

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 843 (Delegate Love, *et al.*)  
Health and Government Operations

Finance

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Continuing Care Retirement Communities - Internal Grievance Procedure and  
Mediation

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This bill expands the components that must be included in a continuing care retirement community's (CCRC) internal grievance procedures. The bill also authorizes subscribers and providers to seek mediation within 30 days after the conclusion of an internal grievance procedure. The mediation must be nonbinding, and the provider and subscriber may not be represented by counsel.

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Fiscal Summary

**State Effect:** The bill's requirements do not affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** In addition to existing requirements, CCRC internal grievance procedures must at least allow a subscriber or group of subscribers collectively to submit a written complaint; require the provider to assign personnel to investigate the grievance; and give a subscriber the right to meet with management within 30, rather than 45, days after submission of a written grievance.

**Current Law/Background:** CCRCs offer a full range of housing, residential services, and health care in order to serve 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 and 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. There are 36 CCRCs in Maryland serving 15,635 residents. Of the total, 11,266 reside in independent living, 1,907 reside in assisted living facilities, and 2,462 reside in comprehensive care facilities.

CCRCs have to establish an internal grievance procedure to address subscriber grievances. Internal grievance procedures must allow a subscriber to submit a written grievance; require written acknowledgment to the subscriber within 5 days of receipt of the grievance; give a subscriber the right to meet with management within 45 days after submission of a written grievance; and require a CCRC to respond within 45 days after the submission of a written grievance on the investigation and resolution of the grievance.

The Maryland Long-Term Care Ombudsman Program within the Maryland Department of Aging (MDoA) receives and resolves complaints made by or for residents of long-term care facilities, which is a larger category of facilities that includes nursing homes and assisted living facilities. The program consists of one State Ombudsman and 44 staff that work in 19 local AAAs that cover all of Maryland's 23 counties and Baltimore City. In 2007, the program handled 4,795 complaints.

Chapter 690 of 2008 required CCRCs, by December 1, 2008, to submit to MDoA and the Health Education and Advocacy Unit in the Office of the Attorney General (OAG) the number of written grievances submitted during calendar 2007, a brief summary of each grievance filed using nonindividually identifiable information, and any action taken by the provider regarding the resolution of each grievance.

OAG submitted a report on data collected by CCRCs in January 2009 that indicates that 6 of the 28 reporting CCRCs had grievances in 2007. The total number of grievances was 70, and only 1 remains unresolved. Although OAG noted that not all of the CCRCs provided a breakdown of complaints, from the nature of the complaints listed, the breakdown appears to be as follows: 26 nursing homes, 12 assisted living facilities, and 23 independent living facilities.

**Background:** There are 18 community mediations centers located throughout Maryland. All of the centers provide mediation services at the community level, regardless of the participants' ability to pay, making mediation accessible to any member of the community. Services are made available through grants from foundations, donations from community members and local businesses, and the Mediation and Conflict Resolution Office (MACRO). MACRO funds each of the 18 centers by formula based on the amount of mediation conducted at each center. However, the amount of funding

available for the centers is limited. In fiscal 2009, MACRO's budget for all 18 centers was \$1.0 million.

**State Fiscal Effect:** MACRO advises that it does not expect a large increase in mediation as a result of the bill. However, even if mediation at the centers were to increase significantly, MACRO advises that its funding formula does not allow for growth beyond available funding. Therefore, State expenditures would not be affected. Community mediation centers would likely have to seek out other available funding sources.

**Additional Comments:** MACRO advises that all of its mediation is nonbinding unless the parties involved sign a contract as a result of an agreement reached during the mediation process. MACRO further advises that, currently, counsel or any other party is allowed to be present during mediation.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Aging, Mediation and Conflict Resolution Office, Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2009  
ncs/mwc Revised - House Third Reader - April 3, 2009

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