

CalPERS Long-Term Care

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Topics

- Factors Driving the Rate Increase
- Steps We're Taking
- Rate Increase Key Dates & Benefits Options
- Long-Term Care Investment Strategies
- Aging in Place/Managed Care
- Questions & Answers

Factors Driving the Rate Increase

- Like the commercial LTC insurance industry, the CalPERS LTC Program has experienced:
 - Lower than expected investment income
 - Worse than expected morbidity
 - Better than expected mortality
 - Lower than expected policy lapse
 - Higher than expected claims filed
- Actual experience adversely impacted the Long-Term Care Fund
 - Prior to rate increase, LTC Program was 69% funded
 - Without rate increase, LTC Program faces a shortfall of approximately \$2.1 billion

Steps We're Taking

**Implementing
Rate
Increases**

**Addressing
Investment
Returns**

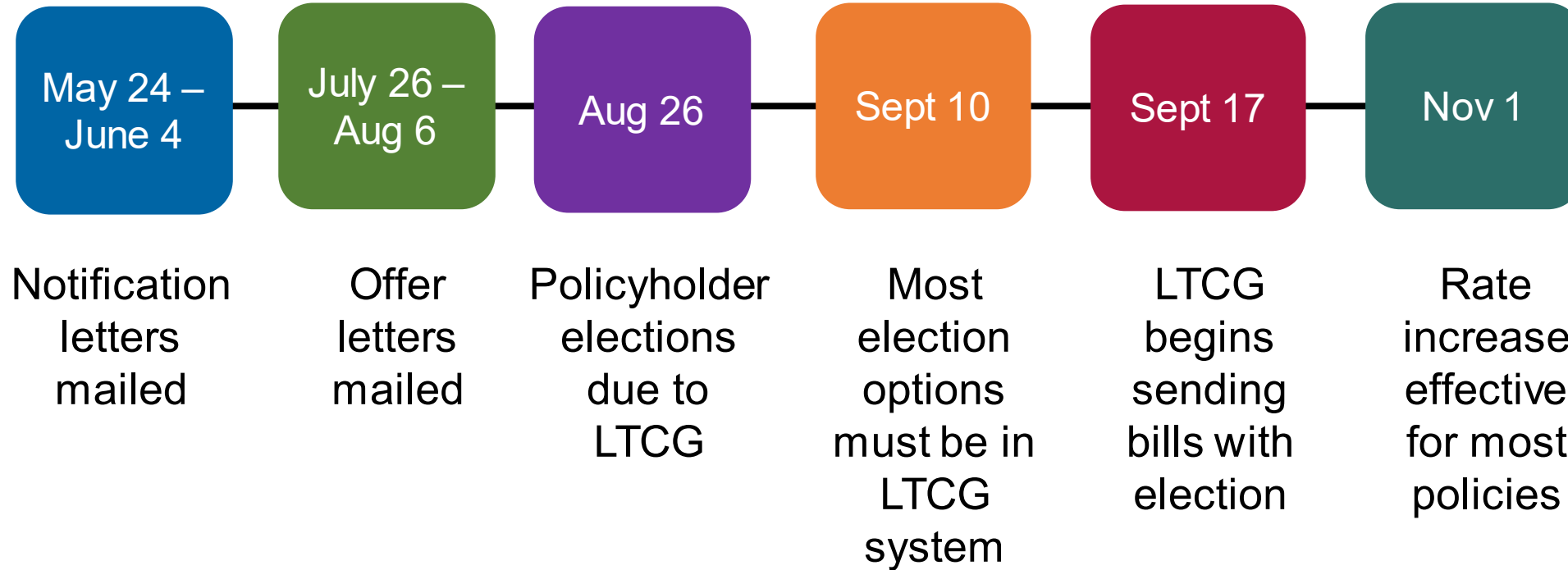
**Developing
Better Benefit
Options**

Rate Increase

52% increase on all policies
effective no earlier than
November 2021

If necessary, up to 25%
increase no earlier than
November 2022

2021 Rate Increase Key Dates



Options to Modify Coverage to Offset Increase



Reduce Benefit Period

Shortens benefit period of the policy

Lifetime, 10 yr.
6 yr. 3 yr. or 2 yr.



Reduce Daily Benefit Amount

Decreases the amount reimbursed when qualifying for benefits



Remove Inflation Protection

Long-Term Care Investment Strategies



Improve Returns

In a low interest
rate environment



External Investment Manager

With experience in
Long-Term Care
Fund investing

A woman with short dark hair, wearing a light blue top and a beige cardigan, is pointing at a smartphone held by a man. The man, wearing a pink shirt and a grey and white striped cardigan, is smiling and looking at the phone. They are standing in a bright room with large windows in the background. A potted plant with large green leaves is visible in the upper right corner. A blue horizontal bar is overlaid across the middle of the image, containing the text "Aging in Place/Managed Care".

Aging in Place/Managed Care

Long-Term Care Contact Information

Long-Term Care Group Contact Center

- (888) 877-4934 for questions related to rate increases
- Monday through Friday, 8:00 a.m. to 6:00 p.m. (Pacific Time)

Long-Term Care Group PolicyHub Website

- <https://ltcpolicyhub.com/calpers>

Email

- CalPERSltc@ltcg.com



Questions & Answers