



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

**California Long Term Care Insurance (LTCI) Task Force  
Meeting #4 Minutes  
Thursday, October 21, 2021**

1. **Task Force Meeting Call to Order – 1:00 PM**
  - Roll Call – present: Dr. Lucy Andrews, Jamala Arland, Susan Bernard, Grace Cheng Braun, Anastasia Dodson, Eileen Kunz, Sutep Laohavanich, Michael Mejia, Doug Moore, Dr. Karl Steinberg, Tiffany Whiten, Joe Garbanzos, Parag Shah, and Laurel Lucia.
  - Quorum was met.
  
2. **Agenda Item #1: Welcome, Introductions & Housekeeping**
  - Chair Susan Bernard went over housekeeping items.
  - Introduction of two new members – Sutep Laohavanich (taking over for Kim McCoy Wade) and Parag Shah.
  
3. **Agenda Item #2: Approve Minutes from Meeting #3**
  - Michael Mejia moved to approve the prior meeting’s minutes and Joe Garbanzos seconded. The motion was approved unanimously.
  
4. **Agenda Item #3: California Department of Aging (CDA) Presentation: Long Term Services & Supports (LTSS)**
  - Sutep Laohavanich provided an overview of LTSS programs that are overseen by the California Department of Aging.
    - Generally, these are “safety net” programs.
    - Some are inter-related and there is cross-department integration.
    - Financed through various funding sources including federal, state, and local funds and grants.
    - Eligibility varies by program.
  - The expanding “No Wrong door” (NWD) system is rooted in Aging and Disability Resource Centers (ADRCs). This system aims to minimize confusion by establishing a single trusted source that allows for navigation of services to be streamlined and centered around the individual.
  - Task Force Member Comments:
    - Joe asked who is responsible for care coordination between Medi-Cal and Medicare (for dual eligible individuals)?
      - Response: managed care plans are responsible for care coordination.



- Response: HICAP counselors receive training on helping individuals navigate Medicare plans. The forthcoming report previously mentioned will touch on improvement and expansion of LTC components of HICAP.
- Nancy Krebs noted that she was inspired by the presentation on NWD and is encouraged that the system is expanding. She also wanted to publicly emphasize integration of NWD policy into the statewide LTC insurance program.

5. **Agenda Item #4:** California Department of Health Care Services (DHCS) presentation: Medi-Cal and Medicare Programs

- Anastasia Dodson provided an overview of Medicare and Medi-Cal, including financing, benefits, programs, and eligibility. She also touched on California's Partnership for Long-Term Care.
  - Medi-Cal is a federal / state partnership in funding and in authority for benefits, services, and eligibility.
  - Medi-Cal asset limits will be eliminated in 2024. The income limits will remain for all individuals (regardless of age).
  - If costs are shifted from Medi-Cal to a new statewide LTC insurance program, it will reduce federal expenditures (in the absence of a waiver).
- Task Force Member Comments:
  - Laurel commented on an immigration status development. Individuals aged 50 and older will be able to qualify for Medi-Cal benefits beginning in May 2022 regardless of immigration status. These individuals will be eligible for in-home supportive services (IHSS).
  - Laurel asked what happens to the LTC Partnership program in light of asset limit phase-out?
    - Response: Anastasia will take this back and follow-up.
  - Joe asked about best practices involving coordination between providers and state programs based on DHCS' experience that Task Force members should consider in relation to a statewide LTC insurance program.
    - Response: social determinants of health, upcoming Medicare managed care plans (connected to social services), and the CalAIM initiative which looks at deepening partnerships between community-based organizations and managed care plans. The Home and Community Based Services (HCBS) spending plan lays out priorities to address some of these concerns, including housing concerns for older individuals in California as it relates to HCBS.
  - Jamala asked about low Medi-Cal enrollment numbers for select programs in certain counties, and whether specific programs are not available in all counties [Assisted Living Waiver (ALW), Community-Based Adult Services (CBAS), Multipurpose Senior Services Program (MSSP)]
    - Response: some drivers include limits on waiver slots (e.g., waiting lists for programs), eligible population definitions (e.g., community members vs. those in skilled nursing facilities), coordination between counties, and funding. Barriers do exist for some programs and are unique to each program.
  - Parag asked if we should be trying to understand Medicare/Medi-Cal savings and the interaction between a statewide LTC program and Medi-Cal?

- Response: this is an important issue and will be discussed in our next agenda topic
- Lucy asked for data on those who are not enrolled in Medi-Cal LTSS programs (i.e., those who are eligible for services, but who are not receiving them)?
  - Response: individuals not receiving services include those who are not eligible for Medi-Cal and those who are receiving care from family members or other unpaid individuals. We may be able to approximate by taking the number of people in California with activity of daily living issues and subtracting the number of people receiving Medi-Cal benefits (but we need to be cognizant of overlap in program coverage).
- Parag asked about the level of participation in the LTC Partnership Program. If there is low participation, do we know why?
  - Response: there are market forces more broadly impacting LTC in California that also impact the Partnership Program.
- Karl asked how many custodial nursing home residents are on Medi-Cal?
  - Response: there are about 90,000 nursing home residents in California, a portion of which are covered by Medi-Cal. Most long-term nursing home stays are covered by Medi-Cal.
- Karl asked about expanding Assisted Living Waiver and other low-enrollment LTSS programs and noted that this is crucial for Task Force members to consider.
  - Response: This is being addressed through the Home and Community-Based Services spending plan and CalAIM, but there is more work to be done.
- Public Comments:
  - Bonnie Burns provided comments regarding the Long-Term Care Partnership Program, including that (i) asset protection can be (and has been) used to encourage individuals to buy LTCI, which will now be affected from asset threshold phase out, (ii) Partnership LTCI policies include care assessment and coordination, which are both vital, and (iii) inflation protection is also important, as it is not a standard rider.
  - Ramon Castellblanch suggested that it may be helpful to check in with the Administration of Community Living and noted that about 2/3 of individuals receiving LTSS do so from unpaid caregivers.
  - Lindsay Imai Hong asked about Medi-Cal eligible individuals who cannot access IHSS due to share of cost requirements and noted that a statewide LTC program would be good to bridge this gap.
  - Russell Rawlings stated that Medi-Cal is not sufficient to meet the needs of all disabled individuals and that there is a desperate need for a universal LTSS program. This program should draw on a progressive funding source, as well as cover all individuals and services.

