

## California Long Term Care Insurance (LTCI) Task Force Meeting #4 Minutes Thursday, October 21, 2021

- 1. Task Force Meeting Call to Order 1:00 PM
  - Roll Call present: Dr. Lucy Andrews, Jamala Arland, Susan Bernard, Grace Cheng Braun, Anastasia Dodson, Eileen Kunz, Sutep Laohavanich, Michael Mejia, Doug Moore, Dr. Karl Steinberg, Tiffany Whiten, Joe Garbanzos, Parag Shah, and Laurel Lucia.
  - Quorum was met.
- 2. Agenda Item #1: Welcome, Introductions & Housekeeping
  - Chair Susan Bernard went over housekeeping items.
  - Introduction of two new members Sutep Laohavanich (taking over for Kim McCoy Wade) and Parag Shah.
- 3. Agenda Item #2: Approve Minutes from Meeting #3
  - Michael Mejia moved to approve the prior meeting's minutes and Joe Garbanzos seconded. The motion was approved unanimously.
- 4. Agenda Item #3: California Department of Aging (CDA) Presentation: Long Term Services & Supports (LTSS)
  - Sutep Laohavanich provided an overview of LTSS programs that are overseen by the California Department of Aging.
    - Generally, these are "safety net" programs.
    - Some are inter-related and there is cross-department integration.
    - Financed through various funding sources including federal, state, and local funds and grants.
    - Eligibility varies by program.
  - The expanding "No Wrong door" (NWD) system is rooted in Aging and Disability Resource Centers (ADRCs). This system aims to minimize confusion by establishing a single trusted source that allows for navigation of services to be streamlined and centered around the individual.
  - o Task Force Member Comments:
    - Joe asked who is responsible for care coordination between Medi-Cal and Medicare (for dual eligible individuals)?
      - Response: managed care plans are responsible for care coordination.

- Joe asked what is the ratio of individuals who are dual eligible for Medicare and Medi-Cal being covered by care coordination.
  - Response: Anastasia did not have specific data offhand.
- Joe commented on importance of involving providers in care coordination and making sure providers are engaged and willing to collaborate.
  - Response: if an individual is coming in for care management services, it is important to be able to look up that individual and give them contact information/other referrals. The focus is on sharing data, to the extent feasible, and directing members to the appropriate place for their care management.
- Michael asked about whether NWD is being actively implemented, and what percentage of managed care plans are under the NWD system?
  - Response: NWD system is active and expanding across multiple departments and programs throughout CA. Sutep did not have the specific percentage offhand.
- Michael noted that he had not heard of these programs until this session and asked how the programs are promoted, marketed, and built out in the community.
  - Response: Currently, most marketing is done through those that have personal experience with the Health Insurance Counseling and Advocacy Program (HICAP). There is a report forthcoming from the CDA that will expand on how they will market their programs.
- Jamala asked for an overview of gaps that exist under the current framework.
  - Response: there are various initiatives to develop a shared data system to identify gaps and overlaps, but specific data on gaps is not available at this time.
- Jamala asked about how the NWD and other programs interact and whether we can leverage this for the statewide long-term care (LTC) insurance program.
  - Response: the NWD system strengthens the CDA network (Area Agencies of Aging partners, community-based organizations, etc.) to deliver services to a wide range of individuals and promote partnerships. Sutep thought it was leverageable for the statewide LTC program.
- Eileen expressed her support for the NWD system and inquired about full list of acronyms and their meanings (related to periodic table in CDA presentation).
  - Response: if readily available, a document containing a description of each acronym will be made available to the Task Force and members of the public.
- Parag asked about the availability of data that may allow us to provide preventive care.
  - Response: managed care plans have analytics that allows them to identify at-risk individuals, connect them with a care team, and develop a care plan for them.
- Doug asked about options for Medicaid families to access LTC.
  - Response: this is a key consideration for the Task Force.
- Public Comments:
  - Ramon Castellblanch asked how many ADRCs exist in California. He noted that the website lists six.
    - Response: There are eight designated ADRCs (two recently designated in early October) and 11 emerging ADRCs in California.
  - Ramon Castellblanch asked what is being done (through HICAP) with respect to helping individuals navigate LTC services as he thought HICAP was focused on medical plans.

