

**Long-Term Care (LTC) Program:  
Semi-Annual Program Update  
January 1 through June 30, 2014**



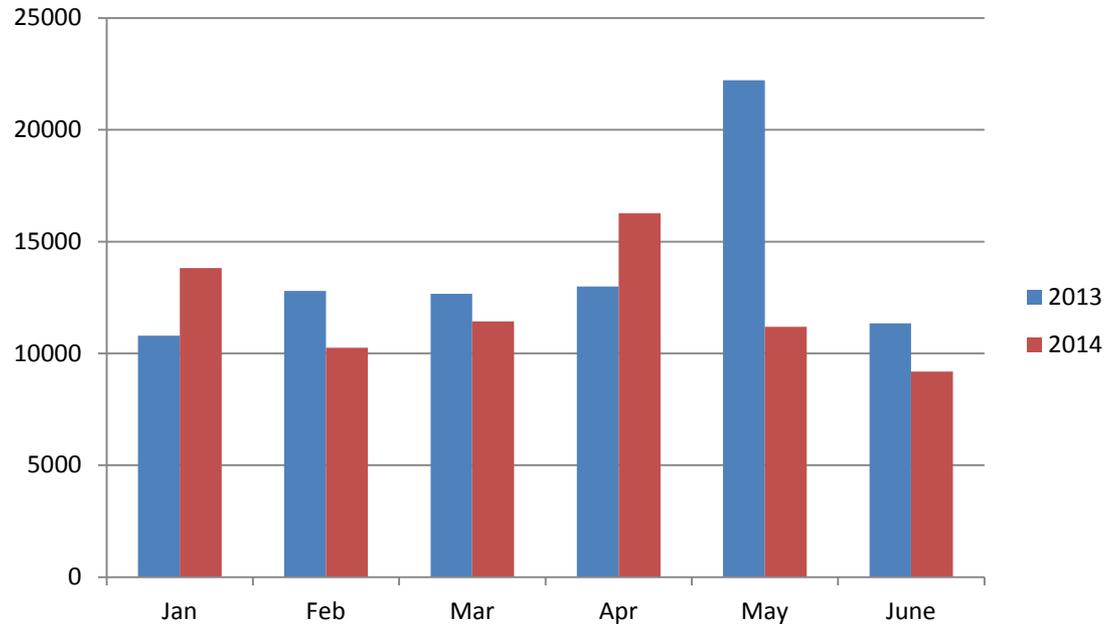
# Long-Term Care Program Update

## Semi-Annual Results

		Change from July – Dec.
Program Statistics	<ul style="list-style-type: none"> <li>• 139,950 active program participants</li> </ul>	- 2,100 participants
	<ul style="list-style-type: none"> <li>• \$142 million in premium</li> </ul>	- \$26 million
	<ul style="list-style-type: none"> <li>• \$2,174 average premium</li> </ul>	- \$3.00 on average
	<ul style="list-style-type: none"> <li>• Invested asset value of \$4.2 billion</li> </ul>	+ \$0.4 billion
Claim and Care Management	<ul style="list-style-type: none"> <li>• 6,336 participants in active claim</li> </ul>	+ 172 participants
	<ul style="list-style-type: none"> <li>• 55,924 volume of claim payments</li> </ul>	+ 5,851 payments
	<ul style="list-style-type: none"> <li>• \$117+ million paid in participant benefits</li> </ul>	+ \$14 million
	<ul style="list-style-type: none"> <li>• \$1.4+ billion paid in participant benefits since inception</li> </ul>	+ \$0.1 billion
	<ul style="list-style-type: none"> <li>• 96% of covered claims paid in 5 days</li> </ul>	+ 1%

