

2017 Long-Term Care Program Semi-Annual Report

September 19, 2017

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Key Statistics

Participants and Premiums	Calendar Year			Jan 1 - Jun 30
	2014	2015	2016	2017
Program Participants*	138,348	134,495	130,242	128,276
Premiums Received**	\$309 million	\$308 million	\$336 million	\$153 million
Avg Annualized Premium	\$2,121	\$2,292	\$2,584	\$2,583
Invested Asset Value*	\$4.2 billion	\$4.0 billion	\$4.2 billion	\$4.4 billion

Claims and Care Management

Benefits Paid	\$237 million	\$256 million	\$281 million	\$149 million
Benefits Paid Since Inception*	\$1.5 billion	\$1.8 billion	\$2.1 billion	\$2.2 billion

* As of June 30, 2017

** Premiums paid monthly, quarterly, semi-annually, and annually.

Causes of Terminations

	Annual						Jan 1 – Jun 30	
	2014		2015		2016		2017	
	Count	Annual Premium	Count	Annual Premium	Count	Annual Premium	Count	Annual Premium
Death	2,823	\$8,268,495	2,937	\$8,768,234	3,089	\$9,689,377	1,659	\$5,460,396
Non-Payment	631	1,281,470	766	1,701,455	484	\$1,288,941	253	\$773,720
Voluntary	894	1,972,374	628	1,556,925	536	\$1,602,166	174	\$589,714
Exhausted Benefit	128	289,958	110	237,624	214	\$507,822	63	\$134,202
Total	4,476	\$11,812,297	4,441	\$12,264,238	4,323	\$13,088,305	2,149	\$6,958,032

