

Presentation #5.B.

PROGRAM ADMINISTRATION

Considerations for potential administration of a statewide long-term care (LTC) insurance program in California

November 2021

QUALIFICATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

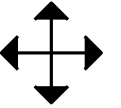
Oliver Wyman was commissioned by the California Department of Insurance (CDI) to provide support associated with assessing the feasibility of developing and implementing a culturally competent statewide insurance program for long-term care services and supports. The primary audience for this report includes stakeholders from the California Department of Insurance, members of the Long-Term Care Insurance Task Force, and members of the general public within the state of California.

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GENERAL CONSIDERATIONS FOR ADMINISTERING A PUBLIC LTC INSURANCE PROGRAM

1 Identify the key administrative functions needed for a statewide LTC insurance program by **understanding existing infrastructure for similar established programs** in California and elsewhere



2 Identify **staff and resource needs** to meet each of these administrative functions



3 Determine whether **existing infrastructure in California could be expanded upon** to handle additional responsibilities associated with an LTC insurance program (i.e., hiring additional team members)



4 Determine if a **new board, department, or agency** would need to be established for the administration of the LTC insurance program



5 Keep in mind that program administrative functions and responsibilities will **continue to evolve** as additional design elements of California's statewide LTC insurance program are discussed and determined



The expansion of current infrastructure or creation of a new board, department, or agency would require legislation

ADMINISTRATIVE FUNCTIONS: OVERSIGHT, MANAGEMENT, AND ACTUARIAL ANALYSIS

	Program oversight	Manage care providers	Manage investment and allocation of funds from the Program	Perform actuarial analysis
Description	<ul style="list-style-type: none"> Oversee program implementation, administration, and operation Provide recommendations and decisions to maintain benefit adequacy, fund solvency, and sustainability 	<ul style="list-style-type: none"> Manage providers, including approving and/or credentialing prospective providers (formal and informal) Enforce different requirements, if any, for formal and informal providers 	<ul style="list-style-type: none"> Establish investment policy for funds collected under the program Provide guidance and advice on investment strategies and allowed assets Active management (invest, reinvest, manage, contract, sell, or exchange investment money) by in-house or external money managers Authorize disbursements 	<ul style="list-style-type: none"> Provide ongoing actuarial analysis and valuations to assess funded status of program Make recommendations to maintain solvency (e.g., adjust contributions, redesign benefits)
Relevant data point: Washington Cares Fund¹	<ul style="list-style-type: none"> LTSS Trust Commission, comprised of 17 members, including legislators, agency heads, and various representatives from LTSS industry 	<ul style="list-style-type: none"> Department of Social and Health Services 	<ul style="list-style-type: none"> Subcommittee established by LTSS Trust Commission Department of Social and Health Services State investment board 	<ul style="list-style-type: none"> State Actuary
Relevant data point: Medi-Cal²	<ul style="list-style-type: none"> Department of Health Care Services 	<ul style="list-style-type: none"> Department of Health Care Services Medi-Cal managed care plans California Department of Social Services County social service agencies 	<ul style="list-style-type: none"> State Treasurer's Office 	<ul style="list-style-type: none"> Department of Health Care Services California Department of Social Services
Existing California departments/agencies with parallel functions for other programs that we can learn from	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> State Controller's Office State Treasurer's Office 	<ul style="list-style-type: none"> California Department of Insurance Department of Managed Health Care

¹ Sources include the October 2021 WA Cares Fund update from the Office of the Insurance Commissioner and Chapter 50B.04 of the Revised Code of Washington, "Long-Term Services and Supports Trust Program"

² Based on November 7 discussion with Anastasia Dodson, Deputy Director, Office of Medicare Innovation and Integration, California Dept. of Health Care Services

