

CALIFORNIA DEPARTMENT OF INSURANCE: LONG TERM CARE INSURANCE PROGRAM

LTSS Around the World Questionnaire Results

August 16, 2021

QUALIFICATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

Oliver Wyman was commissioned by the California Department of Insurance 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 (LTSS). 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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EXECUTIVE SUMMARY

Task Force Members were asked to complete a questionnaire regarding their [preliminary](#) views on which LTSS program(s) in other countries may be best leveraged or drawn upon in designing a potential LTSS program in California as part of AB #567. Task Force Member views may evolve as detailed discussions progress across the [seven Work Plan elements](#). This page summarizes the questionnaire results; all subsequent pages contain questionnaire responses verbatim, apart from minor edits for spelling, grammar, and punctuation

Key Takeaways

Feasible program structure: social insurance

- 1
 - All respondents believe that the social insurance program structure used abroad is feasible to implement in California
 - The residual program structure was deemed least feasible, with only two respondents indicating this could work in California

Preferred program structure: social insurance

- 2
 - Of the program structures that respondents felt may be feasible to implement in California, social insurance was the most preferred
 - The second most preferred was the hybrid program structure

International programs to consider: Germany and Washington State

- 3
 - Most respondents felt that the LTSS programs established in Germany and Washington State (United States) are most appropriate to consider in designing California's LTC insurance program

Most important lesson to learn from Germany: public support

- 4
 - Two-thirds of respondents felt the most important lesson that can be learned from Germany's LTSS program relates to public support
 - Over 50% of respondents also considered the lessons associated with benefits, costs, eligibility, and workforce (as described in NASI's report) to be important

QUESTION 1

Which of the following program structures used abroad do you feel are feasible to implement in California? (please select all options that apply)

#	Answer	Percentage	Count
1	Social insurance	100%	9
2	Hybrid approach	67%	6
3	Universal comprehensive coverage	44%	4
4	Residual system	22%	2

QUESTION 2 (1 OF 2)

By dragging and dropping, rank the following program structures that you have indicated as being feasible to implement in California from "most preferred" to "least preferred"

Program structure	Score ¹
Social insurance	33
Hybrid approach	17
Universal comprehensive coverage	13
Residual system	6

1. **Scoring methodology:** 4 points for first choice (i.e., most preferred), 3 points for second choice, etc., 0 points awarded if respondent indicated "not feasible" in the prior question. Scores should be interpreted on a relative basis within a given question, with the highest score representing the most preferred selection

QUESTION 2 (2 OF 2)

Please provide your rationale for your ranking above

#	Responses for those who ranked "Social insurance" as their most preferred option
1	The social insurance seems the most responsive alternative to the community
2	Universal coverage is important, and both have good options that we can explore that would make sense for CA. There should [b]e dedicated funding via buy in, taxes etc., that we should be exploring
3	Mandatory participation, large participation, universal, reasonable cost for participants/employer and self funded
4	I think we need to develop a social insurance model that provides coverage to individuals above the Medi-Cal guidelines. I think Medi-Cal should continue as a residual system with consideration for possible expansion for lower income workers who would be negative[ly] impacted by a payroll tax
5	Social where we would need to look at not just employer-employee contribution, but also retired (non-working) seniors who continue to be contributing

#	Responses for those who ranked "Hybrid approach" as their most preferred option
1	For wealthier people it seems reasonable to have them cover some of their own costs. Also, for people with strong family support, it's reasonable to expect families to shoulder some of this burden
2	It wasn't clear from the second presentation what the total amount of taxes paid by [Californians] is that goes to different programs vs. general revenue (would be good to have a table), but there seems to be a resistance to a payroll tax as the primary funding source, based on public comments. Additionally, several residual programs already exist. Benefits that vary by income level also align with potential coordination with federal (WISH Act) and private insurance solutions

#	Responses for those who ranked "Universal comprehensive coverage" as their most preferred option
1	It has to be broadly applied to gain necessary support

QUESTION 3 (1 OF 2)

Which international programs highlighted in the NASI report and associated recording do you view as most appropriate to consider in designing California's LTC insurance program? (Please select your top 3 choices)

Field	Score ¹
Germany	8
Washington State (United States)	7
Japan	3
France	3
Netherlands	2
Republic of Korea (South Korea)	1
Denmark	1
Other (please specify)	1
England	1
Sweden	0

