

# 2018 Long-Term Care Program Report

March 20, 2018

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# Key Statistics

<b>Participants and Premiums</b>	<b>Calendar Year</b>		
	<b>2015</b>	<b>2016</b>	<b>2017</b>
Program Participants	134,495	130,242	126,525
Premiums Received*	\$308 million	\$336 million	\$326 million
Avg Annualized Premium	\$2,292	\$2,584	\$2,575
Invested Asset Value*	\$4.0 billion	\$4.2 billion	\$4.6 billion

## Claims and Care Management

Benefits Paid	\$256 million	\$281 million	\$300 million
Benefits Paid Since Inception*	\$1.8 billion	\$2.1 billion	\$2.4 billion

\* Premiums received monthly, quarterly, semi-annually, and annually.

# Reasons for Termed Policies

- Leading reason for termed policies continued to be due to death (82 percent), followed by non-payment (8 percent), voluntary (6 percent), and exhausted benefits (3 percent)

	Annual					
	2015		2016		2017	
	Count	Annual Premium	Count	Annual Premium	Count	Annual Premium
Death	3,076	\$9,178,141	3,451	\$10,839,295	3,384	\$11,198,355
Non-Payment	398	\$849,043	293	\$639,354	320	\$881,420
Voluntary	465	\$1,087,847	426	\$1,241,596	263	\$847,892
Exhausted Benefit	101	\$221,485	194	\$466,229	136	\$307,572
<b>Total</b>	<b>4,040</b>	<b>\$11,336,518</b>	<b>4,364</b>	<b>\$13,186,474</b>	<b>4,103</b>	<b>\$13,235,238</b>

