

Memo

Date: **26 July 2022**
Subject: **AB 567 Task Force Meeting 15 questionnaire (program interdependencies)**

This questionnaire will be distributed to all California Assembly Bill (“AB”) 567 Long-Term Care (“LTC”) Task Force Members to complete in advance of Task Force Meeting 15 on August 4, 2022. This questionnaire aims to independently collect Task Force Members’ **preliminary** recommendations concerning **program interdependencies**, including amendments to the program design ‘straw man’ for a potential statewide LTC insurance program.

We will discuss the results of this questionnaire during Task Force Meeting 15, and Task Force Members will have the opportunity to clarify and revisit their recommendations during that discussion.

The topics covered in this questionnaire were deliberated at [Task Force Meeting 14](#) (on July 21, 2022) as well as prior meetings. We recommend that you reference the educational materials linked throughout the questionnaire as you make your selections.

We ask that Task Force Members come prepared to explain their questionnaire selections and provide their perspectives on the aggregate results of this questionnaire at the upcoming Task Force Meeting.

The public may submit a response to the questionnaire by completing this fillable PDF and submitting it via email (CDIBoards@insurance.ca.gov).

Questionnaire

Name (optional): _____

1. Please specify your recommended benefit eligibility age for each of the six program designs included in the 'straw man'. [[Presentation 14.B](#): page 3; [Presentation 5.C](#): pages 7-8]

Helpful information:

- The benefit eligibility age is the earliest age when program benefits may be paid; this does *not* mean that disabilities beginning before the benefit eligibility age are excluded
- An individual must also satisfy applicable vesting requirements and benefit eligibility triggers to be eligible to receive benefits
- A vested individual who meets the benefit eligibility triggers (e.g., 2 of 6 ADLs) prior to the benefit eligibility age would be able to receive program benefits upon reaching the benefit eligibility age
- Estimated (multiplicative) cost to expand benefit eligibility from age 65+ to age 18+: **+13.5%**¹
 - **Clarifying note:** The Milliman CA LTSS Feasibility Study base plan included a benefit eligibility age of 18+ *and* excluded disabilities beginning before age 18. Eliminating the exclusion for disabilities that begin before age 18 increased the expected payroll tax by 0.01% (additive). Changing the minimum age from 18+ to 65+ reduced the expected payroll tax by 0.07% (additive), which is a 13.5% multiplicative decrease.¹

¹ [Milliman CA LTSS Feasibility Study](#); Figure 7 on page 10

a. Benefit eligibility age recommendation:

- i. Design 1: _____
- ii. Design 2: _____
- iii. Design 3: _____
- iv. Design 4: _____
- v. Design 5: _____
- vi. Design 6: _____

b. Please explain your response:

2. Do you recommend establishing a separate working group to assess LTSS needs associated with developmental and acquired disabilities in early adulthood? [[Presentation 14.B](#): page 3]

a. Multiple-choice options:

i. No

ii. Yes

b. If yes, please indicate what types of organizations and individuals you recommend be included in the working group (you may leave this question blank if you are unsure):

c. Please explain your response:

3. Do you recommend including a tiered/triaged approach to benefit eligibility with the following tiers?

- a. **Tier 1:** Preventive benefits offered following satisfaction of the vesting requirement
- b. **Tier 2:** Ancillary LTSS benefits available after satisfying instrumental activities of daily living (IADL)-based benefit eligibility triggers (e.g., cooking, cleaning, transportation, etc.) **[NEW]**
- c. **Tier 3:** Full benefits available after satisfying the HIPAA (ADL-based) benefit eligibility trigger [[Presentation 14.B](#): page 4]

Helpful information:

