

CalPERS Long-Term Care Program Newsletter

Spring 2022

Benefit Increase Option for Eligible Policyholders

The Benefit Increase Option allows you to purchase additional coverage every three years with no further proof of insurability. Your Schedule of Benefits shows whether you have this benefit. If it does not appear on your Schedule of Benefits page, then you do not have this benefit.

This March, the CalPERS Long-Term Care Program will be sending a Benefit Increase Offer letter to eligible policyholders. You may purchase this increase in coverage if you are not

currently receiving benefits and have not declined two previous benefit increase offers. The Benefit Increase Offer will increase your premium based on the offered amount and your age at the time of the offer.

We realize that the Benefit Increase Offer will come in the middle of two CalPERS Board of Administration approved rate increases. Please keep in mind this is a distinct and separate offer and is not part of the rate increase.



The CalPERS Long-Term Care Program by the Numbers:

111,518 total active participants

\$5.4 bil fund balance as of June 30, 2021

\$3.5 bil total benefits paid since program began

\$308 mil benefits paid in FY 2020-21

CalPERS Looks Into a Novel Aging-In-Place Solution

Survey after survey shows that as people approach the time in their lives that they may need long-term care, they prefer to stay in their home as long as possible.

To help better position our policyholders to age in their home and delay institutional care, CalPERS is exploring an innovative Aging-in-Place Managed Care Program.

The core principles of an Aging-In-Place Managed Care program are to deliver:

- **Improved quality** by monitoring and coordinating care for people through the entire range of care services used, from wellness to primary care to services that require highly specialized equipment and expertise. This includes an emphasis on prevention and intervention.

Examples include hands-on case management and targeted pre-claim home care services.

- **Aligned incentives** through cost-effective use of services including cost-sharing and arrangements that set a cap on fees by providers.

- **Reduced costs** for consumers through negotiated price discounts with providers.

We are hopeful that with the right interventions, we can improve policyholder's quality of life and help them stay in their home as long as possible.



CalPERS Long-Term Care Rate Increase

We are committed to giving you options that allow you to choose the long-term care coverage best suited to your own personal situation and long-term care needs. We recognize this has been a challenging time to raise rates, especially with the continued uncertainty caused by COVID-19 and its impact on seniors and caregivers.

The CalPERS Long-Term Care Fund's rate increase is necessary to cover the projected future costs of providing benefits to policyholders. We spent months comprehensively exploring numerous options to minimize the amount of the increases.

As we implement the second increase of up to 25% in November 2022, you will receive another offer letter at least 60 days prior to November that will allow you to modify your coverage and maintain your current premium.

We have developed several benefit design options, that if accepted, will allow you to avoid the increase of up to 25%. These options include:

- **Reducing the duration of your benefit.** This option would shorten the benefit period of your policy.*

- **Reducing the daily benefit amount.** This option would decrease the amount that you will be reimbursed when you qualify for benefits and receive eligible long-term care services.

- **Reducing Inflation Protection.** This would allow you to give up this optional benefit but maintain the higher daily benefit amount you have accrued over the years.

* Note that if you choose a policy with less than a one-year benefit period, it

may not be tax-qualified. We recommend you consult your tax advisor if you have questions regarding the tax favored status of this coverage.

It is possible that other benefit design options will be available for the November 2022 rate increase. We are analyzing the impact of a possible Aging-in-Place Managed Care Option.

You can learn more about managed care by reading the accompanying article, "CalPERS Looks Into a Novel Aging-In-Place Solution."

If you have additional questions regarding the rate increase and your options, please contact the LTCG Call Center, Monday through Friday, 8:00 a.m. – 5:00 p.m. (Pacific Time) at **(888) 877-4934**.

Updating Your Contact Information

Have you moved recently? As your information changes, it is important to update any change of address, phone number, or email address with our third-party administrator, Long Term Care Group (LTCG). Policyholders should directly contact LTCG to communicate changes and any other service requests.

Changing your information with CalPERS does not update your information for your long-term care policy. You will need to report any address or contact information changes directly to LTCG, just like reporting changes to insurance companies for auto, home, or life insurance.

CalPERS and LTCG are separate systems and the CalPERS Long-Term Care program has thousands of

policyholders who are not CalPERS pension or health benefits members.

