

INSURANCE FACTS
for Pennsylvania Consumers

Choosing a
Continuing Care
Community

1-877-881-6388
Toll-free Automated *Consumer Line*

www.insurance.pa.gov
Pennsylvania Insurance Department Web site

Directory of Licensed Continuing Care Communities

This brochure is designed to assist you in choosing a continuing care community. Continuing care communities are facilities licensed and regulated by the Pennsylvania Insurance Department. These communities offer an independent living lifestyle for individuals who do not need constant physician or nursing supervision. In some cases, assisted living and nursing home facilities may be on the same or adjacent property of the complex.

Continuing care communities typically offer an independent lifestyle as residents grow older. These communities offer a comprehensive package of services tailored to individual needs, abilities and preferences.

The Pennsylvania Insurance Department Web site has an online search for consumers to find continuing care retirement facilities in their community. Log onto www.insurance.pa.gov for more information.

Types of Services Provided

Generally, the fees paid by residents cover residential accommodations and may include

- utilities (electricity, heating, air conditioning and water)
- meals
- linens
- security services
- housekeeping
- outside maintenance
- major appliance repair

Things to Consider

- Determine if an additional fee will be charged for telephone service, transportation, laundry services, storage and social or recreational activities.
- Find out if some health services may be included in the fee such as annual physicals, prescription drugs, hospital and physician services and emergency calls.
- Ask if physicians, therapists, nurses and social workers are on the staff of the facility, or if their services are provided on a contractual basis. Determine to what extent charges for their services are included in the monthly fee.
- Inquire about specific health services for which you may have to pay an additional charge, such as eyeglasses, hearing aids, dentures or orthopedic appliances.
- Ask which items are excluded from the medical coverage provided by the facility, such as treatment of psychiatric disorders or medical conditions existing prior to the time you enter the facility.
- Determine if you want to have insurance that covers your personal belongings. You will be responsible for paying the premiums for this additional coverage.

Entrance Considerations

Admission into a continuing care facility is dependent upon your ability to pay certain fees. You will be required to pay an entrance fee as well as a monthly charge. The entrance fee must be paid prior to admittance but not necessarily in one lump sum. The monthly fee must be paid for as long as you live at the facility, however, you should ask what happens to residents who cannot make those payments following their admission.

Admission to a facility also may depend upon your health insurance coverage such as Medicare parts A and B and Medicare supplemental coverage (Medigap). If this is the case, you must pay the premiums to keep the insurance coverage in force, unless such coverage is provided as part of your pension program. Additionally, you have to pay any deductibles or co-payments required by Medicare or have other insurance to pay for these items.

Choosing a Community

- Visit several facilities and compare the services offered and the fees charged.
- Tour the grounds, inspect the living accommodations, eat at the dining facility, and talk to residents and staff.
- If possible, have a relative or friend accompany you to assist in comparing programs, services and accommodations at each facility.
- Some facilities may offer guest accommodations if you want to visit for several days. Others may offer a short-term sublease agreement for a residential unit.

Most facilities have a waiting list for prospective residents. Check each facility's waiting list to see how long it is. Also, inquire about your responsibilities, such as deposit requirements, during the time you are on a waiting list. Ask what happens if your health or financial condition changes while you are on the waiting list. If you change your mind, will a refund be made?

Ask yourself:

- Is the community an appealing place to live?
- Does the fee include the services I want?
- Is the facility within my financial means?
- Can I be admitted when I want?

Facility Disclosure Statements

Continuing care providers must give current and prospective residents a “disclosure statement” containing information about the financial status and operation of the facility. Disclosure statements provide information in the following areas:

- names and addresses of all persons responsible for the operation of the facility
- facility's associations, if any, with religious, charitable or other non-profit organizations
- a description of all fees and charges residents are required to pay, including entrance and monthly charges and an explanation of the manner in which these fees may be adjusted
- financial statements showing assets, liabilities and operating expenses of the provider

Additionally, a facility must provide you with a copy of the “resident's agreement”, the contract between you and the facility. The resident's agreement contains information about when you can be transferred to a nursing facility, the circumstances under which the agreement may be terminated and situations in which refunds will be made.

The *disclosure statement* and *resident's agreement* are important documents that you should read carefully. You may wish to review these documents with your attorney or other advisor.

Changing Your Mind

You have the right to cancel a *resident's agreement*, without penalty or forfeiture, within seven days of making an initial deposit or executing an agreement with the provider. However, once this time period expires and you enter a facility, the resident's agreement governs the conditions under which it may be terminated. You should carefully review your agreement because the reasons for termination may vary among facilities.

Do not feel pressured into signing an agreement. A financially sound facility will be there the next day, the next week and the next month. Do not sign any agreement until you are completely satisfied that the facility meets your needs.

Resident's Rights

Your rights and obligations are specified in the *disclosure statement* and the *resident's agreement*. Residents of a facility have the right to form an organization to meet with representatives of the facility to discuss its operation. Subjects of discussion may include financial matters, proposed changes in policies, programs and services. Residents have the right to pursue legal action against a provider that fails to comply with the law if it operates without a license, uses misleading disclosure statements or fails to distribute disclosure statements.

Regulatory Safeguards

Legal safeguards are imposed to reduce the chance that facilities will experience financial difficulties, however, if financial problems should develop, early detection will help ensure that they do not become serious.

The Pennsylvania Insurance Department examines the financial books and records of a continuing care provider at least once every five years to monitor the financial status of the facilities. In addition, the insurance commissioner is empowered to take steps to protect the interests of the residents. For example, the commissioner can appoint a person from outside the facility to take over management of its operations and remedy any financial problems. In all circumstances, the welfare of the residents is a primary consideration of the Insurance Department.

For unresolved questions, contact the Pennsylvania Insurance Department's toll-free automated *Consumer Line* at **1-877-881-6388**, visit our website at www.insurance.pa.gov or contact our regional office.

Harrisburg Regional Office

Room 1321 Strawberry Square
Third and Walnut Streets
Harrisburg, PA 17120
(717) 787-2317
fax (717) 787-8585
TTY/TDD: (717) 783-3898



Choosing a Continuing Care Community

A consumer service initiative of the
Pennsylvania Insurance Department

1-877-881-6388
www.insurance.pa.gov