



**SB 1384 California Partnership for Long-Term Task Force
Meeting Minutes
April 3, 2017**

Prepared by Brown-Miller Communications with the California Department of Health Care Services Long-Term Care Division and California Partnership for Long-Term Care

SUMMARY

The SB 1384 Long-Term Care Task Force held its inaugural meeting on April 3, 2017, in Sacramento. Organized by the Department of Health Care Services, the meeting provided the attendees – in person and on the phone – with an introduction and overview of the issues surrounding long-term care today. There were 22 who attended in person and approximately 11 who joined us on the conference phone. Attendees consisted of insurers, long-term care insurance agents, consumer advocacy groups/individuals, actuaries, various state agency representatives, State Assembly representatives, State Senate representatives, CalPERS and CalSTRS.

There were presentations on the LTC Task Force charter, a situation analysis of the long-term care landscape and an introduction to the California Partnership for Long-Term Care program, which was followed by a SWOT (Strength, Weakness, Opportunities and Threats) exercise to facilitate a discussion among the attendees to help identify the current strengths, weaknesses, opportunities and threats that the task force can begin to address.

STRENGTHS: A LOOK AT THE BENEFITS OF THE PARTNERSHIP PROGRAM

Value Proposition of the Partnership: As a program, the Partnership offers an innovative product attractive to consumers and businesses.

Shared burden (public/private/consumer) & allocated responsibility is unique and, in theory, a balanced approach to providing services to consumer.

Quality Product: The Partnership was created with consumer protections in mind and developed high-quality policies consumers have confidence will protect them when needed.

WEAKNESS: WHERE THE PARTNERSHIP MAY BE DEFICIENT OR LACKING
There is <i>no demand</i> for LTC policies in the current environment.
With many people not wanting to go into a Medi-Cal facility, is <i>the Asset Protection feature still the right feature</i> to promote with the Partnership policies?
<i>Inheritance</i> : New boomers do not have a desire to save the house for the kids. They may not have a home to save/pass onto their heirs.
There is a <i>lack of long-term care policy awareness/education</i> that leads to the product's bad reputation.
Millennials do not see the benefit of long-term care and, not surprisingly, are <i>not interested in purchasing a policy</i> .
<i>We do not know what the Medicaid benefit will look like in the future</i> . This makes it difficult to create a product to respond to this need.
Consumers know they need dollars to cover financial issues, but <i>they want the freedom to choose how to spend those dollars</i> and not have anyone to tell them how to do it.

OPPORTUNITIES: A LOOK AT WHAT'S POSSIBLE AND/OR A CHANCE FOR PROMOTION
Look into partnering with the Legislature for private/public resolutions.
Investigate where the task force can influence public policies related to the issue.
Utilize the task force's capacity to draw attention, highlight opportunities for action.
Link Medicaid with private insurance and look into providing caregivers with incentives such as work credit and/or income.
Long-term care insurance is underutilized in the employee sector. Have employers' HR departments include LTC educational materials in their paperwork.
Find ways of incorporating technology into the long-term care systems and supports (i.e., care monitoring, alerts, information sharing, pill dispensing, etc.).
Look into hybrid policies (i.e., combine life insurance with LTC needs).
Rethink how the industry is financed and investigate viable alternatives (i.e., federal LTC program).

THREATS: SOMETHING THAT MAY LIKELY CAUSE DAMAGE TO THE PARTNERSHIP
The population demographics are changing, making old assumptions invalid.
Targeted audience may not be eligible due to different circumstances (worse with disabilities, no children, economic reasons, etc.).
Need to target younger populations to start thinking about their or parents' long-term care needs.
Competition for where to put dollars (life insurance, 401K, college fund, savings) across range of population.
There's a lack of understanding for the need to insure for long-term care.
Carriers have preference for hybrid policies, especially riders, that are easier to sell but with less consumer protections.
There's a lack of agent training that translates to bad product education for consumers. Long-term care insurance is often complicated and takes specialized training to explain the impact and eliminate consumer confusion.
Californians have a welfare state mentality. Most feel that the government will take care of them at their time of need.

DISCUSSION

After the SWOT exercise, the group had a facilitated discussion about past events leading up to the current situation with the long-term care systems and supports, the Partnership program and other perceived barriers. Questions and topics came up that needed to be either considered or further investigated for the next task force meeting in June.

