



PO Box 34
Sykesville, MD 21784

TO: House Health Committee
FROM: LeadingAge Maryland
SUBJECT: House Bill 215, Continuing Care Providers – Financial Stress Tests, Transparency, and Governing Bodies
DATE: February 5, 2026
POSITION: **Unfavorable**

LeadingAge Maryland respectfully requests an unfavorable report on House Bill 215, Continuing Care Providers – Financial Stress Tests, Transparency, and Governing Bodies.

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. Our mission is to be the trusted voice for aging in Maryland, and our vision is that Maryland is a state where older adults have access to the services they need, when they need them, in the place they call home. Uniquely, LeadingAge Maryland represents the majority of CCRCs in Maryland.

House Bill 215 mandates that resident board members of continuing care retirement communities are elected by the resident association, that these members have equal powers and responsibilities as non-resident board members, and requires the Maryland Department of Aging (MDOA) to conduct annual financial stress tests and publicly publish a grade for each CCRC in the state.

LeadingAge Maryland has serious concerns about how some of these provisions could jeopardize the long-term financial viability of CCRCs in Maryland.

About Continuing Care Retirement Communities

A CCRC is an insurance product, like long-term care insurance, and is not a real estate or HOA/Condo model. Moving to a CCRC, provides consumers access to shelter (housing), healthcare and support as their needs change over time. CCRCs typically include both an entrance fee and ongoing monthly fees, and consumers can choose if they want a refundable entrance fee contract or not.

In many states, CCRCs are regulated under the state’s insurance commission or department. In Maryland, the Continuing Care Regulations are under the MDOA. Taken directly from the MDOA Website:

Although the legal definition of “continuing care” is complex, in general, “continuing care” exists when all three of the following are present:

- 1. The consumer pays an entrance fee that is, at a minimum, three times the average monthly fee;*
- 2. The provider furnishes or makes available shelter (unless a CCAH) and health-related services to persons 60 years of age or older; and*
- 3. The shelter and/or services are offered under a contract that lasts for a period of more than one year, usually for life.*

Issue 1: Requiring Resident Board Member to be Elected by Resident Association

Not-for-profit CCRCs are governed by a volunteer board of directors. A governance board focuses on governance issues (strategic planning, ensuring progress towards strategic goals), while the management team at the community oversees all day-to-day operations and decisions. We strongly support the inclusion of the resident perspective in governance. Maryland is one of only 4 states in the country that requires that CCRC boards include a resident member with full voice and vote, and beginning in 2026, also requires the appointment of an alternate resident board member. Of note, we are unaware of any other private entity in the state that is required by law to include current consumers as full voting board members. Maryland law already provides the resident board member all the same powers, rights, fiduciary responsibilities, and potential liability of other members of the board. In addition, Maryland law already requires that the board confers with the Resident Association before a resident is elected to the Board of Directors. This ensures that the resident leadership in the community can provide input on which residents are considered for board membership.

Imposing resident elections on a board member selection process would create an inherent conflict of interest in a resident board member’s ability to meet his or her duties as a full voting board member. To safeguard quality, solvency, and mission-focus, not-for-profit CCRC boards must remain skills-based and independent. Mandating resident-elected directors risks constituency accountability and conflicts of interest, shifting focus from the organization’s long-term health to narrower priorities. Boards need the flexibility to recruit finance, healthcare, legal, and governance expertise to steward complex operations. Resident voice is already strong—through committees, required quarterly meetings with management—and Maryland law ensures resident representation with full voice and vote (and an alternate beginning in 2026). Preserve this balanced model: boards must retain the right to appoint qualified directors, including residents—based on strategic needs, rather than imposing resident elections that could undermine fiduciary duty, long-term financial viability, and effective governance.

Limits board independence: Imposing resident elections on CCRC board's governance processes would limit board independence and effectiveness. Boards of CCRCs, like all boards of private not for profit organizations, must retain the authority to vet, select, and elect members based on strategic needs and the organization's mission, creating a diverse mix of skills and perspectives. We are unaware of any other private entity in the state that is required by law to include current consumers as full voting board members.

Conflicts with Fiduciary Duty of Board Members: All board members have a legal and ethical duty to act in the best interests of the entire community, not just a single group. Resident-elected directors may feel pressure to advocate for those who elected them, creating potential conflicts of interest and weakening the board's unified commitment to the organization's mission.

Issue 2: Requiring the MDOA to Issue Grades Publicly for CCRCs

Issuing arbitrary grades developed by an internal system in the Department of Aging risks placing CCRCs in financial hardship and forcing MDOA to accept unprecedented liability. Institutions that issue financial outlook and credit ratings for corporations, like Fitch, already exist, and are based on objective, evidence based, tested metrics. Furthermore, not for profits uniquely already comply with robust transparency mechanisms including publicly available filings, in addition to the robust disclosure statement that all CCRCs must publish annually on their website.

If MDOA were to issue a grade of their own creation for a CCRC, it could deter consumers from considering moving to that CCRC based on a subjective and untested measure, further damaging occupancy and the financial health of the organization.

The liability MDOA would be assuming with kind of public grading system would go against current practice by all other regulatory bodies in the country who oversee CCRCs. In fact, some states specifically include language for consumers that clarify that the regulatory body makes no warranty or promise as to the financial stability of any one CCRC, and that consumers are encouraged to seek legal and financial advise prior to signing any continuing care contract. Contrary to this, by issuing such a grade, MDOA would essentially be making a warranty to prospective and current consumers about a CCRCs financial viability, placing overwhelming liability on MDOA and opening them up to unprecedented legal risk.

In conclusion, LeadingAge Maryland supports the current Maryland model in which the full voice and vote of residents of providers of continuing care in retirement communities is enshrined in Maryland law. However, LeadingAge Maryland believes that House Bill 215, as written, would have negative consequences for providers, staff, and residents.

For these reasons, LeadingAge Maryland respectfully requests an unfavorable report for House Bill 215.

For additional information, please contact Aaron J. Greenfield, 410.446.1992