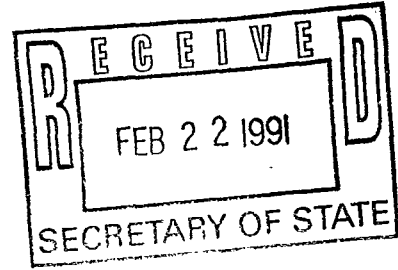


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STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE)

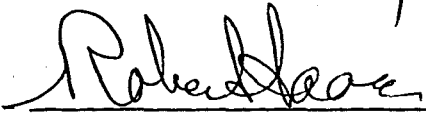
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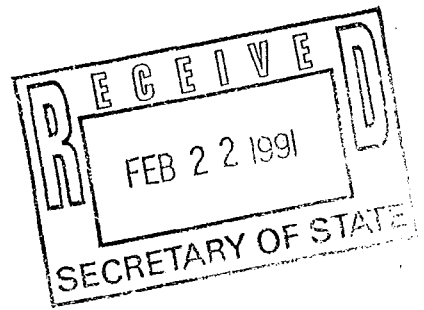
I, Robert D. Haase, Commissioner of Insurance and custodian of the official records of this Office, certify that the attached rule-making order affecting Chapter 10, Wis. Adm. Code, relating to continuing care facilities and establishing guidelines and standards for the filing and review of continuing care contracts and advertising, brochures and promotional material, was issued by this Office on February 22, 1991.

I further certify that I have compared this copy with the original on file in this Office and that it is a true copy of the whole of the original.

Dated at Madison, Wisconsin, this 22d day of February 1991.


Robert D. Haase
Commissioner of Insurance

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ORDER OF THE COMMISSIONER OF INSURANCE

CREATING A RULE

To create ch. Ins 10, relating to continuing care facilities and establishing guidelines and standards for the filing and review of continuing care contracts and advertising, brochures and promotional material.

ANALYSIS BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3) and 647.03 (1), Stats.

Statutes interpreted: s. 100.18 and ch. 647, Stats.

Chapter 647, Stats., relates to continuing care facilities.

Section Ins 10.10 is the first rule of the several that are needed to enable the commissioner of insurance (commissioner) to fulfill the responsibility to effectively administer the intent of the chapter. Continuing care facilities, more commonly known as continuing care retirement communities, are a new and rapidly expanding industry. Additional rules to be added to ch. Ins 10 cover such subjects as standards for business plans, financial reporting and solvency analysis.

A continuing care contract is one in which a provider of services agrees to provide maintenance (food, shelter and laundry) to an individual and to provide, in addition, nursing, medical or personal care services. A continuing care contract, in order to be subject to regulation by the commissioner, must require an entrance fee of at least \$10,000 or a specified amount from or percentage of the estate of the individual to whom the services are provided.

This rule prohibits the issuance of a continuing care contract unless it has been approved by the commissioner, and establishes filing requirements and standards for format and style. The rule also includes disclosure provisions requiring the service provider to identify who is responsible for providing the services, to state the applicable fees for each type of service provided and to describe the individual's rights, if any, to nursing home care or access to a nursing home and the price of these benefits. Contracts must be clear and complete, and must provide notice that there is no purchase of insurance or real estate involved.

Internal grievance procedures, which are required by statute, must also be filed with the commissioner for approval.

Each provider of services under a continuing care contract must maintain its advertisements, brochures and promotional material for inspection by the office of the commissioner. The rule prohibits misleading, deceptive and obscure promotional material.

SECTION 1. Chapter Ins 10 is created to read:

CHAPTER INS 10

CONTINUING CARE FACILITIES

Ins 10.10 CONTINUING CARE CONTRACTS. (1) PURPOSE. The purpose of this section is to interpret s. 100.18 and ch. 647, Stats., by establishing

guidelines and standards for the filing and review of continuing care contracts.

(2) SCOPE. This section applies to all contracts entered into by providers subject to ch. 647, Stats.

(3) DEFINITIONS. The definitions in s. 647.01, Stats., apply to this section.

(4) FILING AND APPROVAL OF CONTINUING CARE CONTRACT FORMS. (a) No provider may enter into a continuing care contract with any resident or prospective resident unless the contract form prepared for general use has been filed with and approved by the commissioner. A contract form filed with the commissioner need not include the rules, regulations and procedures the provider uses for the day-to-day operation of the facility. The filing shall be deemed approved if it is not disapproved within 30 days after filing. The commissioner may disapprove a contract form upon a finding that it violates a statute or a rule promulgated by the commissioner.

(b) A provider shall file each amended contract form with the commissioner within 30 days after any change is made in that contract.

(5) CONTRACT FORMAT AND STYLE; PROHIBITIONS. (a) No continuing care contract may contain any agreement or incorporate any provision not fully set forth in the contract or in an application or other document attached to and made part of the contract at the time of its delivery.