How to update your contact/demographic information with LTCG:

- Take advantage of the new self-service portal, PolicyHub. Have your Coverage ID Number ready and visit <https://ltcpolicyhub.com/CalPERS> to register
- Call our third-party administrator, LTCG at: **1-800-982-1775** Monday – Friday from 8:00 a.m. – 6:00 p.m. Pacific Time
- Submit a signed request to LTCG at:
CalPERS Long-Term Care Program
P.O. Box 64902
St. Paul, MN 55164-0902
- Fax a signed request to **(866) 294-6967**

CalPERS New PolicyHub Portal

The CalPERS PolicyHub is a new self-service tool that lets you manage many different aspects of your long-term care insurance policy online.

In PolicyHub, you can start a claim, track an eligibility decision, review submitted and paid claims, view policy benefits, and update basic demographic information.

The online tool is by our Program administrator, Long-Term Care Group (LTCG), and is available to all CalPERS Long-Term Care Program policyholders who register. CalPERS and LTCG will continue to expand available features including policy

service capabilities such as speaking with customer service representatives online and locating wellness resources.

In addition to managing your policy and gaining greater visibility into the claim process, you can access resources to preserve independence and simplify your claims experience.

The resources include:

- **Find Care:** a proprietary database of more than 100,000 long-term care providers.
- **Cost of Care:** an interactive map comparing costs of long-term care.

- **Partners:** access to customized recommendations for partners offering long-term care services.

According to Peter Goldstein, LTCG's Chief Executive Officer, "This powerful digital tool is just one example of our commitment to improving the customer experience for the people we serve."



To take advantage of this new self-service portal, have your Coverage ID Number ready and visit **[Ltcpolicyhub.com/CalPERS](https://ltcpolicyhub.com/CalPERS)**



Understanding Independent Provider Requirements

Are you looking to hire your own Independent Provider? Let us help you understand the conditions before you hire.

Under certain plan selections you have the ability to hire an Independent Provider to assist you in your home with Activities of Daily Living. The Independent Provider may be someone you know personally or a referral; however, please keep in mind that they cannot be a family member.

Using an Independent Provider needs to be pre-approved by Long-Term Care Group (LTCG) in order to qualify for covered services. Understanding the requirements for approval in advance will help you more easily navigate through the process.

The minimum training requirements for an Independent Provider include at least one of the following:

- Evidence of current or expired license or certification as a CNA (certified nursing assistant), NA (nursing assistant), HHA (home health aide), or PCA (personal care assistant/personal care attendant).
- Completion of a training course for homecare including course work in safe transfers, along with providing personal care to persons with physical disabilities. A Certificate of Completion or letter from an accredited training center is required.
- Proof of training and written verification describing the training

through prior employment in a long-term care facility is also required to be certified as a Personal Care Assistant.

These requirements along with other information are outlined in the Independent Provider Packet. To receive a packet, please call **(800) 982-1775** or take advantage of our new self-service portal, PolicyHub by visiting **Ltcpolicyhub.com/CalPERS** to register online.

Once we receive the required information, we will evaluate it to determine whether your Independent Provider meets the program's requirements.

If coverage for the requested Independent Provider is approved, the following information will need to be submitted for reimbursement of expenses for services:

- Independent Provider Weekly Timesheet
- Valid proof of payment for each Weekly Timesheet **OR**
- Assignment of Benefits form with completed IRS form W-9 (if you choose to assign benefits to the provider)

Your LTCG Care Manager will need to be regularly involved with

any changes regarding your Independent Provider and your pre-approved plan of care in order to be considered for reimbursement under your plan. Changes include but are not limited to:

- An increase or decrease in hours, services, or wages
- Ongoing provider changes
- Additional proposed Independent Providers

A final important consideration is when you request to use an Independent Provider, you are hiring a household employee, that is generally considered an employer/employee relationship. As the employer, you are responsible for the management of your Independent Provider, including the payment and/or withholding of any applicable local, state, or federal taxes. These taxes are not covered under this Agreement. If you have any questions about your responsibilities as an employer, we suggest you review IRS Publication 926 and/or seek advice from a payroll service, accountant, or tax attorney.

While we will not regularly require that you provide wage reporting statements to us, we reserve the right to request evidence that you have complied with local, state, and federal wage reporting requirements.