- Response: HICAP counselors receive training on helping individuals navigate Medicare plans. The forthcoming report previously mentioned will touch on improvement and expansion of LTC components of HICAP.
- Nancy Krebs noted that she was inspired by the presentation on NWD and is encouraged that the system is expanding. She also wanted to publicly emphasize integration of NWD policy into the statewide LTC insurance program.
- 5. **Agenda Item #4:** California Department of Health Care Services (DHCS) presentation: Medi-Cal and Medicare Programs
  - Anastasia Dodson provided an overview of Medicare and Medi-Cal, including financing, benefits, programs, and eligibility. She also touched on California's Partnership for Long-Term Care.
    - Medi-Cal is a federal / state partnership in funding and in authority for benefits, services, and eligibility.
    - Medi-Cal asset limits will be eliminiated in 2024. The income limits will remain for all individuals (regardless of age).
    - If costs are shifted from Medi-Cal to a new statwide LTC insurance program, it will reduce federal expenditures (in the absence of a waiver).
  - Task Force Member Comments:
    - Laurel commented on an immigration status development. Individuals aged 50 and older will be able to qualify for Medi-Cal benefits beginning in May 2022 regardless of immigration status. These individuals will be eligible for in-home supportive services (IHSS).
    - Laurel asked what happens to the LTC Partnership program in light of asset limit phaseout?
      - Response: Anastasia will take this back and follow-up.
    - Joe asked about best practices involving coordination between providers and state programs based on DHCS' experience that Task Force members should consider in relation to a statewide LTC insurance program.
      - Response: social determinants of health, upcoming Medicare managed care plans (connected to social services), and the CalAIM initiative which looks at deepening partnerships between community-based organizations and managed care plans. The Home and Community Based Services (HCBS) spending plan lays out priorities to address some of these concerns, including housing concerns for older individuals in California as it relates to HCBS.
    - Jamala asked about low Medi-Cal enrollment numbers for select programs in certain counties, and whether specific programs are not available in all counties [Assisted Living Waiver (ALW), Community-Based Adult Services (CBAS), Multipurpose Senior Services Program (MSSP)]
      - Response: some drivers include limits on waiver slots (e.g., waiting lists for programs), eligible population definitions (e.g., community members vs. those in skilled nursing facilities), coordination between counties, and funding. Barriers do exist for some programs and are unique to each program.
    - Parag asked if we should be trying to understand Medicare/Medi-Cal savings and the interaction between a statewide LTC program and Medi-Cal?

- Response: this is an important issue and will be discussed in our next agenda topic
- Lucy asked for data on those who are not enrolled in Medi-Cal LTSS programs (i.e., those who are eligible for services, but who are not receiving them)?
  - Response: individuals not receiving services include those who are not eligible for Medi-Cal and those who are receiving care from family members or other unpaid individuals. We may be able to approximate by taking the number of people in California with activity of daily living issues and subtracting the number of people receiving Medi-Cal benefits (but we need to be cognizant of overlap in program coverage).
- Parag asked about the level of participation in the LTC Partnership Program. If there is low participation, do we know why?
  - Response: there are market forces more broadly impacting LTC in California that also impact the Partnership Program.
- Karl asked how many custodial nursing home residents are on Medi-Cal?
  - Response: there are about 90,000 nursing home residents in California, a portion of which are covered by Medi-Cal. Most long-term nursing home stays are covered by Medi-Cal.
- Karl asked about expanding Assisted Living Waiver and other low-enrollment LTSS programs and noted that this is crucial for Task Force members to consider.
  - Response: This is being addressed through the Home and Community-Based Services spending plan and CalAIM, but there is more work to be done.
- o Public Comments:
  - Bonnie Burns provided comments regarding the Long-Term Care Partnership Program, including that (i) asset protection can be (and has been) used to encourage individuals to buy LTCI, which will now be affected from asset threshold phase out, (ii) Partnership LTCI policies include care assessment and coordination, which are both vital, and (iii) inflation protection is also important, as it is not a standard rider.
  - Ramon Castellblanch suggested that it may be helpful to check in with the Administration of Community Living and noted that about 2/3 of individuals receiving LTSS do so from unpaid caregivers.
  - Lindsay Imai Hong asked about Medi-Cal eligible individuals who cannot access IHSS due to share of cost requirements and noted that a statewide LTC program would be good to bridge this gap.
  - Russell Rawlings stated that Medi-Cal is not sufficient to meet the needs of all disabled individuals and that there is a desperate need for a universal LTSS program. This program should draw on a progressive funding source, as well as cover all individuals and services.
- 6. **Agenda Item #5**: Recap: Coordination and Interaction with Medi-Cal
  - Kevin Russell gave an overview of coordination and interaction between Medi-Cal and a new statewide LTC insurance program in California.
  - Task Force Member Comments:
    - Parag asked for clarification on the federal match, and why it is important for us to consider.
      - Response: federal dollars do not flow to the state if LTSS benefits are paid by the new statewide LTC program instead of by Medi-Cal. We need to be mindful of