- The Task Force has previously indicated support for including preventive benefits [[Task Force Meeting #7 questionnaire results](#): page 68]
 - The Task Force has previously indicated support for HIPAA (ADL-based) benefit eligibility triggers [[Task Force Meeting #7 questionnaire results](#): page 8]
 - The intent of this question is to ask whether **additional benefits** should be offered based on a less severe IADL criteria **prior** to satisfying the HIPAA (ADL-based) benefit eligibility trigger
 - **Clarifying note:** There may have been a misconception that including this tiered approach would result in more restrictive accessibility of benefits. However, including an additional IADL-based benefit eligibility tier **prior to** satisfying the HIPAA (ADL-based) benefit eligibility trigger could provide individuals with **earlier** access to (select) LTSS benefits.
- a. Multiple-choice options:
 - i. No
 - ii. Yes
 - b. Please explain your response:
-

4. Please specify whether you recommend increasing, decreasing, or not changing the current vesting requirements for each of the six program designs included in the [‘straw man’](#). [[Presentation 5.C](#): pages 9-10]

a. Vesting requirement recommendation:

i. Design 1 [current = 5 years]:_____

ii. Design 2 [current = 5 years]:_____

iii. Design 3 [current = 10 years]:_____

iv. Design 4 [current = 10 years]:_____

v. Design 5 [current = 10 years]:_____

vi. Design 6 [current = 5 years]:_____

b. Please explain your response:

5. Please indicate your recommended benefit pro-rating (partial vesting) methodology for individuals who are unable to satisfy full vesting requirements before they meet the benefit eligibility criteria.

Hypothetical response (provided for clarity; **not** a recommendation)

- **When the vesting period is 5 years:** no benefits for individuals who contribute less than 3 years; 50% of the benefits for individuals who contribute between 3 and 5 years; 100% of the benefits for individuals who contribute for 5 or more years
- **When the vesting period is 10 years:** no benefits for individuals who contribute for less than 5 years; 50% of the benefits for individuals who contribute between 6 grading up by 10% each year to 100% of the benefits for individuals who contribute for 10 or more years

a. Benefit pro-rating (partial vesting) methodology:

- i. When the vesting period is 5 years:
-

- ii. When the vesting period is 10 years:
-

b. Please explain your response:

6. Please specify whether you recommend increasing, decreasing, or not changing the current monthly benefit amount for each of the **lower cost alternative** program designs included in the '[straw man](#)'. [[Presentation 6.C](#): pages 6, 17-18]

a. Monthly benefit amount recommendation:

i. Design 1 [current = \$1,500/month]: _____

ii. Design 2 [current = \$2,000/month]: _____

b. Please explain your response:

7. Do you recommend including an **additional** lower-cost targeted program design in the 'straw man' based on the **@ Home** example¹ outlined on page 28 of [Presentation 12.B](#)? This design would include the following key features:

- i. 65+ benefit eligibility age
- ii. 2-year benefit period
- iii. \$4,600 monthly benefit
- iv. Home care benefits only
- v. 90-day elimination period
- vi. Low-income individuals excluded from the program

¹ Please note that this design was provided as an example for demonstration purposes; it is **not** intended to be a recommendation by the author of the presentation

a. Multiple-choice options:

- i. No
- ii. Yes
- iii. Yes, but with the following modifications:

b. Please explain your response:

8. Please specify your preferred maximum program contribution methodology for each 'straw man' program design that includes a program contribution cap. [[Task Force Meeting #12 Illustrative Examples: page 3](#)]

a. Multiple-choice options:

i. Annual contribution cap similar to Social Security (i.e., program contributions would not apply to the portion of an individual's annual wage in excess of \$147,000 as of 2022)

ii. Annual contribution cap that exceeds the Social Security annual wage cap

i. Please specify your recommended annual wage cap:

iii. Lifetime program contribution maximum (i.e., an individual would contribute towards the program each year until a lifetime maximum is met, after which they would no longer contribute towards the program)

ii. Please specify your recommended lifetime maximum (relative to program benefits, e.g., 2x program benefits):

iv. Other (please specify):

b. Please explain your response:

9. Should spousal coverage be added to any of the 'straw man' program designs (based on a "shared pool" design covering an individual's spouse or domestic partner)? [[Presentation 5.C](#): page 16]