# Customer Service Volume

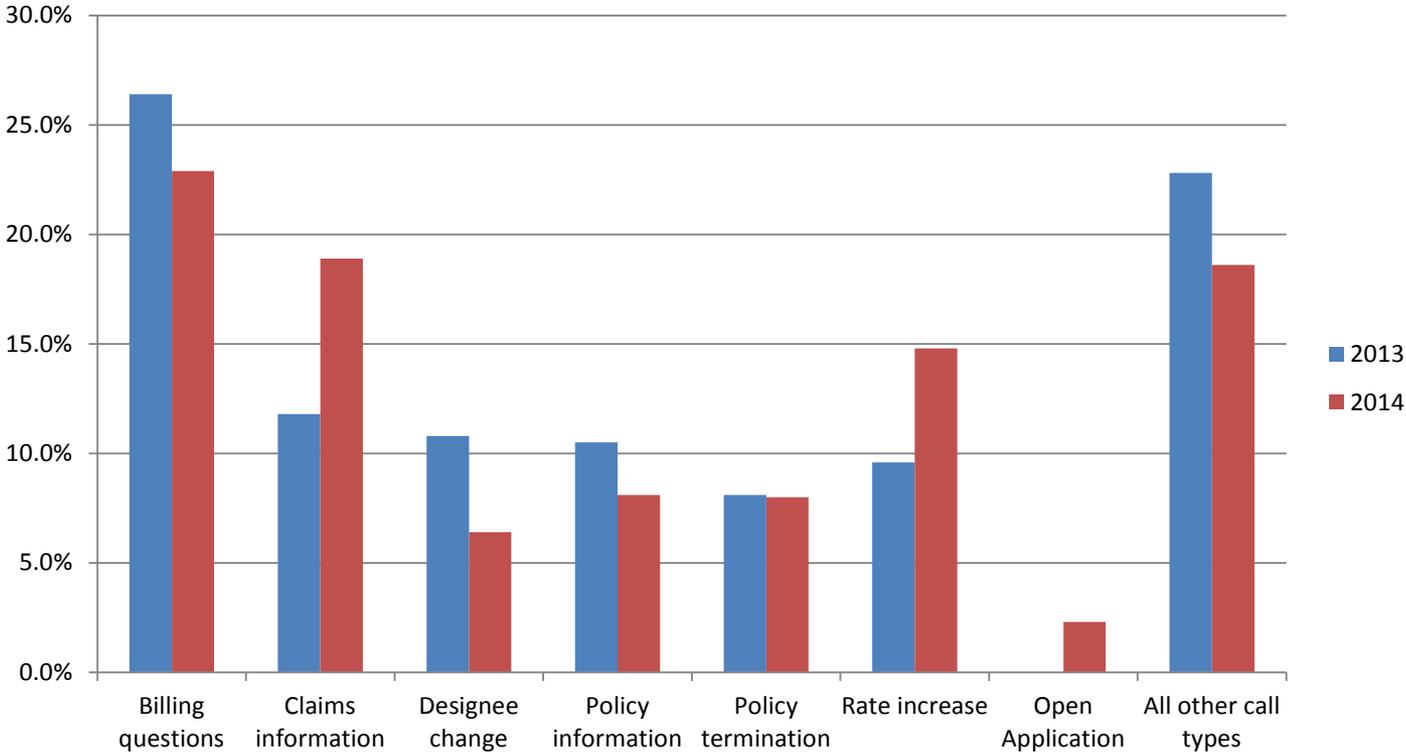
## 6 Months Ending 6/30/14



	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Total 2014	Total 2013
Total Calls	13,820	10,253	11,428	16,266	11,199	9,185	72,151	82,835
Avg. Speed Answered (sec.)	50	13	20	70	19	18	31.7	64.3
Abandoned Rate	2.0%	0.6%	0.9%	3.2%	0.8%	0.8%	1.6%	3.1%

# Call Types Semi-Annual Results

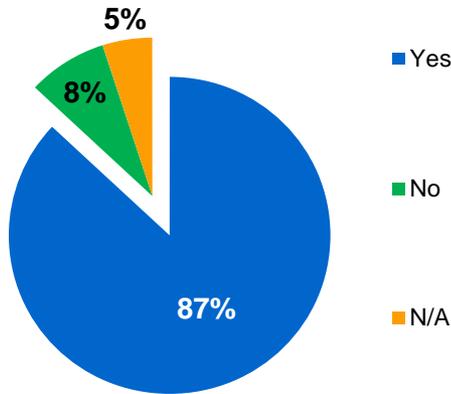
## Call Type Distribution



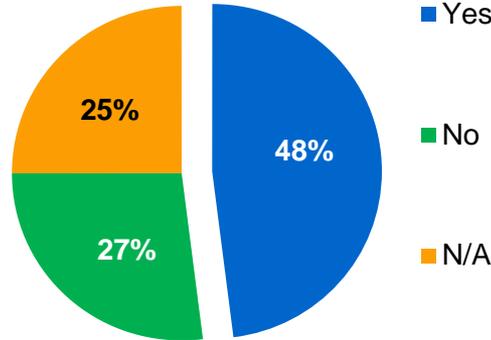
# CalPERS Customer Service Survey Results Semi-Annual Results

*Total 2014 survey respondents: 1,173*

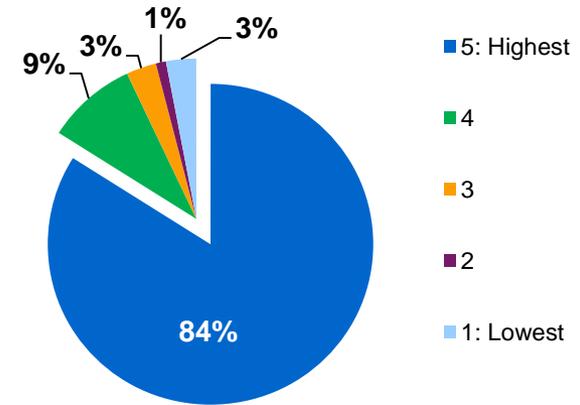
Was the automated phone system easy to navigate and use?



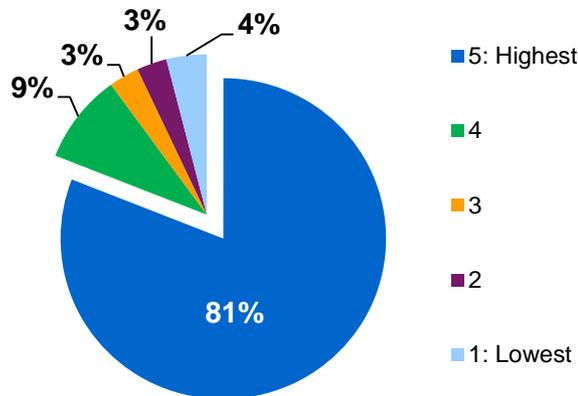
Did the automated phone system provide you with the information you were seeking?



