

# CalPERS Long-Term Care Program

## Frequently Asked Questions

### General

#### **Q. What is long-term care?**

**A.** Long-term care refers to the services provided to people who have difficulty managing the activities of daily living due to illness, injury, disability, cognitive disorder or aging. CalPERS Long-Term Care coverage helps pay for the high cost of care when one needs assistance with the activities of daily living, including bathing, dressing, toileting, transferring (such as from a bed to a chair), continence, eating or a severe cognitive impairment.

#### **Q. Why does someone need long-term care coverage?**

**A.** CalPERS Long-Term Care coverage offers participants more control over how they live their lives if they need assistance with the activities of daily living. CalPERS Long-Term Care coverage helps preserve assets so participants can maintain their quality of life, and to provide for family or leave an inheritance.

#### **Q. Will Medicaid (Medi-Cal in California) and Medicare or health insurance cover long-term care needs?**

**A.** Long-term care is different from other health care and is not typically covered by health insurance, Medi-Cal, Medicare or Medicare supplemental policies. Medicare and Medi-Cal cover very limited long-term care services and will only cover long-term care services once a person has depleted – or “spent down” – a significant amount of personal assets.

#### **Q. Don't only older people need to get coverage?**

**A.** Young or old, people require long-term care for a variety of reasons. At any age, whether it is due to an accident or illness, health-related impairments can change everything. While long-term care might not be needed until a person has advanced in age, premiums are lower the earlier coverage starts.

### Eligibility

#### **Q. Who is eligible for CalPERS Long-Term Care coverage?**

**A.** CalPERS Long-Term Care coverage is designed for current California public employees, retirees, their spouses, parents, parents-in-law, adult children and adult siblings, between the ages of 18 and 79. California public employees include, but are not limited to, those employed by the state of California and all state departments, state Assembly and Senate, judicial systems, school districts, cities, counties, special districts, public universities and community colleges.

To maintain the tax-qualified status of the Program, eligibility has not yet been extended to domestic partners. This relationship is pending changes to IRC Title 26, section 7702B (f)(2). You do not need to participate in CalPERS retirement or health benefit programs to be eligible. Eligible family members may apply to the CalPERS Long-Term Care Program even if the public employee or retiree that makes them eligible does not apply for coverage or is not approved for coverage. Applicants must pass underwriting in order to be approved for coverage.

#### **Q. How does the signing of Assembly Bill (AB) 373 impact CalPERS Long-Term Care Program eligibility?**

**A.** AB 373, signed by California Gov. Jerry Brown in 2013, amends Government Code section 21661 of the CalPERS Long-Term Care Act by expanding enrollment eligibility to adult children of public employees and retirees.

#### **Q. Does a public employee have to apply for or have coverage in order for an eligible family member to apply?**

**A.** No. The public employee does not have to apply for, or have, coverage in order for an eligible family member to apply.

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**Q. Does an employer have to contract with CalPERS or pass a resolution to offer CalPERS Long-Term Care coverage to their employees?**

**A.** No. Employers are not required to contract in any way with CalPERS to offer CalPERS Long-Term Care coverage. All California public employees, retirees, their spouses, parents, parents-in-law, adult children and adult siblings, between the ages of 18 and 79, are eligible to apply, regardless of employer contract status. Applicants must pass underwriting in order to be approved for coverage.

**Q. Is CalPERS Long-Term Care coverage portable if a participant of the Program leaves public service or moves out of state?**

**A.** As long as a participant continues to pay premiums on time, their CalPERS Long-Term Care coverage stays with them even when they move, retire, change employers or if their marital status changes.

**Q. Do the benefits of the new long-term care plans apply to existing Program participants?**

**A.** No. To be eligible for the new benefit design offered by the CalPERS Long-Term Care Program, existing participants must complete an application and pass underwriting. If the applicant passes underwriting and accepts the new coverage, their premium will be based on their age at the time of application for the new coverage and their existing coverage will be terminated. We recommend seeking advice from a financial advisor when considering a plan change.

## Benefits & the Application Process

**Q. How does the underwriting process work and how long does it take?**

**A.** Univita, the CalPERS Long-Term Care Program third-party administrator, conducts underwriting on our behalf. The underwriting process timeframe varies for each applicant based on their age, as well as if any additional medical records are required. However, on average, it may take 45 days to complete underwriting.

