

CALIFORNIA DEPARTMENT OF INSURANCE: LONG-TERM CARE INSURANCE PROGRAM

AB 567 priorities and tradeoffs questionnaire results

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 (LTSS). 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.

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PROGRAM DESIGN TRADEOFFS

Respondents were asked to select their preferred balance between (a) program benefit coverage levels, (b) program expansiveness (i.e., proportion of CA population covered), and (c) program cost

#	Answer – Task Force Members	Percentage	Count
1	Modest LTSS coverage for a broad portion of the CA population (anticipated to be moderately costly for taxpayers)	40.0%	4
2	Comprehensive LTSS coverage for a targeted portion of the CA population (anticipated to be least costly for taxpayers)	40.0%	4
3	Comprehensive LTSS coverage for a broad portion of the CA population (anticipated to be most costly for taxpayers)	20.0%	2

#	Answer – Public	Percentage	Count
1	Modest LTSS coverage for a broad portion of the CA population (anticipated to be moderately costly for taxpayers)	84.6%	11
2	Comprehensive LTSS coverage for a targeted portion of the CA population (anticipated to be least costly for taxpayers)	15.4%	2
3	Comprehensive LTSS coverage for a broad portion of the CA population (anticipated to be most costly for taxpayers)	0.0%	0

PROGRAM DESIGN PRIORITIES (1 OF 2)

Respondents were asked to indicate the importance of each of the following program design elements
 Response options (in order of importance): “must have”, “should have”, “nice to have”, “not right now”

#	Answer – Task Force Members	Score ¹	“Must have” count	“Not right now” count
1	Program provides coverage for a broad range of services and supports	34	3	0
2	Program addresses LTSS needs for the elderly population	31	4	1
3	Program is relatively easy to understand and simple to administer	22	0	0
4	Program LTSS benefits are reasonable in relation to program contributions	20	1	0
5	Program provides a safety net to the poor	20	1	0
6	Program offers great flexibility on how benefits can be used	18	0	0
7	Program encourages individuals to plan ahead for their LTSS needs through savings and/or private insurance if they can afford to do so	11	0	1
8	Program addresses LTSS needs, regardless of age	7	1	3

¹ **Scoring methodology:** 5 points for their ‘must have’ choice (i.e., most important), 3 points for each ‘should have’ choice, 1 point for each ‘nice to have’ choice, and -2 points for each ‘not right now’ choice (if applicable). Scores should be interpreted on a relative basis within a given question, with the highest score representing the most important program design element. Respondents were limited to 1 ‘must have’ selection and 3 ‘should have’ selections, with unlimited selections for ‘nice to have’ and ‘not right now’

PROGRAM DESIGN PRIORITIES (2 OF 2)

Respondents were asked to indicate the importance of each of the following program design elements
 Response options (in order of importance): “must have”, “should have”, “nice to have”, “not right now”

#	Answer – Public	Score ¹	“Must have” count	“Not right now” count
1	Program encourages individuals to plan ahead for their LTSS needs through savings and/or private insurance if they can afford to do so	45.50	8	0
2	Program provides coverage for a broad range of services and supports	33.25	4	0
3	Program LTSS benefits are reasonable in relation to program contributions	27.75	2	1
4	Program is relatively easy to understand and simple to administer	18.75	3	1
5	Program addresses LTSS needs for the elderly population	18.00	2	2
6	Program provides a safety net to the poor	9.00	2	4
7	Program offers great flexibility on how benefits can be used	4.75	0	2
8	Program addresses LTSS needs, regardless of age	-3.00	1	8

¹ **Scoring methodology:** 5 points for their ‘must have’ choice (i.e., most important), 3 points for each ‘should have’ choice, 1 point for each ‘nice to have’ choice, and -2 points for each ‘not right now’ choice (if applicable). Scores should be interpreted on a relative basis within a given question, with the highest score representing the most important program design element. Respondents were limited to 1 ‘must have’ selection and 3 ‘should have’ selections, with unlimited selections for ‘nice to have’ and ‘not right now’; points were split when a respondent exceeded these limitations, but all selections were counted in “Must have” count column

PROGRAM TRADE-OFFS: BENEFITS AND SERVICES

Respondents were asked to rank the following program design elements in order of importance to maintain as part of a modest or targeted program design alternative

#	Answer – Task Force Members	Score ¹	Top choices count	Lowest choices count
1	Broader range of approved care settings	49	4	1
2	Higher benefit maximum amount	41	5	3
3	Lower elimination period	35	4	2
4	Broader range of covered services	33	4	0
5	Benefit flexibility	15	2	5
6	Prevention measures and benefits	15	1	5
7	Higher benefit inflation amount	12	0	4

#	Answer – Public	Score ¹	Top choices count	Lowest choices count
1	Broader range of approved care settings	101	11	1
2	Broader range of covered services	46	4	1
3	Higher benefit maximum amount	35	4	3
4	Prevention measures and benefits	24.5	2	7
5	Lower elimination period	18.5	1	4
6	Benefit flexibility	18	2	4
7	Higher benefit inflation amount	17	2	6

¹ **Scoring methodology:** 10 points for first choice (i.e., most important to maintain), 5 points for second choice, 3 points for third choice, 2 points for fourth choice, 1 point for fifth choice, 0 points for sixth choice, and -1 point for seventh choice; scores should be interpreted on a relative basis within a given question, with the highest score representing the most important benefit/service to maintain in a more modest program design alternative; points were split when duplicative rankings were selected by a respondent

PROGRAM TRADE-OFFS: ELIGIBILITY AND ENROLLMENT

Respondents were asked to rank the following program design elements in order of importance to maintain as part of a modest or targeted program design alternative

#	Answer – Task Force Members	Score ¹	Top choices count	Lowest choices count
1	Contribution waivers for individuals below a specified poverty level	48	5	2
2	Partial vesting provisions	45	4	3
3	Benefit eligibility at a wider range of ages	39	4	3
4	Broad portability options	36	3	3
5	Extended financing options (e.g., non-voluntary program contribution options for those unable to contribute to the program via primary financing mechanism)	24	2	3
6	Extended coverage options (e.g., spouse/domestic partner shared benefits)	18	2	6

#	Answer – Public	Score ¹	Top choices count	Lowest choices count
1	Contribution waivers for individuals below a specified poverty level	68	7	1
2	Partial vesting provisions	55	4	2
3	Benefit eligibility at a wider range of ages	54	5	8
4	Extended financing options (e.g., non-voluntary program contribution options for those unable to contribute to the program via primary financing mechanism)	38	4	5
5	Broad portability options	32	4	4
6	Extended coverage options (e.g., spouse/domestic partner shared benefits)	26	2	6

¹ **Scoring methodology:** 10 points for first choice (i.e., most important to maintain), 5 points for second choice, 3 points for third choice, 2 points for fourth choice, 1 point for fifth choice, and 0 points for sixth choice; scores should be interpreted on a relative basis within a given question, with the highest score representing the most important eligibility/enrollment provision to maintain in a more modest program design alternative

