CHAPTER 647
CONTINUING CARE CONTRACTS

647.01 Definitions.
(2) “Continuing care contract” means a contract entered into
on or after January 1, 1985, to provide nursing services, medical
services or personal care services, in addition to maintenance ser-
vice, on an emergency basis.
(3) “Entrance fee” means an initial or deferred transfer to a
provider of a sum of money or other property, made or promised
to be made by a person entering into a continuing care contract,
that guarantees a person services under a continuing care contract.
(4) “Facility” means one or more places in which a provider
undertakes to provide a person with nursing services, medical ser-
vice or personal care services, in addition to maintenance ser-
vice, under a continuing care contract.
(5) “Maintenance services” means food, shelter and laundry
services.
(6) “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. 647 or a dentist
licensed under ch. 448.
(7) “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. 647.
(8) “Personal care services” means assistance with meals,
dressing, movement, bathing or other personal needs or mainte-
nance, or other direct supervision and oversight of the physical
and mental well-being of a person.
(9) “Provider” means a person who provides services under
a continuing care contract.
(10) “Refund schedule” means a schedule of the varying
amounts of an entrance fee that are refundable during specified
periods of time.
(11) “Resident” means a person who resides in a facility.

647.02 Permits.
(1) No person may enter into a continuing care contract as a provider unless the person obtains a permit from the
commissioner.
(2) The commissioner shall issue a permit to each applicant
who has met all requirements of law and satisfies the commis-
sioner that its methods and practices and the character and value
of its assets will adequately safeguard the interests of its residents
and the public, and who submits all of the following:
(a) An application, in the manner required by the commis-
sioner, signed by the applicant; or, if the applicant is a corporation,
by the chief executive officer of the applicant; or, if the applicant
is a limited liability company, by a member or manager.
(b) The fee required under s. 601.31.
(c) A copy of the proposed form of the continuing care contract
to be entered into with residents.
(d) Audited financial statements for the most recent fiscal year
of the applicant including an income statement, a balance sheet
and accompanying notes, all prepared in accordance with gener-
ally accepted accounting principles on a basis consistent with
prior years.
(e) A copy of the applicant’s schedule of entrance and other
fees.
(f) A copy of the applicant’s refund schedule.
(g) The figure to be used by the provider as the actual or pro-
jected length of a resident’s stay in the facility in the formula in the
contract provision required under s. 647.05 (1m) (i) and support-
ing information showing how the figure was determined.
(h) A list of each administrative, civil or criminal action, order
and proceeding to which the applicant or any of the applicant’s
directors or principal officers have been subjected during the pre-
ceding 5 years due to an alleged violation of any state or federal
law, regulation or rule, if any of the following occurs:
1. The alleged violation constitutes a felony; or
2. The alleged violation relates to the finances of a continuing
care facility, a retirement community or a nursing home in any
jurisdiction.
(i) If the applicant has acted as a provider for fewer than 5
years, a detailed history and a projection of the operating results
anticipated at the end of the first 5 years of operation based on
available data or, if data are unavailable, on reasonable assump-
tions of entrance fees and other income, operating expenses and
acquisition costs.
(j) Any other information the commissioner reasonably
requires by rule.
(3) Permits issued under this section are not transferable. If a
facility is transferred to any person who seeks to act as a provider,
the person shall comply with the requirements specified in sub. (2)
in order to receive a permit as a provider. A permit issued under
this section remains in effect until revoked, after a hearing, upon
written findings of fact by the commissioner that any of the fol-
lowing has occurred:
(a) The provider has violated any applicable law, rule or order.
(b) The facility has been placed in receivership or liquidation
under s. 647.06 (1).

647.03 Powers and duties of the commissioner.
The commissioner may:
(1) Promulgate rules that the commissioner finds are neces-
sary to carry out the intent of this chapter.
(2) Use the authority granted under s. 601.41 (4) to ensure that
a provider has sufficient financial resources to meet the needs of
that provider and to meet the terms of its continuing care contracts
and other obligations.

