

Long Term Care Update

- The Kaiser Family Foundation (KFF) has been pushing an article series that has been getting publicity recently. Many people are talking about the version that got picked up in the NY Times. I was asked for quotes in response to the NY Times article and they are listed below.
- For 2024 we plan to have a series of short videos from our partners. The videos will cover practical tips life and health insurance professionals can use to further their work as a trusted advisor for their clients.

Many Health brokers are dealing with MediCal changes impacting their clients, both individual and group. Now the impact will be felt in the long term care marketplace.

MediCal raised the spend-down limit last year significantly. I'm surprised it didn't get more press at the time. However, the point that more families may qualify for MediCal next year it is important to understand MediCal is still designed to be a last resort, may have long waiting lists, and cover nursing home as the primary care setting (instead of home health care and assisted living facilities, which are the private pay setting of choice). It's also unclear how the extra cost gets funded and adds to the existing deficit. We have worked with a few GAs in the past to try to get more carriers to offer LTC Partnership policies (traditional LTCi), which provide insurance first and MediCal as a backstop. I think this is a better solution than strategizing on how to end up on MediCal. According to Marc Glickman, CEO of BuddyIns.com

Things to look out for in LTCi in 2024:

1. California payroll tax funded LTCi Option. Here is the draft Actuarial report. Final report is due in December 2023. Legislation to discuss next steps may be discussed in 2024/2025: <https://www.insurance.ca.gov/0500-about-us/03-appointments/upload/Presentation23AAB567ActuarialAnalysisAndNextSteps.pdf>.

Key takeaways:

- CA Payroll Tax pricing looks very similar to WA Cares Fund for the lowest benefit level at 0.6% of income
 - There is a proposed cap unlike WA at \$400,000 of income
 - The tax could be as much as 3% of income at the highest/richest plan design
 - Shared tax cost between employers and employees
 - Actuarial cost of the private insurance opt out did not seem as high as expected
2. Increased demand for LTCi with continue for consumers and more affordable solutions will be center stage. A large number of group carriers are expected to consider entering the LTCi market in 2024.
 3. The Rising Epidemic of unplanned family caregivers will impact the economy in general and households specifically, as the huge economic cost of the care loved ones need will be felt in more households.
 4. Continued rising cost of care based on the shortage of quality home care providers and facilities with few open rooms.

Learn More at www.buddyins.com/calbroker

We track the California legislation, provide training and support for LTCi professionals, and have subject matter experts available to work with referrals to help solve client LTCi needs. Success is shared with the referring broker.