58050 Issuer Requirements

(a)

Each issuer must offer, prominently advertise, and actively market a Partnership Comprehensive Policy or Certificate (paying benefits on an expense incurred or expense reimbursable basis) that contains the following minimum benefits: (1) a lifetime maximum benefit set in dollars and equivalent in dollars to three hundred sixty-five (365) times eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities; (2) a thirty-day Elimination Period; (3) coverage for services in a nursing facility and coverage of the home and community-based care services as specified in Section 58059(e); (4) a Respite Care benefit not subject to an Elimination Period; (5) Care Management/Care Coordination; (6) except for previously approved Partnership Policies, if offered on an expense reimbursable basis,(A) a nursing facility per diem benefit of eighty (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest multiple of ten dollars ($10); (B) a Residential Care Facility benefit; (C) a monthly home and community-based care benefit of fifty percent (50%) of the nursing facility per diem benefit contained in the Partnership Policy or Certificate multiplied by thirty; and (D) automatic increases of five percent (5%) each year over the previous year for each year the contract is in force for all covered benefits and for the lifetime maximum benefit; (7) except for previously approved Partnership Policies if offered on an expense incurred basis,(A) benefits that pay eighty percent (80%) of

the costs incurred by the insured for nursing facility services up to eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1); (B) benefits that pay eighty percent (80%) of the costs incurred by the insured for care in a Residential Care Facility up to fifty percent (50%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1); (C) benefits that pay eighty percent (80%) of the costs incurred by the insured for home and community-based care; (D) a lifetime maximum benefit that automatically increases by five percent (5%) each year over the previous year for each year the contract is in force; and (8) all other benefits and provisions defined in Sections 58059(f), (g) and (l), 58060, and 58061.

(1)

a lifetime maximum benefit set in dollars and equivalent in dollars to three hundred sixty-five (365) times eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities;

(2)

a thirty-day Elimination Period;

(3)

coverage for services in a nursing facility and coverage of the home and community-based care services as specified in Section 58059(e);

(4)

a Respite Care benefit not subject to an Elimination Period;

(5)

Care Management/Care Coordination;

(6)

except for previously approved Partnership Policies, if offered on an expense reimbursable basis,(A) a nursing facility per diem benefit of eighty (80%) of the Average

Daily Private Pay Rate for Nursing Facilities, rounded to the nearest multiple of ten dollars ($10); (B) a Residential Care Facility benefit; (C) a monthly home and community-based care benefit of fifty percent (50%) of the nursing facility per diem benefit contained in the Partnership Policy or Certificate multiplied by thirty; and (D) automatic increases of five percent (5%) each year over the previous year for each year the contract is in force for all covered benefits and for the lifetime maximum benefit;

(A)

a nursing facility per diem benefit of eighty (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest multiple of ten dollars ($10);

(B)

a Residential Care Facility benefit;

(C)

a monthly home and community-based care benefit of fifty percent (50%) of the nursing facility per diem benefit contained in the Partnership Policy or Certificate multiplied by thirty; and

(D)

automatic increases of five percent (5%) each year over the previous year for each year the contract is in force for all covered benefits and for the lifetime maximum benefit;

(7)

except for previously approved Partnership Policies if offered on an expense incurred basis,(A) benefits that pay eighty percent (80%) of the costs incurred by the insured for nursing facility services up to eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1); (B) benefits that pay eighty percent (80%) of the costs incurred by the insured for care in a Residential Care Facility up to fifty percent (50%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1); (C) benefits that pay eighty percent

(80%) of the costs incurred by the insured for home and community-based care; (D) a lifetime maximum benefit that automatically increases by five percent (5%) each year over the previous year for each year the contract is in force; and

(A)

benefits that pay eighty percent (80%) of the costs incurred by the insured for nursing facility services up to eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1);

(B)

benefits that pay eighty percent (80%) of the costs incurred by the insured for care in a Residential Care Facility up to fifty percent (50%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1);

(C)

benefits that pay eighty percent (80%) of the costs incurred by the insured for home and community-based care;

(D)

a lifetime maximum benefit that automatically increases by five percent (5%) each year over the previous year for each year the contract is in force; and

(8)

all other benefits and provisions defined in Sections 58059(f), (g) and (l), 58060, and 58061.

