

# **MaCCRA - Testimony 2026 - Favorable - Senate Bill**

Uploaded by: Daniel Shattuck

Position: FAV



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.**

**For further information please contact:** Bruce Hartung, President  
Maryland Continuing Care Residents Association c/o [brucehartung@sbcglobal.net](mailto:brucehartung@sbcglobal.net)

# **SB 488 Knight Written Testimony to Finance Committ**

Uploaded by: Edward Knight

Position: FAV

I am writing as a resident of a Continuing Care Retirement Community in Frederick County, Maryland to urge you to support SB 488, which is currently before the Senate Finance Committee. This issue is important to me because extreme and secretive actions taken by our CCRC parent corporation within the last two years blindsided us residents, leaving us quite concerned. The “powers that be” thoroughly transformed the community from the branding to the corporate charter without informing us residents ahead of time. It is clear to me that CCRCs in Maryland need more regulation around transparency.

I respectfully ask that you give the bill a favorable report.

Thank you for your attention to this important issue.

**SB0488\_Edward\_Knight\_FAV.pdf**

Uploaded by: Edward Knight

Position: FAV

Edward Knight

500 Pearson Cir, Apt 2026, Frederick, MD 21702

TESTIMONY ON SB0488 – POSITION: FAVORABLE

TO: Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee

FROM: Edward Knight

I am writing as a resident of a Continuing Care Retirement Community in Frederick County, Maryland to urge you to support SB 488, which is currently before the Senate Finance Committee. This issue is important to me because extreme and secretive actions taken by our CCRC parent corporation within the last two years blindsided us residents, leaving us quite concerned. The “powers that be” thoroughly transformed the community from the branding to the corporate charter without informing us residents ahead of time. My husband and I had moved there with the sense that the CCRC was affirming of LGBTQ+ people, due to its historic connection to the UCC. However, the CEO and Trustees cut ties with the UCC and seem to have taken the community in a non-affirming direction. As an LGBTQ resident planning to spend my remaining years here, this is quite disturbing to me and makes me feel vulnerable. It is clear to me that CCRCs in Maryland need more regulation around transparency.

I respectfully ask that you give the bill a favorable report.

Thank you for your attention to this important issue.

# **Testimony in support of SB0488 - Retirement Commun**

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0488\_RichardKaplowitz\_FAV

02/17/2026

Richard Keith Kaplowitz  
Frederick, MD 21703

**TESTIMONY ON SB#0488 POSITION: FAVORABLE**

**Continuing Care in a Retirement Community Providers - Governing Bodies – Membership**

**TO:** Chair Beidle, Vice Chair Hayes, and members of the Finance Committee

**FROM:** Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0488, **Continuing Care in a Retirement Community Providers - Governing Bodies - Membership**

During my late son's hospitalization in different continuing care facilities, he frequently expressed frustration that his and his fellow residents' concerns and suggestions were being ignored by management.

This bill will increase the voices being heard in governance of these communities by altering a certain requirement pertaining to the number of regular and alternate members selected to be on the governing body of a continuing care in a retirement community provider; authorizing a resident association, rather than a governing body, to select regular and alternate subscriber members of a governing body; and repealing a requirement that a subscriber member be selected according to certain standards and criteria.

This bill will let residents determine who should be their voice in the governing body instead of that body deciding who will be that voice.

**I respectfully urge this committee to return a favorable report on SB#/0488.**

**Testimony SB 488.pdf**

Uploaded by: Senator Karen Lewis Young

Position: FAV

KAREN LEWIS YOUNG  
Legislative District 3  
Frederick County



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Budget and Taxation Committee

Chair  
Pensions Subcommittee

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

District Office  
253 East Church Street  
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The Honorable Pam Beidle, Chair  
The Honorable Antonio Hayes, Vice Chair  
Senate Finance Committee  
Miller Senate Office Building  
Annapolis, MD 21401

February 17th, 2026

**SB0488: The Sue Hecht Continuing Care Retirement Community Transparency Act**

Chair Beidle, Vice Chair Hayes, and esteemed members of the Finance Committee,

During the 2025 Legislative Session, former Delegate Sue Hecht (January 1995-January 2003 and January 2007-2011) contacted me about a several-year process, largely hidden from residents, to install and impose a culture of fundamentalist religious practices into all aspects of resident life at Homewood Living Frederick. She encouraged me to meet with a group of residents as soon as Session ended.

These new policies infringed on residents' rights on a number of levels, including imposing a religious test to qualify for board membership. The new policies conflicted with the tolerant environment that residents expected when signing a contract and available in advertising on the organization's website. **These concerns are articulated in great detail in Exhibit I, a letter from Attorney Timothy Maloney to Attorney General Anthony Brown on the behalf of a large group of Homewood Living Frederick residents.**

After numerous meetings with residents, and a meeting with Homewood's Executive Director and CEO, (Homewood's leadership subsequently refused to meet with us and residents) we reached out to Maryland Continuing Care Residents' Association (MaCCRA) for guidance, assistance, and support.

Through extensive conversations as well as a Homewood's effort to "pass the buck" to the parent organization, it became obvious that there is a very grey area as to who the 'provider' is in State law. Thus, we requested clarification from the Attorney General's office as to whether Homewood Living Frederick (HF) or its parent, Homewood Living Ministries (HLM), is the provider. This understanding is critical in determining both decision-making and accountability.

**As you will note in Exhibit II, the advisory letter provides little guidance on this issue.**  
Thus, we found it necessary to provide clarification through legislation.

While on the surface both the major impetus for this legislation, and related incidents from other CCRC's is about transparency, effective communication, inclusivity, and tolerance; it seemed necessary to provide clarity on the topic of ultimate responsibility.

We are very aware of concerns regarding unintended consequences and the fiscal note in the bill as it is currently written. We are working closely with members from the Department of Aging to amend the bill in a manner that will provide a more effective path towards ensuring that our seniors, who choose to spend their golden years in CCRCs, are guaranteed that they will live in a tolerant, transparent, well-informed environment that respects Maryland and federal laws.

I urge a favorable report with amendments.

Sincerely,

A handwritten signature in blue ink that reads "Karen Lewis Young". The signature is written in a cursive, flowing style.

Senator Karen Lewis Young

## **Exhibit II**

Maloney, Timothy. "RE: Ongoing Violations of Maryland Law at Homewood Living Frederick." *Joseph Greenwald Lake*. Received by Attorney General Anthony Brown, February 10, 2026.

February 10, 2026

Hon. Anthony G. Brown  
Attorney General of Maryland  
200 Saint Paul Place  
Baltimore, Maryland 21202

RE: Ongoing Violations of Maryland Law  
at Homewood Living Frederick

Dear Attorney General Brown:

I am writing this letter on behalf of concerned residents of Homewood Living Frederick (HF or Homewood), a continuing care retirement community. In a years-long process largely hidden from residents, Homewood and its parent company, Homewood Living Ministries (HLM) installed a fundamentalist management that has sought to impose its culture and beliefs on the residents, the majority of whom do not share this particular faith.

In violation of Maryland law, HF and HLM have interfered with the residents' statutory right to board membership by imposing a religious test to membership. HF eliminated "sexual orientation" from its nondiscrimination statement and has sought to control a gay organization being formed on campus, and it has refused (failed?) to attract new gay residents to Homewood. The fundamentalist branding has extended to every aspect of resident life. Residents cannot check menus without first pushing an app with a cross logo. When calling for information, residents and outside callers who are placed on hold are forced to listen to pre-recorded religious messages.

These changes were prepared in secret over three or four years. Many residents are Christian, but do not share these fundamentalist beliefs. Other residents are Jewish or not affiliated with any religion. Most of the residents find these changes offensive. Many have said they would not have moved to HF if these changes had been disclosed. Residents are particularly disturbed because HF deceptively advertised itself as "non-

sectarian” until well into 2024, and they were falsely induced to come to Homewood based upon that deceptive representation.

These changes were so offensive that 315 residents signed a petition asking the HLM Board of Trustees to meet and discuss these changes. This petition and related grievance were rejected. The petition and grievance were organized by Committee for Promoting an Inclusive Environment (“PIE”). PIE now has approximately 340 residents on its mailing list. Signatories and mailing list members represent about half the independent living residents of HF. Since its inception, only seven people have asked to be removed from the PIE mailing list.

These changes are not just offensive. They violate Maryland law. As set forth in detail below, the conduct of Homewood’s management violates Maryland’s non-discrimination, landlord-tenant, consumer protection, continuing care laws, and the Maryland SAFE Act. The enforcement of these laws spans several agencies, including the Maryland Commission on Civil Rights, the Department of Aging, and the Consumer Protection Division of the Office of the Attorney General.

It is difficult to believe that this could occur in the State of Maryland in 2026, but it has. Hundreds of Homewood residents can attest to it. Because the conduct here implicates multiple statutes and the jurisdiction of multiple regulators, there is a need for a single unified State government response to these issues in the form of investigation and action by the Office of the Attorney General.

The residents of Homewood invite you to meet with them to hear their concerns first-hand. Importantly, they request that your office open an investigation into the allegations in this letter, so that every resident of Homewood can be assured that their rights under Maryland law are protected.

Let me provide you with some background concerning what has occurred at Homewood.

### **a. Background.**

Homewood is a continuing care retirement community (CCRC). Homewood is owned and managed by Homewood Living Frederick (HF) and its parent, Homewood Living Ministries (HLM).

There are 700 independent living residents at Homewood, with an additional 120 registered beds in its health care unit. The independent living residents include both renters who sign leases, and subscribers, who sign continuing care contracts.<sup>1</sup> While many renters and subscribers are Christian, many are not. And most of the Christians do not subscribe to the fundamentalist Christian beliefs of Homewood Living Ministries.

HF and HLM were founded by mainstream Christians, members of the United Church of Christ (UCC), to care for old people, especially members of the church. Over time, the enterprise grew to cover several sites and to provide housing and care for people of all faiths and none. The religious convictions of the founders were primarily held privately so that overtly religious symbols and practices, especially those of any one narrow set of beliefs, were largely absent from HF. Until as recently as 2023 and into 2024, HF described itself as “non-sectarian” and many residents entered the community with an explicit reliance on the promise that they were not entering a religious, or religion-focused, community.

Homewood was successfully operated for many years by Homewood Retirement Centers, Inc., the predecessor of HLM and its subsidiaries, including HF, and has existed for a long time. HLM is the parent corporation of HF and four other retirement facilities in Maryland (1) and Pennsylvania (3). In 2018, the HLM Board of Trustees voted to eliminate its affiliation with UCC and in 2019 filed a document with the Maryland Department of Assessments and Taxation (SDAT) removing its affiliation with the UCC as Homewood Retirement Centers, Inc

HLM abruptly and without notice severed its relationship with the United Church of Christ in 2019, after decades of UCC involvement. HLM’s new CEO, with the

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<sup>1</sup> According to the Homewood executive director, slightly less than half the Independent Living residents of HF rent their living quarters from HF and do not have continuing care contracts. This would be approximately 300 people.

support of the Board of Trustees of HLM, began the process of converting HLM and HF into a narrowly fundamentalist institution through changes to its charter, mission statement, symbols, written and oral messaging, and the imposition of a religious test for certain staff and board positions. The religious tests, by their own terms, exclude almost the entire population of HF. These changes were adopted largely in secret and were not made known to most residents of HF in their entirety, if indeed everything has now been revealed, until early 2025. In this religious takeover, HLM and HF have violated several laws, including the Maryland Fair Housing Act, the Maryland Consumer Protection Act and the Maryland Continuing Care Act.

The actions of the Board of Trustees of HLM, the Board of Directors of HF, and corporate leadership over the past seven years indicate a clear intention to change the focus of the continuing care community at Homewood at Frederick and at its other subsidiary corporations from a nonsectarian organization where religion played little role in daily life or policy at HF, except as individual residents chose to exercise their individual beliefs, to one with a fundamentalist evangelical religious orientation that is now described as the primary purpose of the corporations.