**Q. Who determines new coverage participation?**

**A.** New coverage participation is determined by Univita, the CalPERS Long-Term Care Program third-party administrator. Univita will review an applicant's information and determine whether an attending physician's report, medical records, a telephone interview or an in-person assessment at an applicant's residence is required. Upon receiving and reviewing all pertinent information, Univita will then communicate a decision about an applicant's participation in the Program.

**Q. What age will be used in the application process if an applicant applies for coverage in January when he is age 55, but his coverage does not take effect until after he has turned 56?**

**A.** The applicant's age on the date the application is received will be used. In this scenario, it would be age 55.

**Q. Can the nonforfeiture benefit be added at any time?**

**A.** No, nonforfeiture must be selected at the time of application. This optional benefit is designed to provide a continuation of coverage (up to a specified dollar amount) if coverage lapses due to nonpayment.

**Q. How are benefits coordinated with Medicare or health insurance?**

**A.** Coordination with Medicare or health insurance plans is done by Univita, the CalPERS Long-Term Care Program third-party administrator. This is done at the time the claim is initiated and throughout the claims process.

**Q. Are CalPERS premiums comparable with what is available on the market?**

**A.** Yes. CalPERS Long-Term Care Program pricing and benefit design are cost competitive with other long-term care products on the market.

**Q. When does the application period close?**

**A.** Applications will be accepted for review on a continuous basis, with no closing period.

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**Q. Is there a discount for married couples if both individuals apply and are approved for the Program?**

**A.** Yes, a discount is available to married couples and to domestic partners if both partners each meet program eligibility criteria and apply for coverage. If both spouses or partners are approved, a 25 percent discount is applied to the cost of both premiums. If only one spouse or partner is approved, a 10 percent discount is applied for the approved spouse's or partner's premium. The marital discount is also available at the 10 percent discount level to new applicants if one of the spouses or partners has current coverage from a previous CalPERS Long-Term Care plan (coverage purchased prior to 2014).

## CalPERS Plans

**Q. How does an applicant decide which plan is best for them?**

**A.** The CalPERS Long-Term Care Program offers two types of plans: The Comprehensive Plan and the California Partnership Plan. Each plan provides flexible options that allow applicants to design the plan that best meets their needs. Both plans are described in more detail at [www.CalPERSLongTermCare.com](http://www.CalPERSLongTermCare.com).

**Q. When will coverage expire if a 10-year, six-year, or three-year benefit period is selected?**

**A.** Coverage does not expire unless the total coverage amount is exhausted or a participant chooses to terminate their plan. For example, a participant might initiate a claim and use one-third of the total coverage amount. Should the participant recover in health and close the claim, two-thirds of the total coverage amount will remain in the event of a future claim. For example, if a three-year benefit period is chosen, it is possible that benefits will continue for a period of time longer than three years if the maximum daily benefit is not fully used on a daily basis.

**Q. How long is the current average long-term care claim?**

**A.** An analysis of our historical data shows that, on average, CalPERS Long-Term Care Program participants spent 3.4 years in claim and less than 1 percent required long-term care for more than 10 years.

**Q. Can a monthly premium be increased?**

**A.** Yes, premiums could increase in the future, but only after approval by CalPERS. Should a rate increase occur, all impacted CalPERS Long-Term Care Program participants will receive a 60-day written notice. If a participant cannot afford the increase, or does not want to accept the premium increase, they may be given the option to adjust their coverage to an amount that would allow them maintain or lower their existing premium.

**Q. Can employers set up a CalPERS Long-Term Care payroll deduction?**

**A.** Yes. A payroll deduction group of at least 15 people can be established and employers must agree to perform and support the payroll/pension deductions. In order to set up an employer payroll group, please contact our dedicated employee line at (800) 845-8427.

**Q. Will someone from CalPERS make a presentation at our benefit fair?**

**A.** CalPERS Long-Term Care Program staff would be happy to speak with you about specific opportunities to share information about the Program. Staffing resources may limit the number of in-person events we can attend, but we will work with you to get the information you and your employees need. We will be developing online videos and webinars to provide you and your employees with additional information.