



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

**California Long Term Care Insurance (LTCI) Actuarial Subcommittee  
Meeting #2 Minutes  
Thursday, April 27, 2023**

1. **Subcommittee Meeting Call to Order – 12:00 PM**
  - Roll Call – present: Jamala Arland, Susan Bernard, Laurel Lucia, and Parag Shah
    - Note: Jamala Arland joined after the conclusion of roll call
    - Absent: 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 Subcommittee Meeting #1**
  - Parag Shah moved to approve the minutes from the prior meeting, and Laurel Lucia seconded. The motion was approved unanimously.
4. **Agenda Item #3: Overview and Discuss: Key Modeling Approaches and Simplifications**
  - Dustin Plotkin provided an overview of key modeling approaches and simplifications.
  - Key Takeaways:
    - Consider how future shifts in the labor market, particularly the type of work that people do, could impact the Program and actuarial analysis.
    - Consider including qualitative commentary on the potential LTSS workforce changes and implications on the Program, even if available data is not specific to California.
    - Assess the impact (and implications) of using 500 hours versus a wage/income-based minimum work requirement threshold for participants to receive vesting credit in a given calendar year.
      - WA Cares has an hours-based minimum requirement (500 hours each year, or approximately 10 hours per week) while Social Security has an income-based requirement (minimum earnings of \$6,560 to receive the full 4 quarters of vesting credit per year).
      - Consider how the chosen minimum work requirement would impact the number of individuals expected to be excluded from the Program.
    - Include additional context in the Actuarial Report to support potential income levels quantified for Program contribution waivers. Another potential data

source, in addition to Medi-Cal, is the United Way's Real Cost Measure for California study.

- Consider including analysis in the Actuarial Report that compares hypothetical Program contribution reductions (for those who purchase eligible private insurance subsequent to the Program's effective date) to the cost of typical insurance available in the private market.
- Consider the feasibility of levying a personal income tax on current retirees.
- Consider whether California residents that have too high of a share of cost to qualify for Medi-Cal are inadvertently excluded from the Program under any of the designs.
- Consider how different income distributions in the future could impact Program revenues.

5. **Agenda Item #4:** Overview and Discuss: Initial Actuarial Assumption Data Sources, Variances, and Methodologies

- Stephanie Moench provided an overview of initial actuarial assumption data sources, assumption variances, and methodologies.
- Key Takeaways:
  - Consider if including LTC insured experience data for policies with lifetime benefit periods should be included in assumption development, given potential benefit conservation by Program participants.
  - Include qualitative commentary in the Actuarial Report regarding the variances in availability of LTSS across California.
  - Consider whether it is appropriate to include morbidity improvement based on population studies, especially given the inclusion of mortality improvement.
  - Assumption sensitivity testing will be performed for key actuarial assumptions.
  - Consider the differences between an insured population and the Program participant population—such as potential for conservation of benefits, use of informal care, lack of underwriting, and affluency—and the extent to which differences may impact actuarial assumptions.

6. **Agenda Item #5:** General Public Commentary

- No additional public comments were expressed.

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

- Recording for this meeting will be available early next week.
- At 2:02 PM, Susan Bernard requested a motion to adjourn the meeting. Parag Shah made the motion, and Laurel Lucia seconded it. The meeting was adjourned.