HLM described these major changes as “rebranding.” HF and HLM did not inform the residents of HF and those applying to move to HF of their intent, and in some cases hid that intent, in violation of Maryland law. In carrying out their religious intent, HF and HLM have violated and continue to violate the rights of residents and laws enacted to protect them.

On October 12, 2023, HLM (then known as Homewood Retirement Centers) voted to change its Charter/Articles of Incorporation and its rules regarding its requirements for any person to be a board member on its Board of Trustees or any of the Subsidiary Boards of Directors. These changes were consistent with the new fundamentalist approach to governing Homewood. The Articles of Amendment and Restatement provided that “the primary purpose of the Corporation is to serve the body of Christ through the creation and management of senior living communities and services. Additionally, these communities and services will reflect the love of Christ in His desire that all people place their faith in Him unto salvation and bear fruit that builds the Kingdom of God.” These Articles were not recorded with SDAT until 16 months later, on February 5, 2025.

No formal or written notice of these October 12, 2023, changes to the Charter/Articles of Incorporation was provided to the vast majority of the then current residents/subscribers at HF. Indeed, the corporate changes were not filed with SDAT until February 5, 2025. Most of the community did not learn about these changes until one resident noticed the SDAT filing online and publicized it at the February 25, 2025, residents meeting.

No notice of the October 2023 corporate changes by Homewood Retirement Centers or Homewood at Frederick or the corporate name changes of HLM in December 2024 were provided to applicants seeking to move to HF until sometime in 2025 after some of the applicants had signed continuing care contracts in 2024 and moved into their residence.

Maryland's continuing care law requires that the Provider "shall make available to subscribers either the nonconfidential portions of the minutes of each meeting of the governing body or a summary of the nonconfidential portions of the minutes, within 1 month of approval of the minutes." HS §10-427(c). Additionally, the law requires that "at least quarterly," the Provider "shall hold a meeting open to all subscribers, at which the Provider "shall summarize, the provider's operations, significant changes from the previous year, and goals and objectives for the next year." HS §10-426. The minutes of the October 12, 2023, corporate Board of Trustees meeting approving these changes should have been promptly disclosed to residents. But no such information was provided until February of 2025 at the earliest. Additionally, these significant changes should have been disclosed at the quarterly meetings at the end of 2023, and in subsequent Disclosure Statements but were not. There is no information that was provided by HF as to any board of directors' actions taken regarding any of the above corporate actions, so at this point the HF Board of Directors may not have adopted any of the HLM corporate actions for all the residents may know.

In December 2024, the parent corporation changed its name to Homewood Living Ministries (HLM) and recorded that name change with SDAT. This also was done without notice to the residents/subscribers of HF or applicants pending admission. The 2023 corporate changes to the parent charter/articles of incorporation included a longer and different statement of corporate intent than the one sentence mission statement adopted for purposes of qualifying as a 501(c)(3) corporation under Federal tax laws and the mission statement included in the legally mandated disclosure statement to residents

and prospective residents. The language is materially different from what appeared in the April 2024 Disclosure Statement and the October 2023 Independent Living Resident Handbook.

The contrast is striking. The October 2023 Independent Living Handbook (the month of the parent corporate changes) that was provided to applicants had the Parent mission statement as “[t]he mission of Homewood Retirement Centers is to establish and operate retirement centers for older persons; to provide compassionate professional, and caring services; and to enhance the quality of life for residents, clients, and coworkers.” There was no reference to any religious affiliation or orientation of HF in that document or any mention of the October 2023 changes to the Charter, Articles of Incorporation, or board rules despite the fact that the HLM board and possibly the HF board and executive leadership had adopted those changes, they were concealed and omitted from the Disclosure Statement, and not disclosed until early 2025.

Indeed, HLM and HF concealed these changes from prospective residents. In an April 2024 version of the Continuing Care Residency Agreement that was signed by two applicants, the contract contained the following materially false statements: “Homewood at Frederick is a continuing care retirement community .... Homewood is not affiliated with any religious organization. Homewood’s parent is Homewood Retirement Centers, Inc. (Parent), and Homewood is also thus further affiliated with its Parent’s subsidiary companies (Subsidiaries). The Parent and Subsidiaries are non-profit organizations based in Maryland and Pennsylvania.”

The concerned residents do not care what any person’s religious beliefs are, as that is an entirely private matter. They object because HLM and HF are attempting to force their religious beliefs and practices upon HF residents, and because the practices of these organizations violate Maryland law. We will detail those violations.

**b. HLM and HF's ongoing violations of Maryland law.**

- 1. Homewood has violated the Maryland discrimination laws by employing a religious test to exclude almost all subscriber residents from a position as director on HF Board of Directors.*

Maryland law requires that if a provider has a governing body, “at least one of the providers subscribers shall be a full and regular member of the governing body.” HS §10-417(a)(1). The legislative purpose of this requirement is to ensure independent subscriber representation on the board.

Homewood, however, has employed a religious test to exclude nearly all subscribers from board membership. Homewood requires adherence to Homewood Living Ministries’ mission “to honor Christ through faithful service to seniors and one another.” More specifically, Homewood has adopted written policies requiring new Board members to pray for the organization, to serve as “guardian of the Mission to Honor Christ,” and to “honor Christ through faithful service to seniors and one another.”

These requirements are embodied in an adopted policy captioned “Board Members’ Commitment to Homewood,” which includes the following requirements:

As a board member of Homewood Retirement Communities, I understand and commit to the following:

- 1. I will regularly pray for the organization during and outside of board meetings, including the team, board decisions, and my contributions as a board member.*
- 2. I will serve as a guardian of the Mission to honor Christ through the organization and will seek to protect and advance the mission and values of:  
Mission: Honor Christ through faithful service to seniors and one another.  
Core Values: Compassion, Gratitude, Humility, and Integrity.*

The Maryland Fair Housing Act makes it the public policy of the State to provide fair housing regardless of religion. SG §20-702(a)(1). The Act prohibits “discriminatory practices with respect to residential housing.” SG §20-702(a)(2). The Fair Housing Act expressly prohibits “discrimination against any person in the terms, conditions, or

privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection with the sale or rental of a dwelling” based upon religions. SG §20-705(b)(2).

Homewood’s religious test for board membership clearly violates the Maryland Fair Housing Act. Homewood attempts to justify its discriminatory restriction by citing the Continuing Care Act language that subscriber members shall be “selected according to the same general written standards and criteria used to select other members of the governing body.” HS §10-427(a)(4). But this language cannot authorize plainly discriminatory restrictions that are prohibited by state law. The Maryland Fair Housing Act is a broad remedial act which expresses the clear public policy of the State against discrimination based upon religion. Any provision in Homewood’s governing documents to the contrary violates the Fair Housing Act, is unenforceable, and void as against public policy.

*2. Homewood has openly discriminated against gay residents.*

Homewood is, of course, subject to Maryland laws prohibiting discrimination based upon sexual orientation. Yet in its April 2025 Disclosure Statement mandated by state law, Homewood omitted any reference to non-discrimination based upon sexual orientation. It pledged non-discrimination against all protected classes except sexual orientation, which were omitted, even though that language is contained in the same law prohibiting discrimination against all protected classes:

[I]t is the policy of Homewood that no person (including but not limited to a resident, prospective resident, employee, prospective employee, volunteer, consultant or visitor) shall be subject on the basis of race, color, religion, sex, handicap or national origin to discrimination in the terms or conditions for admission to, employment, or the provision of services at Homewood.

Homewood has demonstrated open hostility to gay residents. A clear example of this occurred when a gay resident tried to start a club for LGBTQ+ members. After securing a date and room from the Program Coordinator, the resident contacted the resident volunteer on the Tech Committee who posts club descriptions on the app calendar. In this case, the description was posted, but the Director of Activities deleted it almost immediately, without notice to the person who was starting the club.

The volunteer states that over the course of approximately two years, she wrote and posted descriptions of approximately 45 clubs, five or six of which were new. The gay residents' club description was the only one ever deleted. After some discussion between the gay resident and HF representatives, it appeared that the Director of Activities had removed the posting at the direction of the Associate Executive Director, pending a meeting with the Executive Director.

The original club description included the possibility of the club having a table at the 2026 Frederick Pride event. The Associate Executive Director expressed concern that doing so might suggest that HF/HLM might appear to be supporting something it doesn't support. When later given the opportunity to disclaim in writing his earlier oral statement, the Associate Executive Director did not do so. The mention of participation in the Pride event was removed from the description, and the club was reinstated to the activities calendar. In a later series of emails, the Associate Executive Director stated that it would not be acceptable for the LGBTQ+ groups to claim identification with Homewood by using its "marketing and design elements," which were later defined to include merely using its name. Yet no other club or organization at Homewood has been subject to this restriction or limitation upon its speech.

This discrimination against gay residents has only increased, with management now openly threatening retaliation against a gay resident for exercising his right to protected speech. On November 6, 2025, the HLM CEO wrote to a gay resident indicating he was violating community guidelines and policies by continuing his efforts to get management and other groups within Homewood to fully recognize the religious equality of the LGBTQ+ community. The community guidelines in question include those prohibiting residents from criticizing HF or HLM or, apparently, openly trying to convince others of the validity of a legally protected category and position, a classic form of protected political speech.

The CEO has repeatedly stated that the terms of the resident Handbook will be enforced: the only method of enforcement under the contracts with residents is termination of the contract and eviction. The right of residents to express their opinions as they see fit does not, according to the Resident Handbook and the CEO of HLM, exist at HF. HF and HLM have established certain narrow and restrictive channels of communication and have done their utmost to convince residents that they cannot express

opinions in any other way, regardless of statutory and constitutional protections to the contrary.

A recently hired chaplain at another HLM site delivered a sermon containing explicitly homophobic statements. Reports of this event, the truth of which was confirmed, became widely known at HF and caused widespread consternation among HF residents, both LGBTQ+ and not. This type of derogatory language from the pulpit is perhaps not surprising because HLM has practiced widespread discrimination in hiring, for instance hiring only chaplains who sign their pledge to adhere to the fundamentalist tenets of their faith.

A straight Homewood resident, who was upset by the bad turn HLM and HF have taken, wrote to Thad Rothrock, the CEO of HLM who is visibly and actively involved in the affairs of HF, to ask why there had been no statement from HF or HLM making it clear that homophobic messages from an employee of HLM are unacceptable or at least stating that homophobic messages are not in keeping with HF or HLM values or Maryland law. His response was that HLM does not discuss personnel matters. There was no response from him when it was pointed out that the issue was not what was discussed privately with the employee.

It is important to note that while some of the events involve the LGBTQ+ activist, they impact every resident of Homewood, as well as potential residents. The open discrimination has disturbed many straight Homewood residents who do not want and did not sign up and invest their money to live in a facility whose management practices illegal discrimination. They too are in the same life situation as gay residents. They have made the same significant life changes expecting HF and HLM to be open and welcoming to all who seek to move to HF and are affected by the discriminatory practices of HF and HLM. The HF demographic is a well-educated group that votes and has voted for legislators who have established that discrimination is repugnant and illegal. It is absolutely no surprise that residents so vigorously object to the discriminatory practices of HF and HLM.

The Maryland Fair Housing Act expressly prohibits “discrimination against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection with the sale or rental of a dwelling” based upon sexual orientation. SG §20-705(b)(2). Additionally, the Maryland

Continuing Care Act required providers to guarantee in their continuing care contracts “that subscribers have the right to organize and operate a subscriber association at the facility and to meet privately to conduct business.” HS §10-444(b)(15).