ADMINISTRATIVE FUNCTIONS: PROCESSING AND TRACKING

	Process revenue	Process exemptions and opt-in requests	Determine vesting status	Track individuals who move in or out of the state
Description	<ul style="list-style-type: none"> Process revenue (e.g., payroll tax, income tax, etc.) Collect premiums, if applicable 	<ul style="list-style-type: none"> Process and approve program exemptions (e.g., opt-out requests), if applicable Process and approve program opt-in requests, if applicable 	<ul style="list-style-type: none"> Determine vesting status, if applicable 	<ul style="list-style-type: none"> Keep track of address changes for individuals who move into, or out of, the state Keep track of divesting status, if applicable
Relevant data point: Washington Cares Fund¹	<ul style="list-style-type: none"> Employment Security Department 	<ul style="list-style-type: none"> Employment Security Department 	<ul style="list-style-type: none"> Employment Security Department 	<ul style="list-style-type: none"> Employment Security Department
Relevant data point: Medi-Cal²	<ul style="list-style-type: none"> Department of Health Care Services <ul style="list-style-type: none"> Federal Medicaid funds Quality assurance fees Beneficiary premiums Franchise Tax Board <ul style="list-style-type: none"> State General Fund Realignment revenue 	<ul style="list-style-type: none"> County social service agencies <ul style="list-style-type: none"> Process Medi-Cal eligibility applications Process In-Home Supportive Services (IHSS) program applications Department of Health Care Services and Medi-Cal waiver agencies <ul style="list-style-type: none"> Process waiver program applications 	<ul style="list-style-type: none"> County social service agencies <ul style="list-style-type: none"> Process Medi-Cal eligibility applications 	<ul style="list-style-type: none"> County social service agencies <ul style="list-style-type: none"> Process beneficiary address changes
Existing California departments/agencies with parallel functions for other programs that we can learn from	<ul style="list-style-type: none"> Employment Development Department Franchise Tax Board State Controller's Office 	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> Department of Health Care Services Covered California

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ADMINISTRATIVE FUNCTIONS: **BENEFITS AND CLAIMS**

	Determine benefit eligibility	Process, adjudicate, and pay claims	Track benefit usage	Oversee benefit payment
Description	<ul style="list-style-type: none"> Process and approve benefit applications <ul style="list-style-type: none"> Perform care need assessments Determine benefit eligibility (e.g., confirm individual meets criteria to receive benefits) 	<ul style="list-style-type: none"> Approve services eligible for payments Process payments to providers Reimburse expenses paid by (or on behalf of) benefit eligible individuals 	<ul style="list-style-type: none"> Track individuals' benefit usage relative to maximum benefits allowable, if applicable 	<ul style="list-style-type: none"> Establish and enforce criteria for benefit payments to approved providers Ensure approved services are provided through audits or service verification processes, recoup any inappropriate payments
Relevant data point: Washington Cares Fund¹	<ul style="list-style-type: none"> Department of Social and Health Services 	<ul style="list-style-type: none"> Department of Social and Health Services 	<ul style="list-style-type: none"> Health Care Authority 	<ul style="list-style-type: none"> Health Care Authority
Relevant data point: Medi-Cal²	<ul style="list-style-type: none"> Medi-Cal providers and health plans <ul style="list-style-type: none"> Develop and approve treatment plans and care coordination plans Department of Health Care Services <ul style="list-style-type: none"> Process Treatment Authorization requests for Medi-Cal fee-for-service 	<ul style="list-style-type: none"> Department of Health Care Services <ul style="list-style-type: none"> Process and adjudicate Medi-Cal fee-for-service provider claims Process beneficiary out-of-pocket expense reimbursements Medi-Cal managed care plans <ul style="list-style-type: none"> Process, adjudicate, and pay managed care provider claims County social service agencies <ul style="list-style-type: none"> Process and pay IHSS provider claims 	<ul style="list-style-type: none"> County social service agencies <ul style="list-style-type: none"> In-Home Supportive Services Medi-Cal waiver agencies Medi-Cal managed care plans <ul style="list-style-type: none"> Department of Health Care Services <ul style="list-style-type: none"> Medi-Cal fee-for-service beneficiaries and benefits 	<ul style="list-style-type: none"> Medi-Cal managed care plans Department of Health Care Services <ul style="list-style-type: none"> Medi-Cal fee-for-service California Department of Social Services and counties <ul style="list-style-type: none"> In-Home Supportive Services Medi-Cal waiver agencies
Existing California departments/agencies with parallel functions for other programs that we can learn from	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> Department of Health Care Services Covered California

