



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

Date: February 5, 2026

Bill Number: HB 215

Bill Title: Continuing Care Providers – Financial Stress Tests, Transparency, and Governing Bodies

Committee: House Health Committee

MDOA Position: Unfavorable

Thank you for the opportunity to submit this unfavorable testimony on House Bill 215. The Maryland Department of Aging strongly supports transparency, fiscal responsibility, and meaningful resident engagement in continuing care retirement communities (CCRCs). However, HB 215 would impose significant new operational, fiscal, and legal responsibilities on the Department that extend beyond its current regulatory role and capacity. As drafted, the bill raises concerns regarding resource constraints, duplicative oversight, public misinterpretation of financial data, and unintended consequences for providers and residents.

The Maryland Department of Aging administers and oversees programs intended to protect and support older adults, including the certification and monitoring of continuing care providers under Title 10 of the Human Services Article. The Department’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.

Expansion of the Department’s Role Beyond Existing Expertise and Authority - HB 215 would require the Department to conduct annual financial stress tests for every CCRC provider and to publicly assign a grade indicating a provider’s financial stability (§10–417). While the Department annually examines many of the named financial ratios as part of our rigorous annual licensing process, HB 215 unnecessarily expands stress tests to a wider array of complex



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financial components, including capital structure, interstate financial transactions, corporate structure, and investment risk.

This represents a substantial expansion of the Department’s responsibilities into highly specialized financial analysis and rating activities that more closely resemble the functions of third-party financial regulators or credit-rating entities. The Department is concerned that this role exceeds its current statutory mission and internal expertise, and may expose the State to legal and reputational risk.

Public Grading of Providers Creates Risk of Misinterpretation and Market Instability - HB 215 requires the Department to make provider financial grades publicly available on its website. Financial stress test results are inherently technical and context-dependent. Reducing these analyses to a single public “grade” risks oversimplification and misinterpretation by current residents, prospective residents, lenders, and the public.

Such grades could unintentionally trigger unnecessary alarm among residents, affect a provider’s access to financing, accelerate financial distress rather than prevent it, and undermine resident confidence. The Department is concerned that these unintended consequences could ultimately harm the very residents the bill seeks to protect. The Department also has concern about time consuming information requests and potential legal challenges around this new grading system.

Significant Fiscal and Staffing Impact - HB 215 explicitly requires the Department to hire two financial analysts to conduct stress tests and prepare reports. The bill does not identify a dedicated funding source to support these positions or the ongoing administrative costs associated with annual testing, reporting, grading, and public posting. Further, the Department is concerned that two financial analysts would be insufficient to absorb all new work created by this legislation. The Department’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, the Department 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



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must be disciplined and strategic in its funding decisions to protect essential services. Any legislation 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.

Mandated Governance Changes May Conflict with Provider Structures and Fiduciary Duties - The bill would require resident representatives on governing bodies to be elected by resident associations and to possess the same powers and responsibilities regarding asset control and financial consequences as other governing body members (§10-427). While resident input is critically important, the Department is concerned that these requirements may create fiduciary and liability issues for resident board members. These changes could also complicate provider operations without clear evidence that they would improve resident protections.

Cumulative Administrative Burdens on Providers and the Department - HB 215 imposes multiple new requirements related to meetings, documentation, reporting, and governance that—taken together—could increase administrative costs and operational complexity. These costs are likely to be passed on to residents, potentially affecting affordability and access to continuing care options.

The Maryland Department of Aging shares the General Assembly's commitment to protecting residents of continuing care retirement communities. However, HB 215, as drafted, would place substantial new financial, operational, and legal responsibilities on the Department and providers, with significant risk of unintended negative consequences.

For these reasons, the Department respectfully urges the House Health Committee to issue an **unfavorable report** on House Bill 215.