

Testimony on HB 424 – CCRC Governing Bodies

Position: Unfavorable

2/12/2026

To: House Health Committee

From: Zina Jacque, Chair, and Scott Sawicki, Executive Director

Position

National Senior Communities (NSC) opposes House Bill 424, Continuing Care Retirement Community Providers (CCRC) – Governing Bodies – Membership.

We deeply appreciate the intent of this proposal and the commitment to resident involvement it represents.

However, if the intent of House Bill 424 is to apply to organizations like NSC as the parent of a system of CCRC affiliates with 18 communities in 9 states, only 2 of which are in Maryland (see *About Us*), we believe this particular requirement creates serious legal, practical, and fiduciary concerns that would ultimately harm the Maryland residents it seeks to protect.

Legal and Fiduciary Concerns

Board members of multi-state not-for-profit organizations bear significant legal responsibilities, including fiduciary duties to all affiliated communities—not just one community. A resident from a single Maryland facility would be legally obligated to act in the best interests of each affiliate and NSC, not just the community in which they live. For example, a Maryland resident on the Board would have to vote on recommending an annual budget, including for communities in other states.

Regulatory Complexity

Directors can face personal liability for breach of fiduciary duty. It is unreasonable and potentially harmful to expose Maryland residents to this legal risk, particularly when they would be responsible for other state regulatory structures.

Multi-state not-for-profit boards, such as NSC's, must navigate the laws and regulations of every state where its affiliated communities are located. A resident from one Maryland facility, say Oak

Crest, cannot reasonably be expected to take the time to learn the regulatory environments outside of the state in which they live, applicable to NSC communities located in Pennsylvania, Virginia, New Jersey, Massachusetts, Michigan, Texas, Kansas, or Colorado. NSC board decisions often require an understanding of varying state regulations, financial requirements, and compliance standards that extend far beyond any single resident's experience within one state.

Practical Governance Problems

Effective board governance benefits from specific skills including financial oversight, legal knowledge, healthcare expertise, strategic planning, and risk management. While residents bring valuable lived experience and perspectives, we're concerned that requiring a seat on the parent board specifically for a single-site resident of a Maryland CCRC prioritizes geographic representation at the expense of ensuring the board has a full range of expertise needed to serve the residents of other CCRCs in Maryland and other states most effectively.

Additionally, national boards typically meet quarterly or more, often requiring travel. Last year, NSC directors reported up to 1,000 hours of time on our latest IRS 990 filing. For context, 2,080 hours is full-time employment. This would create a position for a Maryland resident of a CCRC that requires 6 months of full-time work annually, placing an undue burden on residents.

Better Alternatives Exist

Rather than mandating single-site resident participation by a Maryland CCRC on national boards with multi-state responsibilities, Maryland should consider more appropriate mechanisms for resident input. Oak Crest and Riderwood each have Resident Directors and Alternate Resident Directors as well as robust resident councils that interface with both management and the board at least quarterly. Both communities host twice-a-year town halls where board members hear directly from residents. NSC facilitates Management Performance Evaluations that require annual resident satisfaction surveys as a performance standard to ensure resident voices are heard and measured.

These alternatives are common practices in the not-for-profit CCRC field, and provide meaningful resident voice without exposing individuals to inappropriate legal liability or creating governance conflicts.

Conclusion

We urge you to oppose HB 424. Resident representation is valuable, however this bill's approach is fundamentally flawed. It conflates local representation with national governance, creates untenable conflicts of interest, and exposes Maryland residents of CCRCs to legal risks they should not bear.

NATIONAL SENIOR COMMUNITIES

Let us instead pursue thoughtful alternatives that genuinely empower residents without compromising sound governance or placing unfair burdens on our community members.

Thank you for your consideration.

Respectfully submitted,



Zina Jacque
Chair, NSC



Scott Sawicki
Executive Director, NSC

Note: This testimony is being submitted at the request of Joseph Bryce who is a registered lobbyist of Leading Age Maryland, which is registered as a lobbyist employer.

About NSC

NSC is the largest not-for-profit system of affiliated CCRCs in the United States. NSC, as the system parent, currently supports 18 affiliated not-for-profit communities in 9 states representing more than 25,000 residents being served by over 15,000 dedicated employees.

In Maryland, NSC just has 2 not-for-profit affiliates, Oak Crest in Parkville, and Riderwood, in Silver Spring.

NSC is structured similarly to a hospital or university system as a tax-exempt, not-for-profit parent organization with a mission to support its affiliates. NSC is a tax-exempt, charitable organization under IRC § 501(c)(3). NSC is also organized as a supporting organization under § 509(a)(3).

NSC does not operate any of its affiliated communities, rather, each community is operated by a separate not-for-profit corporation. Each community is managed by Erickson Senior Living, based in Catonsville, MD.