By some estimates,
insurance fraud steals at
least **\$80 billion** every year
from American consumers.

Join in the Fight Against Insurance Fraud

As you and your loved ones age, it is important to think about care that may be required. Your planning should include how and where you want to receive care that is safe and provided by trustworthy caregivers. The CalPERS Long-Term Care Program is here to assist you and your family to find the right services at the right time.

Unfortunately, from time to time, we find evidence of fraud, waste, and abuse during the claims process and we are concerned about the risk insurance fraud poses to you and your loved ones. By some estimates, insurance fraud steals at least \$80 billion every year from American consumers.

We are committed to preventing, finding, and confronting long-term care insurance fraud and abuse, and encourage you to do your part. Report any signs of fraud or abuse related to the long-term care services you, a loved one, or someone you know receives.

What is long-term care insurance fraud?

Generally, fraud occurs when a person knowingly uses deception in an effort to obtain insurance proceeds, including presenting false information during the presentation of an insurance claim, presenting forged or altered documents from a doctor's office or other care provider, exaggerating one's disability to qualify for benefits, or submitting requests for reimbursement for time periods or services that were not provided.

What is long-term care insurance abuse?

Watch out for situations involving third-party abuse where other parties may attempt to take advantage of a member's benefits without their knowledge or consent. This could include providers billing for services not rendered, charging unreasonable rates, failing to provide adequate or timely services, or misrepresenting their licensure or other qualification.

Unfortunately, in extreme cases, third parties may even try to exploit more vulnerable individuals with long-term care benefits through embezzlement, coercion, intimidation, gaining access to their checking or savings account, or physical and emotional abuse. If any of these actions are happening to you or someone you know, report this activity immediately to CalPERS, local law enforcement, or your primary health care provider.

How to report long term care insurance fraud or abuse

If you suspect fraud or abuse may be occurring, you can report it by:

- Calling LTCG toll-free at **1-800-982-1775**, Monday through Friday between 8:00 a.m. and 6:00 p.m. Pacific Time
- Emailing us at **calpersltc@ltcg.com**
- Writing us at P.O. Box 64902, St. Paul, MN 55164-0902 or by fax to 866-294-6967

We have resources to help you plan and manage your long-term care needs, stay informed about changes in our Long-Term Care Program, and information about long-term care in general.

Contact the CalPERS LTC Program

The CalPERS Long-Term Care Program is administered by LTCG.

CalPERS Long-Term Care Program
www.CalPERSLongTermCare.com

Long-Term Care PolicyHub
<https://ltcpolicyhub.com/calpers>

Email
CalPERSLTC@ltcg.com

Telephone
Monday through Friday, 8:00 a.m.-6:00 p.m. PT
Current participants: (800) 982-1775
Rate increase: (888) 877-4934
Provider services: (888) 396-5824
Employers: (800) 845-8427

Fax
Customer service: (952) 833-5417
Claims: (866) 294-6967
Participant services: (866) 294-6966

Mail
General correspondence:
CalPERS Long-Term Care Program
P.O. Box 64902
St. Paul, MN 55164-0902

Overnight mail:
CalPERS Long-Term Care Program
7805 Hudson Road, Suite 180
Woodbury, MN 55125-1591

Premium payments:
CalPERS Long-Term Care Program
Department LA 21217
Pasadena, CA 91185-1217

Online Resources

California Department of Aging
www.aging.ca.gov

National Association of Area Agencies on Aging
www.n4a.org

National Institute on Aging Information Center
www.nia.nih.gov

U.S. Department of Health and Human Services
Long-Term Care
www.hhs.gov/aging/long-term-care/

Family Caregiver Alliance
www.caregiver.org

American Association for Long-Term
Care Insurance
www.aaltci.org

National Alliance for Caregiving
www.caregiving.org

Caregiver Action Network
www.caregiveraction.org

Well Spouse Association
www.wellspouse.org

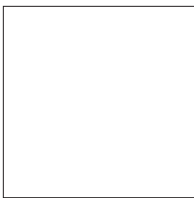
Alzheimer’s Association
www.alz.org

Alzheimer information from U.S. Department
of Health and Human Services
www.alzheimers.gov

Silver Brick Road
www.SilverBrick.com



CalPERS Long-Term Care Program Administrator
P.O. Box 64902
St. Paul, MN 55164-0902



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