



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

**California Long Term Care Insurance (LTCI) Task Force  
Meeting #23 Minutes  
Thursday, November 16, 2023**

1. **Task Force Meeting Call to Order – 9:31 AM**
  - Roll Call – present: Aron Alexander, Jamala Arland, Dean Chalios, Anastasia Dodson, Ahmad Kamil, Joe Garbanzos, Eileen Kunz, Laurel Lucia, Lydia Missaelides, Doug Moore, Dr. Karl Steinberg, and Brandi Wolf.
    - Note: Parag Shah joined after the conclusion of roll call
    - Absent: Sarah Steenhausen 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 #22 and Subcommittee Meeting #3**
  - Dean Chalios moved to approve the minutes from the prior Task Force Meeting. Eileen Kunz seconded. The motion was approved unanimously.
  - Laurel Lucia moved to approve the minutes from the prior Actuarial Subcommittee Meeting. Jamala Arland seconded. The motion was approved unanimously.
4. **Agenda Item #3: Recap and Discuss: Draft Actuarial Report and Next Steps**
  - Stephanie Moench provided an overview of the draft Actuarial Report, associated actuarial analysis, and next steps for Task Force Members.
  - Key Takeaways:
    - Updated preliminary contribution rates reflect modifications to the actuarial analysis for projected Program revenues and average wages for high earners in California.
    - Following this meeting, the Task Force will have an opportunity to revise their responses to the Program design changes and Program design preferences questionnaires given the updated actuarial analysis.
    - For the purpose of actuarial modeling, the definition of self-employed individuals is based on data from the California Department of Finance.

- Each financial sensitivity and its impact on Program contribution rates is independent, unless indicated. The impact of combining multiple sensitivities will not equate to the sum of the individual impacts on contribution rates.
- Increasing or decreasing Program benefit increases from inflation is anticipated to have the largest impact on the present value of ending Program fund balance.
- Except on Design 5, the Task Force recommended that Program benefit increases are assessed annually, but not automatically applied. For Design 5, annual increases for inflation are automatic. Consider running a sensitivity applying benefit inflation every other year.
- If an individual opts out of the Program, their full Program contribution (i.e., both the employer and employee share) is excluded from the actuarial analysis.
- SB 770, a bill that would implement a single-payer health care program in California, may intersect with AB 567 and Oliver Wyman's actuarial analysis.
- A possible next step following the conclusion of the Task Force's responsibility under AB 567 could be to align on a message to consumers, providers, and the Legislature regarding the Task Force's view on the political and financial feasibility of implementing a potential Program in California.
  - Oliver Wyman will collect input from the Task Force on timely/actionable next steps that they would like to recommend to the California Legislature and actions that the Task Force should take following the completion of the Actuarial Report.
  - Time will be set aside time to discuss Task Force perspectives on our next Task Force meeting.
- Public comments:
  - The draft Actuarial Report includes financial sensitivities that assess changes in immigration and emigration for California.
  - The draft Actuarial Report includes considerations for current retirees to participate in the Program.
  - The results of the Program design changes questionnaire (presented at Task Force Meeting #22) were updated to reflect additional public responses and have been revised on the California Department of Insurance website.
  - The public will have the opportunity to amend their Program design preferences given the updated actuarial analysis results.
  - Consider the importance of international portability, as care may be cheaper internationally without sacrificing quality.
  - It would be prudent to modify the baseline scenario to include a reserve for future Program participants and assume an investment strategy that does not require a state constitutional amendment.
  - The Actuarial Report outlines the underlying assumptions for wage growth in California and benefit increases based on Consumer Price Index inflation.
  - Consider limiting Program opt outs and increasing the contribution cap.
  - A constitutional amendment and a 50% employer contribution are both unlikely.

- The draft Actuarial Report includes an assessment of the potential fiscal impact of the Program on Medi-Cal with commentary on the anticipated removal of the Medi-Cal asset limit.
- Specifics regarding the types of private insurance that will be eligible for the Program opt-out provisions have not yet been determined.
- Including an option for home care coverage within the Program is crucial to ensuring that participants can age at home rather than a nursing home.

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

- Consider how California’s aging population and rising long-term care costs factor into the long-term sustainability of the Program.
- If an employee opts out of the Program, the employer would not be subject to the employer-portion of the tax for that individual.
- Consider putting together a short document summarizing the Actuarial Report and Task Force recommendations for the Legislature.
- Consider the importance of including insurers and agents in future working group discussions.
- In the absence of an employer contribution and a constitutional amendment allowing for alternate investment options, some of the designs become very expensive and may not be feasible.
- Educating the general public is a key next step. California’s Health Insurance Counseling and Advocacy Program may be a valuable resource to leverage.

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

- Recording for this meeting will be available early next week.
- At 11:34 PM, Ahmad Kamil requested a motion to adjourn the meeting. Joe Garbanzos made the motion, and Parag Shah seconded it. The meeting was adjourned.