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ADMINISTRATIVE FUNCTIONS: SUPPORT AND CUSTOMER SERVICE

	Customer service	General administration	Fraud, waste, and abuse detection	Appeals
Description	<ul style="list-style-type: none"> Provide customer service Address questions and complaints from public (e.g., related to premiums, benefits, eligibility, services, etc.) Refer individuals to other appropriate agencies 	<ul style="list-style-type: none"> Provide administrative and operational support to the program Track data useful in monitoring and informing the program 	<ul style="list-style-type: none"> Identify potential cases of fraud, waste, and abuse Impose sanctions, as appropriate Establish procedures for administrative appeal and criminal prosecution 	<ul style="list-style-type: none"> Manage beneficiary grievance and appeals process, related to eligibility and benefit decisions, as well as provider appeals process
Relevant data point: Washington Cares Fund¹	<ul style="list-style-type: none"> Department of Social and Health Services 	<ul style="list-style-type: none"> Department of Social and Health Services 	<ul style="list-style-type: none"> Department of Social and Health Services 	<ul style="list-style-type: none"> Health Care Authority Department of Social and Health Services Employment Security Department
Relevant data point: Medi-Cal²	<ul style="list-style-type: none"> Department of Health Care Services California Department of Social Services County social service agencies Medi-Cal managed care plans Medi-Cal providers Medi-Cal waiver agencies 	<ul style="list-style-type: none"> Department of Health Care Services California Department of Social Services County social service agencies Medi-Cal managed care plans Medi-Cal waiver agencies 	<ul style="list-style-type: none"> Department of Health Care Services 	<ul style="list-style-type: none"> California Department of Social Services, State Hearings Division Medi-Cal managed care plans Department of Managed Health Care Department of Health Care Services
Existing California departments/agencies with parallel functions for other programs that we can learn from	<ul style="list-style-type: none"> Department of Health Care Services Covered California LTC Ombudsman (Department of Aging) 	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> California State Auditor State Controller's Office California Department of Insurance 	<ul style="list-style-type: none"> Department of Health Care Services California Department of Social Services

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ADMINISTRATIVE FUNCTIONS: COORDINATION AND ACCESSIBILITY

	Coordinate with other programs	Oversee program accessibility	Program roll-out awareness and communication strategy	Coordination with private LTC insurance
Description	<ul style="list-style-type: none"> Establish rules and procedures for benefit coordination when the eligible beneficiary is also eligible for Medicaid and other long-term services and supports 	<ul style="list-style-type: none"> Oversee care navigation and ensure program benefits are accessible to all eligible individuals 	<ul style="list-style-type: none"> Develop and execute a communication strategy for the program that can reach all stakeholders, including the broader California population that may be eligible for the program 	<ul style="list-style-type: none"> Establish connection with private LTC insurance products (regulation and perhaps facilitation of new product development)
Relevant data point: Washington Cares Fund¹	<ul style="list-style-type: none"> Health Care Authority 	<ul style="list-style-type: none"> Department of Social and Health Services 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> Not specified
Relevant data point: Medi-Cal²	<ul style="list-style-type: none"> Department of Health Care Services California Department of Social Services 	<ul style="list-style-type: none"> Department of Health Care Services and Medi-Cal managed care plans <ul style="list-style-type: none"> Medi-Cal California Department of Social Services and counties <ul style="list-style-type: none"> In-Home Supportive Services 	<ul style="list-style-type: none"> Department of Health Care Services California Department of Social Services Counties, health plans, and providers Community-Based Organizations 	<ul style="list-style-type: none"> DHCS through LTC Partnership Program
Existing California departments/agencies with parallel functions for other programs that we can learn from	<ul style="list-style-type: none"> Department of Health Care Services Covered California 	<ul style="list-style-type: none"> Department of Health Care Services Covered California LTC Ombudsman (Department of Aging) 	<ul style="list-style-type: none"> Department of Aging California Department of Insurance Covered California 	<ul style="list-style-type: none"> California Department of Insurance

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