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CALIFORNIA PARTNERSHIP FOR
LONG-TERM CARE



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GOVERNOR

SB 1384 Task Force Policy Recommendations

During the Task Force meeting on September 27, 2017, policy recommendations were presented to the group for consideration. These recommendations outlined below will be presented to other groups outside of the Task Force for further investigation and input.

The two policy recommendations presented were from Tom Orr of Senior Insurance Training Services and Louis Brownstone of California Long-Term Care Insurance Services, Inc.

Integrated Comprehensive Policy (Tom Orr):

- Daily Benefit: \$140-\$150 (up to \$300 a day)
- Duration: Asset Protection (\$75,000/ \$100,000 / \$125,000 / \$150,000 / \$250,000 / \$350,000 / \$500,000)
- Deductibles: \$10,000 / \$15,000 / \$20,000
- Inflation protection for people age:
 - 69 or less: 2%, 3% or 5% compound
 - 70-75: 2-3% simple
 - 76: offer disclosure to meet HIPAA needs and option to opt out
 - Non-forfeiture (yes or no)

Louis Brownstone's Recommendation

Use the current Partnership policy structure with the following additions or changes:

- Nursing Home Care: \$6600 a month, Residential Care Facility (Assisted Living): \$4650 a month, Home Care Services: \$3300 a month
- 30- day elimination to be mandatory for 1 & 2 year policies (respite, hospice, care coordination)
 - Use service days rather than calendar days when calculating elimination period
- 3% compounding inflation (possible 2%)
- Lesser inflation for age 70 (2 possible)
- Training for caregivers
- Non-forfeiture

Additional Comment

Robert Yee of Price-Waterhouse (Actuary) added a comment to set minimum benefits of \$100,000 (\$75,000 would probably be too low for California) with a 2-3% universal inflation.