



LTSS AROUND THE WORLD

California Task Force Member primer for “*Designing Universal Long-Term Services and Supports Programs: Lessons from Germany and Other Countries*” published by the National Academy of Social Insurance

July 16, 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.

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OUR ASK OF LTC TASK FORCE MEMBERS

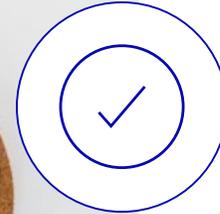
1. **Read** this document or **watch** the YouTube recording of this presentation



2. **Respond** to our brief questionnaire regarding your (preliminary) recommendations for the program design elements discussed in this document/presentation



3. **Review** summarized questionnaire results prior to upcoming Task Force Meeting



4. **Participate** in group discussions and debates around recommended program design at Task Force Meetings



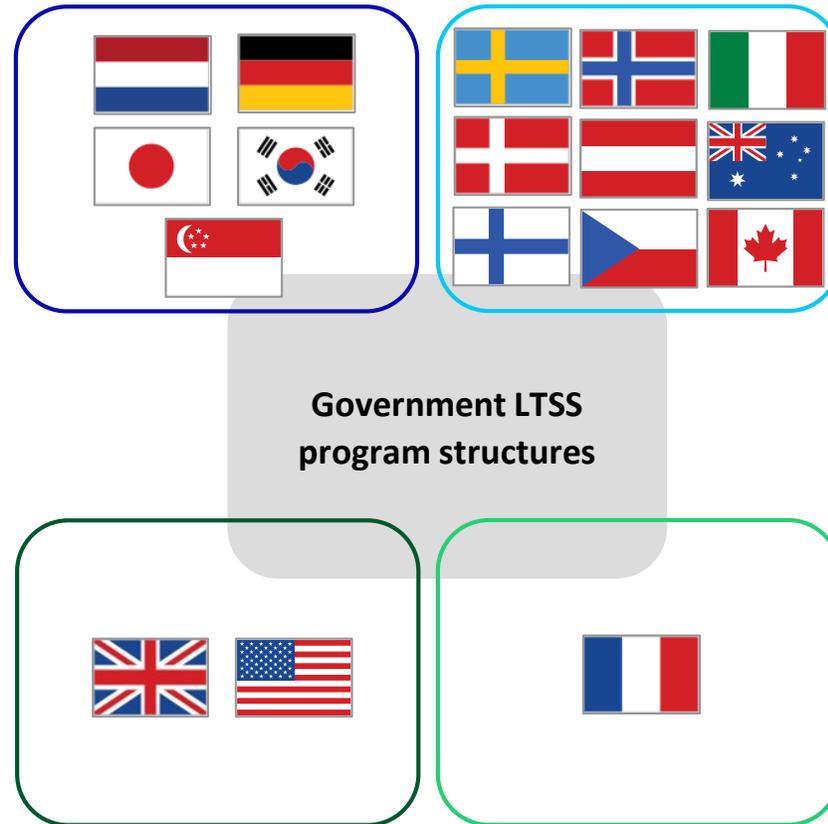
FOUR PRIMARY GOVERNMENT LTSS PROGRAM STRUCTURES EXIST WORLDWIDE

Social insurance¹

- Near universal coverage
- Funded by dedicated contributions from workers and/or employers (sometimes retirees)
- Funding and administration typically performed at national level to achieve maximum risk pooling
- Financing largely insulated from politics
- Germany, Netherlands, Japan, South Korea, Singapore

Residual

- Covers only those with low income and assets
- Funded from general tax revenues
- Means tested
- England, United States (Medicaid)



Universal comprehensive coverage

- Universal coverage with minimal cost sharing
- Funded from general tax revenues
- Strong local component for funding and administration
- Budgeting highly subject to political agendas
- Sweden, Denmark, Finland, Norway, Austria², Czech Republic², Italy, Australia, Canada²

Hybrid (universal & family responsibility)

- Universal coverage
- Funded by general tax revenues with small social insurance component
- No means test but benefits may decrease as income increases
- France

There is debate in the U.S. on whether new LTSS programs should provide front-end or back-end (catastrophic) coverage; for comparison, all existing models abroad provide coverage for an unlimited duration

¹ Washington's long-term services and supports (LTSS) program (WA Cares Fund) is a social insurance design

² Czech Republican, Austrian, and Canadian programs are more modest in scope than Nordic programs

LTSS GOVERNMENT PROGRAMS ARE NOT “ONE SIZE FITS ALL”

Differences in political, economic, and social environments relative to California should be considered

It is not feasible to “lift and shift” a program from one country into California.

What can we do?

01

Draw inspiration and insights from program designs in other countries

02

Be mindful of fundamental differences relative to California

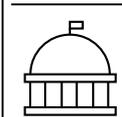
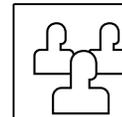
03

Be aware of challenges faced by other countries and get ahead of these challenges, if possible

Keep the following in mind when drawing parallels from other government programs

Population size and demographics

- California population: 40 million¹
- Germany population: 82 million²
 - Germany serves as a “case study” in NASI’s report



Government structure

- California is one of 50 states within a country
- Most LTSS programs in other countries are administered and financed at the federal level

Cultural and political differences

- In many countries, public LTSS benefits were designed to support and supplement family caregiving, not replace it



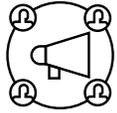
Integration and impact on existing government programs (e.g., Medi-Cal) and private insurance

- Fragmentation can lead to lack of coordination between health care and long-term care, and yield inefficient incentive structures

¹ <https://www.census.gov/programs-surveys/sis/resources/data-tools/quickfacts.html>

² <https://data.worldbank.org/indicator/SP.POP.TOTL>

LESSONS LEARNED FROM GERMANY'S LTSS PROGRAM



Public support

Once a program is established, public support for improving and expanding it will likely develop, even if doing so requires increasing premiums



Costs

Focus should be on limiting both public program costs and out of pocket costs for program beneficiaries



Eligibility

Eligibility determination requires careful consideration and can have unintended consequences



Managing liability

Program cost will depend on how liability is split between private LTC and other programs



Contribution rate

If groups who cannot fully “pay their share” from an actuarial perspective are not eligible for program benefits, overall contribution rate will be lower



Benefits

A legislative mechanism is necessary to ensure that benefits roughly keep pace with cost of care



Workforce

Even a well-designed program will struggle to provide high quality, accessible care if not accompanied by long-term LTSS workforce planning and policy

WHAT NEXT?



Please fill out the questionnaire

We will tally results and distribute them in advance of the next Task Force Meeting!