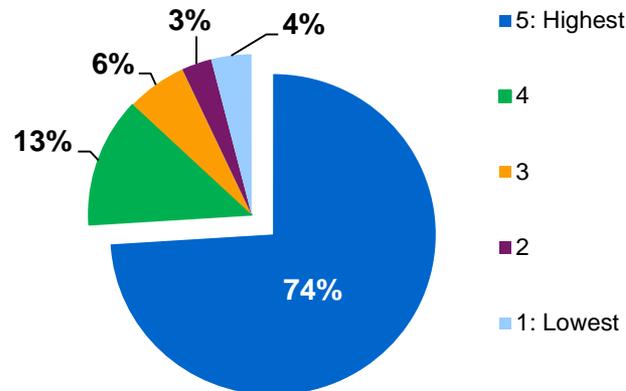
Please rate the courtesy and professionalism of the representative you spoke with?



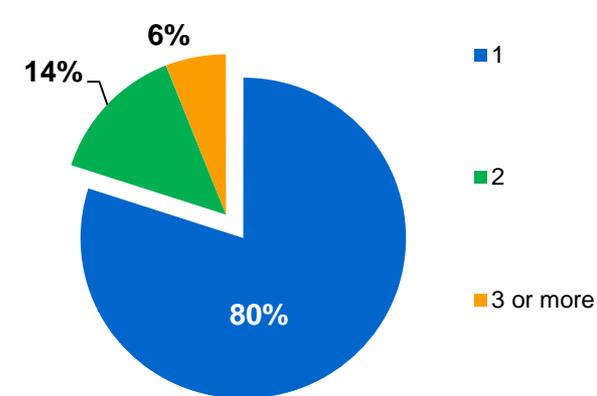
Please rate ability of the representative to understand and resolve your inquiry



Consider everything about your call to us today. What is your overall rating with the experience?



How many calls have you made about the issue you called about today counting this one?

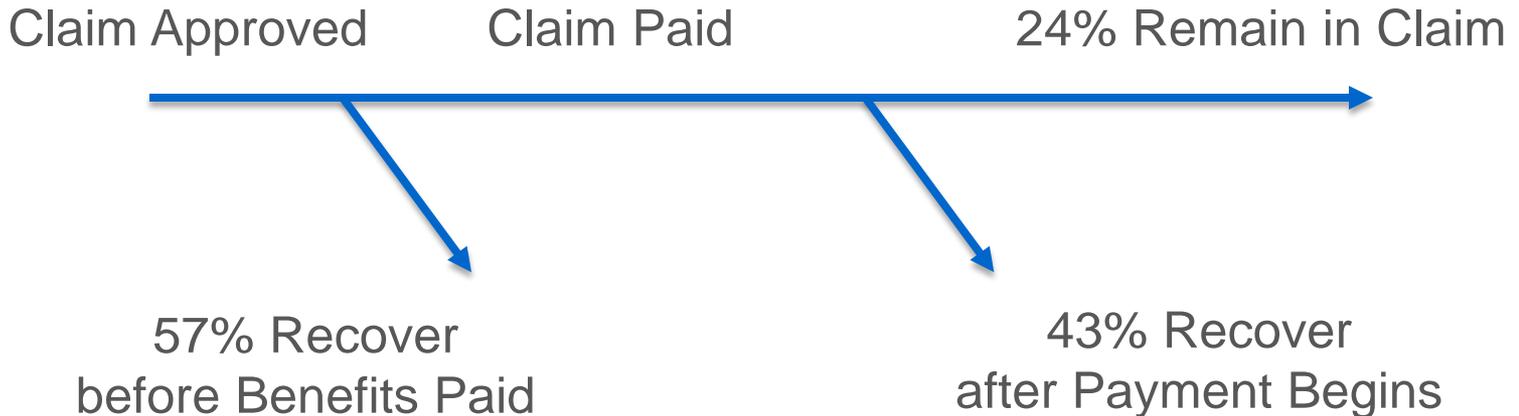


# Recovery from Claim

Since Inception of the Program through 6/30/14

## Recovery Continues Throughout the Life of a Claim

- 27% of closed claimants have recovered:
  - 57% before benefit payments are made
  - 43% after benefits payments have begun
- The percent change from 2013 is negligible
- Recoveries differ by +/- 1% from prior period