After a quick SWOT analysis, the attendees had a brainstorming discussion and the following were discussed:

- There needs to be flexibility with insurance product design.
- There's a question about the regulatory process for making changes and approvals from insurance companies to the California Department of Health Care Services (DHCS) and the California Department of Insurance (DOI). There are two independent processes with two agencies. Can the departments provide general steps and a timeframe?
- What are the best practices from other Partnership states?
- There was a suggestion to make every LTC policy issued in California a Partnership policy
- There needs to be fundamental regulatory changes, including but not limited to: (1) cash value in policy or (2) covering something rather than nothing. We need to look into more affordable options.
- One barrier discussed is how the insurance product is sold. The time requirements are cumbersome but were also seen as necessary in order to properly educate consumers.
- Care coordination requirements can be complicated.

- Other Partnership states are lowering their standards, similar to federal requirements but with protections, as part of their product design.
- Did DOI overstep their bounds?
- The DOI is working as quickly as it can but often has to work with non-compliant policies, which delay the approval process; companies take months to return corrections.
- Revisit outside companies that are non-Partnerships to look at their regulations.
- California-specific rules can complicate selling insurance products for national carriers. This has caused fewer insurance companies to be interested in selling in California due to strict regulations.
- Explore hybrid LTC/life insurance where it pays out during the consumer's time of need.
- Address diversity barriers; look into studies of susceptible ethnicities to dementia, etc.
- Explore how to incorporate technology into the LTC systems and the supports needed to become more innovative and fulfilling a need in the market.
- Sell LTCi through "Covered California" and use the marketplace platform to educated people.
- Use HICAP to educate about LTC and Medi-Cal; promote "Taking Care of Tomorrow" brochure.
- There's a need for more marketing and direct mail programs.
- Address diversity of audience/populations in marketing and sales.
- Integrate long-term care outreach with HICAP.
- Consider lack of caregivers, geriatricians and facilities.
- Educate consumers, especially life insurance owners, where Medi-Cal is excluded; help them understand the potential problems with limited products.
- Increase reach/sales to non-middle income.
- There needs to be an analysis of different policy approaches.
- Tap into the Medi-Cal "coordinate care" program to tie in with ethnic population outreach.
- How does LTC coordinate care integrate with medical coordinated care?
- Incorporate cost sharing instead of divesting resources; facilitate savings.
- Sell long-term care insurance through employer.
- With so many changes in Medi-Cal policy in relation to LTC and life insurance, how can Medi-Cal look at requirements and opportunities?
- Are there updates on Partnership policies and effectiveness nationally? Additional studies?
- Partnership will present the survey results of LTC clients eligible for Medi-Cal (2003).
- Consider new design with cost-sharing with consumer: how care is received and spent; lighter burden of coverage for carrier "skin in the game."
- Consider a 401k type product with match, similar to an investment-based model that comes out of people's paycheck and tax breaks.
- Create marketplace for LTC.
- Create a true public/private partnership to help low/middle income together; pricing the product may be difficult.
- Define scope of the task force.

- Waive carrier donation requirement for period to get interest. Louis talked about \$20k funding for materials that should be waived for six months.
- What are the non-partnership offerings?
- Tie long-term care insurance to auto insurance sales.

ACTION: NEXT STEPS

The following items have been designated to the following individuals and/or organizations to investigate the topic and report back for the next task force meeting:

- **Emily Smith** (California Department of Insurance) and **Brenda Bufford** (California Partnership for Long-Term Care)
 - *Why is the industry upset about policy review process and time? What is the policy review process, and can the department provide steps and timeframe?*
- **Hugh Slayden** (CA State Senate Committee on Insurance) and **Louis Brownstone** (California Long-Term Care Insurance Services)
 - *Best practices from other Partnership states*
- **Hugh Slayden** (CA State Senate Committee on Insurance) and **John Shirikian** (Association of CA Health Insurance Companies)
 - *Analysis of different policy approaches*
- **Brenda Bufford** (California Partnership for Long-Term Care)
 - *Survey of LTC clients eligible for Medi-Cal 2003/2004*
- **John Shirikian** (Association of CA Health Insurance Companies) and **Louis Brownstone** (California Long-Term Care Insurance Services)
 - *What are the current non-partnership insurance offerings?*
- **California Department of Health Care Services**
 - Invite the Department of Finance to the next meeting
 - Update the UC Berkeley study (Partnership)
 - Research Cal MediConnect multilingual outreach approach
 - Finalize draft chapter from the task force comments

