

Department of Legislative Services  
Maryland General Assembly  
2003 Session

FISCAL AND POLICY NOTE

House Bill 79 (Delegate V. Clagett, *et al.*)  
Health and Government Operations

---

**Task Force to Study Continuing Care Retirement Communities**

---

This bill creates a seven-member Task Force to Study Continuing Care Retirement Communities. The task force will investigate and make recommendations concerning licensing requirements for executive directors, residents' representation on the communities' governing body subcommittees, residents' shareholder rights in the corporations operating the communities, and making the resident association executive board as a standing committee of the communities' governing body. The task force also will investigate communities' admissions criteria, any notice residents receive about the substantial financial impact of programs, mediation proceedings between communities' governing bodies and residents, and the expansion of the Department of Aging Long Term Care Ombudsman program to include continuing care retirement community issues.

The Department of Legislative Services will staff the task force. The task force must report its findings and recommendations to the Senate Finance Committee and House Health and Government Operations Committee by December 31, 2004.

The bill takes effect July 1, 2003 and terminates June 30, 2005.

---

**Fiscal Summary**

**State Effect:** None. Any expense reimbursements for task force members and staffing costs are assumed to be minimal and absorbable within existing budgeted resources. Revenues would not be affected.

**Local Effect:** None.

**Small Business Effect:** None.

---

## Analysis

**Current Law:** The Continuing Care Contract Act was enacted in 1980. Continuing Care Retirement Communities (CCRCs) furnish shelter and either medical and nursing services or other health-related services to individuals over age 59 and not related to the provider. CCRCs require the transfer of assets or an entrance fee.

Chapter 150 of 2002 made various changes to the Continuing Care Contract Act, including broadening the health-related services CCRCs must provide and requiring CCRCs to include at least one resident on their governing boards. In addition, the Department of Aging must decide whether to approve a CCRC agreement between a provider and a subscriber within 180 days of receiving a complete agreement. If a decision is not reached within this time, the agreement is deemed approved.

The Long Term Care Ombudsman program receives, investigates, and resolves complaints concerning the operations of institutions, including nursing homes and assisted living communities.

**Background:** The 31 CCRCs operating in Maryland individually set contract terms and fees. Five CCRCs are in the planning process and are not yet operational. One operating CCRC is planning to place more buildings on its existing campus. Approximately 90% of CCRCs are operated as nonprofit entities. Most CCRCs offer nursing homes and assisted living facilities on their campuses. Assisted living facilities provide assistance with daily living activities. CCRCs offer a full range of housing, residential services, and health care to serve older residents as their needs change over time.

---

## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 127 (Senator Astle – Finance) is listed as a cross file although it is not identical.

**Information Source(s):** Department of Aging, Department of Legislative Services

**Fiscal Note History:** First Reader - January 30, 2003  
ncs/jr

---

Analysis by: Lisa A. Daigle

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