The CEO’s statement to the gay resident threatening to enforce handbook penalties for protected speech plainly violates the anti-coercion and retaliation provisions of Maryland’s discrimination laws. SG §20-707(c) provides that a “person may not coerce, intimidate, threaten, interfere with, or retaliate against any person because a person has aided or encouraged any other person in the exercise or enjoyment of any right granted or protected by this subtitle.” The CEO’s threat of handbook penalties was clearly calculated to intimidate and coerce the resident into not speaking up about Homewood’s treatment of gay residents.

*3. Homewood is now openly threatening residents who organize and speak out about Homewood’s policies and has adopted rules and regulations which explicitly prohibit and punish dissent by residents.*

Homewood residents have organized tenant groups to protest management’s open hostility to free speech, freedom of religion, and Homewood’s gay residents. In response, management has adopted policies and contractual language designed to intimidate free speech and organization by Homewood’s residents. This conduct plainly violates Maryland law.

Most Homewood residents became aware of the religious takeover of HF and the ramifications of it in early 2025. There was widespread and vocal unhappiness with the changes, the way they occurred and the way the community was notified.

There were at least two large meetings in 2025 at which the CEO made presentations about the changes and attempted to justify them. Because the CEO refused to take questions from residents with the microphone on so everyone could hear the questions and answers and engage in any open exchange of views, many residents expressed their feelings by booing or groaning when they believed the CEO was misrepresenting facts.

On June 10, 2025, a new resident handbook was issued, the terms of which are incorporated by reference into residents' contracts. Many new provisions aimed at prohibiting and punishing dissent were included. Residents are now forbidden to:

- make negative or disparaging comments or media posts about Homewood or its staff
- disrupt Homewood business operations or sales and marketing efforts (this is because of a planned demonstration on public property that never took place)
- solicit funds or signatures (except for constitutionally protected political petitions)
- Conduct membership drives for resident organizations (after one group, HAF MaCCRA did exactly that)
- distribute literature
- distribute gifts
- offer to sell merchandise or services (no tee shirts)
- post or leave written information on bulletin boards, information racks or tabletops
- post or distribute photographs, notices or other materials on any HF property

In addition, the resident handbook contains at least eight separate new provisions regulating speech that reference such concepts as “quiet enjoyment,” the meaning of which HF and HLM have perverted to limit any expression of dissatisfaction with Homewood management except through certain limited and dead-end channels. HF is explicit that the new handbook rules apply to both renters and subscribers. As noted, the only penalties for violating the handbook include eviction (for tenants) and contract termination and resultant eviction (for subscribers).

In response to the changes made by management at Homewood, three groups of residents were organized and meet regularly. Each is a “tenant organization” within the meaning of RP 8-219.<sup>2</sup> The three groups are:

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<sup>2</sup> Specifically, each group consists of three or more tenants who reside at Homewood who have organized for the purpose of improving the living conditions, contractual position and community experience of the residence. Each group meets regularly, operates democratically and is independent of the ownership and management. HF meets the definition of “apartment facility” because it is one complex with one owner offering accommodations for rent.

-HAF-MaCCRA, the HF chapter of MaCCRA, the statewide organization representing the interests of residents of CCRCs. HAF-MaCCRA has 190 paid members at Homewood.

-A committee of HAF-MaCCRA, the committee for Promoting an Inclusive Environment (“PIE”). PIE has approximately 340 residents on its mailing list, up from the 315 residents who signed the petition rejected by HLM asking that the Board of Trustees meet with HF residents. Since its inception, only seven people have asked to be removed from the PIE mailing list.

-the Regulatory Analysis Team, a small group composed of Homewood residents with experience analyzing laws and regulations.

In addition to the Tenant Organizations, HF has a resident association, as authorized by CCRC Law, called the Willow Road Residents Association, Inc. (“WRRRA”) of which all Independent Living residents are members. As noted, Maryland’s continuing care law provides that “...subscribers have the right to organize and operate a subscriber association at the facility and to meet privately to conduct business.” HS §10-444(b)(15).

The current HF Disclosure Statement notes that the WRRRA is separately incorporated and a registered 501(c)(3). It describes it as “an independent unit, limited only by our legal obligations to Homewood, reserving the right to make independent decisions” and is described as a forum for residents to express their concerns, which are to be provided to management.

Homewood management has threatened to evict residents for such activities as criticizing Homewood, engaging in membership drives, participating in Tenant Organizations or similar tenant and/or resident organizations, etc., as set forth above. HF’s only remedy for violations of their contracts with residents, including violations of the handbook rules, is termination of the contract and/or eviction.

HF and HLM have specifically and repeatedly stated, in meetings, in small group conversations and in writing, that the contracts will be enforced and residents who speak out may be asked to leave. The Communication section of the handbook states: “Failure to comply with any of the rules or guidelines in the resident contract or this handbook may result in termination of the resident contract.” The General Rules and Guidelines

section contains the following: “Residents who disrupt the peace and harmony of the campus may be asked to leave.” HF and HLM clearly conflate expressions of dissent with management policy as disruption of peace and harmony.

HLM’s corporate attorney sent a letter to the attorney representing HAF-MaCCRA that stated, referencing the CEO of HLM being booed at two meetings: “...please advise your clients that future outbursts and disruptions will not be tolerated and that HLF [HF] intends to enforce the Communication Guidelines and General Rules as written in the Handbook. Specifically, future violations of the guidelines and rules may necessitate termination of the resident contracts of those individuals that continue to disrupt future meetings.” The exchange continued with HLM’s attorney saying he would instruct his client to “take names.”

Like the requirement for continuing care resident groups, tenant organizations shall have the right to assemble in a meeting room within an apartment facility designated for use by tenants for events and community gatherings during reasonable hours and on reasonable notice to the landlord. RP 8-219(b)(1). A landlord may not evict or threaten to evict a tenant because the tenant “has participated in any tenant organization.” RP §8-208.1(a)(2)

Under Maryland law, a continuing care agreement may not “allow dismissal or discharge of the subscriber from the facility providing care before the agreement expires unless the provider has just cause for the dismissal or discharge.” HS §10-448(a)(1). Expressing dissent over management policies is not just cause for discharge from a continuing care contract.

*4. HF is imposing its religious beliefs on residents who do not share those beliefs.*

Homewood is required by statute to conduct meetings of subscribers “at least quarterly” to summarize the provider’s options, answer subscriber’s questions, and, at least annually, to summarize internal grievances that have been filed. HS §10-426. At these, and other, meetings, the Homewood CEO has sometimes insisted on “praying in the name of Jesus Christ” while convening the meeting, even after being informed by Jewish residents and those of other persuasions that his prayer during the resident meetings was objectionable and violative of their own religious beliefs. These residents were forced to sit through his public prayers in order to obtain information Homewood is

required by law to provide to all residents. When asked not to pray, the CEO said that he was going to pray and that the Board of Trustees of HLM wanted him to pray. If that statement is true, then the individual members of the HLM Board of Trustees are individually and personally complicit in this violation of law.

Similarly, Homewood has discriminated against its residents in their living conditions by imposing upon them a “director of ministry development” whose tasks include “fostering partnerships with other Christian ministries” and “expanding our Christian programs and event offerings.” This appointment has coincided with an increase of Christian programming at HF weighted toward fundamentalist beliefs, such as a gospel cruise, a trip to the Bible Museum and a new Bible study program, complete with free books, where such director has reportedly claimed that he “speaks for God.” This is a blasphemous statement to mainstream Christians, and it was not made by an individual resident expressing his personal beliefs, but by an employee of HLM carrying out his assigned duties in an activity organized and sponsored by HF and/or HLM.

Significantly, there has been no increase in corporate-sponsored programming or events aimed at other religious views or not religion-focused, leading to a definite shift in the “feel” of community life at Homewood. HLM, which completely controls all aspects of HF but does not itself have direct senior care operations, states in its website that its programming is Christian--meaning its version of Christian--which is consistent with the proselytizing primary purpose set forth in its charter.

HF has embedded its religious beliefs into all aspects of life at Homewood, forcing nonbelievers to implicitly participate in those beliefs. For instance, a Jew or nonbeliever cannot open the HF app to find out what’s for lunch without first touching the cross embedded in the HF logo. Any person put on hold by an HF receptionist must listen to an HF religious message to receive whatever information they are seeking. Residents are transported to campus facilities and outside events in shuttles which advertise HF’s religious beliefs.

The Fair Housing Act expressly prohibits “discrimination against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection with the sale or rental of a dwelling” based upon religions. SG §20-705(b)(2). Clearly, there is blatant religious discrimination in the

delivery of services and facilities at Homewood, which is dominated by the fundamentalist viewpoint in nearly all aspects of resident life.

*5. Homewood is engaged in ongoing consumer protection violations.*

Maryland's consumer protection laws prohibit unfair, abusive and deceptive trade practices. The Maryland Consumer Protection Act applies to Homewood. "[Unfair, abusive, or deceptive trade practices include any [f]alse, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers." CL §13-301(1) These include the "[f]ailure to state a material fact if the failure deceives or tends to deceive." CL §13-301(3).

Prohibited conduct also includes deception, misrepresentation or knowing concealment, suppression, or omission of any material fact with the intent that the consumer rely on it in connection with the promotion of any consumer realty or consumer service. CL §13-302 provides that any practice prohibited by the Consumer Protection Act is a violation, whether any consumer in fact has been misled, deceived or damaged as a result of the practice or not.

The Maryland Consumer Protection Act requirements must be read together with the Disclosure Statement requirements applicable to Homewood in the Continuing Care Community Act. As a continuing care community sponsor, Homewood is required to provide a Disclosure Statement to all prospective subscribers, and annually to all subscribers who request them. HS §10-424. Revisions to disclosure statements must be provided annually to subscribers whether they request one or not. HS §10-425(b)(3). The statutorily required contents of the Disclosure Statement are broad and cover nearly every aspect of the Provider's operations. *Id.*

Finally, the Maryland SAFE Act prohibits financial exploitation of older adults with "deception, false pretenses, false promises...or similar actions: to obtain their assets or property. E&T 13-601(E). In this case, older Marylanders paid entrance fees of up to \$541,000 or more based upon the knowingly false representation that Homewood was a "non-sectarian" community.

The Homewood Disclosure Statement contains numerous false or misleading statements or material omissions, and/or statements which fail to meet the Disclosure Statement requirements of the Continuing Care Act. These include the following:

**Governance.** The Disclosure Statement is required to contain a description of the Provider's form of governance. Homewood's Disclosure statement suggests to the average reader that it is primarily governed by the HF Board of Directors and the executive directors. This is misleading, because available information indicates the HF Board is advisory only, and decisions are actually made by the HLM Board of Trustees. According to both the executive director of HF and HLM HF's annual IRS Form 990, individuals who describe themselves as employees of HF are in fact employees of HLM. Even the most minute details of day-to-day operations are subject to review and approval by the corporate level management of HLM.

**Board Representation.** The Disclosure Statement inaccurately states that the resident director on the board is the president of Willow Road Residents Association (WRRRA). This is no longer a true statement. The CEO of HLM recently met with the WRRRA leadership and requested changes in the WRRRA bylaws to remove the requirement that the resident member of the HF Board of Directors be recommended by the WRRRA. In fact, the most recent member of the HF Board of Directors recommended to the HLM Board of Trustees for selection was chosen by the CEO of HLM without the input or recommendation of the WRRRA. The WRRRA was unable to identify any subscriber who would sign the HLM religious test required to become a director of HF. The CEO of HLM recently informed the President of the WRRRA that the resident director will no longer be deemed a representative of the residents of HF. The subscribers of HF have no formal voice or vote in the management of HF or HLM.

**Financial Statement.** The Provider is required by law to include in the Disclosure Statement "a copy of the most recent certified financial statement obtainable under generally accepted accounting principles [GAAP]." HS §10-425(a)(12). GAAP-compliant financial statements including, among other things, balance sheets, income statements, and cash flow statements. The Disclosure Statement includes only a two-page summary statement which is not GAAP-compliant and does not comply with HS §10-425(a)(12).

