OliverWyman

CALIFORNIA DEPARTMENT OF INSURANCE: LONG TERM CARE INSURANCE PROGRAM FEASIBILITY AND ACTUARIAL REPORT

Plan of Action

July 7, 2021

QUALIFICATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

Oliver Wyman was commissioned by the California Department of Insurance to provide support associated with assessing the feasibility of developing and implementing a culturally competent statewide insurance program for long-term care services and supports. The primary audience for this report includes stakeholders from the California Department of Insurance, members of the Long-Term Care Insurance Task Force, and members of the general public within the state of California.

Oliver Wyman shall not have any liability to any third party in respect of this report or any actions taken or decisions made as a consequence of the results, advice or recommendations set forth herein.

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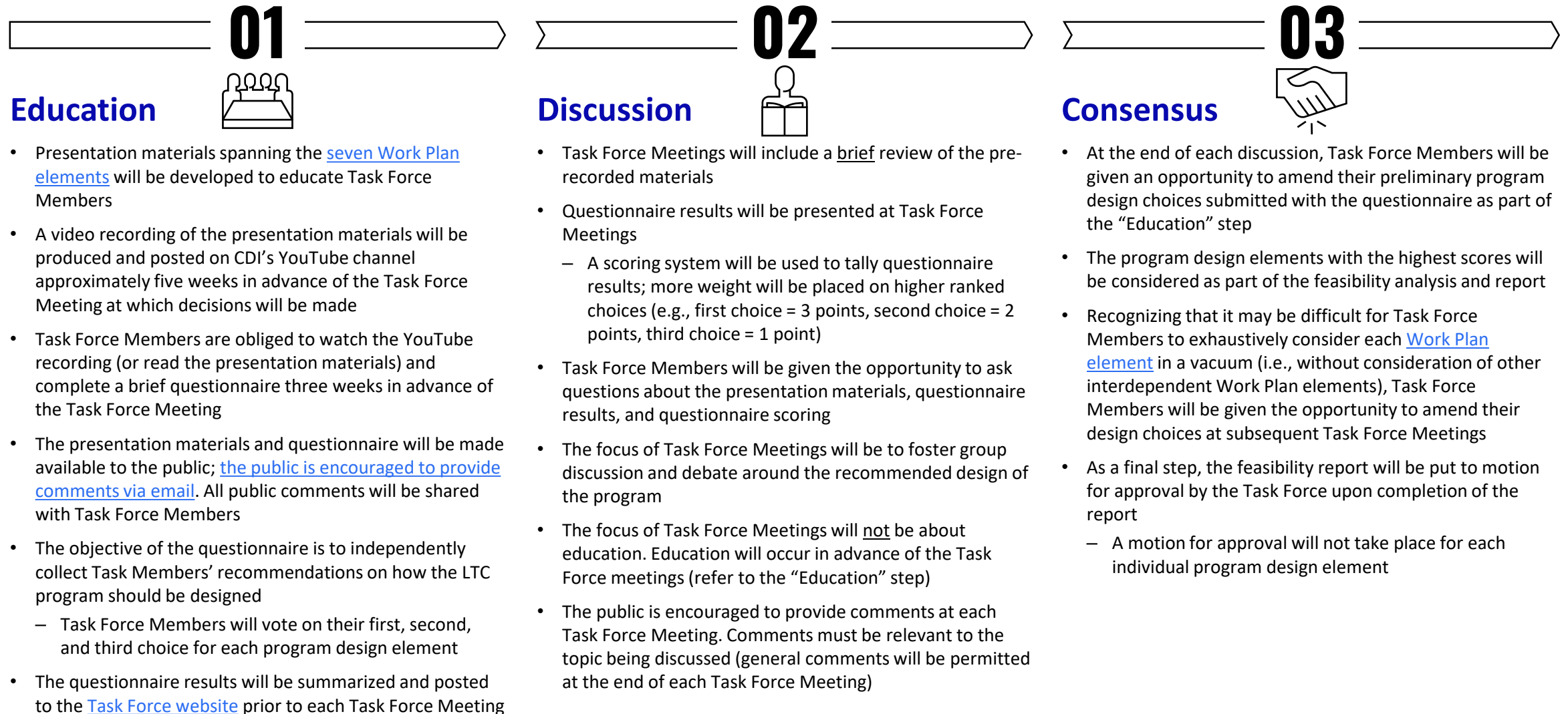
PLAN OF ACTION: TASK FORCE MANDATE