# Clinical Profile of Claims

Since Inception of the Program through 06/30/14

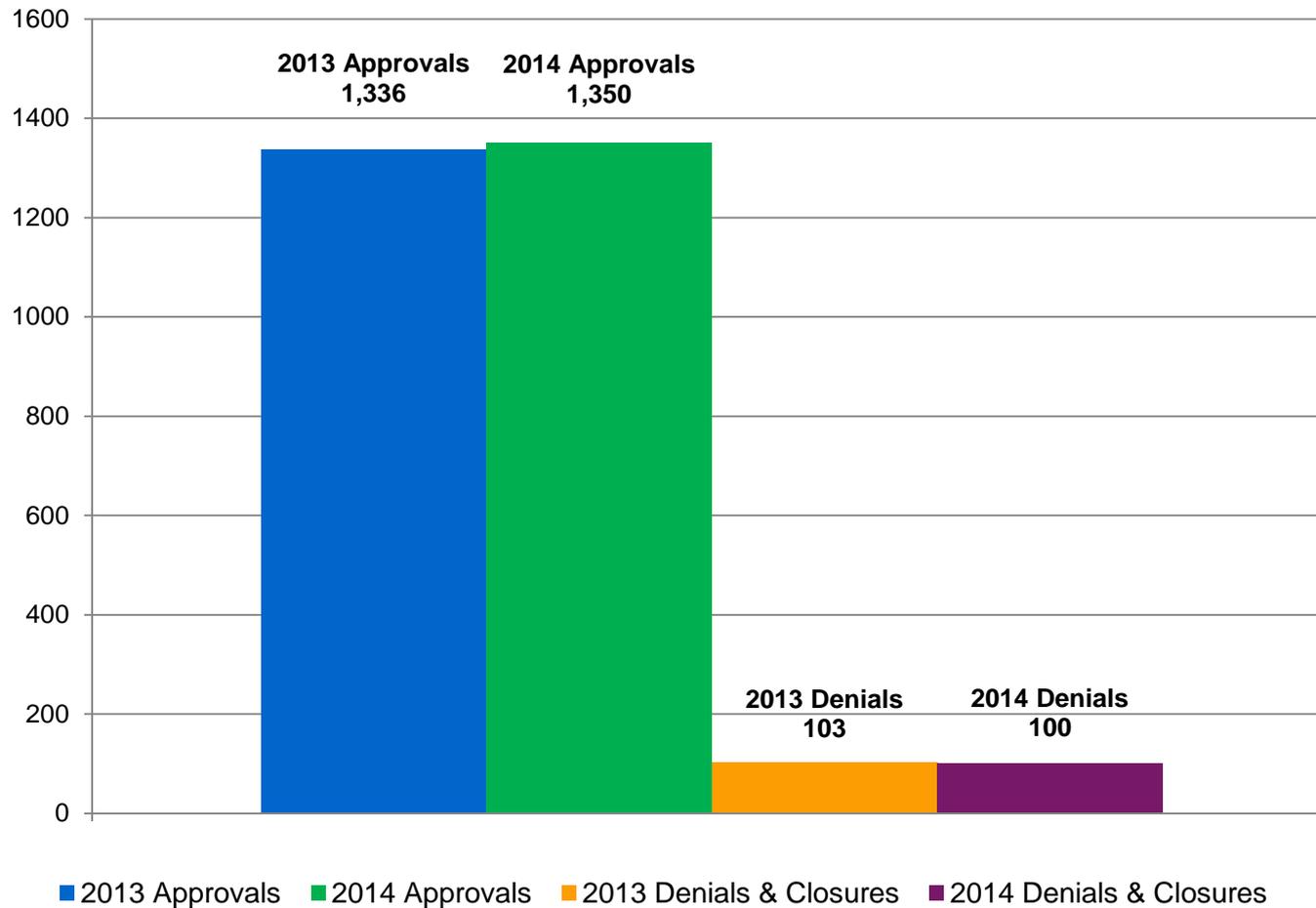
## Pure Dementia is the Leading Disabling Condition for Paid Claims

Disabling Condition	% of Total Approved Claims	% of Total Paid Claims	Total Paid Claims	% Dollar Change from December 2013
Pure Dementia	24%	32%	\$465,248,513	9.4%
Stroke	10%	12%	175,425,322	6.6%
Fractures/Injuries	7%	6%	91,944,824	8.1%
Arthritis, Rheumatic Disease	6%	6%	83,948,653	12.2%
Parkinson's Disease	5%	6%	82,862,141	8.2%
Cancer	13%	3%	47,963,855	6.7%
Cardiomyopathy, Congestive Failure	4%	3%	42,016,614	9.4%
Disorders of the Spine	3%	3%	41,994,820	9.9%
Dementia with Falls, Fractures, Injuries	2%	3%	36,217,919	8.6%
Respiratory Disease	4%	2%	34,168,301	8.2%