Additionally, only the consolidated HLM financial statement is presented in the Disclosure Statement. As a result, neither prospective nor current residents can analyze thoroughly the financial condition of HF or of Homewood Living Williamsport, its sister subsidiary and other member of the Obligated Group, even though HF is jointly responsible for the obligations of both subsidiary organizations.

For instance, the only cash flow information provided for HF was for the past 12 months prior to December 31, 2023, but was otherwise provided only for the Parent Corporation and its subsidiaries as a group for past years but not for future years for HF, the provider for future years.

**Residents Association.** The Provider is required by law to provide “a description of the role of any resident association” in the Disclosure Statement. HS §10-425(a)(23). The Disclosure Statement misleadingly states that WRRRA is “independent, “self-governing: and includes language suggesting that it makes independent decisions and that it represents the interests and concerns of residents. This description is misleading because HLM management has attempted to utilize the WRRRA as part of its enforcement actions. Additionally, HLM Management has interfered with this independence, attempting to coerce WRRRA to change its bylaws and procedures to accommodate HLM’s decision-making, including permitting HLM to choose who will represent the residents on the board of directors.

**Internal Grievance Procedures.** As required by HS §10-425(a)(24), the Disclosure Statement must contain the required description of the internal grievance procedure. But this description is misleading because it fails to disclose that HF and HLM have attempted to bar protests and complaints made outside HF and HLM-approved channels and made such protests punishable by cancellation of subscriber and/or rental contracts. Nothing in the Continuing Care statute requires the internal grievance procedure to be exclusive or authorizes the HF or HLM to interfere with residents’ constitutionally protected right to free speech.

**Fundamental Governance.** Disclosure Statements as recently as the April 2023 version stated simply that the Provider was a nonsectarian organization. HF continued to describe itself as “non-sectarian” well into 2024, when this was obviously untrue. Similar statements were made in the Disclosure Statements issued prior to 2019, when HLM ended its affiliation with the United Church of Christ. The CEO of HLM told

representatives of the Maryland Department of Aging in a meeting that HF was both a religious organization and provider of senior housing and care, but that information was not shared with residents or applicants until early 2025. Indeed, it is unclear that HLM/HF have even to date disclosed to residents that they consider themselves a religious organization or affiliated with one.

Although the conversion to a fundamentalist governance and program was secretly underway by 2019-2020, neither prospective residents nor residents were informed of most of the changes until more than five years later in 2025. HF and HLM continue to falsely tell the residents that “nothing has changed” and “it doesn’t matter.” That those statements are not true is evidenced by the signing of a petition by 315 residents asking to meet with the HLM Board of Trustees because they disapproved of these changes when they finally found out about them, by the continuing protests; and the obvious changes in the living experience at HF. At least one resident, in a post-move-in satisfaction survey, said that the couple felt they were the victims of fraud on the part of HF.

The following statement from one resident is typical: “When I was thinking about moving to Homewood, I asked the marketing person I dealt with about the affiliation with the UCC and whether HF was overtly religious or whether religious views played a big part in life at HF. I was told that no, the connection to the UCC had ended some time ago and there wasn’t any religious emphasis at HF. She told me HF was non-sectarian, that there were all kinds of people and everyone just went about their own business. I asked if there were any plans to change that. She said “no.” The mission statement set forth in the Resident Handbook, which said it had been revised in October 2023, had no mention of religion: “The mission of Homewood Retirement Centers is to establish and operate retirement centers for older persons; to provide compassionate, professional, and caring services; and to enhance the quality of life for residents, clients, and coworkers.””

This was in very late 2023, after the Board of Trustees of Homewood Retirement Centers had approved the religious changes to their charter consistent with the new fundamentalist management approach. No information was provided to pending applicants or residents/subscribers about the October 12, 2023, Corporation Board action or any HF Board action to separate from the United Church of Christ that the Homewood Retirement Centers Board of Trustees approved in 2018 and occurred in 2019 with the recording of that change in SDAT.

On the contrary, HF provided statements regarding Homewood Retirement Centers that one reasonably could conclude confirmed that it was not an affiliated religious organization despite the October 2023 corporate decision by the Homewood Retirement Centers' Board of Trustees and the future December 2024 change of its name to Homewood Living Ministries (HLM) that would have been known to corporate leadership and board members well in advance of December 2024. These were not shared with existing residents, nor were they disclosed to pending applicants prior to signing continuing care contracts, which are typically accompanied by a large entrance fee. The published entrance fee for some properties now exceeds \$1,000,000.

Numerous residents have said they would not have moved to Homewood if they had known that a fundamentalist management existed which was seeking to create a culture steeped in their particular religious beliefs. As one resident who inquired about religious affiliation before signing the continuing care contract stated, "I had asked because I wasn't interested in living in a community that was religion-oriented in any way. I would never have moved to HF if I had been told the truth about what they were doing and what they planned." There are many residents with similar stories who believe they were lied to and who strongly object to the changes.

By failing to notify its residents of these changes, HF and HLM obtained monies, arguably, under false pretenses from those who could have decided to move out of HF because of the corporation changes and receive refunds. The then current subscribers, including new subscribers, were entitled to know about these changes, as they had the right under their continuing care contracts and rental agreements to leave at any time, and some who came in when Homewood was nonsectarian or was not affiliated with a religious organization might have wanted to leave after the October 12, 2023 corporate action was taken if they had been made aware of it. It would seem unlikely that the Maryland Consumer Protection laws would not at least require notice of changes to the organization that was a signatory to a contract where the rights of parties under those contracts could be impacted by those organizational changes. If there is no violation of existing law, there should be consideration of legislative changes to address this issue.

**Equal Housing Opportunity.** The current Resident Handbook contains the following statement: "We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers

to obtaining housing because of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, gender identification, marital status, or source of income.”

The statement is also deceptive because it implies that HF and HLM conduct marketing targeted to protected groups. They do not, and after a WRRRA representative and two representatives of the LGBTQ community met with management to request HF participate in affirmative advertising and marketing by, among other things, taking tables at various protected group festivals and events, HF declined to do so and indicated that there would be no such marketing in 2026. The concerned residents believe that fewer than a total of ten renters and subscribers of HF are Black, Latino or of Asian descent.

**c. Conclusion.**

The conditions at Homewood have become a major problem for many residents. These include the limitations on board membership to believers, the open discrimination against gay residents, and the threats of retaliatory evictions and terminations against residents who speak out against these clear violations of Maryland law.

The residents of Homewood earnestly request that you initiate an investigation into these ongoing violations of Maryland law. They sincerely invite you to come to Homewood and meet with the hundreds of residents who share these concerns. They are willing to provide any documentation needed by your office. These requests can be made directly to Steven Rideout ([swrideout@aol.com](mailto:swrideout@aol.com)) or Leslie Davis ([lesliedavis2000@hotmail.com](mailto:lesliedavis2000@hotmail.com)).

Thank you for your attention to this matter.

Sincerely,

JOSEPH, GREENWALD & LAAKE, P.A.

A handwritten signature in blue ink, appearing to read 'Timothy F. Maloney', written over a light blue rectangular background.

By: Timothy F. Maloney

Anthony G. Brown  
February 10, 2026  
Page 22

cc: Governor Wes Moore  
Senate President William C. Ferguson, IV  
Hon. Joseline Pena-Melnyk, House Speaker  
Hon. Pamela G. Beidle, Chair, Senate Finance Committee  
Hon. Health A. Bagnall, Chair, House Health Committee  
Frederick County Executive Jessica Fitzwater  
Members of the Frederick County Delegation  
Members of the Frederick County Council  
Mayor and Council of Frederick  
Meena Seshamani, M.D., Ph.D., Secretary of Health  
Secretary of Aging Carmel Roques

**CAROLYN A. QUATTROCKI**  
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**NATALIE R. BILBROUGH**  
*Assistant Attorney General*

December 17, 2025

The Honorable Karen Lewis Young  
Maryland Senate  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401  
*Via email*

The Honorable Kenneth P. Kerr  
Maryland General Assembly  
209 Lowe House Office Building  
Annapolis, Maryland 21401

***RE: Continuing Care Retirement Communities***

Dear Senator Lewis Young and Delegate Kerr:

You have requested a letter of advice addressing whether the requirement in Human Services Article (“HS”) § 10-427 to have a continuing care retirement community subscriber be a member of a provider’s governing body applies to the governing body of a provider’s parent entity where the parent entity has ultimate financial control of the provider. Specifically, you asked (1) whether the definition of “provider” in the continuing care law includes a parent corporation that effectively controls the financial affairs of the subsidiary nominal provider, and (2) whether the term “governing body” includes the board of directors, board of trustees, or similar group that directs the affairs of such a parent corporation. I think the answer to #1 is likely no, and the answer to #2 is possibly, but, in my view, the statute is ambiguous, and so I cannot be certain how a court would interpret the membership requirement.

Current law requires that if a continuing care provider has a governing body, then “at least one of the provider’s subscribers shall be a full and regular member of the governing body.” HS § 10-427(a). The purpose of this requirement is to give subscribers, i.e., residents, the opportunity to participate in the governance of a continuing care retirement community facility. *See* Testimony of Del. Dana Stein in Support of HB 938 of 2025.<sup>1</sup>

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<sup>1</sup> [https://mgaleg.maryland.gov/cmte\\_testimony/2025/hgo/1cU37wAoWKXAUrcQXmkqa8yrHtbUW6jTg.pdf](https://mgaleg.maryland.gov/cmte_testimony/2025/hgo/1cU37wAoWKXAUrcQXmkqa8yrHtbUW6jTg.pdf)

You explained that sometimes a nominal provider entity is a subsidiary of a parent entity that has retained the legal authority to effectively control all major financial matters of the nominal provider. In such cases, you think that the parent entity's board is the true "governing body" and that, under HS § 10-427, the authorized resident positions should be on the board of the parent entity, as well as on the board of the subsidiary nominal provider. You have requested legal advice on whether the statutory definitions of "provider" and "governing body" support that conclusion.

This is a matter of statutory interpretation. "The primary purpose of statutory interpretation is 'to ascertain and effectuate the General Assembly's purpose and intent when it enacted the statute.'" *In re B.C.D.*, 267 Md. App. 61, 83 (2025) (quoting *Vanderpool v. State*, 261 Md. App. 163, 180 (2024)). Statutory interpretation "begins with the text of the statute," *In re B.C.D.*, 267 Md. App. at 83, but courts do not examine the statutory text in isolation; instead, the judiciary reads the text "within the context of the statutory scheme to which it belongs," *In re K.K.*, 266 Md. App. 161, 180 (2025) (citations and internal quotation marks omitted). "If the language of the statute is unambiguous and clearly consistent with the statute's apparent purpose," the court's inquiry ends. *Comptroller of Maryland v. FC-GEN Operations Invs. LLC*, 482 Md. 343, 37980 (2022) (citation and internal quotation marks omitted). But when a statute's words are susceptible to more than one reasonable interpretation, a court looks to other indicia of legislative intent, including the legislative history, the structure of the statute, its general purpose, how it relates to other laws, and the relative rationality and legal effect of competing constructions. *Id.* at 380. "In every case, the statute must be given a reasonable interpretation, not one that is absurd, illogical, or incompatible with common sense." *Id.*

The State's continuing care statute defines "provider" as "a person who: (1) undertakes to provide continuing care; and (2) is: (i) the owner or operator of a facility; or (ii) an applicant for or the holder of a preliminary, initial, or renewal certificate of registration." HS § 10-401(s); *see also* COMAR 32.02.01.01B(29) (continuing care regulation setting forth a similar definition of "provider"). Applying this definition, a court would be unlikely to conclude that a provider's controlling parent entity also qualifies as a "provider," unless the parent entity *itself* also undertakes to provide continuing care and is the facility's owner/operator or certificate applicant/holder.

