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CALIFORNIA INSURANCE COMMISSIONER

**California Long Term Care Insurance (LTCI) Task Force  
Meeting #18 Minutes  
Thursday, December 15, 2022**

**1. Task Force Meeting Call to Order – 1:00 PM**

- Roll Call – present: Aron Alexander, Jamala Arland, Susan Bernard, Dean Chalios, Anastasia Dodson, Joe Garbanzos, Eileen Kunz, Laurel Lucia, Doug Moore, Parag Shah, Sarah Steenhausen, Dr. Karl Steinberg, and Tiffany Whiten
  - Note: Joe Garbanzos, Eileen Kunz, and Tiffany Whiten joined after the conclusion of roll call
  - Absent: Brandi Wolf
- A quorum was met.

**2. Agenda Item #1: Welcome & Housekeeping Items**

- Chair Susan Bernard went over housekeeping items.
- Chair Susan Bernard announced Becky Duffey's resignation from the Task Force.

**3. Agenda Item #2: Approve Minutes from Meeting #17**

- Doug Moore moved to approve the minutes from the prior meeting, and Aron Alexander seconded. The motion was approved unanimously.

**4. Agenda Item #3: Final Feasibility Report**

- Stephanie Moench provided a high-level overview of the final Feasibility Report, highlighting changes made relative to the draft Feasibility Report.
- Doug Moore moved to approve the Feasibility Report, and Dr. Karl Steinberg seconded. The motion was approved unanimously.
- Amanda Bastidas provided an overview of next steps for Task Force Members.
- Task Force Member Comments:
  - Parag Shah asked for clarification about the "Program opt-out provision transition date" financial sensitivity.
    - Response (Oliver Wyman): We will assess the impact of setting the trigger date to January 1 of the year preceding the date the governor signs the program into law. This will allow the actuarial analysis to capture a broad range of opt-out transition dates.

- Response (Ryan de la Torre): The legislative definition of enactment date is when the governor signs the bill, whereas the effective date is when the program goes into effect. The effective date is either defined in the bill or defaults to January 1 of the year succeeding the enactment date.
- Anastasia Dodson asked about the Task Force's ability to enact a program.
  - Response (Oliver Wyman): Program enactment would be subject to the legislative process.
- Parag Shah asked about changes made to Medi-Cal components of the Feasibility Report relative to the prior draft.
  - Response (Oliver Wyman): Sarah Steenhausen and Anastasia Dodson, our Task Force members from the California Department of Aging and Department of Health Care Services, provided technical clarifications, which we reflected in the report. The Actuarial Report will include a quantitative assessment of the program's impact on Medi-Cal.
  - Response (Anastasia Dodson): There are many interactions between the program and Medi-Cal. These interactions are more nuanced and may not be appropriately labeled as either a "pro" or a "con".
- Joe Garbanzos asked if the latest version of the report indicated that further financial analysis would be performed to understand the cost of expanding the portability provision internationally across all options.
  - Response (Oliver Wyman): A financial sensitivity to expand portability internationally will be performed for options 1-4 (option 5 already includes international portability).
- Public Comments:
  - Judy Jackson asked about program benefits available to individuals not yet approved for IHSS.
    - Response (Anastasia Dodson): Multiple interactions between the program and IHSS will be explored, including eligibility and availability of program benefits.
  - Todd Stein asked about the minimum insurance coverage requirements to be considered eligible for program opt-out. Additionally, Todd asked if there would be an opt-out window. Finally, Todd asked about private insurance recertification for those who have opted out.
    - Response (Susan Bernard): There will be a set of standards to determine opt-out eligibility. Susan referred Todd to the Feasibility Report for further information on the Task Force's recommended opt-out trigger date and recertification mechanism.
  - Kathi noted that current retirees, among other populations, will be excluded due to the chosen program financing mechanism. Kathi asked how the program would meet the needs of existing retirees and other excluded populations.