NEXT MEETING:	Tuesday, June 20, 2017 1 p.m. - 4 p.m. 1600 K Street, Sacramento, CA
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Task Force Meeting Attendance

Monday, April 3, 2017

Consultants			
Name	Title	Organization	Email
Robert Yee	Preventative Medicine Specialist	Price-Waterhouse (Academic)	robertkyee@msn.com
Bonnie Burns	Training & Policy Specialist	CA Health Advocates (Consumer Rep)	bburns@cahealthadvocates.org
Brian Ulery		Society of Actuaries (Academic)	Brian.Ulery@ltcg.com
Carol Sewell, MAG	Legislative Director	CA Commission on Aging (Consumer Rep)	csewell@cco.ca.gov
Jedd Hampton, MPA	Director of Policy	LeadingAge CA (LTC Provider)	jhampton@leadingageca.org
John Shirikian	Vice President	Association of CA Health Insurance Companies (ACLHIC) (Insurance Comp)	jshirikian@aclhic.com
Louis Brownstone	Owner	California Long Term Care Insurance Services, Inc.	Louis@cltcinsurance.com
Susan DeMarois	State Policy Director	Alzheimer's Association (Consumer Rep)	sdemarois@alz.org
State Attendees			
Name	Title	Organization	Email
Jacey Cooper	Assistant Deputy Director	DHCS-LTCD	Jacey.Cooper@dhcs.ca.gov
Joseph Billingsley	Chief, LTSS Operations Branch	DHCS-LTCD	Joseph.Billingsley@dhcs.ca.gov
Michael Luu	Chief, LTSS Services and Services Section	DHCS-LTCD	Michael.Luu@dhcs.ca.gov
Brenda Bufford	Chief, California Partnership for Long-Term Care	DHCS-LTCD	Brenda.Bufford@dhcs.ca.gov
Raul Moreno	Contractor	DHCS-LTCD	Raul.Moreno@dhcs.ca.gov
Traci Howard-Richards	Analyst, Partnership for Long-Term Care	DHCS-LTCD	Traci.Howard-Richards@dhcs.ca.gov
Katie Stasulat	Analyst, LTSS	DHCS-LTCD	Katherine.Stasulat@dhcs.ca.gov
Christin Hemann	Assistant Director of Legislation & Public Affairs	CDA	Christin.Hemann@aging.ca.gov
Dean Fujimoto	Deputy Director of Long-Term Care	CDA	Dean.Fujimoto@aging.ca.gov
Emily Smith		Dept of Insurance	Emily.Smith@insurance.ca.gov
Linda Kam	Attorney	DMHC-Licensing	Linda.Kam@DMHC.CA.GOV
Janet Morris	Appointed member	Assembly	janetmorris503@gmail.com
Suzanne Reed	Appointed member	Senate	csuzannereed48@gmail.com
Aron Smith	Unit Chief	DSS	Aron.Smith@dss.ca.gov
Phone Conference Attendees			
Name	Title	Organization	Email
Hugh Slayden	Consultant - CA State Senate Committee on Insurance	Senate Consultant (Other)	Hugh.Slayden@sen.ca.gov
Julie Broyles	Private Employer	Family Business Association of CA	JBroyles@caladvocates.com

Partnership Task Force Meeting Schedule

Meeting 1:	April 3, 2017	9:00 a.m. – 12:00 p.m.
Meeting 2:	June 20, 2017	1:00 p.m. – 4:00 p.m.
Meeting 3:	September 27, 2017	9:00 a.m. – 12:00 p.m.
Meeting 4:	December 5, 2017	9:00 a.m. – 12:00 p.m.
Meeting 5:	March 13, 2018	9:00 a.m. – 12:00 p.m.
Meeting 6:	June 7, 2018	9:00 a.m. – 12:00 p.m.
Meeting 7:	September 4, 2018	9:00 a.m. – 12:00 p.m.
Meeting 8:	December 4, 2018	9:00 a.m. – 12:00 p.m.