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SPEAKER PRO TEM
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Environment and Transportation
Committee

Subcommittees

Chair, Environment

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The Maryland House of Delegates
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**Delegate Dana Stein's Testimony in Support of
HB 68 Continuing Care Retirement Communities- Governing Bodies,
Grievances, and Entrance Fees**

Madam Chair and members of the Health and Government Operations Committee:

For many years I've heard concerns about the transparency and accountability of Continuing Care Retirement Communities (CCRCs) from constituents, particularly from residents of a CCRC in my district and their families. I've heard it from a friend whose mom was a resident 20 years ago and from families in more recent years. The issues have ranged from changes in services without notice to delays in deposits being returned after a resident has died.

This bill would provide transparency and accountability for CCRCs in a few ways. First, it says that two residents will be members of the CCRC board. This requirement will provide for increased input from residents and create better opportunities for residents to understand the actions of the board.

The bill also requires the Maryland Department of Aging to collect information about internal grievances filed with each CCRC facility. While current law requires CCRCs to have grievance procedures, there is no requirement to report the number or subject matter of the grievances.

Last, it provides more clarity as to when a family will receive the refund of their deposit fee. These fees are hundreds of thousands of dollars. As the family of a resident said,

“Our contract provides for a very long delay before the owner has to refund fees. In our case, it could be 1 and 1/2 years. Additionally, the delay is tied into

the owner actually reselling my mom's original unit. This type of contract leaves opportunities for owners to have substantial control over refunds by limiting the sale of particular units.”

HB 68 adopts a provision based on New Jersey law that says that when a resident dies or moves out, they’ll receive a sequential refund number, so they’ll have some sense as to where they are in the process of getting their refund. Maryland law regulates the refunds of deposits in many business situations, such as in home sales. We should establish a reasonable process so that families don’t have to wait more than a year for their refund.