This does not represent all claims

# Initial Benefit Eligibility Decisions Semi-Annual Results

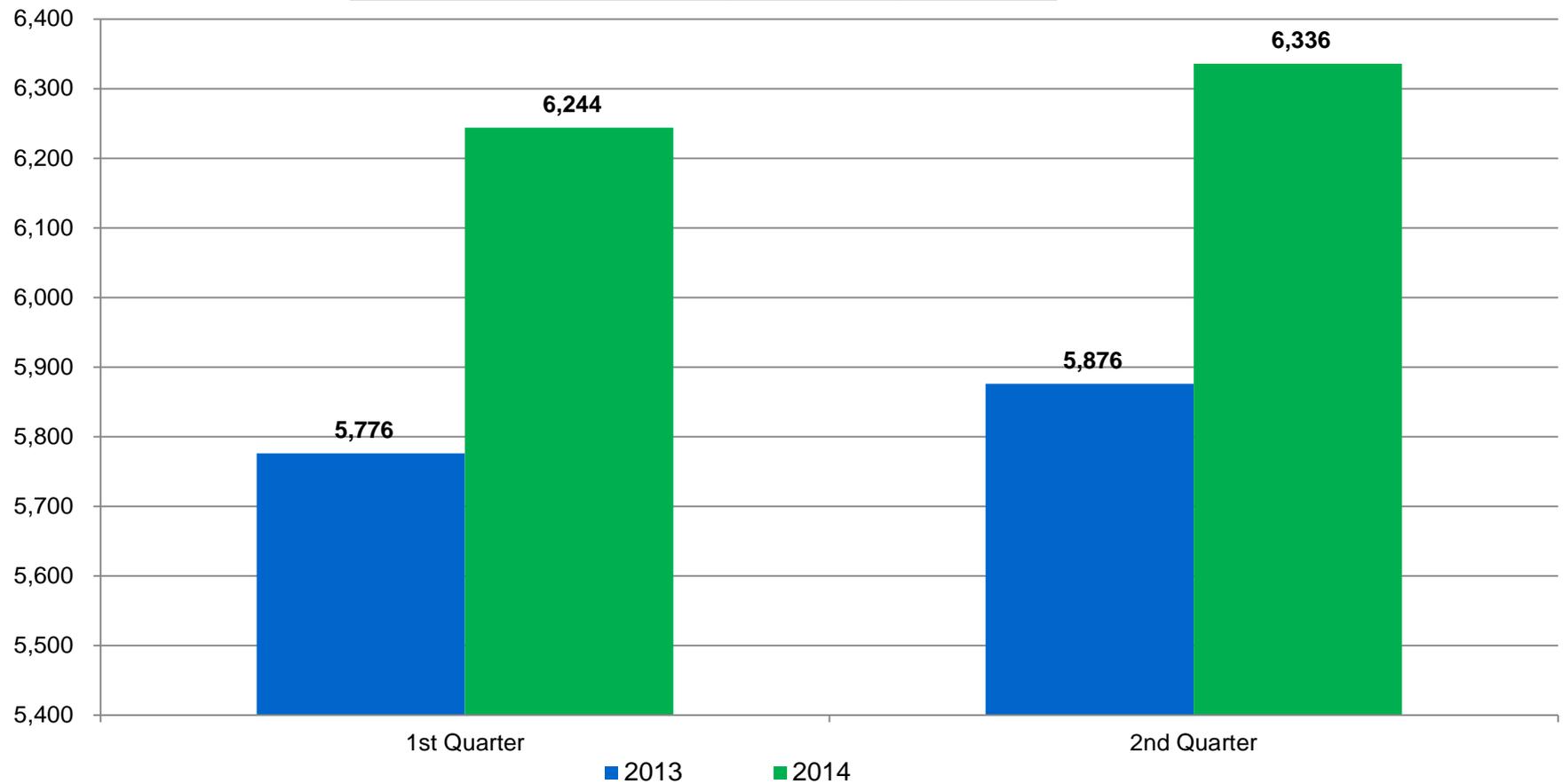
Eligibility Decisions	Jan – Jun 2013	Jan – Jun 2014
Approvals	1,336	1,350
Denials	103	100



