

June 15, 2021

Mr. Henry Jones
President, Board of Administration
California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95811

RE: Changes to Long-Term Care Rates

Dear Chair Jones:

As President of the California Retired Teachers Association (CalRTA), representing close to 40,000 retirees, I write to share CalRTA's concern about the fiscally harmful increases to the California Public Employees' Retirement (CalPERS) Long-Term Care (LTC) rates. A number of CalRTA members currently participate in the LTC program. Many of our members found themselves in the unfortunate situation of needing to reduce their LTC benefits when the program increased premiums by 85%. We believe those who ended or reduced their LTC benefits were primarily lower income members who most needed the coverage but could least afford the coverage. When this took place, retirees went through a great deal of angst as their long-term plans to achieve retirement security were shaken or eliminated.

CalPERS now has proposed a new 60% premium increase, dealing a major financial blow to retirees on a fixed income, many of whom are now almost a decade older and who are widows that lost their spouse's Social Security because of the Government Pension Offset. CalRTA participants are primarily women who still struggle for equity from state and federal policies.

On behalf of CalRTA, I request the newly proposed premium increase be phased-in during the next decade, with lower premium increases at the beginning of the decade and increasing later as newer, and presumably higher compensated, members and retirees join the program. CalRTA is concerned that if this proposal, or something similar, is not adopted the greatest harm will be on the lower income retirees who will not be able to afford the increased premiums. Many of these retirees could instead drop the insurance and go without any of the LTC benefits they have been paying to receive during the past more than two decades. Given their age it is unreasonable to expect they will be accepted by another LTC insurance provider with an affordable premium.

We recognize that these members could become eligible for Medi-Cal nursing home services as a last resort access to care. This would effectively allow the CalPERS LTC program to transfer a contingent liability to Medi-Cal while keeping the premiums paid to CalPERS.

We do not believe this is the intent of the CalPERS LTC program and request that you adopt a premium increase process similar to what we have suggested or return the premiums that have been paid already.

Thank you for your consideration.



Ron Breyer

President, California Retired Teachers Association

cc: Marcie Frost, Chief Executive Officer, CalPERS
Members, CalPERS Board of Administration
Cassandra Lichnock, Chief Executive Officer, CalSTRS
Harry Keiley, Board Chair, CalSTRS