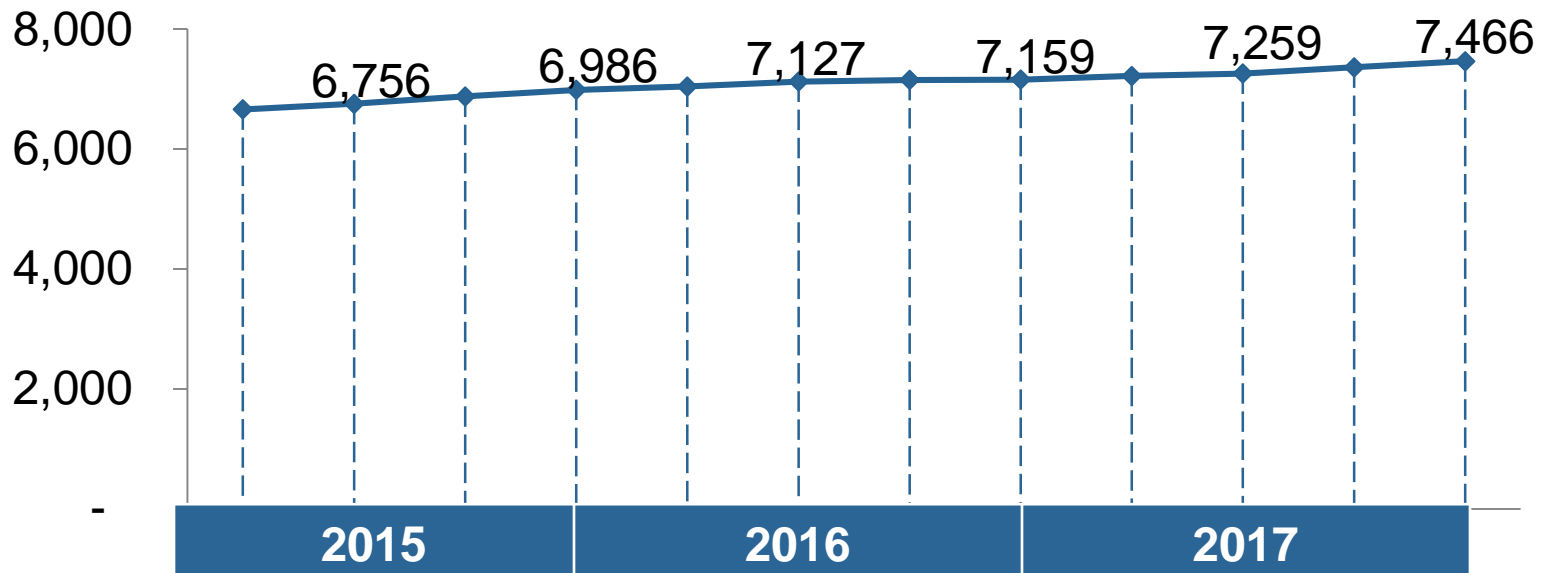
# Claims Administration

- Average claim length is approximately 3.4 years

<b>CalPERS Long-Term Care Program As of December 31, 2017</b>	<b>LTC 1</b>	<b>LTC 2</b>	<b>LTC 3</b>	<b>LTC 4</b>
Total Population	102,470	7,810	14,453	1,810
Average Age	74	68	71	58
<b>Active Claims</b>	<b>LTC 1</b>	<b>LTC 2</b>	<b>LTC 3</b>	<b>LTC 4</b>
Claims	6,855	151	459	1
Average Age	85	80	84	72
Dollars Paid	\$755,854,195	\$12,211,150	\$40,803,274	\$8,129
<b>Claims Since Inception</b>	<b>LTC 1</b>	<b>LTC 2</b>	<b>LTC 3</b>	<b>LTC 4</b>
Claims	34,164	524	1,746	1
Average Age	88	81	85	72
Dollars Paid	\$2,258,946,787	\$31,090,451	\$97,935,107	\$8,129

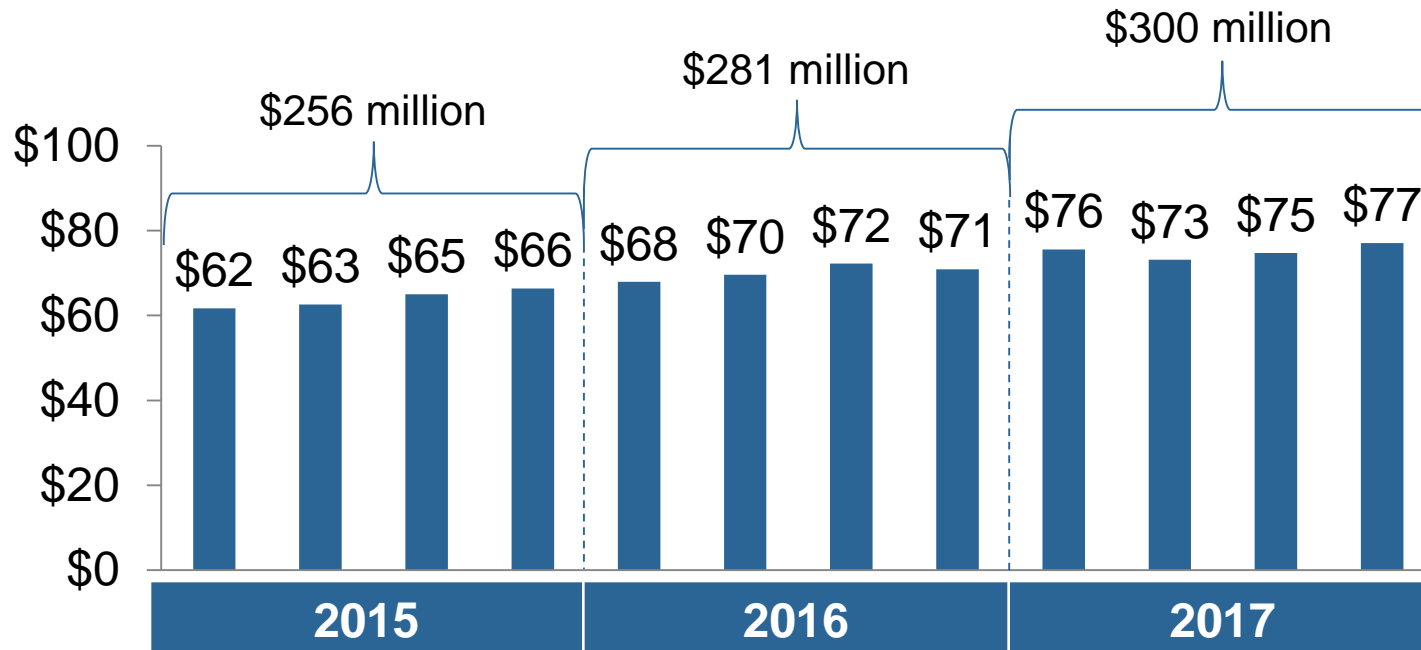
# Participants in Active Claim Status

- Moderate increase of 2.9 percent in active claim status to 7,466 active claims in the last six months ending December 31, 2017
- Over 85 percent of initial claims are approved