(b) The text of a continuing care contract shall be printed in not less than 10 point type of a style in general use. Captions and summary paragraphs shall be printed in not less than 12 point type of a style in general use.

(c) A continuing care contract may not be deceptive or obscure, encourage misrepresentation or in any other way be contrary to ss. 100.18 and 647.05, Stats.

(6) CONTRACT PROVISIONS. Each contract and any amendment of the contract, in addition to compliance with s. 647.05, Stats., shall do all of the following:

(a) Clearly identify the entities who are party to the contract and the entities who may be providing the services under the contract.

(b) Contain a schedule clearly setting forth all fees including, without limitation by reason of enumeration, advance fees, entrance fees, periodic service fees and any other charges or costs to be assumed by the resident under the contract. The contract shall also contain an explanation of the manner in which the amount of any refundable portion of the entrance or advance fee will be determined and an explanation of those fees and charges which are nonrefundable.

(c) Contain a summary description in a format substantially the same as that shown in Appendix A, of the maintenance, medical, nursing and personal care services that are provided to the resident under the contract at no additional cost and also a description of any other such services that are to be available to the resident at an additional cost. The summary description may also contain a listing of other significant services.

(d) Under a separate and appropriate heading, contain a description of the resident's right, if any, to nursing home care or access to a nursing home and, if known, the name of the nursing home, the conditions under which the care or access will be available, a description of the care and benefits to be provided and the manner in which the charge for the service is to be determined.

(e) Contain a notice on the first page of the contract in not less than 12 point bold face type that the contract does not include any purchase of insurance or real estate.

(f) Be complete and contain a clear statement of the obligations and responsibilities of each of the parties to the contract including, if any, the obligations and responsibilities for future services and future payments. The effective dates and termination dates of the contract shall be clearly described.

(7) GRIEVANCE PROCEDURES. If not contained in the continuing care contract, the provider shall file with the commissioner for approval the internal grievance procedure established pursuant to s. 647.04 (7), Stats. The filing shall be deemed approved if not disapproved within 30 days after filing. The commissioner may disapprove the filing upon a finding that it violates a statute or a rule promulgated by the commissioner.

(8) ADVERTISING, BROCHURES AND PROMOTIONAL MATERIAL. (a) No continuing care contract advertisement, brochure or promotional material may be delivered or issued for delivery in this state unless it is not misleading, deceptive or obscure, does not encourage misrepresentation or is not in any other way contrary to this section or s. 100.18 or ch. 647, Stats.

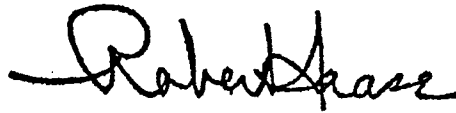
(b) Each provider shall maintain at its principal office a complete file containing every printed, published or prepared advertisement of its contracts, including the script of any advertisement used in broadcast media, disseminated in this or any other state, whether or not licensed in the other state. A notation shall be attached to each advertisement in the file indicating the manner and extent of distribution and the form number of any contract form advertised. A copy of the contract advertised shall be included in the file with each advertisement. The file shall be subject to regular and periodic inspection by the office of the commissioner. All advertisements subject to this paragraph shall be maintained in the file for 3 years.

(9) APPLICABILITY. This section applies to all contracts and amendments of contracts, and to advertisements, brochures and promotional

material issued or used on and after the first day of the 3rd month commencing after publication [Revisor inserts date].

SECTION 2. EFFECTIVE DATE. Pursuant to s. 227.22 (2) (intro.), Stats., this rule takes effect on the first day of the month following publication.

Dated at Madison, Wisconsin, this 22nd day of February, 1991.



Robert D. Haase
Commissioner of Insurance

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APPENDIX A (Ins 10.10)

CONTINUING CARE CONTRACT OUTLINE OF SERVICES

Maintenance Services (1)	Medical Services (2)	Nursing Services (3)	Personal Care Services (4)	Significant Other Services (5)
These services are included in your basic continuing care contract at no additional charge				
These services are available to you at additional charge				

- (1) "Maintenance services" means food, shelter and laundry services.
- (2) "Medical services" means those services pertaining to medical or dental care that are performed on behalf of patients by or at the direction of a physician licensed under ch. 448, Wis. Stat., or a dentist licensed under ch. 447, Wis. Stat.
- (3) "Nursing services" means those services pertaining to the curative, restorative and preventive aspects of nursing care that are performed by or under the supervision of a nurse licensed under ch. 441, Wis. Stat., but does not include nursing services provided only on an emergency basis.
- (4) "Personal care services" means assistance with meals, dressing, movement, bathing, or other personal needs or maintenance, or other direct supervision and oversight of the physical and mental well-being of a person.
- (5) Any other significant service.