



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

Date: February 10, 2026

Bill Number: HB 424

Bill Title: Continuing Care in a Retirement Community Providers – Governing Bodies – Membership

Committee: House Health Committee

**MDOA Position:** Letter of Concern

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Thank you for the opportunity to submit this letter of concern for House Bill (HB) 424.

The Maryland Department of Aging (MDOA) administers and oversees programs intended to protect and support older adults, including the certification and monitoring of 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, HB 424 as drafted would impose significant new operational, fiscal, and legal responsibilities on the Department that extend well beyond its current regulatory role and capacity.

**Significant Expansion of the Definition of a Continuing Care Retirement Community Provider, Expanding MDOA’s Role Beyond Existing Resources and Expertise:**

**HB 424** would substantially alter the definition of a continuing care retirement “provider” on page 3. As drafted, adding a person or other entity “who oversees the financial and policy decisions in providing continuing care in a retirement community” would open the door to MDOA being more permanently involved in reviewing the operations of Maryland CCRC parent and affiliate companies and associated enforcement activities.



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**Mandated Governance Changes May Conflict with Provider Structures and Fiduciary**

**Duties:** As introduced, this bill would require resident representatives on governing bodies to be elected by resident associations. On page 3 of the bill as introduced, adding to Human Services Article § 10-427 is new language in subsection (B) that provides that subscriber members of a governing body are to represent the “interests of the provider’s subscribers.” MDOA is concerned this may potentially conflict with longtime State corporate law (the State Corporations and Associations Article) which requires that board members shall act in the best interests of the corporation. MDOA is concerned that the language in HB 424 could, in effect, exempt the subscriber (or resident) members from meeting the same standards as other governing board members. In addition, the State Corporations and Associations Article requires that each director must have the qualifications required by the corporation's charter or bylaws. The proposed bill would likely require at least some CCRC providers to modify their charter or bylaws to allow for the subscriber member to be exempt from the same standards of the other board members.

MDOA agrees that regular resident input is critically important to CCRC operations. However, MDOA is concerned that these requirements may create fiduciary and liability issues for resident board members. We note there are existing provisions in State law and regulations that require regular meetings with CCRC leadership and resident associations as applicable. These changes could also complicate provider operations without clear evidence that they would improve resident protections.

**Lack of MDOA Staff Capacity:** MDOA’s 2.5 person CCRC Division does not have any additional capacity to take on the significant workload this legislation would require: conducting reviews of significant new corporate financial documents, CCRC provider contracts (which require legal review) and enforcing compliance with all new requirements set out by this legislation. MDOA’s legal counsel provided by the Office of Attorney General would also be significantly impacted by these changes.

In light of current projected general fund deficits in fiscal 2027 and beyond, MDOA urges caution in passing legislation that significantly increases expenditures without commensurate decreases in other areas. In light of the current fiscal crisis, the State government must be disciplined and strategic in its funding decisions to protect essential services. Any legislation



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that increases spending should include specific, identified, and sustainable funding offsets. Given the forecasted out-year deficits as well as significant uncertainty regarding the federal budget and policy changes, it would be challenging for the State to manage this increase in spending. This challenge is compounded by major, unforeseen changes in federal policy and other ongoing budgetary pressures. Absent additional appropriations from the general fund, or alternatively, a doubling of the fees that fund the Department's CCRC special fund for oversight, implementation would require the reallocation of limited Department resources away from existing aging services and oversight activities, which could negatively impact vulnerable older adults statewide. There are currently no resources available internally to redirect to this new work.

MDOA shares the General Assembly's commitment to protecting residents of continuing care retirement communities. MDOA is glad to continue conversations with the sponsors and resident groups around these topics anytime.

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.