



Maryland Continuing Care Residents Association
Protecting the Future of Continuing Care Residents
The Voice of Continuing Care Residents at Annapolis

SUBJECT: Senate Bill 76 - Continuing Care Retirement Communities – Governing Bodies, Grievances, and Entrance Fees

COMMITTEES: Senate Finance Committee
The Honorable Pam Beidle, Chair

DATE: Thursday, February 8, 2024

POSITION: **FAVORABLE**

The **Maryland Continuing Care Residents Association (MaCCRA)** is a not-for-profit organization representing the residents in continuing care retirement communities (CCRCs). Maryland has over 18,000 older adults living in CCRCs. The principal purpose of MaCCRA is to protect and enhance the rights and financial security of current and future residents while maintaining the viability of the providers whose interests are frequently the same as their residents. MaCCRA SUPPORTS efforts to enhance transparency, accountability, financial security, and preserve existing protections in law and regulation for current and future CCRC residents statewide.

On behalf of the Maryland Continuing Care Residents Association, we support Senate Bill 76. This bill seeks to modify Maryland’s existing continuing care law in three respects:

FIRST: A principal concern in MaCCRA chapters concerns the lack of resident input in the ultimate management of the CCRCs, particularly regarding budget adoption and the setting of service fees. The existing statute addressing this issue (**Human Services Article, Section 10-408**) provides minimal involvement requiring that at least one resident serve of the CCRC Board, and that the resident member be appointed by the Board after consultation with the Resident Association. This bill modestly expands resident input to hopefully make it more effective.

Specifically, the bill provides for at least two resident members to serve on the CCRC Board who are elected by the Resident Association and who are expressly enabled to report to the Resident Association on the Board’s nonconfidential deliberations, actions, and policies. This bill also requires that the CCRC Board make an appropriate officer of the facility available at least quarterly to review & discuss the current financial statements of the facility with a committee of the Resident Association.

SECOND: The Maryland Continuing Care law requires CCRC providers to establish internal grievance procedures (**Human Services Article, Section 10-428**). But it does not provide for any follow-up and accountability. The bill requires the CCRC providers to report on the details of their grievance procedure activity to the Department of Aging twice each year.

THIRD: The bill will address the timeliness of entrance fee refunds. The existing statute addressing this issue (**Human Services Article, Section 10-449**) provides that for those units having an entrance fee refund obligation, the fee will be refunded upon the re-sale of the vacated unit.

We have heard of CCRCs experiencing financial difficulties who have been deferring the renovation and resale of the less desirable vacated units and not refunding the related entrance fees for extended periods of time. The state of New Jersey addressed this issue by providing for the refund of entrance fees based on a system of assigning a sequential number to each unit becoming vacant on the date of termination and refunding the entrance fee from the proceeds of the resale of all vacated units in numerical order rather than on the resale of the specific vacated unit. The bill adopts this method.

For these reasons we support Senate Bill 76 and ask for a favorable report.

For further information please contact: Bruce Hartung, President
Maryland Continuing Care Residents Association c/o brucehartung@sbcglobal.net