



AMERICAN ACADEMY *of* ACTUARIES

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September 3, 2021

Commissioner Jessica K. Altman
Chair Long-Term Care Insurance Reduced Benefit Options (EX) Subgroup
National Association of Insurance Commissioners (NAIC)

Attn: Eric King, Health Actuary (eking@naic.org)

Re: Exposure Draft: Issues Related to LTC Wellness Benefits

Dear Commissioner Altman,

The American Academy of Actuaries¹ Long-Term Care Reform Subcommittee appreciates the opportunity to review the [exposure draft](#), *Issues Related to LTC Wellness Benefits*, released by the subgroup on July 22, 2021.

As highlighted in the exposure draft, actuarial input is important from the beginning of any process involving the consideration, design, and evaluation of a potential long-term care insurance (LTCI) policy approach. An actuarial perspective can provide a basis for exploration of new and innovative review frameworks, including evaluating wellness benefits for the potential impact on LTCI claim severity and health outcomes. Actuaries are uniquely qualified according to their professional standards. Actuaries have specialized expertise in managing the risk of adverse selection in insurance coverages, the ability to recognize and incorporate uncertainty into cost projections and premiums, and experience in evaluating the long-term solvency and sustainability of public and private insurance programs. They play a crucial role in the financing and design of LTC financing systems—from private LTCI to public programs that provide LTC benefits.

Specifically related to some of the considerations raised in the exposure draft, the Academy subcommittee is open to providing research and analysis on:

- Actuarial issues such as valuation, rate increase reviews, and reasonable value of benefits and options impacted by LTC wellness benefits;
- LTC wellness programs in Medicare Advantage, Medicare Supplement Insurance (Medigap), Medicaid/PACE; and/or
- Equity and data privacy in wellness programs.

¹ The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

As the subgroup evaluates options to overcome the potential barriers identified in the exposure draft, we would welcome the opportunity to speak with you in more detail about considerations raised in the exposure draft, relevant analysis provided in recent publications from the Academy,² and/or any other considerations pertaining to wellness benefits on which actuaries might bring expertise.

If you would like to discuss further, please contact Matthew Williams, the Academy's senior health policy analyst, at williams@actuary.org.

Sincerely,

Jamala M. Arland, MAAA, FSA
Chairperson, LTC Reform Subcommittee
American Academy of Actuaries

² For examples of Academy publications, see: [Medicaid and Long-Term Care Insurance](#), February 2019; [Long-Term Care Insurance Products and Addressing the 'Use It or Lose It' Concern](#), February 2020; and [Long-Term Care Financing Reform Proposals That Involve Public Programs](#), July 2021.