

AMENDED IN SENATE JULY 7, 2015  
AMENDED IN SENATE JUNE 15, 2015  
AMENDED IN ASSEMBLY APRIL 27, 2015  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 332**

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**Introduced by Assembly Member Calderon  
(Coauthor: Assembly Member Brown)  
(Coauthor: Senator Liu)**

February 13, 2015

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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 establish the Long Term Care Insurance Task Force in the Department of Insurance, chaired by the *Insurance* 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~~ July 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~~ *four* in 10  
 12 respondents could not afford a single month of care at that rate.  
 13 Among Latino voters, 88 percent said they do not have long-term  
 14 care insurance or are not sure whether they are covered for  
 15 supportive services like in-home care. Concerns about paying for  
 16 long-term care cut across all income levels and all partisan  
 17 affiliations.

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

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

24 10234.75. (a) The Long Term Care Insurance Task Force (the  
 25 task force) is hereby created in the Department of Insurance. Under  
 26 the leadership of the ~~Commissioner~~, *commissioner*, the task force  
 27 shall examine the components necessary to design and implement  
 28 a statewide long-term care insurance program.

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

3 (1) ~~The Commissioner~~, *commissioner*, or his or her designee,  
4 who shall serve 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~~, *Senate Committee on Rules*, from the long-term care  
19 insurance industry.

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

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

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

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

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

37 (A) Whether and how a long-term care insurance program could  
38 be included as a benefit in the state disability insurance program  
39 structure, possibly through a nominal increase in the payroll tax,

1 and whether the program could be structured in the same manner  
2 as Paid Family Leave benefits.

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

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

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

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

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

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

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

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

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

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

33 (f) The department shall operate within its existing budgetary  
34 resources for purposes of implementing this section. Any  
35 governmental agency that participates in the task force shall operate  
36 within its existing budgetary resources for purposes of that  
37 participation.

38 (g) The task force shall recommend options for establishing a  
39 statewide long-term care insurance program and comment on the  
40 respective degrees of feasibility of those options in a report

1 submitted to the commissioner, the Governor, and the Legislature  
2 on or before ~~January~~ *July* 1, 2017. The report submitted to the  
3 Legislature shall be submitted in accordance with Section 9795 of  
4 the Government Code.

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

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