*The Task Force shall recommend options for establishing a statewide long-term care insurance program and comment on the respective degrees of feasibility of those options in a report submitted to the commissioner, the Governor, and the Legislature on or before **January 1, 2023***
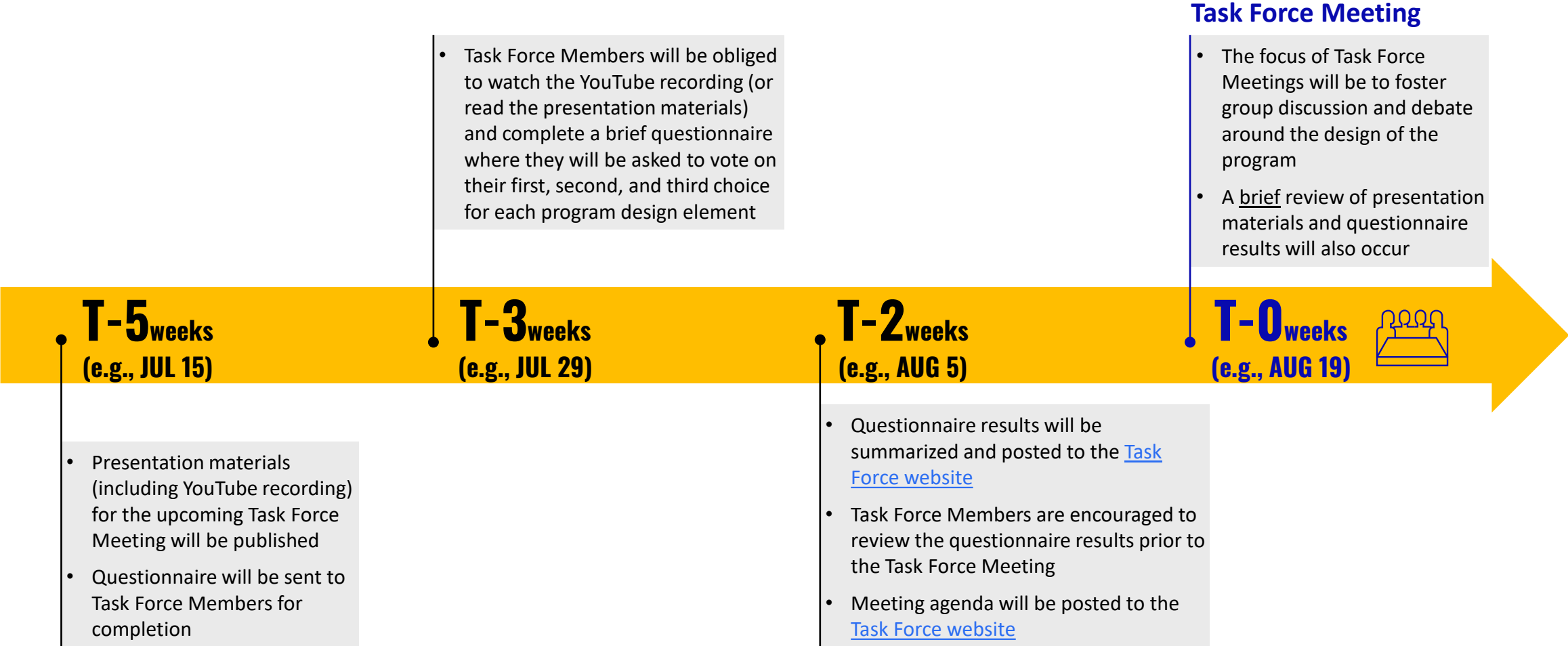
California Assembly Bill No. 567

PLAN OF ACTION: DECISION MAKING PROCESS

A 3-step process involving Task Force Member education, discussion, and consensus will be employed to converge on a recommended program design

