



*Keeping You Connected...Expanding Your Potential...
In Senior Care and Services*

TO: The Honorable Pamela Beidle, Chair
Members, Senate Finance Committee
The Honorable Clarence K. Lam

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer
Christine K. Krone

DATE: February 8, 2024

RE: **OPPOSE** – Senate Bill 76 – *Continuing Care Retirement Communities – Governing Bodies, Grievances, and Entrance Fees*

On behalf of the LifeSpan Network, the largest and most diverse senior care provider association in Maryland representing nursing facilities, assisted living providers, continuing care retirement communities (CCRCs), medical adult day care centers, senior housing communities, and other home and community-based services, we **respectfully oppose** Senate Bill 76. This bill makes changes to the composition of a governing board of a CCRC, alters the process for the return of entrance fee deposits, and requires biannual reporting to the Maryland Department of Aging regarding internal grievances and entrance fee refunds.

Maryland law mandates that CCRCs provide certain information to prospective residents at least two weeks before signing an agreement, including information that is the subject of Senate Bill 76. Except for specific situations, the return of entrance fee deposits is a contractual agreement governed by the resident contract. To ensure that prospective residents are well-aware of the policies governing entrance fee refunds, the General Assembly passed legislation in 2012 that added several disclosure requirements.

Section 10-430 of the Human Services Article requires:

All marketing materials, including disclosure statements, that state that part or all of the entrance fee is or may be refundable shall include a conspicuous disclaimer that states at least the following: “Carefully read the continuing care agreement for the conditions that must be satisfied before the provider is required to pay the entrance fee refund.”

The continuing care agreement also is required to provide “in clear and understandable language, in boldtype, and in the largest type in the body agreement: (i) the terms governing the refund of any portion of the entrance fee if the provider discharges the subscriber or the subscriber cancels the agreement.” In addition, the agreement must “state that the subscriber acknowledges

reviewing all of the terms of the entrance fee refund clauses and provisions contained in the continuing care agreement.” See *Section 10-444 of Human Services Article*.

LifeSpan supported each of these provisions. The General Assembly has taken very specific steps to ensure that prospective residents are clearly informed of the policies governing entrance fee refunds as outlined above. We strongly believe that each CCRC shall continue to maintain the flexibility to structure entrance fee refunds to ensure the financial well-being of each community. Therefore, we respectfully request an unfavorable vote.

For more information call:

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