Helpful information:

- The Task Force has previously indicated support for including a **shared** pool for spouses or domestic partners [[Task Force Meeting #11 questionnaire results](#): pages 27 through 31]
- A household benefit that provides for a **separate** pool of benefits for an individual's spouse and adult dependent children between the ages of 18 and 26 once the individual vests was estimated to increase the program cost by +31.8% (multiplicative)¹; a **shared** pool benefit design would be **less** costly

¹ [Milliman CA LTSS Feasibility Study](#); Figure 18 on page 16

a. Please indicate "individual coverage", "spousal shared pool", or an alternative approach for each of the six program designs included in the 'straw man'. If you prefer an alternative approach, please specify.

i. Design 1: _____

ii. Design 2: _____

iii. Design 3: _____

iv. Design 4: _____

v. Design 5: _____

vi. Design 6: _____

b. Please explain your response:

10. Do you recommend incorporating a maximum contribution age for any of the six program designs included in the [‘straw man’](#)?

a. Multiple-choice options:

i. No

ii. Yes (please specify the maximum contribution age for each program design)

i. Design 1: _____

ii. Design 2: _____

iii. Design 3: _____

iv. Design 4: _____

v. Design 5: _____

vi. Design 6: _____

b. Please explain your response:

11. Do you recommend offering reduced program contributions to individuals who purchase supplemental (i.e., non-substitutive) private LTC insurance after program enactment?

Helpful information:

- An example of a potential supplemental private LTC insurance product could be an insurance policy with an LTC benefit that has a 2-year elimination period (assuming the statewide LTC insurance program offers benefits for 2 years); note, this type of private insurance design does not exist in the market today
 - a. Multiple-choice options:
 - i. No
 - ii. Yes
 - b. Please explain your response:
-

12. Do you recommend adding the “non-voluntary program contribution provision” for individuals who are **not** subject to a payroll tax (e.g., an income tax for individuals who are self-employed) to Designs 3 and/or 4 and/or 5? Currently, this provision is only included in Design 6 of the ‘[straw man](#)’. [[Presentation 8C](#): pages 8-9; [Presentation 8E](#): page 6]

- a. Multiple-choice options (you may select more than one option, if applicable):
 - i. No
 - ii. Yes [Design 3]
 - iii. Yes [Design 4]
 - iv. Yes [Design 5]
 - b. Please explain your response:
-

13. Should the program include minimum training requirements for informal/family caregivers to be eligible for financial support under the potential statewide LTC program? [[Task Force Meeting #14 Case Studies: page 4](#)]

a. Multiple-choice options:

i. No

ii. Yes

b. If yes, do you have any recommendations for the type and amount of training that should be required?

c. Should there be any exceptions to the training requirements (e.g., reduced requirements for spouses or domestic partners)?

d. Please explain your response:

14. Several working groups have been recommended (or recently proposed) by the Task Force. Please rank the following working groups in order of priority (a rank of “1” indicates highest priority and a rank of “6” indicates lowest priority).

a. Multiple-choice options:

- i. Working group 1: Examine if the potential statewide LTC insurance program can and should be allowed to pay a portion of the premium for a Medicare Advantage plan that includes LTSS coverage
- ii. Working group 2: Design an outreach and education plan for the potential statewide LTC insurance program
- iii. Working group 3: Examine how a potential statewide LTC insurance program could coordinate with private LTC insurance, particularly with respect to supplementary (“wrap-around”) private LTC insurance products that pay secondary to the state LTSS benefit
- iv. Working group 4: Examine how a potential statewide LTC program could coordinate with the Program of All Inclusive Care for the Elderly (PACE)
- v. Working group 5: Examine how a potential statewide LTC program could coordinate with other non-private LTSS programs (e.g., Veteran Health Administration)
- vi. Working group 6: Assess the LTSS needs associated with developmental and acquired disabilities in early adulthood

b. Please explain your response:
