

(3) (I) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (II) OF THIS PARAGRAPH, A GOVERNING BODY MEMBER SELECTED TO MEET THE REQUIREMENTS OF THIS SUBSECTION SHALL BE A SUBSCRIBER AT A FACILITY IN THE STATE AND BE SELECTED ACCORDING TO THE SAME GENERAL WRITTEN STANDARDS AND CRITERIA USED TO SELECT OTHER MEMBERS OF THE GOVERNING BODY.

(II) THE GOVERNING BODY SHALL CONFER WITH THE RESIDENT ASSOCIATION AT EACH FACILITY OF THE PROVIDER BEFORE THE SUBSCRIBER OFFICIALLY JOINS THE GOVERNING BODY.

[(b)] (C) [Each] A PROVIDER THAT DOES NOT HAVE A governing body [of a provider that does not have at least one subscriber as a member or as a regular attendee at its meeting with a right to address the governing body] shall appoint a select committee of its [members] OFFICERS OR PARTNERS to meet at least twice annually with the [facility's] resident association AT EACH OF ITS FACILITIES to address concerns of the subscribers and to ensure that the opinions of subscribers are relayed to [the governing body] ALL OFFICERS OR PARTNERS OF THE PROVIDER. If a [community] FACILITY does not have a resident association, the committee shall meet with a reasonable number of representatives, not required to exceed fifteen, elected by the subscribers.

(D) COPIES OF ALL MATERIALS THAT A PROVIDER SUBMITS TO THE DEPARTMENT THAT ARE REQUIRED TO BE DISCLOSED UNDER THE PUBLIC INFORMATION ACT SHALL BE MADE READILY AVAILABLE BY THE PROVIDER FOR ITS SUBSCRIBERS TO REVIEW AT THE FACILITY.

11B.

(a) In this section, "net operating expenses" means the provider's total operating expenses related to furnishing continuing care at each facility of the provider, less depreciation, amortization, unusual and infrequent expenses, and changes in the obligation to provide future services. Interest expenses may be excluded from calculation of net operating expenses, if the provider has funded a debt service reserve or other interest reserve under requirements imposed by a financial institution or under applicable financing documents, to the extent and in the amount the fund includes amounts to cover interest for the year in question.

(b) Except as otherwise provided in this section, the provider shall set aside for each facility subject to this subtitle operating reserves that equal 15% of the facility's net operating expenses for the most recent fiscal year for which a certified financial statement is available. The reserves shall be maintained in reasonably liquid form in the judgment of the provider.

(c) The provider shall compute operating reserves for each facility as of the end of the facility's most recent fiscal year and, simultaneously with submission of its application for a renewal certificate, shall indicate compliance by setting forth in a letter to the Department from a certified public accountant the amount actually set aside or by disclosing the amount in a certified financial statement.