**6. Agenda Item #5: Recap: Coordination and Interaction with Medi-Cal**

- Kevin Russell gave an overview of coordination and interaction between Medi-Cal and a new statewide LTC insurance program in California.
- Task Force Member Comments:
  - Parag asked for clarification on the federal match, and why it is important for us to consider.
    - Response: federal dollars do not flow to the state if LTSS benefits are paid by the new statewide LTC program instead of by Medi-Cal. We need to be mindful of

cash flows before/after the program goes into effect to ensure we are not leaving a potential source of funding on the table.

- Anastasia stated that California taxpayers mostly pay the non-federal share of Medi-Cal. If you remove the federal share (e.g., by covering the benefits under a statewide LTC Program) then California taxpayers pay 100% of the cost. Savings achieved on the federal side can be recouped by the state through a CMS Waiver.
  - Response: this will be discussed further at our future Task Force Meeting on Financing. We will track the status of Washington's CMS Waiver request for the WA Cares Fund.
- Laurel stated that it would be a shame to leave federal dollars on the table.
- Public Comments:
  - Angela suggested that we reimagine universal LTC through the existing model of Medi-Cal and that a universal program is crucial so that we avoid making decisions regarding who is, or is not, eligible.

#### 7. **Agenda Item #6:** Recap: Coordination and Interaction with Private LTC Insurance

- Ryan de la Torre gave a recap of private LTC insurance benefits in California and highlighted considerations related to the coordination and interaction between private LTC insurance and a new statewide LTC program in California.
- Task Force Member Comments:
  - Jamala provided another consideration regarding affordability: about 25% of Californians cannot afford a short-term nursing home stay. She noted that it is important to keep in mind additional underwriting that may need to occur if duplication of benefits between a state program and LTCI leads to increases in private policy benefits.
  - Parag noted that Ryan's presentation focuses on stand-alone LTCI coverage which is only a portion of private LTC coverage in California. He noted that life insurance with LTC riders outsells stand-alone LTC substantially.
  - Joe highlighted the need to invest in community-based programs. He asked if, from an insurance perspective, we are bounded by services offered in nursing homes and residential care facilities?
    - Response: No, but LTCI typically covers the aforementioned services.
  - Joe asked about the data that is available to support preventative benefits.
    - Response: some policies have benefits that are preventive in nature, such as home modification and other services aimed at keeping individuals in their homes. LTCI costs/savings from preventive services are hard to quantify.
  - Karl asked how Medi-Cal eligibility (income vs. assets) impacts with this topic. He noted that it is potentially alarming if wealthy individuals (in terms of assets, not income) are not currently eligible for Medi-Cal but will be when the asset limit goes away.
    - Response: the asset limit for Medi-Cal is being eliminated in 2024, which will create more potential for concurrent payments. One consideration is that if an individual is receiving benefits from a statewide LTC program, should they be included in determining Medi-Cal eligibility/share of cost?
  - Jamala noted that with regard to opt-out provisions, it is important to be mindful of individuals who may contribute more than they ultimately receive in benefits (which could be the case under the WA Cares Fund). We should also be mindful of how opt-outs affect low-income earners.



9. **Agenda Item #8:** Recap: LTSS Around the World
- Agenda item was postponed until the next Task Force Meeting in December due to time constraints.
10. **Agenda Item #9:** Recap: California Population Demographic Information
- Agenda item was postponed until the next Task Force Meeting in December due to time constraints.
11. **Agenda Item #10:** Recap and discuss: Task Force Meeting #4 Questionnaire results
- Stephanie Moench reviewed the Task Force Meeting #4 Coordination & Interaction Questionnaire results
  - Task Force Member Comments:
    - Jamala asked how views have changed regarding whether the statewide LTC program should be the primary or secondary payer relative to the questionnaire results from Task Force Meeting 3.
      - Response: The preliminary consensus reached on the prior meeting was that the statewide LTC program will have a front-end benefit design, meaning the program will cover an individual's early LTSS costs (e.g., in the first couple years). It was not related to the order in which benefits would be paid to individuals (e.g., that the statewide LTC program would pay before private insurance).
    - Parag noted that it might be good to differentiate between LTC insurance purchasers before and after the implementation of the state program in discussions related to potential opt-out provision(s).
    - Joe stated that for an LTC program to be viable, we must spread the risk. Additionally, we should consider an option for additional "bells and whistles" coverage that can be purchased by policyholders if they so choose.
    - Laurel stated that her initial recommendation was that there be no opt-out due to viability and equity concerns. She noted that there may be a disconnect between the results for question 1 and question 2 if equity is a priority. She highlighted the need to think about what we are sacrificing with an opt-out provision—this could be simplicity or choice to consumer.
  - Agenda item was cut short due to time constraints and will be revisited at the next Task Force Meeting in December.
12. **Agenda Item #11:** General Public Commentary
- Agenda item was postponed until the next Task Force Meeting in December due to time constraints.
13. **Agenda Item #12:** Next Steps & Closing
- Recording for this meeting will be available early next week.
  - Meeting ended at 4:30 PM. There was no official adjournment.