



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

SUBJECT: Senate Bill 488 - Continuing Care in a Retirement Community
Providers - Governing Bodies - Membership (Sue Hecht CCRC Transparency Act)
COMMITTEE: Senate Finance Committee
The Honorable Pam Beidle, Chair
DATE: February 17, 2026
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 20,000 older adults living in 38 licensed CCRCs. The principal purpose of MaCCRA is to protect and enhance the rights, well-being, 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 MaCCRA, we support Senate Bill 488.

As you may know, a CCRC is a unique entity - not like other retirement communities - because of the legal status of the residents. They are the primary stakeholders of the CCRC, having made a substantial financial investment in, and commitment to, the CCRC essentially for the rest of their lives. They are the reason for the CCRC's existence.

Yet as residents we have no legal voting rights. To address this inequity, the Maryland legislature has provided for minimal involvement of residents in financial management decision-making by requiring that at least one resident serve of the governing body of the CCRC provider; and last year, that right was expanded somewhat by providing for an alternate resident board member.

However, a problem has become apparent at several of the CCRCs where MaCCRA has a chapter regarding participation by residents on the governing boards of CCRCs. Specifically, it appears that the corporate provider at these CCRCs was created by a parent corporation which, in doing so, has retained the authority to control all essential aspects of the financial management of the provider. So, in these cases, the resident board members are not sitting on the board that makes the ultimate decisions affecting their lives at the facility, which thwarts the General Assembly's purpose.

Current law defines a "provider" as "a person who undertakes to provide continuing care and who is an: (a) owner or **operator of a facility**; or (b) applicant for, or the holder of, a certificate

of registration". "Person" is defined to mean mean "an individual, firm, association, corporation, company, trust, partnership, limited liability company, public body, or other business or nonprofit entity". And "governing body" means "a board of directors, board of trustees, or similar group that **ultimately directs the affairs of the provider**". (*Bold type added for emphasis.*) See COMAR 32.02.01.01.

The foregoing existing definitions could be interpreted to include the governing body of a senior/parent corporation that effectively controls a subsidiary corporation that is the "nominal" provider. But such an interpretation is not at all clear and is opposed by the providers.

The bill we are advocating provides that the term "provider" shall include a senior corporation that effectively controls the affairs of the subsidiary nominal provider; and the term "governing body" shall include the board of directors, board of trustees, or similar group that directs the affairs of such a senior corporation. We believe this interpretation aligns with the General Assembly's purpose of ensuring a governing body that has the benefit of hearing from residents directly, and the residents are represented on the governing body that controls the affairs of the CCRC.

Therefore, we ask for a favorable report on Senate Bill 488.

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