# Participants in Active Claim Status

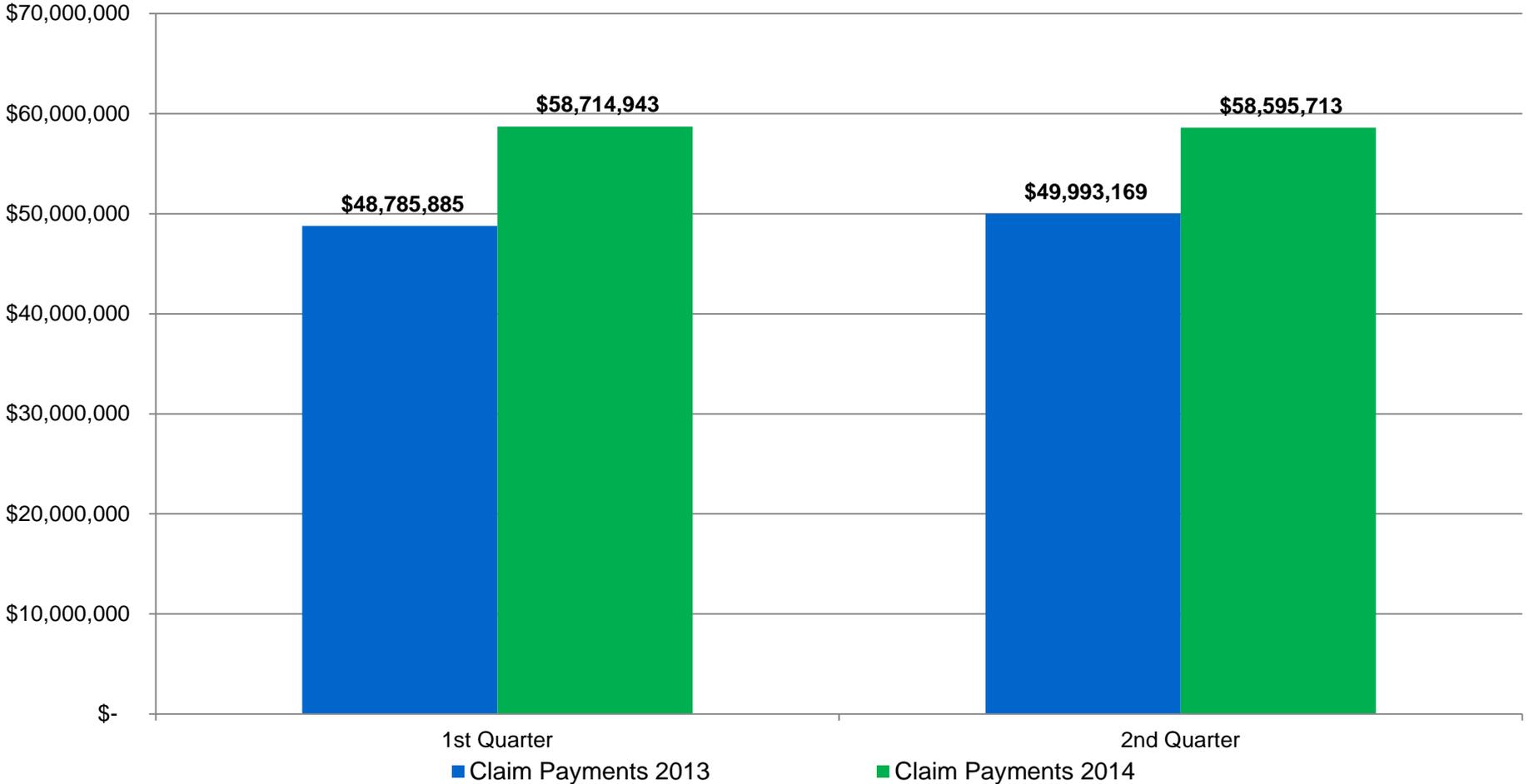
## Semi-Annual Results

Total in Active Claim	2013	2014
At June 30	5,876	6,336
At Dec 31	6,164	-----



# Claim Payments Semi-Annual Results

Claim Payments	2013	2014
Jan – June	\$98,779,055	\$117,310,656
Average Payment	\$2,027	\$2,098



# Average Dollars Paid per Claim Semi-Annual Results

## CalPERS Average:

2013	2014	Percent Difference
\$2,026	\$2,098	3.6%

- 2014 LTC Industry Average:  
\$2,313

	2013	2014	Percent Change
<b>Carrier #1</b> Volume of LTC lives: 668	\$2,254	\$2,358	4.6%
<b>Carrier #2</b> Volume of LTC lives: 9,235	\$2,662	\$2,592	-2.5%
<b>Carrier #3</b> Volume of LTC lives: 9,441	\$2,008	\$2,034	1.3%
<b>Carrier #4</b> Volume of LTC lives: 25	\$1,993	\$2,023	1.5%
<b>Carrier #5</b> Volume of LTC lives: 295	\$2,067	\$2,063	0.0%