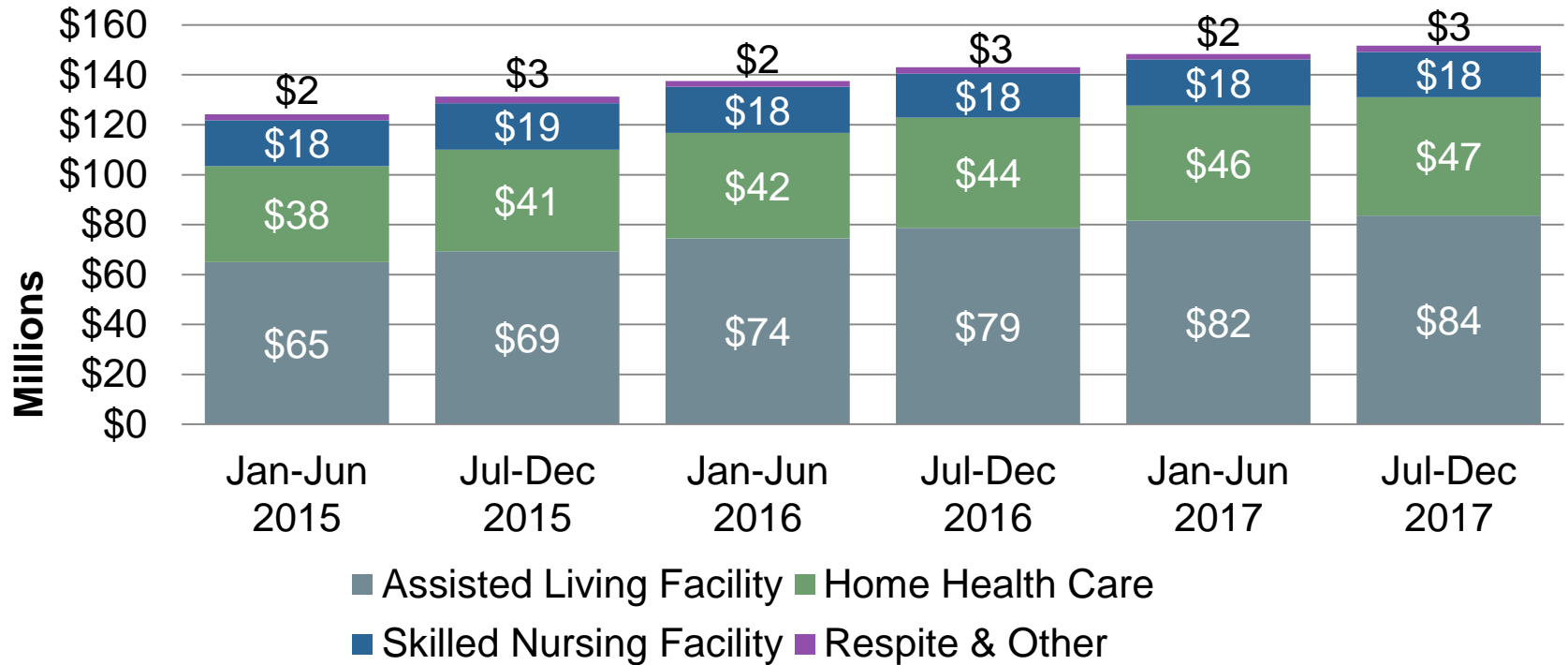
# Claim Payments

- Moderate increase of 1.1 percent participants in active claim status to \$300 million in the last six months ending December 31, 2017



# Claim Dollars Paid by Site of Care

- Continued percentage of approximately 86 percent of the paid benefits amount were paid for Assisted Living Facility claims (55 percent) and Home Health Care claims (31 percent)