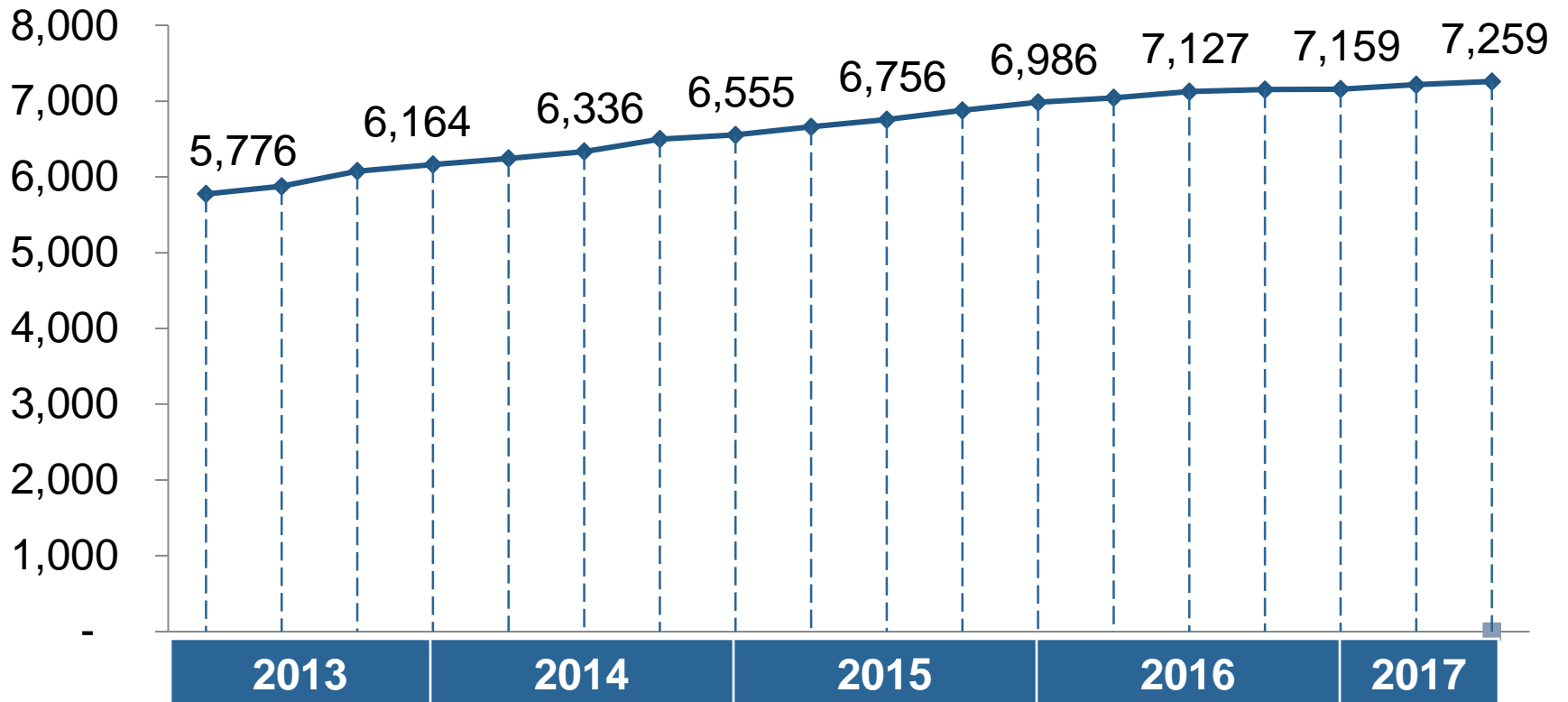
Claims Administration

- Average claim length is approximately 3.4 years

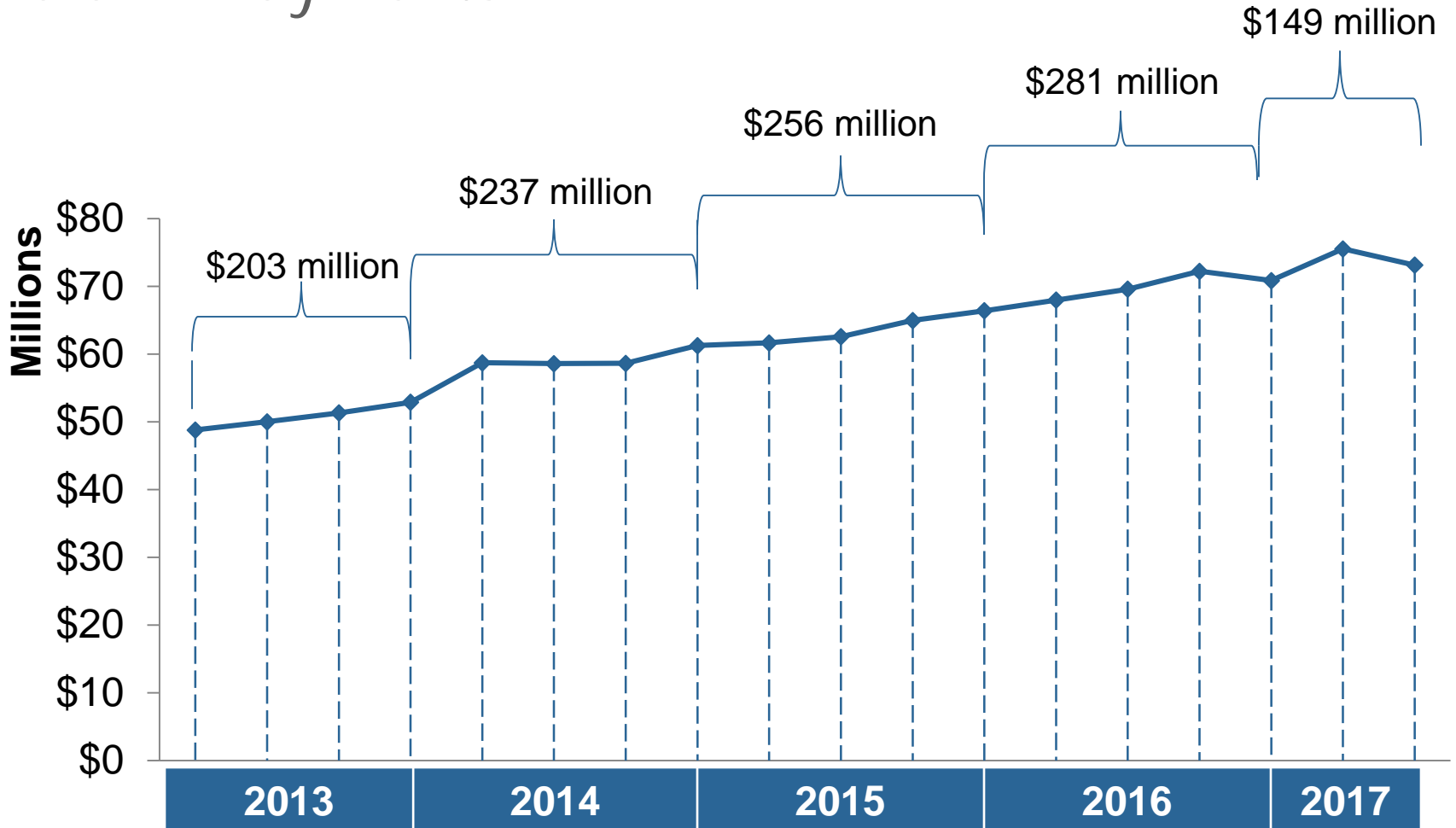
CalPERS Long-Term Care Program As of June 30, 2017	LTC 1	LTC 2	LTC 3	LTC 4
Total Population	104,202	7,858	14,618	1,598
Average Age	74	67	71	58
Active Claims	LTC 1	LTC 2	LTC 3	LTC 4
Claims	6,678	141	439	1
Average Current	85	80	84	72
Dollars Paid	\$712,445,924	\$11,899,978	\$38,520,030	0
Claims Since Inception	LTC 1	LTC 2	LTC 3	LTC 4
Claims	32,780	488	1,618	1
Average Age	88	80	85	72
Dollars Paid	\$2,120,994,507	\$28,261,936	\$88,485,518	0