Cross-reference: See definitions in ss. 600.03 and 628.02.
Cross-reference: See also s. Ins 10.10, Wis. adm. code.

647.05 Continuing care contract provisions.
647.06 Receivership or liquidation.
647.07 Penalties.
647.08 Inapplicable.
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647.04 Duties of providers. Each provider shall:

1. Submit to the commissioner the fees required under s. 601.31 (1).
2. Annually within 120 days after the close of the provider’s fiscal year, submit to the commissioner a copy of the schedule of all entrance and other fees to the commissioner within 30 days after any change is made in the schedule.
3. Submit a copy of the refund schedule to the commissioner within 30 days after any change is made in the schedule.
4. Submit a copy of the refund schedule to the commissioner within 30 days after any change is made in the schedule.
5. Submit a copy of the refund schedule to the commissioner within 30 days after any change is made in the schedule.
6. Make available to any resident or prospective resident, upon request, a copy of the refund schedule to the commissioner for approval and shall at least annually submit supporting information showing how the change was determined.
7. Establish and use an internal grievance procedure for grievances between the provider and residents of its facility. Where the provider shall make available a summary of the fee increases for the years in which the facility has been operating and a summary of the facility’s entrance and other fee increases.
8. Make available to any resident or prospective resident, upon request, a copy of the refund schedule to the commissioner for approval and shall at least annually submit supporting information showing how the change was determined.
9. Comply with all applicable rules promulgated by the commissioner.

647.05 Continuing care contract provisions. (1m) A provider may not enter into a continuing care contract unless the contract:

(a) Is coherent, written in commonly understood language, legible, appropriately divided and captioned and presented in a meaningful manner. Each provider shall submit to the commissioner a copy of the form of the continuing care contract within 30 days after any change is made in that continuing care contract.
(b) Specifies what services are provided to the resident under the continuing care contract and what services are provided at an additional cost to the resident.
(c) Contains information about the status of a resident’s claim against the facility’s assets if the facility were to be liquidated.
(d) Includes a refund schedule.
(e) Specifies the circumstances and consequences of termination of the contract by either the provider or the resident.
(f) Provides that if a resident dies or the continuing care contract is terminated prior to occupancy or within the first 30 days after occupancy, the provider will refund at least the entrance fee less the cost of any reasonable refurbishment and less the cost of any care actually received by the resident that was not included in other charges by the provider.
(g) Provides that if a resident dies or the continuing care contract is terminated after the first 30 days of occupancy, but within the first 90 days of occupancy, the provider will refund at least 90 percent of the amount computed under par. (f).
(h) Provides that if the resident terminates the continuing care contract after the first 90 days of occupancy, the provider will refund to the resident a portion of the resident’s entrance fee that is no less than the amount of refund indicated on the refund schedule.

2m) Subject to s. 49.455, a continuing care contract may require that, before a resident applies for medical assistance, the resident must spend on his or her care the resources declared for purposes of admission to the facility.

647.06 Receivership or liquidation. (1) A petition for appointment of a receiver or liquidator for a facility may be filed by a resident, a resident’s guardian or the commissioner in the circuit court for the county in which the facility is located. If the court determines, after notice to the provider and a hearing, that a provider is not able to meet the terms of its continuing care contracts and other obligations, the court may appoint a receiver or liquidator and may set forth the powers, duties, compensation and liabilities of the receiver or liquidator.

2) Any provider who voluntarily seeks to liquidate a facility shall notify the commissioner in advance.

647.07 Penalties. Any provider who intentionally violates this chapter or rules promulgated under this chapter or who submits an application for a permit under s. 647.02 that intentionally contains a misstatement of fact is subject to a fine not to exceed $10,000 or imprisonment not to exceed 9 months or both.

647.08 Inapplicable. This chapter does not apply to a provider that operates a facility that is created by and operated in accordance with a will and that is under the continuing supervision of a circuit court.


History: 1983 a. 358.

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