Other (please explain) - Text

Not enough info on the specifics of each country

1. **Scoring methodology:** Respondents were asked to select three choices. 1 point was awarded for each choice. Scores should be interpreted on a relative basis within a given question, with the highest score representing the most preferred selection

QUESTION 3 (2 OF 2)

Please explain your choices to the question above

#	Response	Top 3 Choices
1	All have great benefit to the health of the community at large	Denmark, France, Germany
2	France's hybrid system is more affordable and places substantial responsibility on people and families with more resources	France, Germany, Netherlands
3	These options have structures worth exploring, [including] universal coverage, age/disability, [and] funding source	Washington State, Germany, Japan
4	I like the experience that the German model can provide. Netherlands is mentioned and [I] would like to understand that system better. Washington State system to see and understand the challenges they face and facing being it is recent program	Germany, Netherlands, Washington State
5	Benefits vary by income level; general revenue funding	France, Washington State, Other
6	I think the social insurance model would be the best approach for California. I agree that we should think that we can just adopt another [country's] model. A more detailed discussion of pro/cons of these models could be helpful. For example, I want us to address the regressive features of the German model. I liked [the] expressed support for family caregivers and [the] need to implement strategies to expand the LTSS workforce. I don't know enough about the difference between the Japan and Korea models except the different contribution levels. I hope to read more before the next meeting	Germany, Washington State, Japan
7	They seem the most solid financially with WA being our best chance	Germany, Washington State, Republic of Korea
8	Washington State as is American-based and has grappled with issues that California is looking at. Germany for the scale and "lessons learned"	Washington State, Germany, Japan
9	Washington State is closest to California in terms of social and regulatory attributes. Germany's program uses a payroll tax, balances benefits and costs, and has evolved based on lessons learned (so is adaptable). England is means tested like Medicaid and locally administered	Washington State, Germany, England

QUESTION 4 (1 OF 2)

What do you feel are the most important lessons that can be learned from Germany's LTSS program?
(please select your top 3 choices)

#	Answer	Score ¹
1	Public support	6
2	Benefits	5
3	Eligibility	5
4	Costs	5
5	Workforce	5
6	Contribution rate	1
7	Managing liability	0

1. **Scoring methodology:** Respondents were asked to select three choices. 1 point was awarded for each choice. Scores should be interpreted on a relative basis within a given question, with the highest score representing the most preferred selection

QUESTION 4 (2 OF 2)

Please explain your choices to the question above

#	Response	Top 3 Choices
1	Comprehensive benefit for all	Benefits, Eligibility, Public Support
2	It's fairly expensive, but it is universal, and it is accepted by the public	Public support, Costs, Benefits
3	These are all important to look at—the unintended consequences of design, structure, and cost to the program. We would not want to have increased/out-of-pocket cost on the back-end to consumers if the benefit runs out for them	Costs, Benefits, Eligibility
4	Importance of knowing what the cost will be and who participates; challenges of covering present generation and those that do not work	Public support, Contribution rate, Eligibility
5	Integration with healthcare is biggest challenge. Benefit adequacy needs to be a part of the benefit structure decision. Need to address care workforce shortages and abuses (wage replacement benefits? guest worker programs with path to citizenship?). Cash benefits give flexibility but reinforce social inequities. Able to ease burden on social assistance budget	Workforce, Benefits, Costs
6	I was impressed that there was broad public support for the German social insurance model. I was also impressed that the [Germans] were able to keep the [percentage] of GNP lower than the Netherlands	Public support, Costs, Workforce
7	The workforce piece is critical to the system functioning	Public support, Eligibility, Workforce
8	Covering seniors out of the gate wins political support [and] eases LTC burden on social assistance budgets; addressing the equity issue for care worker (where [they are] sourced, [their] pay, and how [they are] trained); robust benefits are possible with modest fiscal imprint (requiring premiums from seniors broadens the tax base, benefits can be targeted to match care needed)	Public support, Workforce, Benefits
9	Eligibility because Germany provides nearly universal coverage, modified eligibility to include cognitive impairment, and found a way to include those already retired. Cost because Germany's program is designed to cover only a portion with the rest falling to the family, and there is a fixed amount based on five levels of care. Workforce because Germany still depends on the relatively cheap labor of female caregivers and migrant workers, similar to issues anticipated for California; paid leave for family caregivers was established in Germany but they are still working on complete solution	Eligibility, Costs, Workforce