(b)

Issuers are not required to offer a Partnership Nursing Facility and Residential Care Facility Only" Policy or Certificate (paying benefits on an expense incurred or expense reimbursable basis), except as provided in Section 58061(c)(3). If the issuer elects to offer such a Policy or Certificate, the policy shall display prominently on page one (1) of the Policy or Certificate: "Nursing Facility and

Residential Care Facility Only" Policy [Certificate]. The issuer must also offer, prominently advertise, and actively market a Partnership Policy or Certificate that contains the following minimum benefits: (1) a lifetime maximum benefit set in dollars that is equivalent in dollars to three hundred sixty-five (365) times eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities; (2) a thirty-day Elimination Period, and the Elimination Period definition used verbatim; (3) coverage for services in a nursing facility and a Residential Care Facility as specified in Section 58059(d); (4) Care Management; (5) If issued on an expense reimbursable basis,(A) a nursing facility per diem benefit of eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest multiple of ten dollars ($10); (B) a Residential Care Facility Benefit of fifty percent (50%) of the nursing facility per diem benefit contained in the Partnership Policy or Certificate; (C) automatic increases of five percent (5%) each year over the previous year for each year the contract is in force for all covered benefits and for the lifetime maximum benefit; (6) if issued on an expense incurred basis, (A) benefits that pay eighty percent (80%) of the costs incurred by the insured for nursing facility services up to eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1); (B) benefits that pay eighty percent (80%) of the costs incurred by the insured for care in a Residential Care Facility up to fifty percent (50%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1); (C) a lifetime maximum benefit that automatically increases by five percent (5%) each year over the previous year for each year the contract is in force; and (7) all other benefits and provisions specified in Sections 58059(f), (g) and (l), 58060 and 58061.

(1)

a lifetime maximum benefit set in dollars that is equivalent in dollars to three hundred

sixty-five (365) times eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities;

(2)

a thirty-day Elimination Period, and the Elimination Period definition used verbatim;

(3)

coverage for services in a nursing facility and a Residential Care Facility as specified in Section 58059(d);

(4)

Care Management;

(5)

If issued on an expense reimbursable basis,(A) a nursing facility per diem benefit of eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest multiple of ten dollars ($10); (B) a Residential Care Facility Benefit of fifty percent (50%) of the nursing facility per diem benefit contained in the Partnership Policy or Certificate; (C) automatic increases of five percent (5%) each year over the previous year for each year the contract is in force for all covered benefits and for the lifetime maximum benefit;

(A)

a nursing facility per diem benefit of eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest multiple of ten dollars ($10);

(B)

a Residential Care Facility Benefit of fifty percent (50%) of the nursing facility per diem benefit contained in the Partnership Policy or Certificate;

(C)

automatic increases of five percent (5%) each year over the previous year for each year the contract is in force for all covered benefits and for the lifetime maximum benefit;

(6)

if issued on an expense incurred basis, (A) benefits that pay eighty percent (80%) of the costs incurred by the insured for nursing facility services up to eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1); (B) benefits that pay eighty percent (80%) of the costs incurred by the insured for care in a Residential Care Facility up to fifty percent (50%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1); (C) a lifetime maximum benefit that automatically increases by five percent (5%) each year over the previous year for each year the contract is in force; and

(A)

benefits that pay eighty percent (80%) of the costs incurred by the insured for nursing facility services up to eighty percent (80%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1);

(B)

benefits that pay eighty percent (80%) of the costs incurred by the insured for care in a Residential Care Facility up to fifty percent (50%) of the Average Daily Private Pay Rate for Nursing Facilities, rounded to the nearest one dollar ($1);

(C)

a lifetime maximum benefit that automatically increases by five percent (5%) each year over the previous year for each year the contract is in force; and

(7)

all other benefits and provisions specified in Sections 58059(f), (g) and (l), 58060 and 58061.

(c)

If any Issuer elects to offer and market a Partnership Policy or Certificate with lifetime maximum benefits in amounts greater than the minimum, the Issuer must

offer Policies or Certificates with lifetime benefit maximums in amounts equal to seven hundred thirty (730) times and one thousand ninety-five (1095) times the Average Daily Private Pay Rate for Nursing Facilities and with Elimination Periods of both thirty (30) and ninety (90) days.

(d)

Issuers of Partnership group Policies to employers may use normal underwriting and age criteria, but may only issue Policies to those employers who agree to make Certificates available to all individuals within one of the following groups: (1) active employees and retirees, the active employees' and retirees' spouses, and the parents of all employees and their spouses, who are California residents; or, (2) retirees, the retirees' spouses and the parents of retirees and their spouses, who are California residents.

(1)

active employees and retirees, the active employees' and retirees' spouses, and the parents of all employees and their spouses, who are California residents; or,

(2)

retirees, the retirees' spouses and the parents of retirees and their spouses, who are California residents.

(e)

Social underwriting, defined as refusal to issue an insurance Policy or Certificate based upon non-medical primary determinants, is prohibited. However, social factors may be considered when pricing a Partnership Policy or Certificate for applicants, so long as a clear rationale for the pricing differential and associated premium impact is submitted to the California Partnership for Long-Term Care. Non-medical factors unacceptable for use as primary determinants when refusing to issue a Policy or Certificate include; the applicant's gender; marital status; living

arrangements; sexual preference; presence or absence of an assumed support network (for example but not limited to family, church, community), including health status of probable caretaker spouse; current or past occupation except with respect to group Policies or individual Policies issued by Issuers that are precluded by their charter or bylaws from selling to the general public; hobbies, except recognized high risk pursuits; educational level; and geographic location within California.