# Claim Dollars Paid by Service Type

## Semi-Annual Results

Assisted Living Facilities\* (ALF) account for the highest paid dollar amount

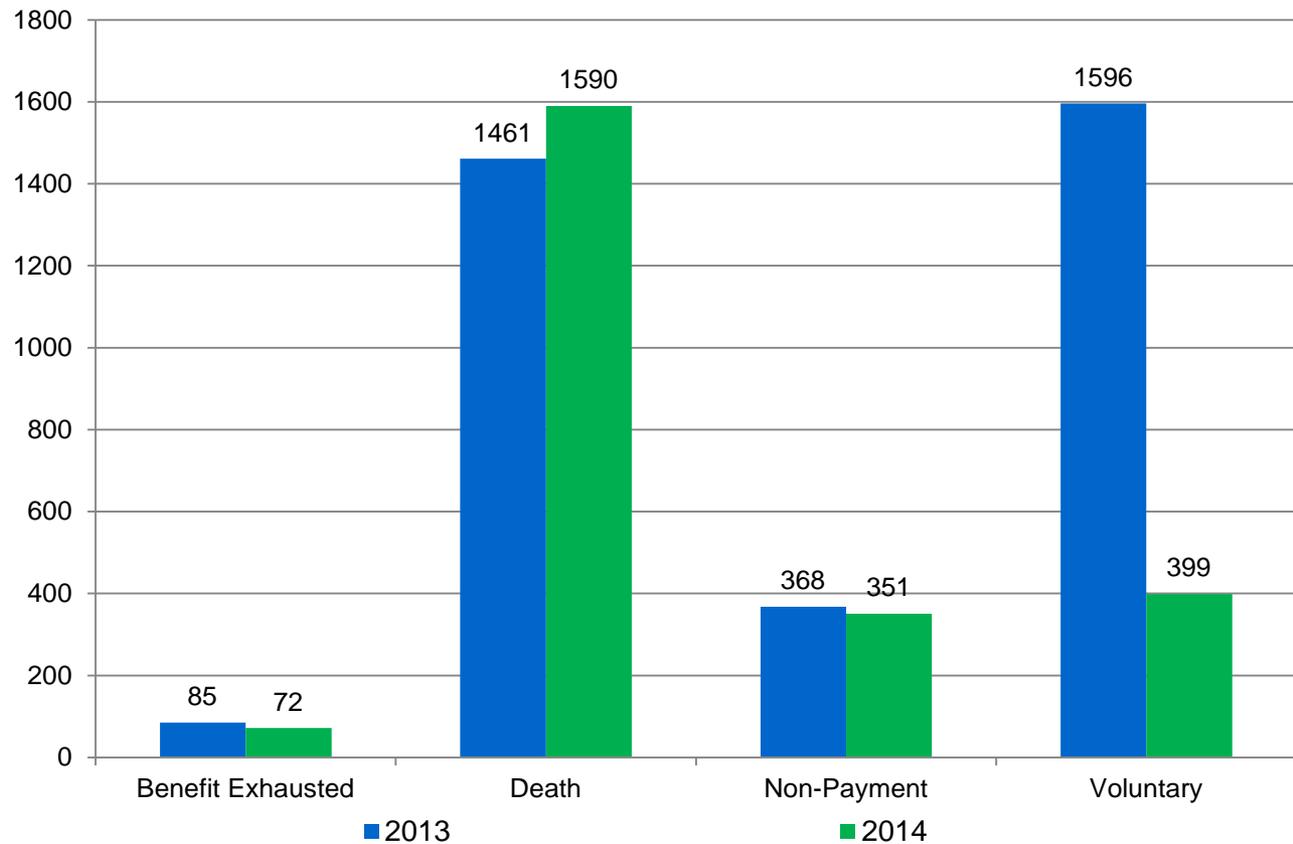
Claim Dollars Paid by Service Type						
	Nursing Home	Home Health Care	Assisted Living Facility	Respite	Other Benefits	Total
1 <sup>st</sup> Quarter 2013	\$8,073,395	\$14,821,543	\$25,056,410	\$697,213	\$137,324	\$48,785,885
2 <sup>nd</sup> Quarter 2013	\$7,979,026	\$15,350,327	\$25,516,998	\$1,027,147	\$119,670	\$49,993,169
<b>January – June 2013 Total</b>	<b>\$16,052,421</b>	<b>\$30,171,870</b>	<b>\$50,573,408</b>	<b>\$1,724,361</b>	<b>\$256,994</b>	<b>\$98,779,055</b>
1 <sup>st</sup> Quarter 2014	\$9,224,926	\$18,554,424	\$29,805,011	\$1,014,208	\$116,374	\$58,714,942
2 <sup>nd</sup> Quarter 2014	\$9,946,972	\$17,961,569	\$29,601,774	\$987,092	\$98,306	\$58,595,713
<b>January – June 2014 Total</b>	<b>\$19,171,898</b>	<b>\$36,515,993</b>	<b>\$59,406,785</b>	<b>\$2,001,300</b>	<b>\$214,680</b>	<b>\$117,310,656</b>
<b>Difference 2013 vs. 2014</b>	<b>\$3,119,477</b>	<b>\$6,344,123</b>	<b>\$8,833,377</b>	<b>\$276,939</b>	<b>(\$42,314)</b>	<b>\$18,531,601</b>

\*ALFs include: Residential Care Facilities, Group Homes, Adult Foster Homes, etc.

# Terminations Semi-Annual Results

Terminations	2013	2014
Jan – Jun	3,510	2,433

Voluntary terminations in 2014 are 17% of total compared to 45% in 2013



# Voluntary Terminations Semi-Annual Results

Voluntary Terminations	2013	2014
Jan – June	1,596	399
Annual Premiums	\$3,567,614	\$941,400

## Terminated Participants by Plan Series

	2013		2014	
Plan Series	# of Participants	Annual Premium	# of Participants	Annual Premium
LTC1	1,427	\$ 3,158,611	345	\$ 811,643
LTC2	121	\$ 306,694	23	\$ 55,607
LTC3	48	\$ 102,309	31	\$ 74,150

LTC1 is the original plan series offered from 1995 – 2002

LTC2 is the plan series offered from 2003 – 2004

LTC3 is the plan series offered from 2005 – 2008

# Program Terminations Due to Exhausted Benefits Semi-Annual Results

Exhausted Benefit Terminations	2013	2014
Jan - June	85	72
Annual Premiums	\$183,675	\$166,038

## Terminated Participants by Plan Series

Plan Series	2013		2014	
	# of Participants	Annual Premium	# of Participants	Annual Premium
LTC1	81	\$ 170,118	69	\$ 158,305
LTC2	0	\$0	2	\$ 4,708
LTC3	4	\$ 13,557	1	\$ 3,025

LTC1 is the original plan series offered from 1995 – 2002

LTC2 is the plan series offered from 2003 – 2004

LTC3 is the plan series offered from 2005 – 2008

# Terminations Due to Death Semi-Annual Results

Terminations Due to Death	2013	2014
Jan - June	1,461	1,590
Annual Premiums	\$4,288,376	\$4,649,735