cash flows before/after the program goes into effect to ensure we are not leaving a potential source of funding on the table.

- Anastasia stated that California taxpayers mostly pay the non-federal share of Medi-Cal. If you remove the federal share (e.g., by covering the benefits under a statewide LTC Program) then California taxpayers pay 100% of the cost. Savings achieved on the federal side can be recouped by the state through a CMS Waiver.
  - Response: this will be discussed further at our future Task Force Meeting on Financing. We will track the status of Washington's CMS Waiver request for the WA Cares Fund.
- Laurel stated that it would be a shame to leave federal dollars on the table.
- Public Comments:
  - Angela suggested that we reimagine universal LTC through the existing model of Medi-Cal and that a universal program is crucial so that we avoid making decisions regarding who is, or is not, eligible.
- 7. Agenda Item #6: Recap: Coordination and Interaction with Private LTC Insurance
  - Ryan de la Torre gave a recap of private LTC insurance benefits in California and highlighted considerations related to the coordination and interaction between private LTC insurance and a new statewide LTC program in California.
  - Task Force Member Comments:
    - Jamala provided another consideration regarding affordability: about 25% of Californians cannot afford a short-term nursing home stay. She noted that it is important to keep in mind additional underwriting that may need to occur if duplication of benefits between a state program and LTCI leads to increases in private policy benefits.
    - Parag noted that Ryan's presentation focuses on stand-alone LTCI coverage which is only a portion of private LTC coverage in California. He noted that life insurance with LTC riders outsells stand-alone LTC substantially.
    - Joe highlighted the need to invest in community-based programs. He asked if, from an insurance perspective, we are bounded by services offered in nursing homes and residential care facilities?
      - Response: No, but LTCI typically covers the aforementioned services.
    - Joe asked about the data that is available to support preventative benefits.
      - Response: some policies have benefits that are preventive in nature, such as home modification and other services aimed at keeping individuals in their homes. LTCI costs/savings from preventive services are hard to quantify.
    - Karl asked how Medi-Cal eligibility (income vs. assets) impacts with this topic. He noted that it is potentially alarming if wealthy individuals (in terms of assets, not income) are not currently eligible for Medi-Cal but will be when the asset limit goes away.
      - Response: the asset limit for Medi-Cal is being eliminated in 2024, which will create more potential for concurrent payments. One consideration is that if an individual is receiving benefits from a statewide LTC program, should they be included in determining Medi-Cal eligibility/share of cost?
    - Jamala noted that with regard to opt-out provisions, it is important to be mindful of individuals who may contribute more than they ultimately receive in benefits (which could be the case under the WA Cares Fund). We should also be mindful of how opt-outs affect low-income earners.

