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CALIFORNIA INSURANCE COMMISSIONER

**California Long Term Care Insurance (LTCI) Task Force
Meeting #20 Minutes
Thursday, July 13, 2023**

1. **Task Force Meeting Call to Order – 10:33 AM**
 - Roll Call – present: Aron Alexander, Jamala Arland, Dean Chalios, Anastasia Dodson, Joe Garbanzos, Ahmad Kamil, Laurel Lucia, Parag Shah, Stephanie Blake (on behalf of Sarah Steenhausen), Dr. Karl Steinberg, and Tiffany Whiten.
 - Note, Jamala Arland joined after the conclusion of roll call.
 - Note, Eileen Kunz and Brandi Wolf were also present but could not be considered as voting Task Force members due to their locations not being listed on the public notice.
 - Absent: Lydia Missaelides, Doug Moore.
 - A quorum was met.
2. **Agenda Item #1: Welcome & Housekeeping Items**
 - Introduction of new Task Force Chair – Ahmad Kamil (Chief Life Actuary, California Department of Insurance) will be replacing Susan Bernard as the Task Force Chair.
 - Chair Ahmad Kamil went over housekeeping items.
3. **Agenda Item #2: Approve Minutes from Meeting #19**
 - Parag Shah 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: Preliminary Actuarial Analysis and Next Steps**
 - Stephanie Moench and Dustin Plotkin provided an overview of the preliminary Task Force recommendations for the additional Program design considerations related to monthly benefit maximums and benefit type (cash versus reimbursement) flexibility, a recap of Actuarial Subcommittee Meeting #2, and next steps for the Task Force through the end of 2023.
 - Key Takeaways:
 - With the exception of individuals requiring full-time home care assistance, home health care services are generally more cost-effective than institutional care.

- Clearly defining the services or care settings for which the monthly benefit maximum does not apply is important as it will help reduce additional administrative costs. Implementing care concierge services could help individuals balance their use of the benefit and ease transitions from home health care to institutional care when appropriate.
- Modeled tax rates for each Program design may be skewed if care coordination is not adequately captured in the modeling process.
- In defining the exceptions, consider whether certain services are covered through this Program or elsewhere in California, as duplication is not cost-effective. Many Medicare and Medi-Cal recipients have coverage for durable medical equipment and transitional care-setting services.
- The more complex the benefit package, the more difficult it will be to determine the Medi-Cal savings generated by the Program.
- It may be prudent to work out the nuances of Program coordination with Medi-Cal and other programs while the actuarial analysis is ongoing. Including costs for benefits that would be covered under other programs could result in overpricing the Program and lead to legislative hurdles.
- Oliver Wyman to follow up with WA Cares Fund regarding the status of their negotiations with CMS on sharing in future Medicaid savings generated by the program.
- The Task Force did not propose changes to their preliminary monthly benefit maximum and benefit type flexibility recommendations.
- It may be important to segment mortality and morbidity assumptions by ethnicity, potentially as a sensitivity test, as differences by ethnicity can be muted when data is aggregated.
- Morbidity assumptions are based on nationwide, versus California-specific, experience to increase credibility. Oliver Wyman will assess potential data on the morbidity differential for Californians long-term care experience data and state-specific Medicare data that could be used to inform additional morbidity adjustments.
- Model immigration and emigration rates do not vary by income level, as credible data was unavailable. Oliver Wyman to perform a sensitivity test to gauge the impact of higher-income Californians leaving the state after Program implementation.

5. **Agenda Item #4:** General Public Commentary

- The Program must meet the needs of all Californians in a sustainable manner using equitable funding. Having a progressive funding approach, no contribution cap, and universal benefits will help achieve these goals.
- Allowing beneficiaries flexibility to switch between benefit types (cash versus reimbursement) would bolster the Program's cultural competency and would allow Californians to age gracefully in their desired care setting.
- The Program should provide compensation to unpaid family caregivers.

- When looking at alternative funding mechanisms for current retirees, consider the funding approach used by Social Security at initial implementation.
- Consider allowing international benefit portability.
- Consider the tax consequences to the beneficiaries if the Program provides a cash benefit under any of the Program designs.
- Home health care is more efficient than institutional care if the recipient requires a relatively small amount of care, such as day care or part-time assistance, though higher levels of care may create inefficiencies.
- Consider implementing safeguards to prevent fraud if the monthly benefit maximum is removed for home modifications and durable medical equipment.
- Lower income contribution waiver and higher income contribution cap thresholds will be indexed to inflation. Vesting crediting will be considerate of the potential for individuals to move above and below the lower income contribution waiver due to monthly income variance within a given year.

6. Agenda Item #5: Next Steps & Closing

- Recording for this meeting will be available early next week.
- At 11:59, Ahmad Kamil requested a motion to adjourn the meeting. Parag Shah made the motion, and Tiffany Whiten seconded it. The meeting was adjourned.