

AMENDED IN ASSEMBLY APRIL 27, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 332

Introduced by Assembly Member Calderon
(Coauthor: Assembly Member Brown)

February 13, 2015

An act to add and repeal Section 10234.75 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 332, as amended, Calderon. Long-term care insurance.

Existing law provides for the regulation of long-term care insurance by the Insurance Commissioner and prescribes various requirements and conditions governing the delivery of individual or group long-term care insurance in the state. Existing law establishes the California Partnership for Long-Term Care Program to link private long-term care insurance and health care service plan contracts that cover long-term care with the In-Home Supportive Services program and Medi-Cal and to provide Medi-Cal benefits to certain individuals who have income and resources above the eligibility levels for receipt of medical assistance, but who have purchased certified private long-term care insurance policies.

This bill would require the Insurance Commissioner to convene a task force composed of specified stakeholders and representatives of government agencies to examine the components necessary to design a statewide long-term care insurance program, as specified. The bill would require the task force to recommend options for establishing this program and to comment on their respective degrees of feasibility in a

report submitted to the commissioner, the Governor, and the Legislature by January 1, 2017.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:

3 (a) Recent public opinion research indicates that Californians,
4 regardless of political party or income level, are worried about the
5 costs of growing older. Two-thirds of respondents in the research
6 said that they are apprehensive about being able to afford long-term
7 care. Sixty-three percent of respondents worry as much about
8 paying for long-term care as they do for their future health care.

9 (b) A majority of respondents could not afford more than three
10 months of nursing home care at an average cost of six thousand
11 dollars (\$6,000) per month in California. About 4 in 10 respondents
12 could not afford a single month of care at that rate. Among Latino
13 voters, 88 percent said they do not have long-term care insurance
14 or are not sure whether they are covered for supportive services
15 like in-home care. Concerns about paying for long-term care cut
16 across all income levels and all partisan affiliations.

17 (c) It is the intent of the Legislature to enact legislation
18 establishing a task force to explore the feasibility of developing
19 *and implementing a culturally competent* statewide insurance
20 program for long-term care services and supports.

21 SEC. 2. Section 10234.75 is added to the Insurance Code, to
22 read:

23 10234.75. (a) The commissioner shall convene a task force to
24 examine the components necessary to design a statewide long-term
25 care insurance program. The task force shall do all of the following:

26 (1) Explore how a statewide long-term care insurance program
27 could be designed *and implemented* to expand the options for
28 ~~people who become functionally or cognitively disabled are~~
29 *interested in insuring themselves against the risk of costs*
30 *associated with functional or cognitive disability*, and require
31 ~~long-term care services~~ *care, services*, and supports.

32 (2) Explore options for the design of the program, including
33 eligibility, enrollment, benefits, financing, administration, and

1 interaction with the Medi-Cal program and other publicly funded
2 resources. In exploring these options, the task force shall consider
3 all of the following:

4 (A) Whether and how a long-term care insurance program could
5 be included as a benefit in the state disability insurance program
6 structure, possibly through a nominal increase in the payroll tax,
7 and whether the program could be structured in the same manner
8 as Paid Family Leave benefits.

9 (B) Allowing for enrollment in the program of working adults
10 who would make voluntary premium contributions either directly
11 or through payroll deductions through their employer.

12 (C) To the extent feasible, requiring a mandatory enrollment
13 with a voluntary opt-out option.

14 (D) Giving working adults the opportunity to plan for future
15 long-term care needs by providing a basic insurance benefit to
16 those who meet work requirements and have developed functional
17 or equivalent cognitive limitations.

18 (E) Helping individuals with functional or cognitive limitations
19 remain in their communities by purchasing nonmedical services
20 and supports such as home health care and adult day care.

21 (F) Helping offset the costs incurred by adults with chronic and
22 disabling conditions. The program need not be designed to cover
23 the entire ~~costs~~ *cost* associated with an individual's long-term care
24 needs.

25 (3) Evaluate how benefits under the program would be
26 coordinated with existing private health care coverage benefits.

27 (4) Take into account the premiums necessary to provide an
28 adequate benefit within a solvent program.

29 (5) Evaluate the demands on the long-term care workforce as
30 the need for long-term care in California grows, and how the
31 long-term care workforce can be prepared to meet those demands.

32 (b) The task force shall be composed of key senior health policy
33 and long-term care insurance stakeholders, at least one
34 representative from the State Department of Health Care Services,
35 at least one representative from the Employment Development
36 Department, and at least one representative from a labor union
37 representing long-term care workers. The task force may include
38 representatives from other relevant federal, state, and local
39 government agencies.

1 (c) The department shall operate within its existing budgetary
2 resources for purposes of implementing this section. Any
3 governmental agency that participates in the task force shall operate
4 within its existing budgetary resources for purposes of that
5 participation.

6 (d) The task force shall recommend options for establishing a
7 statewide long-term care insurance program and comment on the
8 respective degrees of ~~flexibility~~ *feasibility* of those options in a
9 report submitted to the commissioner, the Governor, and the
10 Legislature on or before January 1, 2017. The report submitted to
11 the Legislature shall be submitted in accordance with Section 9795
12 of the Government Code.

13 (e) The commissioner may seek private funds for purposes of
14 implementing this section.

15 (f) This section shall remain in effect only until January 1, 2019,
16 and as of that date is repealed, unless a later enacted statute, that
17 is enacted before January 1, 2019, deletes or extends that date.