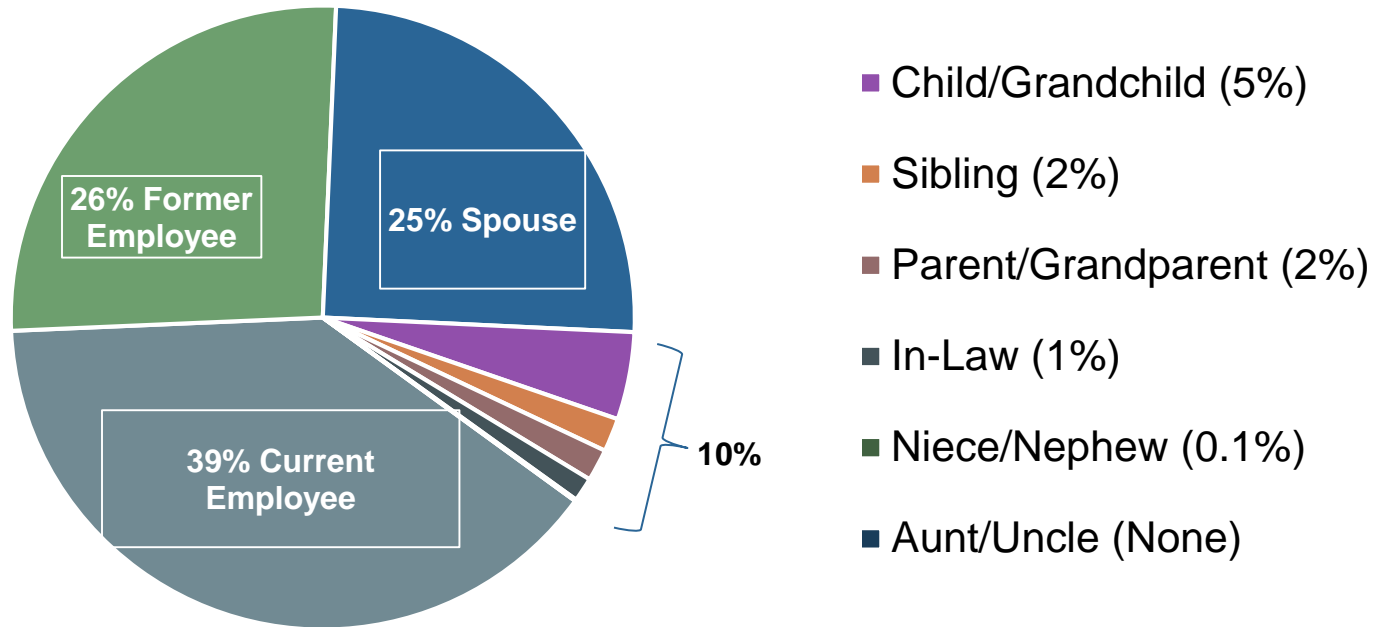
## Claims - Preferred Provider Network

- Of the 7,466 participants in claim, 146 (approximately 2%) are utilizing contracted providers
- Contracted providers may provide discounts from 5% to 20%
- Current total annual savings of approximately \$1.2 million

	2013	2014	2015	2016	2017
Contracted Providers	888	1,775	1,950	1,975	2,010

# LTC4 New Applications

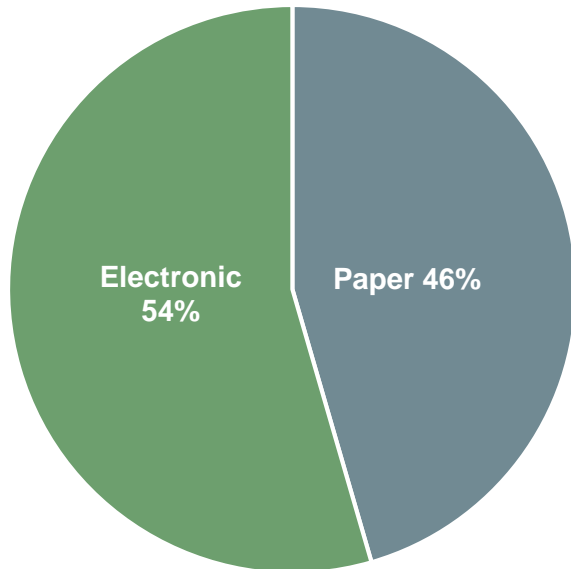
- Of the 3,842 new applications from 12/1/2013 to 12/31/2017, 35% of new product applications are from family members



# LTC4 New Applications

- Of the 3,842 new applications from 12/1/2013 to 12/31/2017, approximately 54% are electric applications

Online vs. Paper Applications for 2017



As of December 31, 2017

Applications Received	
Total Number	3,842
Comprehensive	3,775
CA Partnership	67
Underwriting Decisions	
Approved	2,182
Declines	1,438
Approval Rate	57%
Withdrawn	208

# LTC4 Marketing

The LTC Program continued outreach efforts at various employers and events. Attendance for the previous six months through December 2017 included:

