STATEMENT OF THE PROBLEM

Long-term care insurance (LTCI or LTC insurance) has emerged in recent years as a significant component of efforts to meet the needs of older adults with chronic health conditions. Policy improvements and tax-qualified status have made private long-term care insurance an increasingly attractive means for older persons to protect themselves from the risk of catastrophic long-term care expenses. Yet relatively little attention has been given to how long-term care insurance benefits are actually used. It has not been known, for example, how well the services provided under long-term care insurance actually meet policyholders’ long-term care needs, or the role of care management services in helping to assure that policyholders’ needs are met and their rights protected. Policymakers, insurance carriers, care management agencies, service providers, and consumers all share a common interest in the development and maintenance of high quality care management and quality assurance programs to assure that client needs are met in an equitable, effective, and efficient manner.

This research project examined provisions for protecting the rights and meeting the needs of elderly consumers who purchase long-term care insurance through the California Partnership for Long Term Care (CPLTC, the California Partnership, or the Partnership), a public-private partnership between long-term care insurance carriers and Medi-Cal (California’s Medicaid program). CPLTC is one of four such partnerships supported by the Robert Wood Johnson Foundation in an effort to make LTC insurance more available to middle-income persons, improve the quality of available LTC insurance products, and increase consumer protection.
These Partnerships for Long Term Care involve:

- model long-term care insurance policies designed to meet established standards of quality and coverage;
- mechanisms for consumer protection and quality assurance;
- asset protection coupled with eligibility for state Medi-Cal programs upon exhaustion of long-term care insurance benefits; and
- extensive consumer education about the risks of needing long-term care, ways to finance care, and the role of LTC insurance.

This project focused on

- investigating the experiences of long-term care insurance policyholders in light of existing regulations and standard practices in long-term care case management;
- developing protocols and processes for assessing consumer satisfaction with services provided under long-term care insurance; and
- formulating policy recommendations regarding the development of quality assurance procedures.

The project involved a collaboration of the California Department of Health Services, participating insurance carriers, care management provider agencies, and the University of California at Berkeley’s Center for the Advanced Study of Aging Services.