Participants in Active Claim Status

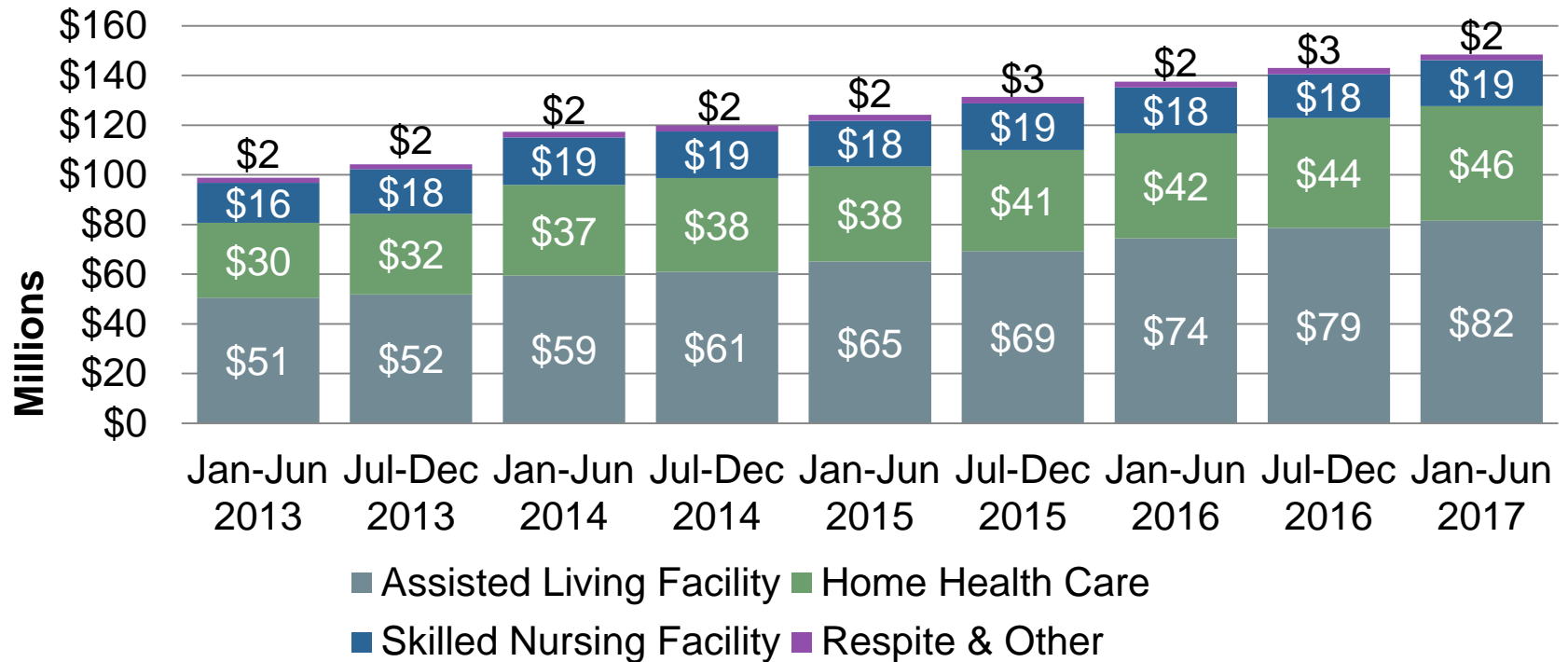
- Over 90 percent of initial claims are approved



