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Senate Finance Committee

February 27, 2026

Senate Bill 560 – *Continuing Care Retirement Communities – Refunds*

**POSITION: SUPPORT WITH AMENDMENT**

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 **support with amendment** Senate Bill 560. This bill alters the process for returning entrance fee deposits by imposing a 2-year limit.

Maryland law requires CCRCs to provide certain information to prospective residents at least two weeks before signing an agreement, including information on the return of entrance fees. 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 the 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.

More importantly, Senate Bill 560 represents a fundamental change to the long-standing financing of CCRCs. It is unclear whether Senate Bill 560 will require retroactive application to

all existing contracts or apply only prospectively. Regardless, the result will be the same: the model will need to be altered, and costs will rise for all residents due to higher monthly fees.

We understand that an amendment has been offered to address a specific issue that has arisen within one CCRC. The amendment requires a return of the entrance when a unit is no longer available under the current structure, meaning it has been repurposed for other uses. We believe the approach being taken by the amendment is fair, and we would support. Therefore, with this amendment and the removal of the two-year limitation, we would request a favorable vote.

**For more information call:**

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