- Response (Susan Bernard): These considerations are accounted for in the Feasibility Report.
- Response (Oliver Wyman): One next step outlined in the Feasibility Report is to analyze who is excluded from each program design.
- Nina Weiler-Harwell urged all program design options to be studied, along with further analysis around implications for current retirees.
- Steve Cain recommended a public hearing to speak with and educate legislators regarding the program. Steve also recommended that the supplemental private insurance working group include distribution representatives (e.g., agents, advisors).
- Brent Price asked for clarification about the program's opt-out and effective dates.
  - Response (Susan Bernard): The program opt-out and effective dates are still to be determined.
- Malcolm Harris recommended further studying of who may be left out of the program. Further, Malcolm recommended the most robust benefits for California's diverse communities.
- Juan Guerrero urged the Task Force to consider populations excluded from the program due to the payroll tax financing mechanism. Juan also urged the Task Force to be mindful of the inflationary environment in the design of the program.
- Gordon Miller noted his concern about a payroll tax as the primary funding mechanism, citing the potential to exclude certain populations. In addition, Gordon recommended the program include inflationary safeguards to ensure the adequacy of future benefits.
  - Response (Oliver Wyman): Pages 17 and 88 of the Feasibility Report discuss considerations for covering current retirees and populations not covered by the current designs.
- Lindsay Imai Hong recommended that the Actuarial Report include cost considerations for covering current retirees.
  - Response (Susan Bernard): The Actuarial Report will include several financial sensitivities, including the cost associated with providing coverage to current retirees.
- Shannon Hahn recommended a provision allowing younger program participants who die unexpectedly to share their benefits with other family members.

#### 5. **Agenda Item #4: Legislative Process Overview**

- Josephine Figueroa provided an overview of the legislative process regarding the approval and enactment of a program.
- Task Force Member Comments:
  - Parag Shah asked if legislators would read the full report. Parag also asked about the requirements for passing an additional payroll tax and whether a proposition through a public initiative could approve the program.

- Response (Josephine Figueroa): Multiple legislators and legislative staff have expressed interest in reading the report. Because the program requires the implementation of a new tax, its passage will require a supermajority in both houses of the Legislature. I am unsure if a public initiative could approve the program.
- Doug Moore noted that lobbying and educating newly elected legislators would be needed to ensure the program's success.
  - Response (Josephine Figueroa): These will be important next steps.
- Joe Garbanzos asked for clarification regarding the roles of the California Department of Insurance (CDI) and the Task Force in ensuring that accurate and relevant information is given to elected officials. Joe asked whether any Task Force Members, in cooperation with organizations, could communicate directly with legislators.
  - Response (Susan Bernard): Some legislators or legislative staff may request briefings. Until we complete the actuarial analysis, it will be difficult to garner widespread support among legislators.
  - Response (Josephine Figueroa): The CDI is responsible for providing technical assistance and briefings to ensure any drafted legislation is done correctly and that the intent is met. Further, it is critical first to understand how much this program will cost.
  - Response (Amanda Bastidas): In accordance with the Bagley-Keene Open Meeting Act, two or more Task Force Members may not collaborate on direct outreach or education to legislators in relation to this program.
- Public Comments:
  - Louis Brownstone noted that he assumed the Task Force would ultimately present one design rather than five. Further, Louis noted that California has ongoing fiscal uncertainties and that a costly program may not succeed.
    - Response (Susan Bernard): The Actuarial Report will examine all five program designs recommended by the Task Force.
  - Gordon Miller noted that the program should be universal, and exclusion should only be based on geographical considerations. Gordon stated that lobbying will be an important hurdle for the program in the legislative process and that making fiscal tradeoffs will be crucial.
    - Response (Josephine Figueroa): My time in the Legislature does not align with Gordon's framing of how bills proceed through the legislative process.
  - Nina Weiler-Harwell noted that program enactment is likely years away and suspects there to be lobbying activity around what a potential program might look like.

## 6. **Agenda Item #5: General Public Commentary**

- No additional public comments were expressed.

**7. Agenda Item #6: Next Steps & Closing**

- The recording for this meeting will be available early next week.
- At 2:14 PM, Susan Bernard requested a motion to adjourn the meeting. Parag Shah made the motion, and Doug Moore seconded it. The meeting was adjourned.