

HOUSE BILL 424

O2, J3

6lr2382
CF 6lr1077

By: **Delegates Kerr, Fair, and Simpson**

Introduced and read first time: January 22, 2026

Assigned to: Health

A BILL ENTITLED

1 AN ACT concerning

2 **Continuing Care in a Retirement Community Providers – Governing Bodies –**
3 **Membership**

4 FOR the purpose of altering a certain requirement pertaining to the number of regular and
5 alternate members selected to be on the governing body of a continuing care in a
6 retirement community provider; authorizing a resident association, rather than a
7 governing body, to select regular and alternate subscriber members of a governing
8 body; repealing a requirement that a subscriber member be selected according to
9 certain standards and criteria; and generally relating to governing bodies and
10 continuing care in a retirement community providers.

11 BY repealing and reenacting, without amendments,
12 Article – Human Services
13 Section 10–401(a), (d), (m), (o), (s), and (v) and 10–425(a)(8)
14 Annotated Code of Maryland
15 (2019 Replacement Volume and 2025 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Human Services
18 Section 10–425(a)(9) and 10–427
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2025 Supplement)

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

23 **Article – Human Services**

24 10–401.

25 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(d) “Continuing care” means:

(1) continuing care in a retirement community; or

(2) continuing care at home.

(m) “Facility” means a physical plant in which continuing care in a retirement community is provided in accordance with this subtitle.

(o) “Governing body” means a board of directors, board of trustees, or similar group that ultimately directs the affairs of a provider, but whose members are not required to have an equity interest in the provider.

(s) “Provider” means a person who:

(1) undertakes to provide continuing care; and

(2) is:

(i) the owner or operator of a facility; or

(ii) an applicant for or the holder of a preliminary, initial, or renewal certificate of registration.

(v) “Subscriber” means an individual for whom a continuing care agreement is purchased.

10–425.

(a) A disclosure statement shall include:

(8) a description of the provider’s form of governance and the composition of its governing body, and a statement that the provider will satisfy the requirements of §§ 10–426 and 10–427 of this subtitle;

(9) if the provider has a governing body, a description of the process used by the provider to:

(i) select a subscriber member of its governing body; and

(ii) satisfy the requirements of [§ 10–427(a)] **§ 10–427(c)** of this subtitle;

10–427.

1 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
2 **INDICATED.**

3 **(2) “GOVERNING BODY” HAS THE MEANING STATED IN § 10–401 OF**
4 **THIS SUBTITLE.**

5 **(3) “PROVIDER” MEANS, IN ADDITION TO THE MEANING STATED IN §**
6 **10–401 OF THIS SUBTITLE, A PERSON WHO OVERSEES THE FINANCIAL AND POLICY**
7 **DECISIONS IN PROVIDING CONTINUING CARE IN A RETIREMENT COMMUNITY.**

8 **(B) THE PURPOSE OF A SUBSCRIBER MEMBER OF A GOVERNING BODY**
9 **SELECTED IN ACCORDANCE WITH THIS SECTION IS TO REPRESENT THE INTERESTS**
10 **OF THE PROVIDER’S SUBSCRIBERS.**

11 **[(a)] (C) (1) If a provider has a governing body, at least one of the provider’s**
12 **subscribers shall be a full and regular member of the governing body.**

13 **(2) If the provider owns or operates [more than three] MULTIPLE facilities**
14 **in the State, the governing body shall include:**

15 **(I) AS A REGULAR MEMBER, ONE OF THE PROVIDER’S**
16 **SUBSCRIBERS WHO IS A SUBSCRIBER AT THE FACILITY WITH THE MOST**
17 **SUBSCRIBERS; AND**

18 **(II) AS AN ALTERNATE MEMBER, at least one of the provider’s**
19 **subscribers for every three facilities in the State, IF APPLICABLE.**

20 **(3) (i) If the governing body has only one subscriber, the governing body**
21 **shall authorize the appointment of an alternate subscriber to serve as a regular member of**
22 **the governing body if the regular subscriber is unable to fulfill the subscriber’s duties.**

23 **(ii) The alternate subscriber may:**

24 1. attend all meetings of the governing body; and

25 2. vote only if the regular subscriber is unable to fulfill the
26 subscriber’s duties as a regular member of the governing body.

27 **(4) (I) [Subject to paragraph (5) of this subsection, a] A regular or**
28 **alternate member of the governing body who is selected to meet the requirements of this**
29 **subsection shall be a subscriber at a facility in the State and be selected [according to the**
30 **same general written standards and criteria used to select other members of the governing**
31 **body] BY THE RESIDENT ASSOCIATION OF THE FACILITY.**

1 **(II) A REGULAR OR ALTERNATE MEMBER SELECTED IN**
2 **ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH IS NOT REQUIRED TO**
3 **MEET THE SAME GENERAL WRITTEN STANDARDS AND CRITERIA USED TO SELECT**
4 **OTHER MEMBERS OF THE GOVERNING BODY, INCLUDING ANY REQUIREMENT TO**
5 **ADHERE TO A PARTICULAR RELIGIOUS FAITH OR PRINCIPLE.**

6 **[(5)]** The governing body shall confer with the resident association at each of
7 the provider's facilities before the subscriber or alternate subscriber officially joins the
8 governing body.]

9 **[(6)] (5)** (i) A subscriber member or alternate subscriber member of a
10 governing body may report on nonconfidential deliberations, actions, and policies of the
11 governing body to the resident association.

12 (ii) The governing body in its sole but reasonable discretion shall
13 determine whether a matter is confidential.

14 **[(7)] (6)** The Secretary may waive the requirements of this subsection for
15 a provider in the process of decertifying as a provider, if the Secretary determines that
16 there are no subscribers willing and able to serve on the governing body.

17 **[(b)] (D)** (1) If a provider does not have a governing body, the provider shall
18 appoint a select committee of its officers or partners to meet at least quarterly with the
19 resident association at each of its facilities to address concerns of the subscribers and to
20 ensure that the opinions of subscribers are relayed to all officers or partners of the provider.

21 (2) If a facility does not have a resident association, the committee shall
22 meet with a reasonable number of representatives, not required to exceed fifteen, that the
23 subscribers elect.

24 **[(c)] (E)** As determined by the provider's governing body, the provider shall
25 make available to subscribers either the nonconfidential portions of the minutes of each
26 meeting of the governing body or a summary of the nonconfidential portions of the minutes,
27 within 1 month of approval of the minutes.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2026.