01

Education

- Presentation materials spanning the seven Work Plan elements will be developed to educate Task Force Members
- A video recording of the presentation materials will be produced and posted on CDI's YouTube channel approximately five weeks in advance of the Task Force Meeting at which decisions will be made
- Task Force Members are obliged to watch the YouTube recording (or read the presentation materials) and complete a brief questionnaire three weeks in advance of the Task Force Meeting
- The presentation materials and questionnaire will be made available to the public; the public is encouraged to provide comments via email. All public comments will be shared with Task Force Members
- The objective of the questionnaire is to independently collect Task Members' recommendations on how the LTC program should be designed
  - Task Force Members will vote on their first, second, and third choice for each program design element
- The questionnaire results will be summarized and posted to the Task Force website prior to each Task Force Meeting

02

Discussion

- Task Force Meetings will include a brief review of the pre-recorded materials
- Questionnaire results will be presented at Task Force Meetings
  - A scoring system will be used to tally questionnaire results; more weight will be placed on higher ranked choices (e.g., first choice = 3 points, second choice = 2 points, third choice = 1 point)
- Task Force Members will be given the opportunity to ask questions about the presentation materials, questionnaire results, and questionnaire scoring
- The focus of Task Force Meetings will be to foster group discussion and debate around the recommended design of the program
- The focus of Task Force Meetings will not be about education. Education will occur in advance of the Task Force meetings (refer to the "Education" step)
- The public is encouraged to provide comments at each Task Force Meeting. Comments must be relevant to the topic being discussed (general comments will be permitted at the end of each Task Force Meeting)

03

Consensus

- At the end of each discussion, Task Force Members will be given an opportunity to amend their preliminary program design choices submitted with the questionnaire as part of the "Education" step
- The program design elements with the highest scores will be considered as part of the feasibility analysis and report
- Recognizing that it may be difficult for Task Force Members to exhaustively consider each Work Plan element in a vacuum (i.e., without consideration of other interdependent Work Plan elements), Task Force Members will be given the opportunity to amend their design choices at subsequent Task Force Meetings
- As a final step, the feasibility report will be put to motion for approval by the Task Force upon completion of the report
  - A motion for approval will not take place for each individual program design element

PLAN OF ACTION: TASK FORCE MEETING TIMELINE

Task Force Meeting

- Task Force Members will be obliged to watch the YouTube recording (or read the presentation materials) and complete a brief questionnaire where they will be asked to vote on their first, second, and third choice for each program design element

- The focus of Task Force Meetings will be to foster group discussion and debate around the design of the program

- A brief review of presentation materials and questionnaire results will also occur

T-5weeks
(e.g., JUL 15)

T-3weeks
(e.g., JUL 29)

T-2weeks
(e.g., AUG 5)

T-0weeks
(e.g., AUG 19)

- Presentation materials (including YouTube recording) for the upcoming Task Force Meeting will be published

- Questionnaire will be sent to Task Force Members for completion

- Questionnaire results will be summarized and posted to the Task Force website

- Task Force Members are encouraged to review the questionnaire results prior to the Task Force Meeting

- Meeting agenda will be posted to the Task Force website

PLAN OF ACTION: TASK FORCE MEETING SCHEDULE

Meeting #	Meeting Date	Program Design Topics	
01	Mar 2021	• Program charter • Work breakdown and considerations	
02	Jun 2021	• Long-term care (LTC) insurance demographics • State of the LTC insurance market • WA Cares Fund overview • 2020 DHCS LTSS Feasibility Study Final Report	• California Master Plan for Aging & LTSS • Program coverage (front-end, back-end, comprehensive) • Program structure (public, joint public/private, hybrid)
03	Aug 2021	• California Master Plan for Aging & LTSS • LTSS around the world • Social insurance vs. public assistance overview	• Program structure (public, joint public/private, hybrid) • Program coverage (front-end, back-end, comprehensive)
04	Oct 2021	• Program coordination • Interaction with other programs and initiatives	
05	Dec 2021	• Program administration (eligibility, enrollment, benefits, portability, administration)	• Program services
06	Feb 2022	• Program financing	
07	Apr 2022	• Workforce	
08	Jun 2022	• Access	
09	Sep 2022	• Presentation of Draft Feasibility Report	
10	Dec 2022	• Presentation of Final Feasibility Report	

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