(f)

All Partnership Policies or Certificates issued by the Issuer, whether initial Partnership Policies or Certificates, upgrades to Partnership Policies or Certificates, and/or replacements for Partnership Policies and Certificates, shall bear the same Policy or Certificate form number and use an additional unique identifier to designate subsequent versions of the initial Policies and Certificates. All individual Partnership Policies, upgrades and/or replacements of Partnership Policies shall be considered a single risk pool for purposes of approving any future premiums adjustments with the following exception. A group Issuer may form a separate risk pool whenever at least two thousand (2000) Certificates are in force for a single employer, labor organization, or trust established by a single employer or labor organization, for a single nonprofit association composed of individuals who are or were actively engaged in the same profession, trade, or occupation and organized in good faith for purposes other than obtaining insurance, and for a single nonprofit association created and maintained in good faith for the benefit of its members and not for the purposes of obtaining insurance, in active existence for at least five years, and with a constitution and bylaws and a board with member representation. Nothing in this section, however, shall preclude an Issuer of non-Partnership policies from pooling the non-Partnership policies with Partnership

Policies or Certificates to avoid or reduce the amount of any future premium increase that otherwise might have occurred to the risk pool of Partnership Policies and Certificates.

(g)

Long-term care insurance policies or certificates that are not approved under the California Partnership for Long-Term Care must include a statement on the outline of coverage, the policy or certificate application, and the front page of the policy or certificate in bold type and in a separate box. The required statement, to appear verbatim, on all non-Partnership policies and certificates issued or delivered sixty (60) days or more after the first Partnership Policies or Certificates have been filed with the Department of Insurance will read as follows: "THIS POLICY [CERTIFICATE] IS AN APPROVED LONG-TERM CARE INSURANCE POLICY [CERTIFICATE] UNDER CALIFORNIA LAW AND REGULATIONS. HOWEVER, THE BENEFITS PAYABLE BY THIS POLICY [CERTIFICATE] WILL NOT QUALIFY FOR MEDI-CAL ASSET PROTECTION UNDER THE CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE. FOR INFORMATION ABOUT POLICIES AND CERTIFICATES QUALIFYING UNDER THE CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE, CALL THE HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM AT THE TOLL-FREE NUMBER, 1 (800) 434-0222." The required statement may omit the last sentence giving the telephone number to call for information about the California Partnership for Long-Term Care where an Issuer offers both Partnership and non-Partnership policies or certificates simultaneously in a single application or solicitation to all individuals within either of the groups described in Subsections (d)(1) and (d)(2).

(h)

Issuers are responsible for contracting with one or more Care Management

Provider Agencies that meet the standards described in Article 5.

(i)

Notwithstanding the provisions of Subsection (c), above, an Issuer that elects to offer or market a Partnership Policy or Certificate of lifetime maximum benefits in amounts greater than the minimum required for approval may offer lifetime maximum benefits with amounts equal to seven hundred thirty (730) times the Average Daily Private Pay Rate for Nursing Facilities, or to one thousand ninety-five (1095) times the Average Daily Private Pay Rate for Nursing Facilities, or both, and with Elimination Periods of thirty (30) or ninety (90) days, or both, provided that the offering is made on a non-discriminatory basis to all individuals within one of the following groups:(1) active employees and retirees, the active employees' and retirees' spouses, and the parents of all employees and their spouses, who are California residents; or, (2) retirees, the retirees' spouses and the parents of retirees and their spouses, who are California residents.

(1)

active employees and retirees, the active employees' and retirees' spouses, and the parents of all employees and their spouses, who are California residents; or,

(2)

retirees, the retirees' spouses and the parents of retirees and their spouses, who are California residents.

(j)

Each Issuer shall: (1) maintain records for each agent of that agent's amount of replacement sales as a percent of the agent's total annual sales and the amount of lapses of long-term insurance policies sold by the agent as a percent of the agent's total annual sales; (2) report annually by June 30, the 10 percent of its agents in the state with the greatest percentage of lapes and replacements as measured by

section (j)(1); (3) report annually by June 30, the number of lapsed policies as a percent of its total annual sales in the state, as a percent of its total number of policies in force in the state, and as a total number of each policy form in the state, as of the end of the preceeding calendar year; and, (4) report annually by June 30, the number of replacement policies sold as a percent of its total annual sales in the state and as a percent of its total number of policies in force in the state as of the end of the preceding calender year.

(1)

maintain records for each agent of that agent's amount of replacement sales as a percent of the agent's total annual sales and the amount of lapses of long-term insurance policies sold by the agent as a percent of the agent's total annual sales;

(2)

report annually by June 30, the 10 percent of its agents in the state with the greatest percentage of lapes and replacements as measured by section (j)(1);

(3)

report annually by June 30, the number of lapsed policies as a percent of its total annual sales in the state, as a percent of its total number of policies in force in the state, and as a total number of each policy form in the state, as of the end of the preceeding calendar year; and,

(4)

report annually by June 30, the number of replacement policies sold as a percent of its total annual sales in the state and as a percent of its total number of policies in force in the state as of the end of the preceding calender year.