## Terminated participants by Plan Series

	2013		2014	
Plan Series	# of Participants	Annual Premium	# of Participants	Annual Premium
LTC1	1,336	\$ 3,949,048	1,461	\$ 4,306,109
LTC2	30	\$ 106,599	26	\$ 94,619
LTC3	95	\$ 232,729	103	\$ 249,007

LTC1 is the original plan series offered from 1995 – 2002

LTC2 is the plan series offered from 2003 – 2004

LTC3 is the plan series offered from 2005 – 2008

# Non-Payment Terminations Semi-Annual Results

Non-Payment Terminations	2013	2014
Jan - June	368	351
Annual Premiums	\$707,575	\$704,275

## Terminated participants by Plan Series

	2013		2014	
Plan Series	# of Participants	Annual Premium	# of Participants	Annual Premium
LTC1	307	\$ 585,018	294	\$ 564,455
LTC2	32	\$ 69,935	23	\$ 50,797
LTC3	29	\$ 52,622	34	\$ 89,023

LTC1 is the original plan series offered from 1995 – 2002

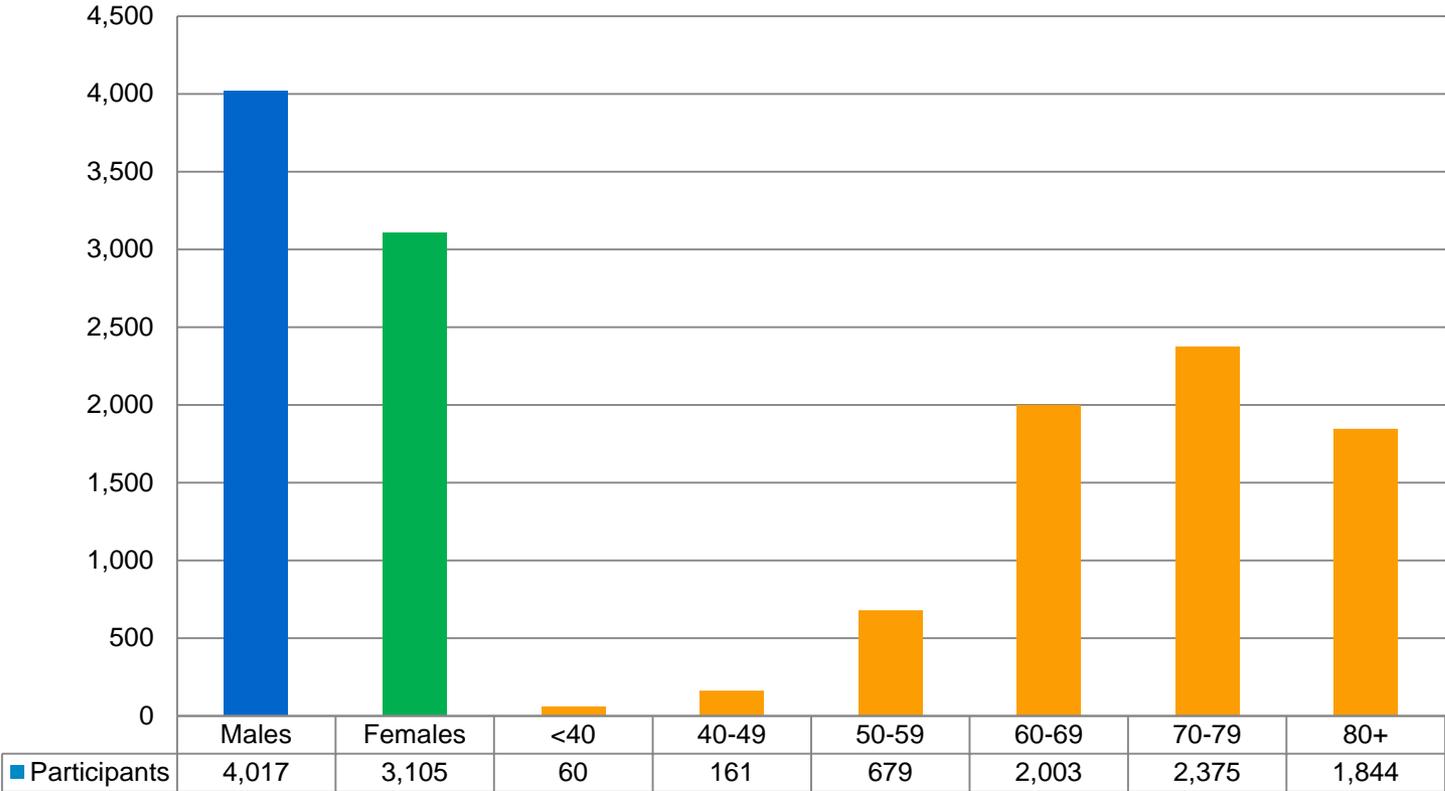
LTC2 is the plan series offered from 2003 – 2004

LTC3 is the plan series offered from 2005 – 2008

# Innovations Update

## Univita Living Semi-Annual Results

Participants enrolled in Univita Living	Total
At December 31, 2013	6,884
At June 30, 2014	7,122



*Find Services* is the number one activity utilized by participants: 1,816