

HOUSE BILL 972

J3

(2lr2273)

ENROLLED BILL

— Health and Government Operations/Finance —

Introduced by ~~Delegate Kelly~~ **Delegates Kelly, Bagnall, Belcastro, Bhandari, Carr, Chisholm, Cullison, Hill, Johnson, Kaiser, Kerr, Kipke, Krebs, Landis, R. Lewis, Morgan, Reilly, Rosenberg, Saab, Szeliga, and K. Young**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Continuing Care at Home – Certificate of Need – Exemption**

3 FOR the purpose of providing that the definition of a health care facility, for the purpose of
4 providing an exemption from the certificate of need requirement, does not include
5 certain facilities that are for the exclusive use of the provider’s subscribers who have
6 executed continuing care at home agreements and paid certain entrance fees;
7 establishing an exception to certain application requirements for certain continuing
8 care at home providers; and generally relating to continuing care at home and
9 exemptions to certificate of need.

10 BY repealing and reenacting, with amendments,

11 Article – Health – General

12 Section 19–114(d)(2)(ii)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Annotated Code of Maryland
2 (2019 Replacement Volume and 2021 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Human Services
5 Section 10–458
6 Annotated Code of Maryland
7 (2019 Replacement Volume and 2021 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
9 That the Laws of Maryland read as follows:

10 **Article – Health – General**

11 19–114.

12 (d) (2) “Health care facility” does not include:

13 (ii) For the purpose of providing an exception to the requirement for
14 a certificate of need under § 19–120 of this subtitle, a facility to provide comprehensive care
15 constructed by a provider of continuing care, as defined in § 10–401 of the Human Services
16 Article, if:

17 1. Except as provided under § 19–123 of this subtitle, the
18 facility is for the exclusive use of the provider’s subscribers who have executed continuing
19 care agreements, **INCLUDING CONTINUING CARE AT HOME AGREEMENTS**, and paid
20 entrance fees that are at least equal to the lowest entrance fee charged for an independent
21 living unit [or], an assisted living unit, **OR A CONTINUING CARE AT HOME AGREEMENT**
22 before entering the continuing care community, regardless of the level of care needed by
23 the subscribers at the time of admission;

24 2. The facility is located on the campus of the continuing care
25 community; and

26 3. The number of comprehensive care nursing beds in the
27 community does not exceed:

28 A. 24 percent of the number of independent living units in a
29 community having less than 300 independent living units; or

30 B. 20 percent of the number of independent living units in a
31 community having 300 or more independent living units;

32 **Article – Human Services**

33 10–458.

1 (a) A provider may not provide continuing care at home services until the
2 Department issues a certificate of registration to the provider.

3 (b) An application for a certificate of registration shall:

4 (1) be filed in a form satisfactory to the Department; and

5 (2) include at least the following information:

6 (i) **EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,**
7 verification that the required number of agreements has been executed and the
8 corresponding deposits collected;

9 (ii) the form and substance of any proposed advertisements,
10 advertising campaigns, or other promotional materials for the program that are available
11 at the time of filing and that have not been filed previously with the Department;

12 (iii) verification that any other license or certificate required by other
13 appropriate State units has been issued to the provider; and

14 (iv) any other information that the Department requires.

15 (c) The Department shall issue a certificate of registration to a provider if the
16 Department determines that:

17 (1) the information and documents submitted with the feasibility study
18 and application for a preliminary certificate of registration are current and accurate or have
19 been updated to make them accurate;

20 (2) **EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, the**
21 required number of agreements has been executed and the corresponding deposits
22 collected;

23 (3) any other license or certificate required by other appropriate State
24 units has been issued to the provider;

25 (4) the provider has submitted all proposed advertisements, advertising
26 campaigns, and other promotional materials for the program;

27 (5) the form and substance of all advertisements, advertising campaigns,
28 and other promotional materials submitted are not deceptive, misleading, or likely to
29 mislead; and

30 (6) the provider has submitted any other information that the Department
31 required.

1 (D) SUBSECTIONS (B)(2)(I) AND (C)(2) OF THIS SECTION DO NOT APPLY TO
2 A PROVIDER OF CONTINUING CARE AT HOME SERVICES THAT:

3 (1) MEETS ANY RESERVE REQUIREMENTS; AND

4 (2) UNTIL THE PROVIDER HAS ENROLLED THE MINIMUM NUMBER OF
5 SUBSCRIBERS NEEDED FOR ITS REVENUES TO EQUAL ITS EXPENSES:

6 (I) HOLDS IN ESCROW THE ENTIRETY OF ALL ENTRANCE FEES;
7 OR

8 (II) MAINTAINS A SURETY BOND OF \$1,000,000 OR AN
9 EQUIVALENT REPLACEMENT SECURITY SUCH AS CASH, IRREVOCABLE LETTERS OF
10 CREDIT, CERTIFICATES OF DEPOSIT, OR TREASURY BILLS.

11 [(d)] (E) If a provider intends to advertise before the Department issues a
12 certificate of registration under subsection (c) of this section, the provider shall submit to
13 the Department any advertisement, advertising campaign, or other promotional materials
14 before using it.

15 [(e)] (F) If a certificate of registration is not issued to a provider within 24
16 months after the Department approves a feasibility study, or a longer time allowed by the
17 Department for good cause shown, the provider shall refund all deposits collected and stop
18 offering continuing care at home services under that application.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 ~~October~~ July 1, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.