"Governing body" is defined as "a board of directors, board of trustees, or similar group that ultimately directs the affairs of a provider, but whose members are not required to have an equity interest in the provider." HS § 10-401(o); *see also* COMAR 32.02.01.01B(23) (continuing care regulation setting forth a similar definition of "governing body"). If a parent entity's governing body does in fact "ultimately direct" the provider's "affairs," then the parent's board might qualify as a "governing body" under the definition in HS § 10-401(o). This determination would likely require analyzing the facts of the parent's control of the subsidiary provider.

A court might look at the statutory definition of "governing body" and the General Assembly's goal in providing greater subscriber participation in provider governance to conclude that HS § 10-427(a) requires a subscriber to be a member of the board of a parent with "ultimate control" of a provider. This interpretation aligns with the General Assembly's purpose of ensuring a governing body has the benefit of hearing from subscribers and the subscribers are represented

in the facility's governance. If that representation is toothless because a different body (the parent's board) has ultimate control of the provider, then the General Assembly's purpose could be thwarted.

However, it is my view that it is more likely that a court would find the language of HS § 10-427 ambiguous under further consideration. Beyond the definitions, a court would also look at the remaining text of HS § 10-427, and Title 10, Subtitle 4, "Continuing Care," as a whole, to inform its interpretation. *Westminster Mgmt., LLC v. Smith*, 486 Md. 616, 645-46 (2024).

The statute speaks only of "governing body" in the singular. This suggests that the General Assembly did not intend for the membership requirement to apply to more than one governing body per provider. Under your proposed interpretation, a provider could have two governing bodies (the subsidiary provider's and the parent's) and both would be required to have a subscriber member.

Moreover, HS § 10-427 also imposes other requirements beyond subscriber membership on a provider governing body. For one, it requires the governing body to "confer with the resident association at each of the provider's facilities before the subscriber officially joins the governing body." HS § 10-427(a)(4).<sup>2</sup> The statute also allows the subscriber member to report on nonconfidential deliberations, actions, and policies of the governing body to the resident association, HS § 10-427(a)(5)(i), and requires the provider, as determined by the provider's governing body, to make available to subscribers either the nonconfidential portions of the minutes of each board meeting or a summary of the nonconfidential portions of the minutes, HS § 10-427(c).

If a "governing body" includes a parent's board, HS § 10-427 would require that board to meet with resident associations and disclose the parent's information to residents. It is not clear if these consequences of a broader interpretation of "governing body" were contemplated by the General Assembly. A parent entity's governing body likely considers matters irrelevant to a subsidiary provider's operations and finances and the interests of a subscriber, such that it would not make sense to require full membership on a parent's board.

Governing bodies are addressed in other places in Subtitle 4. First, the law requires providers to give disclosure statements that include, in relevant part:

- the name and address of the provider and of any parent or subsidiary;
- a description of the provider's form of governance and the composition of its governing body, and a statement that the provider will satisfy the requirements of §§ 10-426 and 10-427 of this subtitle; and
- a description of the process used by the provider to select a subscriber member of its governing body; and satisfy the requirements of § 10-427(a) of this subtitle.

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<sup>2</sup> Quotations and citations to HS § 10-427 in this letter are to the current version as of December 2025, but the statute will be revised as of January 1, 2026, per Ch. 331, 2025 Md. Laws, House Bill 938, which provides for the appointment of an alternative subscriber member to a provider's governing body.

HS § 10-425(a)(3), (8), (9). This section distinguishes between the “provider” and “any parent,” thus supporting my understanding that the definition of “provider” does not necessarily include a provider’s controlling parent entity. It could also be read to suggest that only the provider’s (and not a parent’s) “governing body” must “satisfy the requirements of § 10-427,” the statute discussed above.

Second, HS § 10-432(b) restricts owners or persons with “a right to control the provider, through governing body appointments or contractual or similar arrangements” from selling or transferring the right to control or more than 50% of the ownership without Maryland Department of Aging approval. This provision explicitly acknowledges that other persons (which could include a parent entity) can control a provider through the provider’s “governing body.” It also implicitly distinguishes among a controlling parent, a provider, and the provider’s governing body. This shows that the General Assembly has been aware of the different governance structures of providers, and can put requirements on a parent entity, specifically, when it wishes.

In addition, a court would look to the legislative history and case law interpreting these statutes for further guidance of legislative intent. I found no cases interpreting the relevant defined terms or HS § 10-427. The legislative history of House Bill 938 of 2025, which revised HS § 10-427, reveals a goal of the bill was to provide a voice for members in facility governance, but does not answer the specific questions posed.

Thus, in my view, the statute is susceptible to more than one reasonable interpretation. I think a court could interpret “governing body” as used in HS § 10-427 either way — to either cover or not cover the governing body of a provider’s controlling parent, though I think it slightly more likely that a court would find that the membership requirement does not apply to both a parent’s governing body *and* the subsidiary provider’s governing body, as that interpretation would pose somewhat illogical collateral requirements on a parent’s board.

Sincerely,



Natalie R. Bilbrough  
Assistant Attorney General

## **Exhibit II**

Bilbrough, Natalie. "RE: Continuing Care Retirement Communities." *State of Maryland Office of the Attorney General*. Received by Senator Karen Lewis Young and Delegate Kenneth Kerr, December 17, 2025.

# **LeadingAge Maryland - 2026 - SB 488 - governing bo**

Uploaded by: Aaron Greenfield

Position: UNF



PO Box 34  
Sykesville, MD 21784

**TO:** Senate Finance Committee  
**FROM:** LeadingAge Maryland  
**SUBJECT:** Senate Bill 488, Continuing Care in a Retirement Community Providers - Governing Bodies - Membership (Sue Hecht Continuing Care Retirement Community Transparency Act)  
**DATE:** February 17, 2026  
**POSITION:** Unfavorable

LeadingAge Maryland opposes Senate Bill 488, Continuing Care in a Retirement Community Providers - Governing Bodies - Membership (Sue Hecht Continuing Care Retirement Community Transparency Act).

LeadingAge Maryland is a community of more than 150 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes and home and community-based services. Members of LeadingAge Maryland provide health care, housing, and services to more than 20,000 older persons each year.

LeadingAge Maryland strongly supports resident voice, engagement, and meaningful participation in governance within continuing care retirement communities (CCRCs). Maryland law already provides robust and carefully balanced mechanisms for resident involvement, including requirements that CCRCs include resident board members with full voice and vote, that the governing body confer with the resident association before the subscriber members join the board, permitting subscriber members to report on non-confidential deliberations and actions to the resident associations, as well as a newly enacted requirement—effective January 1, 2026—for an alternate resident board member. These provisions reflect deliberate legislative choices that balance resident participation, fiduciary responsibility, and board independence. These recently enacted policies should be given time to take effect before additional statutory restructuring is imposed.

Senate Bill 488 restructures the governance of CCRCs by expanding the role of resident associations in board composition and oversight. The bill allows resident associations, rather than governing bodies, to select regular and alternate subscriber members, removes existing standards and criteria for those selections, and modifies board composition for providers operating multiple facilities.

LeadingAge Maryland respectfully raises the following concerns:

1. Undermines Sound Governance and Fiduciary Responsibility: CCRC governing boards have fiduciary obligations to ensure financial sustainability, regulatory compliance, and long-term stewardship of the organization’s mission. Senate Bill 488 requires resident associations to select board members and directs those members to represent subscriber interests, placing them in direct conflict with Maryland corporate law, which requires directors to act in the best interests of the organization as a whole. Maryland law recognizes that the right to elect directors belongs only to (a) the member(s) of the corporation, if any, or (b) the board itself if the corporation is self-perpetuating. Maryland law does not grant service consumers, such as residents of a CCRC, automatic legal status as “members” of the corporation. Membership classes must be affirmatively created in the governing documents. Mandating a resident elected director would override governance rights vested in the corporation’s member or board and impose an external elector class that the MGCL does not contemplate. Maryland nonprofit guidance reinforces that board structure, including size, qualifications, and election method, remains within the nonprofit’s authority and is not dictated by stakeholder groups like residents. By effectively rewriting well-established corporate law and practices, the bill sets a troubling precedent and destabilizes nonprofit governance structures designed to protect residents over the long term. For large, multi-site organizations operating CCRCs in Maryland, the bill could require the addition of multiple residents to corporate boards of directors, fundamentally disrupting established governance practices and impairing effective oversight.

2. Creates Undue State Involvement in Private Nonprofit Governance: Senate Bill 488 would allow Maryland to treat certain governance arrangements as “oversight” of a CCRC by its non-profit parent. As such, the parent organization would be treated as a “provider” which would then compel Maryland CCRC residents to sit on the parent board (in addition to the board of the CCRC). For organizations such as some of our members which serve as the sole member and supporting organization for multiple CCRCs across several states—some with as few as two CCRCs in Maryland—this represents a fundamental and inappropriate intrusion by one state into the governance of a private, multi-state nonprofit entity.

This goes beyond regulatory oversight of licensed facilities. Instead, it constitutes state influence over who governs a private nonprofit at the parent entity level, raising significant governance, constitutional, and interstate regulatory concerns.

3. Creates Direct and Unavoidable Conflicts of Interest: Multi-state nonprofit providers maintain strict conflict-of-interest policies that reflect widely accepted nonprofit governance best practices. Forcing directors to be selected based on residency in a particular state—rather than independence and lack of conflicts—undermines these standards and exposes organizations to governance risk.

Where a parent board oversees CCRCs across multiple states, a director mandated to represent the interests of residents in one state is inherently placed in conflict when decisions affect communities outside that state. This structure risks compromising fiduciary duties and undermines the independence necessary for responsible governance.

The parent of a CCRC does not have any “subscribers.” The CCRC does. Nor does the parent own or operate any CCRC facility. So which subscriber(s) from which facilities are to be appointed to the parent board?

Contrary to the fiduciary duties all directors (including resident directors) currently owe under Maryland law to act in the best interests of the corporation, the bill provides that, instead, the resident director is to represent the interest of the provider’s subscribers. Not only does this dramatically change a director’s customary fiduciary duties, but it also further exacerbates the conflict issues. Does the resident of a Maryland CCRC just represent the interests of the residents of that CCRC to the potential detriment of residents of other CCRCs in Maryland and/or residents of CCRCs in other states?

4. Rewrites the Legal Concept of “Control” Beyond Its Intended Purpose: Under existing Maryland law and regulation, the concept of “control” is intentionally broad but carefully limited in application. Current statute (Human Services Article §10-432) and regulation (COMAR 32.02.01.22) apply the concept of control primarily in transactional contexts, such as sales, transfers, reorganizations, or ownership changes exceeding 50 percent.

Senate Bill 488 expands the application of oversight or control to routine governance composition decisions. This repurposes a consumer protection framework addressing a change in control into a governance control mechanism—something the statute and regulatory framework were never designed to address.

5 Breaks Longstanding Legal and Regulatory Boundaries: Maryland’s current CCRC regulatory framework draws a clear and functional distinction between:

- Facility-level regulation, including certificates of registration and operational oversight; and
- Parent-level governance, which is not subject to state involvement, absent a change in ownership or control.

Senate Bill 488 blurs this critical distinction. If Maryland asserts authority to dictate parent-level governance based on residency requirements, other states could impose similar mandates. The parent in a system of multi-state nonprofit providers could face conflicting statutory requirements across jurisdictions, making lawful and effective governance nearly impossible.

The assertion of this authority by Maryland is particularly problematic for several reasons. First, it undermines the established principle that state regulatory oversight should apply at the facility level—where operations, licensing, and resident protections are most directly relevant—while leaving parent-level governance to be determined by the nonprofit’s own governing documents and the laws of the state in which it is incorporated. By extending state involvement to the governance of parent organizations, Maryland is venturing into an area traditionally reserved for internal corporate decision-making and the home state’s corporate law, not for external regulation by each state in which a nonprofit operates.