Claim Payments



Claim Dollars Paid by Site of Care



Claims - Preferred Provider Network

- Of the 7,259 participants in claim, 150 (approximately 2%) are utilizing contracted providers
- Contracted providers may provide discounts from 5% to 20%
- Total annual savings of approximately \$1.2 million

	2013	2014	2015	2016	2017
Contracted Providers	888	1,775	1,950	1,975	1,975

Optional DBA Purchase Option

- Offers sent to 1,431 participants in April 2017 with one-third (473) of the participants whom accepted the purchase option
- Provides participants the opportunity to repurchase up to 100% of their Daily Benefit Amount (DBA) in effect at the time coverage decreases were elected
- Available to participants that removed built-in inflation protection or lowered DBA after the 2010 premium increase
- Contracted providers may provide discounts from 5% to 20%
- Total annual savings of approximately \$1.2 million

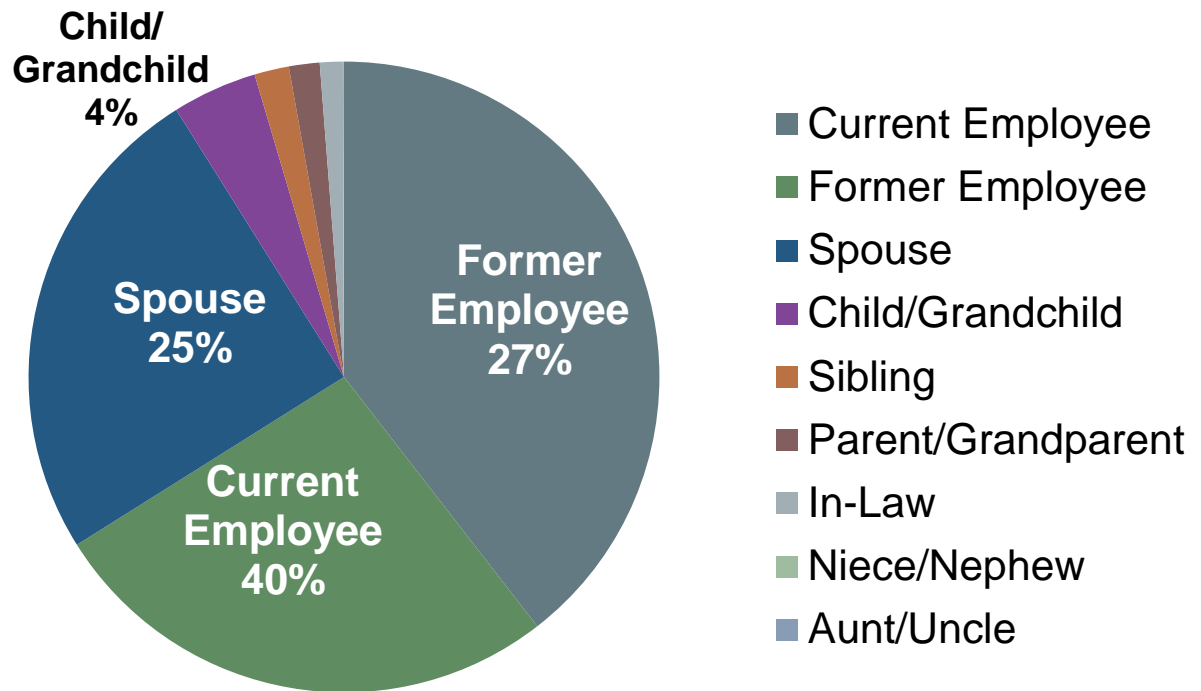
Long-Term Care Solicitation

- The Long-term Care Solicitation for a third-party administrator has been completed. New Contract implementation is scheduled for January 1, 2018

