

AMENDED IN SENATE JUNE 15, 2015

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~~ *establish the Long Term Care Insurance Task Force in the Department of Insurance, chaired by the Commissioner or his or her designee, and composed of specified stakeholders and representatives of government agencies to examine the components necessary to design*

and implement 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 *Long Term Care Insurance Task Force (the task force) is hereby*
 27 *created in the Department of Insurance. Under the leadership of*
 28 *the Commissioner, the task force shall examine the components*
 29 *necessary to design and implement a statewide long-term care*
 30 *insurance program.*

1 (b) *The task force shall consist of the following nine voting*
2 *members:*

3 (1) *The Commissioner, or his or her designee, who shall serve*
4 *as the chair of the task force.*

5 (2) *The Director of Health Care Services, or his or her designee.*

6 (3) *The Director of the Department of Aging, or his or her*
7 *designee.*

8 (4) *Four persons appointed by the Governor, as follows:*

9 (A) *A certified actuary with expertise in long-term care*
10 *insurance.*

11 (B) *A nongovernment health policy expert.*

12 (C) *A representative of a long-term care provider association.*

13 (D) *A representative of a senior or consumer organization.*

14 (5) *One person, appointed by the Speaker of the Assembly, from*
15 *an employee representative organization that represents long-term*
16 *care workers.*

17 (6) *One person, appointed by the President pro Tempore of the*
18 *Senate, from the long-term care insurance industry.*

19 (c) *A task force member shall not receive a per diem or other*
20 *similar compensation for serving as a member of the task force.*

21 (d) *The Bagley-Keene Open Meeting Act (Article 9 (commencing*
22 *with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title*
23 *2 of the Government Code) applies to meetings of the task force.*

24 (e) *The task force shall do all of the following:*

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

30 (2) *Explore options for the design of the program, including*
31 *eligibility, enrollment, benefits, financing, administration, and*
32 *interaction with the Medi-Cal program and other publicly funded*
33 *resources. In exploring these options, the task force shall consider*
34 *all of the following:*

35 (A) *Whether and how a long-term care insurance program could*
36 *be included as a benefit in the state disability insurance program*
37 *structure, possibly through a nominal increase in the payroll tax,*
38 *and whether the program could be structured in the same manner*
39 *as Paid Family Leave benefits.*

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

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

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

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

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

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

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

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

23 (6) *Consider the establishment of a joint public and private*
24 *system to make long-term care accessible to as many individuals*
25 *within California as possible.*

26 (7) *Make recommendations related to key regulatory provisions*
27 *necessary for the public to access existing long-term care insurance*
28 *programs and participate in future long-term care insurance*
29 *programs, whether those programs are recommended by the task*
30 *force or otherwise.*

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

39 (e)

1 (f) 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 ~~(e)~~

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

14 ~~(e)~~

15 (h) The commissioner may seek private funds for purposes of
16 implementing this section.

17 ~~(f)~~

18 (i) This section shall remain in effect only until January 1, 2019,
19 and as of that date is repealed, unless a later enacted statute, that
20 is enacted before January 1, 2019, deletes or extends that date.

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