This overreach creates significant legal and operational challenges for multi-state nonprofit organizations. If other states follow Maryland's lead and impose their own, possibly conflicting, requirements for board composition or governance structures, parent organizations could be forced into an unmanageable position—attempting to comply with numerous, potentially contradictory, state laws. Such a scenario would not only complicate compliance but could also result in violations of one state's law in the process of obeying another's, thereby exposing organizations to legal risk and threatening the stability of their governance. Moreover, this approach disrupts the uniformity and predictability that are essential for effective nonprofit governance. Multi-state organizations rely on the clarity provided by a single set of governing documents and the corporate law of their state of incorporation. Maryland's assertion to dictate parent-level governance based on resident status erodes this clarity, invites regulatory chaos, and may discourage organizations from operating in Maryland altogether due to the compliance burden and uncertainty it creates.

6. Absence of Selection Criteria Contrary to Maryland Law and the Constitution. Under Senate Bill 488, the regular and alternate resident board members would not be subject to the same standards and criteria used to select other board members, including any requirement to adhere to a particular religious belief. This would be contrary to MD Code Corporations and Associations Article Section 2-403(a), which states that each director shall have the qualifications required by the corporation's charter or bylaws. Moreover, this raises significant constitutional issues.

7. Threatens Religious Liberty and Religious Freedom: Many CCRCs in Maryland are operated by faith-based organizations. In these communities, board members serve as stewards of both corporate governance and religious mission. By compelling faith-based providers to accept board members selected by resident associations—without requiring that those individuals meet the same mission-based criteria as other board members—Senate Bill 488 intrudes on protected religious governance and raises serious First Amendment concerns that precludes the enactment of a law that prevents the free exercise of religion.

8. Violates Principles of Expressive Association: The First Amendment protects the right of nonprofit organizations to define their mission and leadership. Board composition is a core element of that expressive association. Mandating governance participation by individuals selected outside an organization's established processes interferes with this constitutional protection and alters institutional identity in ways that extend well beyond resident engagement.

9. Unnecessary Given Existing Resident Engagement Mechanisms: Continuing Care Retirement Communities (CCRCs) in Maryland and elsewhere already foster robust resident participation and transparency through a variety of established mechanisms. Resident councils, composed of elected representatives, provide direct input and feedback to management, ensuring that resident concerns and priorities are consistently addressed. Advisory committees often offer residents a meaningful role in shaping community policies and programs, further strengthening their voice within the organization. Regular town hall meetings create open forums for discussion, enabling residents to ask questions, raise issues, and receive updates from leadership.

Quarterly financial updates and disclosure statements promote transparency by informing residents about the community's fiscal health and operational decisions. Additionally, CCRCs

are legally required to file IRS Form 990, making key financial information publicly accessible and supporting accountability. Resident satisfaction surveys enable management to monitor and improve the quality of life and services, while ongoing communication—such as newsletters, emails, and direct interactions—ensures residents remain informed and engaged. These mechanisms collectively empower residents to have a meaningful influence on their living environment, uphold transparency, and encourage collaborative governance without the need for statutory changes that might disrupt established governance structures.

These existing approaches not only meaningfully engage residents but also preserve the integrity of governance. By ensuring that residents can participate through well-designed channels, CCRCs maintain the fiduciary responsibility of their boards and safeguard constitutional protections such as freedom of association and religious liberty. The established mechanisms strike a balance between empowering residents and protecting the organizational structure necessary for effective oversight and compliance. As a result, imposing additional statutory mandates, such as those proposed in Senate Bill 488, is unnecessary and risks undermining the careful equilibrium already achieved through proven resident engagement practices.

Senate Bill 488 represents a significant and unprecedented expansion of state involvement in private nonprofit governance. LeadingAge Maryland supports strong resident engagement, transparency, and accountability in CCRCs. However, Senate Bill 488 goes too far by weakening established governance structures, intruding on religious and associational freedoms, and creating unnecessary operational and legal risks. The goals of resident involvement and transparency can—and already do—occur through proven mechanisms without restructuring governing boards by statute.

For these reasons, LeadingAge Maryland respectfully requests an **unfavorable report** on Senate Bill 488.

# **SB0488\_UNF\_LifeSpan\_CCRC Providers - Governing Bod**

Uploaded by: Danna Kauffman

Position: UNF



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

Finance Committee

February 17, 2026

Senate Bill 488 – *Continuing Care in a Retirement Community Providers - Governing Bodies -  
Membership (Sue Hecht Continuing Care Retirement Community Transparency Act)*

**POSITION: OPPOSE**

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, medical adult day care centers, senior housing communities, and other home and community-based services, we **respectfully oppose** Senate Bill 488, which alters the subscriber representation of the governing body of a CCRC. This bill changes the trigger from more than three facilities to “multiple facilities” and states that the subscriber should come from the facility with the most subscribers and be elected by the resident association. In addition, the subscriber need not meet the same criteria and standards as other board members, including adherence to a particular faith or principle.

Current law requires the governing body to confer with the resident association at each of the provider’s facilities before the resident or alternate resident officially joins the governing body. Senate Bill 488 removes this requirement and replaces it with the resident board member being elected by the resident association, and that the resident be from the facility with the most residents if there is more than one facility operated by the same entity. LifeSpan consistently opposes the resident association electing the board member, as it can be seen as disadvantaging residents who may not be active in the association. Senate Bill 488 further disadvantages residents by removing the ability of residents in smaller communities to even be considered.

During the 2025 Session, LifeSpan supported House Bill 938 (Chapter 331), which added an alternate resident to the governing board if the regular member is unable to attend. This continued the work from the 2024 Session on House Bill 68, where LifeSpan negotiated and compromised in good faith on provisions related to the governing board, meetings between management and residents, internal grievances, and refund notices. Therefore, since the changes required by House Bill 938 took effect on January 1, 2026, and the changes from House Bill 68 are still being evaluated, we respectfully ask the Committee to allow time for those changes to be fully implemented before making any additional adjustments and to recognize that issues within individual communities should be worked out within and does not signify a need for a systemic change.

Therefore, we respectfully request that the Committee vote unfavorably on Senate Bill 488 for the reasons outlined above.

**For more information call:**

Danna L. Kauffman  
Christine K. Krone  
410-244-7000

**D Kyle(Opposed SB 488).pdf**

Uploaded by: Don Kyle

Position: UNF

## **Opposition to Senate Bill 488**

Submitted by Don Kyle

Resident, Homewood Living Frederick

Before the Maryland Senate Finance Committee

Good Afternoon, Madam Chair, Mr. Vice Chair, and Members of the Committee:

My name is Don Kyle, a resident at Homewood Living Frederick.

After visiting multiple Continuing Care Retirement Communities (CCRC), my wife and I selected *Homewood at Frederick* for its great reputation, wonderful amenities, and its beautiful campus at the foot of the Catoclin Mountains. For the first year, we loved living there enjoying a quiet, tranquil, yet engaging atmosphere.

At the beginning of our second year (2025), this peaceful atmosphere erupted into an uproar with a petition being circulated with little or no explanation. Many residents signed the petition based on the word of those supporters' obtaining the signatures. I questioned 'why the need for a petition' when Homewood has a stated procedure in the handbook for grievance issues. I was shocked to ascertain that the "leaders" of this issue immediately began to involve the media, their political representatives, and an attorney before engaging our residents, campus administration and our corporate leadership.

It seems there are about a dozen leaders of this "uproar" that believe Homewood is a congregation, a club, or an organization where the residents must be informed about all corporate issues being evaluated, have the opportunity to discuss these issues, and finally have the ability to vote (up or down) on these same issues. There are already procedures in place for resident representation on the Board of Directors of Homewood at Frederick as well as corporate meetings with the CEO where residents can speak directly, and/or have questions answered.

Homewood is similar to other CCRC facilities in the state which have their own Boards of Directors providing senior care services. This bill is not needed and I speak in opposition to it. As stated earlier, there are resident organizations at Homewood and procedures in place to address grievances. This small group of "disgruntled leaders" chose to bypass these organizations, meetings, and procedures and move directly to the media, to politicians, and to attorneys.

Many residents that I have spoken with (the silent majority) are saddened that this issue has caused so much divisiveness. Many believe this adversarial relationship with our corporate administration is not good, and is the genesis of this bill in the legislature, the need for money from residents to pay attorneys, and the overall "*us versus them*" debate.

In my opinion there is no need for this bill, and if it passes, I have a difficult time trying to understand how a corporation that might own 7 CCRC facilities in the state of Maryland, all of which have a local governing Boards "providing services and administration", would now have to completely reorganize their administrative structure and by-laws.

My hope is that the "disgruntled dozen", that have caused our campus division, would promote a more inclusive environment by obviating further disruption and following established procedures. Again, I stand in opposition to this legislation.

Thank you for your kind attention to my concern and opinions.

*Don Kyle*

Homewood Living Frederick

500 Pearson Circle #4030, Frederick, MD 21702

# **Karen SB488 Written Testimony km.pdf**

Uploaded by: Karen Main

Position: UNF

# Written Testimony

## Opposition to Senate Bill 488

**Submitted by:** Karen Main  
**Executive Director, Homewood Living Frederick**  
**Before the Maryland Senate Finance Committee**  
**February 17, 2026**

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Thank you for the opportunity to submit written testimony regarding Senate Bill 488. My name is Karen Main, and I have served the Homewood Living Frederick community for 38 years, including many years as Executive Director. During that time, I have worked closely with residents, families, staff, and board members. I offer this testimony based on decades of firsthand experience in resident engagement, transparency, and accountability.

I respectfully oppose SB 488 because it is unnecessary and does not reflect the extensive, well-established opportunities residents already have to provide meaningful input into the operation and governance of our community.

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## Context of the Current Dispute

It is important to clarify the underlying motivation for this legislation.

The concerns driving this bill originate from a group of residents at one of our communities who disagree with Homewood's continued commitment to its 90-year history as a Christian ministry. This group has advocated that Homewood retract or materially alter its longstanding religious identity.

While disagreement is permissible in any community, the manner in which this group has advanced its position has created tension and division within the broader resident body. Numerous residents have expressed discomfort and, in some cases, fear due to aggressive communications and rhetoric directed toward those who do not share their views.

Over the past year, this group has distributed a substantial volume of written communications containing statements that management believes to be inaccurate or misleading. For example:

- Residents were told that the organization might face bankruptcy as a result of governance decisions. In fact, the Maryland Obligated Group has obtained, for the first time, an investment-grade rating of BBB+ from Fitch for the past two consecutive years—an achievement secured after the restatement of our mission and governance documents.

- Residents were told that our CEO personally selected all board members. In reality, board members are recommended through a nominating committee process and approved by the full board. At the time the governance updates were adopted, only two new board members had been appointed since the CEO joined the organization.
- Labels such as “evangelical” and “fundamentalist” were used in a derogatory manner to describe members of management and the board, despite the fact that leadership reflects a wide variety of Christian denominational backgrounds. Such rhetoric has been offensive to residents who identify with those traditions.

In addition, petition efforts were conducted in violation of the community’s non-solicitation policy, including approaching residents in dining rooms and common areas to obtain signatures demanding that the Board meet under specific conditions. There were also threats to picket a marketing event.

This group further circulated communications to residents at Homewood’s other communities encouraging resistance to management and the board. Many residents at those communities expressed frustration with the disruption and have not joined their effort.

While we continue to serve and care for every resident—including those who disagree with board decisions—this disagreement centers on governance authority and religious identity, not on quality of care or lack of access to input. Senate Bill 488 will not resolve that disagreement. Instead, it risks imposing statutory governance mandates on what is fundamentally an internal religious and governance matter.

The residents raising these concerns have had numerous opportunities to pursue resolution. They submitted a 22-page letter to the Attorney General’s Office, copying members of this body and the Governor. They filed a formal grievance but did not pursue the available option of third-party mediation. When consensus cannot be achieved, there must ultimately be a final decision-maker. It becomes exceedingly difficult to serve all residents effectively when a particular group seeks to override duly made decisions without regard for the broader resident community.