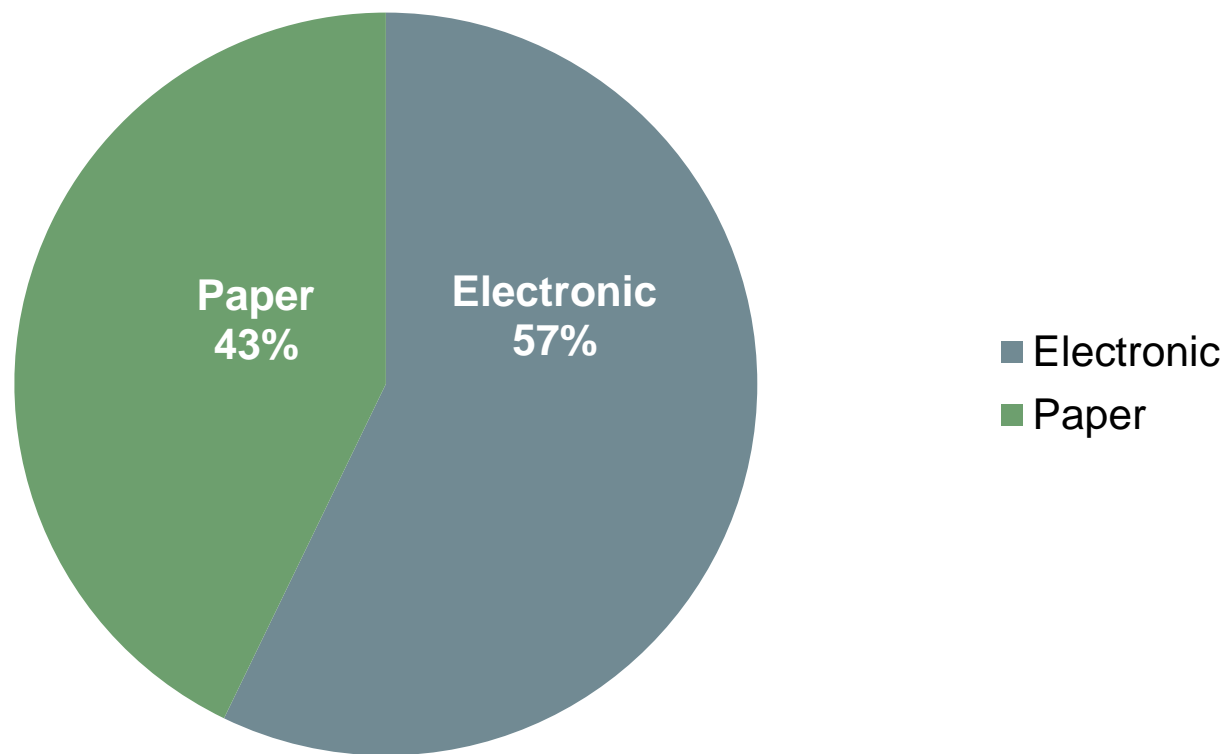
2017												2018						
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Evaluate Phase II Submissions																		
						Select Vendor												
							LTCG Implementation					New Contract						

New Applications

- Of the 3,496 new applications from 12/1/2013 to 6/30/2017, over one-third of new product applications are from family members