- CalPERS Benefit Education Events (CBEEs)
  - July in Santa Clara, CA
  - August in Pasadena, CA
  - September in Garden Grove, CA
- CalPERS Education Forum attended in October at Rancho Mirage, CA
- Employer benefit and wellness fairs
  - Six events attended during CalPERS Health Open Enrollment including:
    - El Dorado Union School District Employee's, County of Solano, City of Elk Grove, County of Yolo, Port of Oakland, and Sonoma State University
  - Ten events directly requested and turned down due to staffing constraints
  - One event attended at California Teachers Association
- Program Newsletter: Fall 2017
- PERSpective article: Fall 2017
- Employer News: Summer 2017, Fall 2017

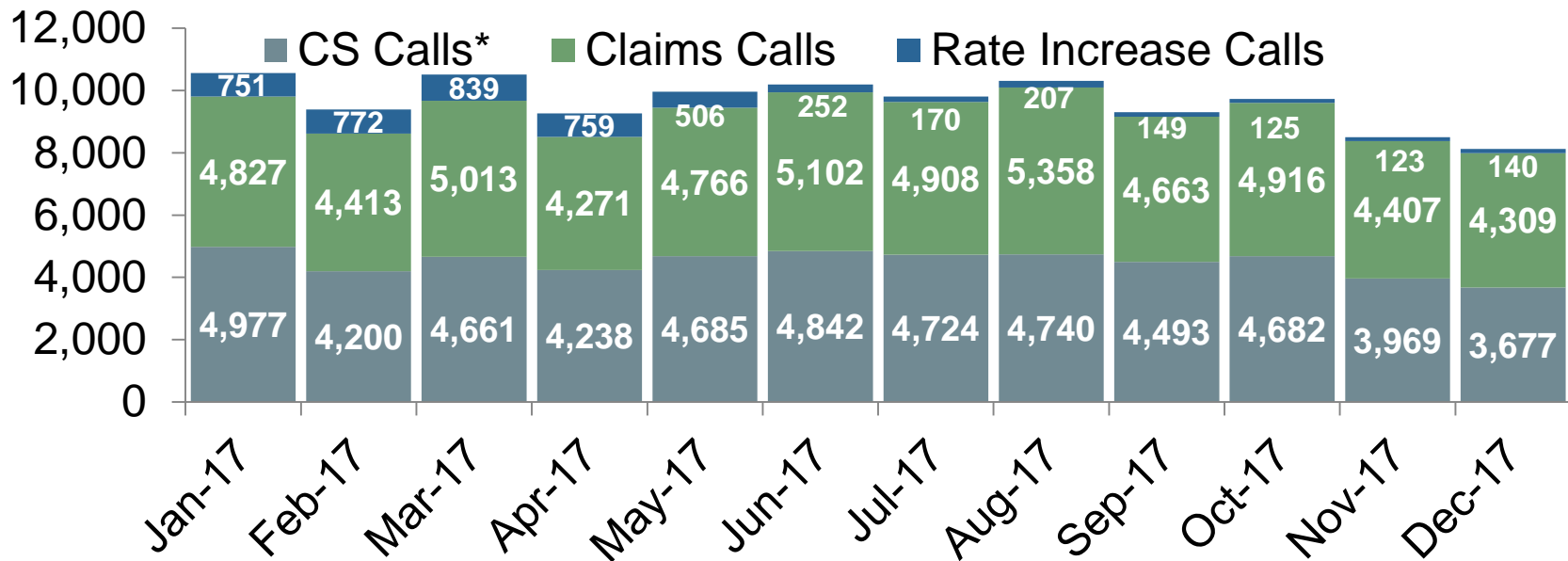
# LTC4 Marketing

The LTC Program continues outreach efforts in 2018. Currently, the LTC Program plans to attend the following Benefit Education Events and employer benefit and wellness fairs for the first six months of 2018:

- CalPERS Benefit Education Events (CBEEs)
  - January in San Luis Obispo, CA
  - February in Sacramento, CA
  - March in Visalia, CA
  - March in Redding, CA
  - May in Olympic Valley, CA
  - June in Riverside, CA
- Employer benefit and wellness fairs
  - One event at Truckee Donner Public Utilities District
  - Additional events requested by employers limited by staff constraints
- Program Newsletter: Spring 2018 (Scheduled)
- PERSpective article: Winter 2017, Spring 2018 (Scheduled)
- Employer News: Winter 2017, Spring 2018 (Scheduled)

# Customer Call Metrics

- LTCG fielded a total of 115,634 calls in 2017, an average of 9,979 calls per month
- Call volume decreased approximately 7 percent to 9,300 calls a month in the last six months ending December 31, 2017



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

# Customer Service After Call Survey

- Of the 115,634 calls received in 2017, 1,236 (1.1%) of the callers elected to complete the survey