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## **Existing Resident Input and Engagement**

Homewood Living Frederick has a long-standing culture of communication, collaboration, and resident involvement. Resident voices are not merely symbolic—they are structurally integrated into governance and operations.

- The Resident Association submits written reports in advance of governing board meetings.
- The board consults with the Resident Association regarding resident board appointments.
- Residents serve on the board and must meet the same fiduciary standards as all other directors.
- More than 20 resident-led committees meet regularly with management and influence operational decisions.

- Residents were surveyed prior to the development of our strategic plan and again during rebranding efforts.
- Residents were invited to participate in stakeholder meetings regarding future construction plans.
- Every resident receives an annual satisfaction survey.

Most recently, residents rated overall quality of care at 94 percent, compared to a national benchmark of 82 percent across more than 1,000 senior living providers. Participation increased to approximately 84 percent—evidence of strong engagement and trust.

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## **Conclusion**

Based on my 38 years of service at Homewood Living Frederick, I do not believe Senate Bill 488 would enhance resident voice or accountability. Residents are already heard through multiple formal channels that respect both participation and fiduciary governance.

This bill arises from a disagreement regarding the religious direction of a historically faith-based organization. While that disagreement is genuine, it does not justify statewide legislative intervention into nonprofit governance structures. Numerous channels exist to address these concerns, and those avenues have not been exhausted.

For these reasons, I respectfully urge the Senate Finance Committee to issue an unfavorable report on Senate Bill 488.

Thank you for your time and thoughtful consideration.

Respectfully submitted,  
Karen Main  
Executive Director  
Homewood Living Frederick

# **Miller Testimony (Opposed SB 488).pdf**

Uploaded by: Richard Miller

Position: UNF



Date: February 02, 2013

## **Written Testimony**

Opposition to Senate Bill 488

Submitted by Richard Miller  
Chief Operating Officer  
Homewood Living Ministries

Before the Maryland Senate Finance Committee

Madam Chair and Members of the Committee:

Thank you for the opportunity to submit written testimony in opposition to Senate Bill 488. My name is Richard Miller, and I serve as Chief Operating Officer of Homewood Living Ministries. In this role, I oversee operations across all five Homewood communities in Maryland and Pennsylvania. I work closely with executive directors, staff, residents, and governing boards, and I am responsible for operational performance, financial stewardship, regulatory compliance, and resident satisfaction.

I respectfully oppose SB 488 because it is not necessary to ensure resident voice or accountability and may unintentionally disrupt governance structures that currently support strong operations and long-term stability.

### **Resident Engagement in Operations**

Resident engagement is embedded in the way Homewood operates. Residents participate meaningfully in operating and capital budget discussions. Community leadership teams meet regularly with resident committees to review dining services, programming, wellness initiatives, campus improvements, and capital priorities. Resident input directly influences menu development, activity programming, fitness offerings, renovation priorities, technology upgrades, transportation services, and other aspects of daily life.

Residents are also invited to participate in site master planning discussions related to construction, renovation, and future expansion. Their feedback shapes decisions that directly affect their living environment.

Each community maintains an active committee structure addressing dining, safety, facilities, spiritual life, resident life, and wellness. These committees meet regularly with management and play a tangible role in operational decision-making.

Every resident receives an annual satisfaction survey. Survey results are reviewed by management and governing boards and incorporated into operational plans. Participation in the survey has increased significantly—from below 50 percent to approximately 77 percent—demonstrating growing engagement and trust in the feedback process.

Most recently, residents at Homewood Living Frederick rated overall quality of care at 94 percent, compared to a national benchmark of 81 percent across more than 1,000 senior living providers. These outcomes reflect a system that listens and responds.

### **Financial Stability and Stewardship**

Homewood's financial strength further demonstrates effective governance and operational oversight. The Maryland Obligated Group has achieved an investment-grade BBB+ rating from Fitch for the past two consecutive years. This rating reflects external validation of our governance practices, financial discipline, and long-term sustainability.

Strong financial performance benefits residents directly by supporting capital improvements, maintaining infrastructure, and ensuring stability in a highly regulated environment.

### **Governance Stability Supports the Broader Good**

From an operational standpoint, governance stability matters. Boards routinely review sensitive financial forecasts, strategic initiatives, personnel matters, regulatory compliance issues, and bond-related disclosures. These discussions require discretion, fiduciary focus, and alignment with the broader good of all residents.

When governance becomes politicized or influenced by organized opposition, it can introduce disruptive forces that distract leadership, consume resources, and divert attention away from serving residents. Valuable time and energy that should be focused on care, safety, and operational excellence now become diverted to managing conflict.

SB 488 risks amplifying those disruptions by altering governance structures in ways that may not reflect the diverse perspectives of residents across multiple campuses. In practice, a mandated resident-elected seat could allow one organized group - likely from the largest campus - to influence governance for the entire enterprise. That imbalance could negatively affect smaller communities whose residents hold different views.

Residents are not monolithic, and governance must remain focused on enterprise-wide stability rather than localized disputes.

### **Spiritual Programming Is Optional**

Homewood is a Christian ministry, but all spiritual programming is optional. Chapel services, Bible studies, and spiritual gatherings are offered as opportunities, not requirements. Residents of all faith backgrounds - or no faith background - are welcomed and served equally. We serve all residents because of our Christian faith which informs our mission of service; it does not restrict access to care.

### **Conclusion**

From an operational perspective, Homewood already incorporates extensive resident engagement, maintains strong financial performance, and delivers high levels of resident satisfaction. SB 488 is not needed to strengthen accountability. Instead, it risks introducing governance instability that could disrupt operations and take focus away from the broader good of all residents.

For these reasons, I respectfully urge the Senate Finance Committee to issue an unfavorable report on Senate Bill 488.

Thank you for your consideration.

Respectfully submitted,



Richard Miller  
Chief Operating Officer  
Homewood Living Ministries

# **Rusty Mitchell SB 488 Written Testimony.pdf**

Uploaded by: Rusty Mitchell

Position: UNF

# Written Testimony

## Opposition to Senate Bill 488

**Submitted by Rusty Mitchell**

Executive Director, Homewood Living Williamsport  
Before the Maryland Senate Finance Committee

Madam Chair and Members of the Committee:

Thank you for the opportunity to submit written testimony in opposition to Senate Bill 488. My name is Rusty Mitchell, and I currently serve as the Executive Director of Homewood Living Williamsport. Prior to this role, I served as Associate Executive Director of Homewood Living Frederick. In these positions, I have worked closely with residents, resident associations, governing boards, and staff, and I have seen firsthand how governance decisions affect the stability, culture, and daily life of our communities.

While I respect the intentions of residents who support this legislation, I am concerned that SB 488 would create unintended consequences that could destabilize governance in multi-campus nonprofit continuing care retirement communities.

### Existing Resident Participation

Residents already have a meaningful and structured voice in Homewood's governance. Across our five communities, seven residents currently serve as Special Directors or alternate directors on our boards. These individuals meet the same qualifications and fiduciary standards as all other board members and serve with duties focused on the long-term health and mission of the organization.

This governance model ensures resident input while maintaining consistent fiduciary standards across communities. It is balanced, intentional, and effective.

### Imbalance Created by a Largest-Community Election Model

A significant concern with SB 488 is how it would function in a multi-campus organization.

In practice, a mandated resident-elected board seat would almost certainly be determined by the largest-campus. That would effectively allow one community, by virtue of its size, to select a voting board member with authority across all communities, including smaller campuses whose residents may not share the same priorities or concerns.

Residents are not monolithic. No single individual can reasonably represent the diverse perspectives of residents across multiple communities.

As Executive Director at Williamsport, I am aware that residents at another campus have actively communicated with residents in my community in an effort to encourage alignment with their position. I have heard firsthand from residents in Williamsport who have expressed frustration with what they perceive as an attempt to extend a localized dispute into other communities. Many have conveyed concern about the divisive tone of those communications and have expressed apprehension about what could happen if similar dynamics were introduced into board-level governance.

SB 488 risks amplifying the influence of an organized group from one campus while diminishing the voices of residents at smaller communities who do not share the same views.

## **Risk of Disruption and Confidentiality Concerns**

There is also a practical governance concern.

Board members routinely receive confidential and highly sensitive information, including financial forecasts, strategic initiatives, personnel matters, regulatory issues, and bond-related disclosures. If a board seat becomes a vehicle for organized opposition or constituency advocacy, it opens the door to internal disruption and increases the risk that sensitive information could be mishandled or disclosed in ways that harm the organization and, ultimately, the residents we serve.

Effective governance depends on fiduciary responsibility, discretion, and a commitment to the well-being of the entire organization—not advocacy for a particular constituency.

## **Conclusion**

Residents at Homewood already have a meaningful voice in governance. SB 488 would not enhance that voice. Instead, it risks creating imbalance between campuses, concentrating influence in the largest community, and introducing governance instability that could negatively impact the entire organization.

Based on my direct experience leading multiple Homewood communities, I respectfully urge the Committee to issue an unfavorable report on Senate Bill 488.

Thank you for your consideration.

# **Rusty Mitchell SB488 Oral Testimony.pdf**

Uploaded by: Rusty Mitchell

Position: UNF

Good afternoon Madam Chair and members of the Committee. Thank you for the opportunity to testify.

My name is Rusty Mitchell, and I serve as Executive Director of Homewood Living Williamsport. I previously served in leadership at Homewood Living Frederick. In both roles, I have worked closely with residents and governing boards and have seen firsthand how governance stability affects daily community life.

I respectfully ask for an unfavorable report on Senate Bill 488.

Residents already have a meaningful voice in Homewood's governance. Across our five communities, seven residents currently serve on boards in fiduciary roles. They meet the same standards as all other board members and are focused on the long-term health and mission of the organization.

My concern with SB 488 is how it would operate in a multi-campus organization.

In practice, a mandated resident-elected board seat would be determined by the largest campus. That would allow one community, simply because of its size, to select a voting board member whose authority extends over smaller campuses whose residents may hold different views.

I am aware that residents at one campus have been actively communicating with residents in my community in an effort to build support for this legislation. I have heard firsthand from Williamsport residents who feel that their perspectives are being overshadowed and that a localized dispute is being extended into their community. They have expressed frustration with this approach and concern about what could happen if similar dynamics were introduced at the board level.

Board members handle highly sensitive financial, strategic, and personnel information. If board seats become vehicles for organized advocacy rather than fiduciary stewardship, it risks internal disruption and governance instability.

Residents are not monolithic. No single individual can represent the diverse perspectives of all campuses.

For these reasons, I respectfully urge the Committee to oppose Senate Bill 488.

Thank you for your consideration.

# **NSC Written Testimony on HB 424 Final.pdf**

Uploaded by: Scott Sawicki

Position: UNF

## Testimony on HB 424 – CCRC Governing Bodies

**Position: Unfavorable**

2/12/2026

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**To: House Health Committee**

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

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### **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.

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## 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.

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# **Senate Bill 488 Testimony - Lutheran Social Minist**

Uploaded by: Steven Powell

Position: UNF

**TO:** Senate Finance Committee  
**FROM:** Lutheran Social Ministries of Maryland  
**SUBJECT:** Senate Bill 488, Continuing Care in a Retirement Community Providers -  
Governing Bodies - Membership  
**DATE:** February 13, 2026  
**POSITION:** Unfavorable

Lutheran Social Ministries of Maryland opposes Senate Bill 488, Continuing Care in a Retirement Community Providers - Governing Bodies – Membership.

Lutheran Social Ministries is the parent company of two Continuing Care Communities in Maryland serving over 800 residents in Independent Living , Assisted Living, Memory Care and Skilled Nursing..

