

**HB-068/SB076 – SUPPORT**

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**Continuing Care Retirement Communities - Governing Bodies, Grievances, and Entrance Fees**

House Health and Government Operations Committee/Senate Finance Committee

February 1, 2024/February 8, 2024

Dear Chair Pena-Melnyk and Members of the House Health and Government Operations Committee, and Chair Beidle and Members of the Senate Finance Committee:

My name is Frederick W. Kutz. I am testifying today in favor of both HB68 and SB76.

I have been a resident of The Residences at Vantage Point (a CCRC in Columbia, MD) since November 2016. My mother also was a resident here from 2004 to 2010. I currently reside in independent living; however, both my deceased wife and my mother resided in the Comprehensive Care Unit (Cedar Place) for part of their residency here. I have been active in our retirement community through membership in the Vantage Point Residents Association and in both the Maryland Continuing Care Association and the National Continuing Care Association. Although many residents and family members agree with my opinions, this testimony is representative only of my personal perspectives.

I have been a citizen of Maryland since 1970. I hold a bachelor's degree and a master's degree from the University of Delaware and was awarded a Doctor of Philosophy degree from Purdue University in Indiana. My major field is in an area of public health biology. I have served as a Medical Service Officer in the U.S. Army, been employed as a research scientist in corporate and government entities, and a private consultant. I also believe in public service by serving on advisory committees for the Maryland Department of Agriculture and the U.S. Environmental Protection Agency. I have inspected and/or visited a wide variety of public facilities. I hope that my education and background contribute to the welfare of my fellow citizens.

During my association with Vantage Point since 2004, I have observed serious deficiencies in the rights accorded to all residents. In fact, I recommend that members of the committee review the Residency Agreement that we signed upon entry. At our signing appointment I inquired about changes to the agreement only to be told that the management would entertain absolutely no changes even if they were recommended by my attorney. The message was clear: if you wish to live here, sign on the dotted line. The same message was conveyed to us at the other visited retirement communities in our area.

As a resident and as an adult child of a resident, I was elected as President of the Vantage Point Family Council from 2006 to 2009 and in 2019. The Family Council is an organization composed of residents, family members and others interested in the welfare of residents in health care; it is authorized under State regulations. During my last term as President, I was

a member of the Board of Directors of the Columbia Vantage House Corporation. Although I felt that I represented residents and their families who lived in the Health Care Center (Comprehensive Care, Assisted Living and Memory Care Units), in reality according to the Corporate Board Bylaws, I was representing the Corporation. I also was required to sign an agreement that precluded me from divulging any material discussed at Corporate Board meetings. Corporate Board meetings were open only to Board members and management-level employees; observers or visitors were not allowed. Therefore, there was absolutely no means by which residents or their legal representatives could discover the specifics of discussions. Of course, vague minutes were available sometimes, but in-depth information, particularly concerning our fully itemized budget, any conflicts of interest of Board members, contracts, etc. was unavailable. Please note that most funds needed to operate our community are obtained from entrance and monthly fees of residents.

In time (after about 10 months) I found these constraints to be unbearable and wanted my constituents to know what I had discussed at Corporate Board meetings and their reactions to our concerns. None of the divulged information was protected by Federal or State laws or regulations. When the Executive Director of Vantage Point discovered what I was doing, she threatened me with legal action, because I had violated my agreement. Fortunately for me, her threats were empty. Many residents and personal representatives have come up to me and indicated their appreciation for my behavior and service. To this day, I do not regret my actions. As public servants yourselves, I am certain that you can appreciate the dilemma that I faced.

Thank you for reading my testimony. I trust that it has been helpful in confirming your support for these two crucial Bills. I urge you to support all elements of these Bills, but specifically am hoping that you will pass legislation allowing residents to have a more active role in and knowledge of Corporate Board deliberations.