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CALIFORNIA INSURANCE COMMISSIONER

**California Long Term Care Insurance (LTCI) Task Force
Meeting #19 Minutes
Thursday, March 9, 2023**

1. **Task Force Meeting Call to Order – 3:00 PM**
 - Roll Call – present: Aron Alexander, Jamala Arland, Susan Bernard, Dean Chalios, Anastasia Dodson, Joe Garbanzos, Eileen Kunz, Laurel Lucia, Parag Shah, Sarah Steenhausen, and Tiffany Whiten.
 - Note, Sarah and Jamala joined after the conclusion of roll call
 - Absent: Lydia Missaelides, Doug Moore, Dr. Karl Steinberg, and Brandi Wolf.
 - A quorum was met.
2. **Agenda Item #1: Welcome & Housekeeping Items**
 - Chair Susan Bernard went over housekeeping items.
3. **Agenda Item #2: Approve Minutes from Meeting #18**
 - Laurel Lucia moved to approve the minutes from the prior meeting, and Joe Garbanzos seconded. The motion was approved unanimously.
4. **Agenda Item #3: Overview and Discuss: Actuarial Subcommittee Scope, Approach, and Workplan**
 - Dustin Plotkin provided an overview of the Actuarial Subcommittee’s scope, approach, and workplan.
 - Key Takeaways:
 - While exact assumptions and rates will not be shared, the data sources and methodologies used to develop the assumptions will be discussed with the Subcommittee.
 - Oliver Wyman confirmed that as part of the actuarial analysis they will explore alternative financing options that could allow current retirees to participate in the Program.
5. **Agenda Item #4: Overview and Discuss: Additional Program Benefit Design Considerations**
 - Stephanie Moench provided an overview of additional program benefit design considerations.
 - Key Takeaways:

- Having a monthly maximum may help consumers budget and prolong benefits, but removing the monthly maximum for certain high-cost services such as home modifications will promote flexibility.
- Long-term care claims generally span a relatively long period, and if beneficiaries have access to their entire benefit pool, they may use up their benefits early in their claim. Consider removing the monthly benefit maximum for home modifications only but not necessarily for facility care.
- Including design options that promote flexibility is a good strategy to achieve desired outcomes, though doing so can increase the risk of abuse. Consider removing the monthly benefit maximum for select higher-cost services.
- Oliver Wyman to clarify language regarding the fiscal impact on Medi-Cal of removing the monthly benefit maximum.
- It may make sense to vary the level of flexibility based on the benefit richness. For example, there could be more flexibility for designs with lower benefit levels and less flexibility for designs with higher benefit levels.
- Anecdotally, feedback from consumers on a private insurance product that offered a reduced cash benefit was that it was too onerous as it did not allow policyholders to switch between the cash and reimbursement options after initial election. Consumers preferred flexibility and allowing at least one switch would have made the product more desirable. However, cost trade-offs come into play. Cost-benefit analysis showed that allowing one switch did not have a substantial cost impact, but allowing more than one switch was more costly.
- It may be prudent to allow beneficiaries to switch between benefit types to ensure Program design is not onerous and does not hinder benefit usage. Flexibility may facilitate Program beneficiaries aging in place with dignity.
- Oliver Wyman to collect Task Force members' preliminary recommendations on the Program benefit design considerations discussed anonymously via email.

6. Agenda Item #5: General Public Commentary

- Flexibility for Program beneficiaries should be of utmost concern, especially for designs with relatively low benefit levels.

7. Agenda Item #6: Next Steps & Closing

- Recording for this meeting will be available early next week.
- At 3:47PM, Susan Bernard requested a motion to adjourn the meeting. Dean Chalios made the motion, and Parag Shah seconded it. The meeting was adjourned.