



COMMISSION ON AGING

TESTIMONY ON HB0215 - POSITION: FAVORABLE WITH AMENDMENT

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

TO: Chair Bagnall, Vice Chair Cullison, and members of the Health Committee

FROM: Linda Bergofsky, Co-Chair, Montgomery County Commission on Aging

I am writing on behalf of the Montgomery County Commission on Aging (CoA) regarding HB0215— Continuing Care Providers – Financial Stress Tests, Transparency, and Governing Bodies. The CoA was established by Montgomery County in 1974 pursuant to a requirement of the Federal Older Americans Act of 1965, that there be an Advisory Council to the Area Agency on Aging. In that role, the CoA serves as an advocate for the health, safety, and well-being of the County's older residents at the local, State, and National levels.

This legislation recognizes the growth and value of Continuing Care Retirement Communities (CCRCs) in Maryland, as well as the complexity of its operations and structures. As of January 2023, there were 38 CCRCs, comprised of more than 12,000 independent living units, 2,000+ assisted living units, and 2,000+ nursing care units, providing older adults physical and emotional security and support while reducing the concerns of home maintenance, and declining health and independence. Individuals sign contracts, pay entrance fees for CCRC services that vary in scope and that are not fully regulated by continuing care laws. The Maryland Department of Aging (MDOA) administers laws covering the CCRCs. In addition, the Department of Health, Office of Health Care Quality (OHCQ), regulates the healthcare facilities that are part of the CCRCs. Illustrating the complexity of these facilities, the Department of Aging on its website urges individuals considering moving into a CCRC to consult with an attorney and a financial advisor.

Individuals who enter into a CCRC contract invest in the long-term financial health of the provider to be able to provide promised housing as well as deliver quality care and safety in the assisted living and nursing care units. Financial instability of a CCRC places the financial resources of residents at risk, but also potentially the safety and quality of care if they are living in assisted living and nursing home units. A recent article (How Nursing Home Bankruptcies Make Patients Sicker, Sean Silverthorne, January 9, 2026) reveals that financial distress worsens

patient care, increases hospitalizations, increases staff turnover, and worsens performance on unannounced inspections. This legislation's required financial stress tests, reports, and grades posted on the MDOA website will be critical sources of information regarding the financial health of CCRCs for consumers and the State. The Commission also recommends the following additions to further strengthen oversight and accountability of CCRCs to ensure the physical well-being and to protect the resources of older adults when CCRCs may not be financially sound.

Proposed Amendment

(D) (2) The grade assigned under paragraph (1) of this subsection shall be publicly available on the Department's website. The financial stress test for each CCRC that receives a poor or failing grade will be sent to the provider's resident association. MDOA will also notify OHCQ of a CCRC that receives a poor or failing grade to trigger a follow-up review of the quality of care in and safety of assisted living and nursing home units that may be compromised by financial stresses.

The CoA supports the intent of this legislation to ensure that CCRCs provide safe housing and quality care for its older residents by requiring regular financial stress tests with subsequent reporting to residents and the State regulator. With the continued growth of CCRCs, even knowledgeable citizens are not always well informed about these facilities. Strengthening oversight, reporting, and engagement by residents and regulators as provided by this legislation will provide additional safeguards for older adults who choose CCRCs.

We therefore respectfully urge the return of a Favorable With Amendment decision on HB0215.

Linda Bergofsky
Co-Chair
Montgomery County Commission on Aging