Lutheran Social Ministries of Maryland (LSMMD)strongly supports resident voice, engagement, and meaningful participation in governance within our continuing care retirement communities (CCRCs). Maryland law already provides robust and carefully balanced mechanisms for resident involvement, including requirements that CCRCs include resident board members with full voice and vote, that the governing body confer with the resident association before the subscriber members join the board, permitting subscriber members to report on non-confidential deliberations and actions to the resident associations, as well as a newly enacted requirement—effective January 1, 2026—for an alternate resident board member - LSMMD has always exceeded this requirement with two full vote and voice members on the Community Board of Trustees. These provisions reflect deliberate legislative choices that balance resident participation, fiduciary responsibility, and board independence. These recently enacted policies should be given time to take effect before additional statutory restructuring is imposed.

Senate Bill 488 restructures the governance of CCRCs by expanding the role of resident associations in board composition and oversight. The bill allows resident associations, rather than governing bodies, to select regular and alternate subscriber members, removes existing standards and criteria for those selections, and modifies board composition for providers operating multiple facilities.

Lutheran Social Ministries of Maryland respectfully raises the following concerns:

1. **Undermines Sound Governance and Fiduciary Responsibility:** CCRC governing boards have fiduciary obligations to ensure financial sustainability, regulatory compliance, and long-term stewardship of the organization’s mission. Senate Bill 488 requires resident associations to select board members and directs those members to represent subscriber interests, placing them in direct conflict with Maryland corporate law, which requires directors to act in the best interests of the organization as a whole. Maryland law recognizes that the right to elect directors belongs only to (a) the member(s) of the corporation, if any, or (b) the board itself if the corporation is self-perpetuating. Maryland law does not grant service consumers, such as residents

of a CCRC, automatic legal status as “members” of the corporation. Membership classes must be affirmatively created in the governing documents. Mandating a resident elected director would override governance rights vested in the corporation’s member or board and impose an external elector class that the MGCL does not contemplate. Maryland nonprofit guidance reinforces that board structure, including size, qualifications, and election method, remains within the nonprofit’s authority and is not dictated by stakeholder groups like residents. By effectively rewriting well-established corporate law and practices, the bill sets a troubling precedent and destabilizes nonprofit governance structures designed to protect residents over the long term. For large, multi-site organizations operating CCRCs in Maryland, the bill could require the addition of multiple residents to corporate boards of directors, fundamentally disrupting established governance practices and impairing effective oversight

Where a parent board oversees not just CCRCs; but ,multiple related subsidiaries across its portfolio, a director mandated to determine operational responsibilities of the other subsidiaries which they do not represent nor may not have any expertise to offer. These subsidiaries could be Adult Day Care, Therapy Services, InHome Services or even independent senior housing. This structure risks compromising fiduciary duties and undermines the independence necessary for responsible governance.

2. Creates Undue State Involvement in Private Nonprofit Governance: Senate Bill 488 would allow Maryland to treat certain governance arrangements as “oversight” of a CCRC by its non-profit parent. As such, the parent organization would be treated as a “provider” which would then compel Maryland CCRC residents to sit on the parent board (in addition to the board of the CCRC). For organizations such as some of our members which serve as the sole member and supporting organization for multiple CCRCs across several states—some with as few as two CCRCs in Maryland —this represents a fundamental and inappropriate intrusion by one state into the governance of a private, multi-state nonprofit entity.

This goes beyond regulatory oversight of licensed facilities. Instead, it constitutes state influence over who governs a private nonprofit at the parent entity level, raising significant governance, constitutional, and interstate regulatory concerns.

3. Creates Direct and Unavoidable Conflicts of Interest:

The parent of a CCRC does not have any “subscribers.” The CCRC does. Nor does the parent own or operate any CCRC facility. So which subscriber(s) from which facilities are to be appointed to the parent board?

Contrary to the fiduciary duties all directors (including resident directors) currently owe under Maryland law to act in the best interests of the corporation, the bill provides that, instead, the resident director is to represent the interest of the provider’s subscribers. Not only does this dramatically change a director’s customary fiduciary duties, but it also further exacerbates the

conflict issues. Does the resident of a Maryland CCRC just represent the interests of the residents of that CCRC to the potential detriment of residents of other CCRCs or even to the detriment of clients of the other subsidiaries?

4. Rewrites the Legal Concept of “Control” Beyond Its Intended Purpose: Under existing Maryland law and regulation, the concept of “control” is intentionally broad but carefully limited in application. Current statute (Human Services Article §10-432) and regulation (COMAR 32.02.01.22) apply the concept of control primarily in transactional contexts, such as sales, transfers, reorganizations, or ownership changes exceeding 50 percent.

Senate Bill 488 expands the application of oversight or control to routine governance composition decisions. This repurposes a consumer protection framework addressing a change in control into a governance control mechanism—something the statute and regulatory framework were never designed to address.

5 Breaks Longstanding Legal and Regulatory Boundaries: Maryland’s current CCRC regulatory framework draws a clear and functional distinction between:

- Facility-level regulation, including certificates of registration and operational oversight; and
- Parent-level governance, which is not subject to state involvement, absent a change in ownership or control.

Senate Bill 488 blurs this critical distinction. If Maryland asserts authority to dictate parent-level governance based on residency requirements, other states could impose similar mandates. The parent in a system of multi-state nonprofit providers could face conflicting statutory requirements across jurisdictions, making lawful and effective governance nearly impossible.

The assertion of this authority by Maryland is particularly problematic for several reasons. First, it undermines the established principle that state regulatory oversight should apply at the facility level—where operations, licensing, and resident protections are most directly relevant—while leaving parent-level governance to be determined by the nonprofit’s own governing documents and the laws of the state in which it is incorporated. By extending state involvement to the governance of parent organizations, Maryland is venturing into an area traditionally reserved for internal corporate decision-making and the home state’s corporate law, not for external regulation by each state in which a nonprofit operates.

This overreach creates significant legal and operational challenges for multi-state nonprofit organizations. If other states follow Maryland’s lead and impose their own, possibly conflicting, requirements for board composition or governance structures, parent organizations could be forced into an unmanageable position—attempting to comply with numerous, potentially contradictory, state laws. Such a scenario would not only complicate compliance but could also result in violations of one state’s law in the process of obeying another’s, thereby exposing organizations to legal risk and threatening the stability of their governance. Moreover, this approach disrupts the uniformity and predictability that are essential for effective nonprofit governance. Multi-state organizations rely on the clarity provided by a single set of

governing documents and the corporate law of their state of incorporation. Maryland's assertion to dictate parent-level governance based on resident status erodes this clarity, invites regulatory chaos, and may discourage organizations from operating in Maryland altogether due to the compliance burden and uncertainty it creates.

6. Absence of Selection Criteria Contrary to Maryland Law and the Constitution. Under Senate Bill 488, the regular and alternate resident board members would not be subject to the same standards and criteria used to select other board members, including any requirement to adhere to a particular religious belief. This would be contrary to MD Code Corporations and Associations Article Section 2-403(a), which states that each director shall have the qualifications required by the corporation's charter or bylaws. Moreover, this raises significant constitutional issues.

7. Threatens Religious Liberty and Religious Freedom: Many CCRCs in Maryland are operated by faith-based organizations. In these communities, board members serve as stewards of both corporate governance and religious mission. By compelling faith-based providers to accept board members selected by resident associations—without requiring that those individuals meet the same mission-based criteria as other board members—Senate Bill 488 intrudes on protected religious governance and raises serious First Amendment concerns that precludes the enactment of a law that prevents the free exercise of religion.

8. Violates Principles of Expressive Association: The First Amendment protects the right of nonprofit organizations to define their mission and leadership. Board composition is a core element of that expressive association. Mandating governance participation by individuals selected outside an organization's established processes interferes with this constitutional protection and alters institutional identity in ways that extend well beyond resident engagement.

9. Unnecessary Given Existing Resident Engagement Mechanisms: Continuing Care Retirement Communities (CCRCs) in Maryland and elsewhere already foster robust resident participation and transparency through a variety of established mechanisms. Resident councils, composed of elected representatives, provide direct input and feedback to management, ensuring that resident concerns and priorities are consistently addressed. Advisory committees often offer residents a meaningful role in shaping community policies and programs, further strengthening their voice within the organization. Regular town hall meetings create open forums for discussion, enabling residents to ask questions, raise issues, and receive updates from leadership.

Quarterly financial updates and disclosure statements promote transparency by informing residents about the community's fiscal health and operational decisions. Additionally, CCRCs are legally required to file IRS Form 990, making key financial information publicly accessible and supporting accountability. Resident satisfaction surveys enable management to monitor and improve the quality of life and services, while ongoing communication—such as newsletters, emails, and direct interactions—ensures residents remain informed and engaged. These mechanisms collectively empower residents to have a meaningful influence on their living environment, uphold transparency, and encourage collaborative governance without the need for statutory changes that might disrupt established governance structures.

These existing approaches not only meaningfully engage residents but also preserve the integrity of governance. By ensuring that residents can participate through well-designed channels, CCRCs maintain the fiduciary responsibility of their boards and safeguard constitutional protections such as freedom of association and religious liberty. The established mechanisms strike a balance between empowering residents and protecting the organizational structure necessary for effective oversight and compliance. As a result, imposing additional statutory mandates, such as those proposed in Senate Bill 488, is unnecessary and risks undermining the careful equilibrium already achieved through proven resident engagement practices.

Senate Bill 488 represents a significant and unprecedented expansion of state involvement in private nonprofit governance. Lutheran Social Ministries of Maryland supports strong resident engagement, transparency, and accountability in CCRCs. However, Senate Bill 488 goes too far by weakening established governance structures, and creating unnecessary operational and legal risks. The goals of resident involvement and transparency can—and already do—occur through proven mechanisms without restructuring governing boards by statute.

For these reasons, Lutheran Social Ministries of Maryland respectfully requests an **unfavorable report** on Senate Bill 488.

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# **NSC Written Testimony on HB 424 Final.pdf**

Uploaded by: Zina Jacque

Position: UNF

## Testimony on HB 424 – CCRC Governing Bodies

**Position: Unfavorable**

2/12/2026

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**To: House Health Committee**

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

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### **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.

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## About NSC

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# **MDOA LOI SB 488 - CCRC - Governing Bodies - Member**

Uploaded by: Carmel Roques

Position: INFO



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

Date: February 13, 2026

Bill Number: **SB 488**

Bill Title: Continuing Care in a Retirement Community Providers - Governing Membership (Sue Hecht Continuing Care Retirement Community Transparency Act)

Committee: House Health Committee

### **MDOA Position: INFORMATION**

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The Maryland Department of Aging (MDOA) respectfully submits this letter of information on Senate Bill (SB) 488 - Health - Continuing Care in a Retirement Community Providers - Governing Bodies - Membership (Sue Hecht Continuing Care Retirement Community Transparency Act).

The Maryland Department of Aging (MDOA) serves as Maryland's State Unit of Aging, administering federal funding for core programs, overseeing the Area Agency on Aging (AAA) network at the local level that provides services, and planning for Maryland's older adult population. MDOA certifies and monitors continuing care providers under Title 10, Subtitle 4, of the Human Services Article. MDOA's role has historically focused on consumer protection through mandated disclosures and compliance with extensive financial and operational provisions written in statute and regulation, while avoiding direct involvement in provider financial management and governance. MDOA strongly supports transparency, fiscal responsibility, and meaningful resident engagement in continuing care retirement communities (CCRCs).

However, SB 488 and its cross-file, HB 424 as drafted, would impose significant new operational, fiscal, legal responsibility on MDOA and concerns. MDOA understands the sponsor is open to potential amendments to address these concerns and is continuing to engage directly on those. If you have any questions, please contact Andrea Nunez, Legislative Director, at [andrea.nunez@maryland.gov](mailto:andrea.nunez@maryland.gov) or (443) 414-8183.