



# California Long-Term Care Insurance Task Force

# Task Force background

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- **Mandate:** To recommend options for a public LTC insurance program in California.
- **Work Product:**
  - A Feasibility Study recommending potential program designs was issued on 12/14/2022.
  - An Actuarial Analysis assessing the cost and viability of the recommended designs will be issued by 1/1/2024.
- **Members:** 15 volunteers and state agency representatives with expertise relating to LTC or LTC insurance.

# Recommended program designs

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## **Design 1: Supportive LTC benefits**

- \$36,000 over two years for ages 18+
- Examples of supportive benefits include caregiver support, adult day care, meal delivery, transportation, durable medical equipment, home assessment, and minor home modifications
- Formal home care and facility care are not covered

# Recommended program designs

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## **Design 2: Home care and residential care facilities (RCF) benefits for older adults**

- \$110,400 over two years for ages 65+
- Covered services are the same as Design 1 *plus* formal home care and care in an RCF
- Limits duplication with Medi-Cal by excluding low-income individuals (no contributions or vesting)
- Individuals who are below the income limit in some years will still vest if they accumulate enough vesting credits over their working life

# Recommended program designs

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## **Design 3: Lower-range comprehensive LTSS benefits**

- \$36,000 over one year for ages 18+
- Covered services are the same as Design 2
- Inspired by the Washington Cares Fund design, with select updates

# Recommended program designs

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## Design 4: Mid-range comprehensive LTSS benefits

- \$81,000 over 18 months for ages 18+
- Covered services include those covered in Designs 2 and 3 *plus* care in a skilled nursing facility

# Recommended program designs

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## **Design 5: Higher-range comprehensive LTSS benefits**

- \$144,000 over two years for ages 18+
- Covered services are the same as Design 4

# Notable benefit recommendations

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- Benefit inflation based on Consumer Price Index
- Reimbursement for informal or family caregivers
- Coverage for home mods and assessment
- 5 or 10 year vesting period
- Domestic or international portability
- Opt-out available for individuals who purchase eligible private LTC insurance before Program effective date (regular recertification required)



# Notable financing recommendations

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- Funded by a payroll tax and an income-based tax for the self-employed
- Contribution cap (\$400k) in most designs
- Contribution waiver (first \$30k) in all designs
- 50/50 employee/employer contribution split
- Rates are calculated to achieve a zero fund balance at the end of the 75-year projection period (i.e., as of December 31, 2099).

# Estimated contribution rate by program design\*

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- Design 1 Supportive benefits: 0.60%
- Design 2 Home care and RCF for older adults: 1.15%
- Design 3 Lower-range comprehensive: 0.65%
- Design 4 Mid-range comprehensive: 1.60%
- Design 5 Higher-range comprehensive: 3.00%

**\*THESE ARE PRELIMINARY RESULTS ONLY.  
THE FINAL ACTUARIAL ANALYSIS WILL BE  
ISSUED BEFORE JANUARY 1, 2024.**