New Applications

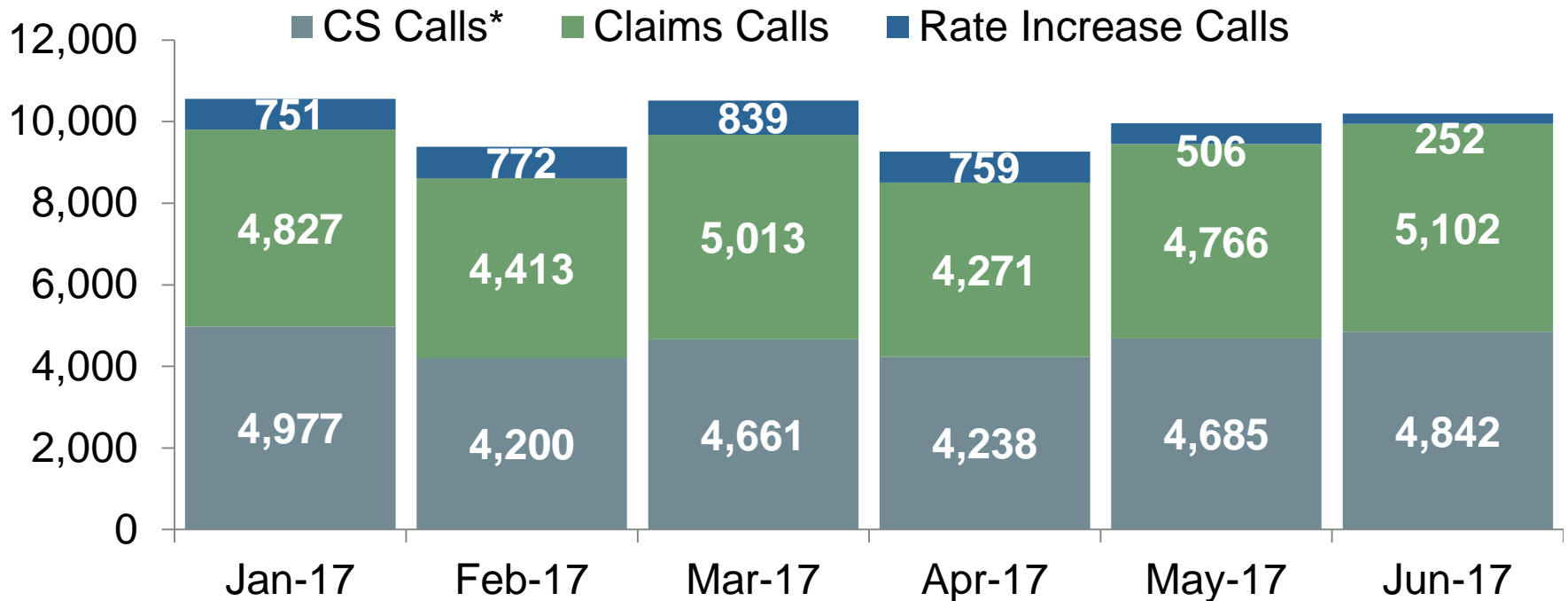


Marketing

- The LTC Program will continue direct outreach efforts. Attendance for the previous six months March 2017 to September 2017 include:
 - CalPERS Benefit Education Events (CBEEs) for 2017
 - March in Santa Barbara, CA
 - April in Fresno, CA
 - May in Eureka, CA
 - July in Santa Clara, CA
 - August in Pasadena, CA
 - September in Garden Grove, CA
 - CalPERS Education Forum and Employer benefit and wellness fairs
 - Six events attended during CalPERS Health Open Enrollment
 - El Dorado Union School District Employee's, County of Solano, City of Elk Grove, County of Yolo, Port of Oakland, and Sonoma State University
 - Eight events directly requested and turned down due to staffing constraints

Customer Call Metrics

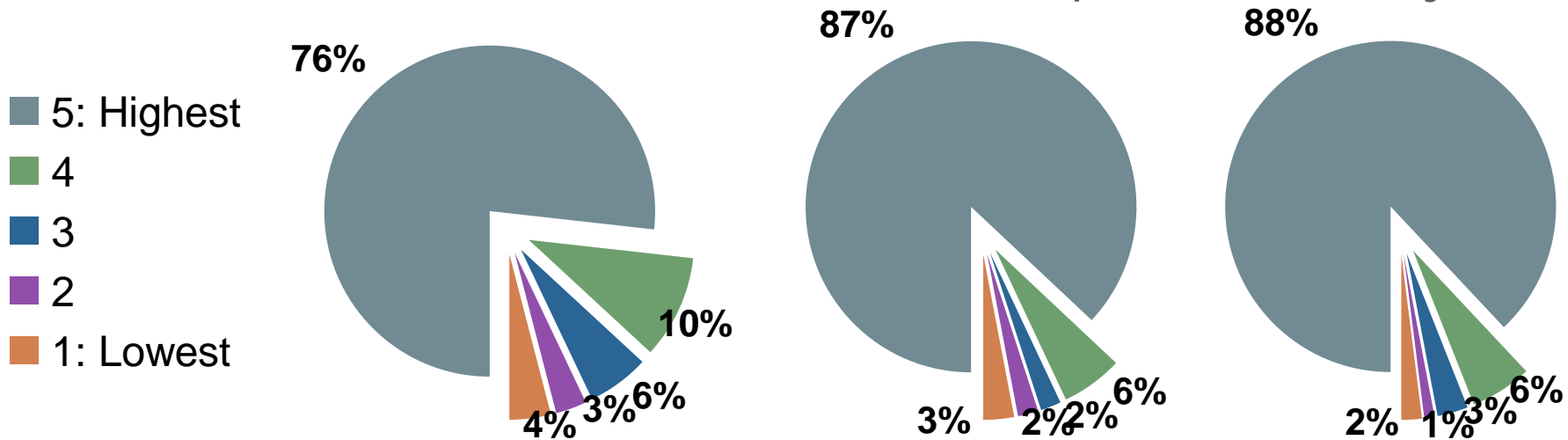
- LTCG fielded a total of 59,874 calls in 2016, an average of 9,979 calls per month



*Customer Service (CS) calls include address change, billing questions, designee questions, termination requests, and coverage discussions.

Customer Service Satisfaction Survey

- Of the 59,874 calls received in 2017 through June 30, 2017, 707 (1.1%) of the callers elected to complete the survey



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

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

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