



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

**California Long Term Care Insurance (LTCI) Task Force  
Meeting #22 Minutes  
Thursday, September 21, 2023**

1. **Task Force Meeting Call to Order – 9:45 AM**
  - Roll Call – present: Aron Alexander, Jamala Arland, Dean Chalios, Anastasia Dodson, Ahmad Kamil, Eileen Kunz, Laurel Lucia, Lydia Missaelides, Parag Shah, and Dr. Karl Steinberg.
    - Note: Sarah Steenhausen and Brandi Wolf joined after the conclusion of roll call
    - Absent: Joe Garbanzos, Doug Moore, and Tiffany Whiten
  - A quorum was met.
2. **Agenda Item #1: Welcome & Housekeeping Items**
  - Chair Ahmad Kamil went over housekeeping items.
3. **Agenda Item #2: Approve Minutes from Meeting #21**
  - Parag Shah asked clarifying questions about statements made during the last Task Force Meeting.
  - Parag Shah moved to approve the minutes from the prior meeting. Eileen Kunz seconded. The motion was approved unanimously.
4. **Agenda Item #3: Recap and Discuss: Potential Program Design Changes Questionnaire Results**
  - Stephanie Moench provided an overview of the potential program design changes questionnaire results.
  - Key Takeaways:
    - Task Force Members may benefit from having a discussion outlining their thought processes for recommending program design changes, such as affordability, accessibility, and comprehensiveness of benefits.
    - The Task Force’s recommendation to pursue an amendment to the California constitution is unchanged; however, the amendment to the California state constitution to allow Program funds to be invested in stocks and equities will be challenging to achieve, so assuming a baseline investment strategy that includes equities may underestimate the cost of each Program design. Oliver Wyman will include preliminary contribution rates for each investment strategy in the Actuarial Report and consider ways to frame results so as to not misrepresent the likelihood of achieving the constitutional amendment.

- Investment risk associated with California municipal bonds is comparable to other similarly rated bonds, and higher than that of U.S. Treasuries.
  - Lowering the employer contribution rate may garner support from the business community and bolster the feasibility of a potential Program, though the Legislature may decide to compromise with employers and further lower the contribution rate. It may be prudent to solicit feedback from employers in California before deciding on the baseline scenario to better understand their views and preferences.
  - Oliver Wyman will include an additional scenario in the Actuarial Report to assess the application of contribution caps to employers.
  - Oliver Wyman to further investigate the average wage for Californians who earn an annual wage above \$500,000, as improved data may influence the materiality of certain alternative scenarios and sensitivities (e.g., contribution caps).
  - Not implementing a contribution cap may alienate certain Californians, especially those who would be paying more in Program contributions than what they could receive in benefits.
  - Residential Care Facilities for the Elderly (“RCFE”) encompass individuals over the age of 65, while Residential Care Facilities (“RCF”) encompass a broader age range, including those with disabilities. Oliver Wyman will add a footnote to the Actuarial Report capturing this nuance.
  - Designs 1 and 3, while substantially different, boast similar contribution rates based on the preliminary actuarial analysis, driven by underlying assumptions. Some Task Force Members indicated their preference to exclude Design 1 from the Actuarial Report entirely, citing its limited coverage. Oliver Wyman will circulate a final questionnaire asking Task Force Members and the public to share their amended views on the Program designs they prefer and support.
  - It may be prudent to revisit Legislative next steps in a future Task Force Meeting.
- Public comments:
    - The level of the preliminary tax rates, employer contribution rate, and investment strategy may make a Program infeasible.
    - It may be prudent to include an opt-out provision for employers that offer private coverage.
    - Multiple public members requested an extension for the Task Force Meeting #22 survey to October 13, 2023, in addition to making the survey more accessible.
    - Consider modifying the baseline scenarios to hold a reserve at the end of the 75-year projection period.

**5. Agenda Item #4: Discuss: Program Effective Date and Other Clarifications**

- Ryan de la Torre noted that the California Department of Insurance (“CDI”) has observed misleading communications by agents and insurers concerning the AB 567 Task Force.
- Ryan clarified that the legislative assembly has not made any decisions in connection with AB 567. Stating that a public LTC program, tax, or opt-out provision will be enacted on January 1, 2024, or any other specific date is factually untrue and unacceptable.

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

- Commentary within the Actuarial Report regarding Californians that are expected to be covered under each Program design is essential.
  - Oliver Wyman presented a preliminary quantitative analysis of Californians covered (and excluded) from each Program design during Task Force Meeting #21.
- It would be helpful to quantify the financial impact of restricting the opt-out period for the applicable alternative scenarios in the Actuarial Report.

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

- Recording for this meeting will be available early next week.
- At 11:58 PM, Ahmad Kamil requested a motion to adjourn the meeting. Aron Alexander made the motion, and Dean Chalios seconded it. The meeting was adjourned.