- Eileen said that for some individuals, having better integration between medical and LTC services can be beneficial in terms of prevention. She encouraged Task Force members to look at models that integrate services in this way. She also encouraged Task Force members to consider the number of hours used when considering home care costs. Some individuals need more support to stay out of an institution than others.
  - Response: cost data was pulled from Genworth's Cost of Care Survey, which assumes 44 hours per week of home care in developing costs.
- Jamala highlighted that nursing facility stays tend to be shorter than home care or assisted living facility stays. Home care costs can be very expensive if the individual should actually be in a facility given their level of care needs (e.g., "facility claims in disguise at home").
- Eileen stated that we need to be mindful of the scarce LTSS caregiver workforce.
- Parag noted that we can learn from Washington regarding portability and the "value" of the state benefit, which could help mitigate high opt-out rate.
- Lucy would like the Task Force to consider having a robust discussion regarding social determinants of health and how they can be used to assess clinical, psychosocial, and medical needs. She said that costs of home care have been consistently (and significantly) increasing and we need to be mindful of this.
- Public Comments:
  - Ramon Castellblanch stated that he strongly disapproves of an opt-out provision.
  - Bonnie Burns seconded Ramon's thought on opt-out provision. She feels that individuals
    with LTCI should be protected from rising premiums due to the implementation of a
    statewide program. She also noted that existing California legislation includes protection
    that policyholders could reduce their benefit/premium in the event duplicative stateprovided coverage is established. She stated that we have seen dramatic rate increases,
    which forces consumers to make tough decisions regarding their benefits. Overall, we
    need to be mindful of California's existing consumer protection rules regarding LTCI.
  - Hannah Karpilow stated that the wealthy must pay their share. She disapproves of an opt-out provision. Additionally, she feels that LTCI should be the primary payer, and continue to pay until benefits are exhausted. She doesn't see why the insurance industry should profit from the state. She stated that we need to also consider wages of home caregivers and how it affects costs.
  - Arthur Persyko disapproves of an opt-out provision. He is concerned about how such a
    provision affects the risk pool and thus the actuarial viability of a new statewide program.
  - Michael Lyon stated that he supports a universal, comprehensive program that considers living wages/housing for paid/unpaid caregivers.
  - Louis Brownstone offered a different view regarding an opt-out provision and stated that it could potentially encourage people to buy LTCI if the provision required that individuals purchase a minimum level of private coverage to qualify to opt out. He recommends a minimum provision of \$150 per day benefit with a 3% compounded inflation rider for a stand-alone LTC insurance policy.
- 8. **Agenda Item #7**: Recap: Coordination and Interaction with Current Federal Proposals
  - Agenda item was postponed until the next Task Force Meeting in December due to time constraints.

- 9. Agenda Item #8: Recap: LTSS Around the World
  - Agenda item was postponed until the next Task Force Meeting in December due to time constraints.
- 10. Agenda Item #9: Recap: California Population Demographic Information
  - Agenda item was postponed until the next Task Force Meeting in December due to time constraints.
- 11. Agenda Item #10: Recap and discuss: Task Force Meeting #4 Questionnaire results
  - Stephanie Moench reviewed the Task Force Meeting #4 Coordination & Interaction Questionnaire results
  - Task Force Member Comments:
    - Jamala asked how views have changed regarding whether the statewide LTC program should be the primary or secondary payer relative to the questionnaire results from Task Force Meeting 3.
      - Response: The preliminary consensus reached on the prior meeting was that the statewide LTC program will have a front-end benefit design, meaning the program will cover an individual's early LTSS costs (e.g., in the first couple years). It was not related to the order in which benefits would be paid to individuals (e.g., that the statewide LTC program would pay before private insurance).
    - Parag noted that it might be good to differentiate between LTC insurance purchasers before and after the implementation of the state program in discussions related to potential opt-out provision(s).
    - Joe stated that for an LTC program to be viable, we must spread the risk. Additionally, we should consider an option for additional "bells and whistles" coverage that can be purchased by policyholders if they so choose.
    - Laurel stated that her initial recommendation was that there be no opt-out due to viability and equity concerns. She noted that there may be a disconnect between the results for question 1 and question 2 if equity is a priority. She highlighted the need to think about what we are sacrificing with an opt-out provision—this could be simplicity or choice to consumer.
  - Agenda item was cut short due to time constraints and will be revisited at the next Task Force Meeting in December.

## 12. Agenda Item #11: General Public Commentary

- Agenda item was postponed until the next Task Force Meeting in December due to time constraints.
- 13. Agenda Item #12: Next Steps & Closing
  - Recording for this meeting will be available early next week.
  - Meeting ended at 4:30 PM. There was no official adjournment.