

## Section 7(f-1) and 11F

Annotated Code of Maryland

(1998 Replacement Volume and 2002 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article 70B - Department of Aging**

7.

(F-1) "CONVERSION" MEANS THE PROCESS OF TAKING A FACILITY THAT PROVIDES HOUSING OR SHELTER AND CONVERTING IT TO A CONTINUING CARE FACILITY WHERE:

(1) THE RESIDENTIAL ACCOMMODATIONS EXIST BEFORE A STATEMENT OF INTENT IS FILED UNDER § 10(A) OF THIS SUBTITLE; AND

(2) AT LEAST 60% OF THE AVAILABLE RESIDENTIAL ACCOMMODATIONS OF THE FACILITY OWNER WERE OCCUPIED DURING THE 2 PREVIOUS FISCAL YEARS BY THE FACILITY OWNER.

10.

(a) All [providers] PERSONS who intend to [develop a facility] SUBMIT A FEASIBILITY STUDY UNDER SUBSECTION (B) OF THIS SECTION shall file with the Department a statement of intent to provide continuing care at least 30 days prior to submission of a feasibility study for approval by the Department.

(b) A provider may not collect deposits for continuing care or begin construction of a new facility without approval BY THE DEPARTMENT of a feasibility study. The feasibility study shall be filed in a form satisfactory to the Department and shall include at least the following information:

(1) A statement of the purpose for the proposed construction OR CONVERSION;

(2) Documentation of the financial resources of the provider;

(3) A statement of the capital expenditures necessary to accomplish the project and the plan for acquiring the necessary capital;

(4) A plan demonstrating the financial feasibility of the proposed project that shall include future funding sources;

(5) A study that demonstrates the market for the project;

(6) An actuarial forecast reviewed by a qualified actuary;

(7) A statement of the planned fee structure, including any proposed escalator or other automatic adjustment provision;

(8) A description of the facility that is proposed to be used or is being used to furnish continuing care;