) OF THIS SECTION, A
- 9 requirement of this section shall not apply to any continuing care agreements entered
- 10 into before the effective date of the requirement.
- 11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 12 October 1, 2001.