

LONG TERM CARE THINK TANK

EXPLORING THE POSSIBILITIES FOR HELPING THE AMERICAN PUBLIC
MANAGE THE FINANCIAL BURDEN OF LONG TERM CARE

Report and recommendation by Maddock Douglas, Inc. for the Society of Actuaries

February 22, 2016

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WORKSHOP OVERVIEW

WORKSHOP OVERVIEW

On October 19 and 20, 2015, the Long Term Care Think Tank met in Rosemont, Illinois, for a collaborative workshop. During this two-day facilitated session, participants from across the LTC industry reviewed previous Think Tank work and other industry research and participated in facilitated brainstorming exercises to:

- Hypothesize and describe how consumers' needs may be changing
- Brainstorm how the LTC industry could evolve their offerings to meet these needs in innovative new ways

“Fair Game” for the workshop included ideas that would potentially impact the following areas:

- Helping people **pay** for their care differently
- Making care more **accessible** to everyone
- Helping **reduce the costs** of care
- **Mitigating the need** for care in the first place

WORKSHOP PARTICIPANTS

Loida Abraham, Genworth
Gretchen Alkema, The SCAN Foundation
Vincent Bodnar, LTCG
Joe Caldwell, NCOA
Brian Collins, Bipartisan Policy Center
Christie Conway, Bankers Life
Sivakumar Desai, Unum
Barry Fisher, Broad Tower Insurance
Joseph Furlong, RGA
James Glickman, Life Care Assurance
Bob Glowacki, Transamerica
Carroll Golden, Transamerica
Michael Hamilton, Lincoln Financial Group
Heather Jerbi, American Academy of Actuaries
Laurel Kastrup, KPMG
Patrick J. Kinney, Genworth
Roger Loomis, Arcval
Shawna Meyer, New York Life

Joel Meir, Genworth
John O'Leary, O'Leary Marketing Associates, LLC
Amy Pahl, Milliman
Anna Rappaport, Anna Rappaport Consulting
Patrick Reeder, Genworth
Thomas Rieske, LTCI Partners
Allan Schmitz, Milliman
Steven Schoonveld, Lincoln Financial Group
Roger Schultz, Independent Consultant
Barbara Stucki, Nestcare
Eileen Tell, ET Consulting, LLC
Rebecca Tipton, Thrivent
Terry Truesdell, National LTC Network
Brian Vestergaard, LifeSecure
Scott Williams, LTCI Partners
Joe Wurzbarger, Society of Actuaries
Robert Yee, Price Waterhouse Coopers

Facilitators and experts from Maddock Douglas:

Andrea Choka (actuarial student), Wes Douglas (illustrator), Maria Ferrante-Schepis, Jerry Leiby, Lauren Schwartz, Doug Stone

The group not only included experts from within the long term care insurance industry but also from adjacent areas such as legislative influencers, providers and those who have other ancillary expertise.

WORKSHOP EXPERIENCE



○ Collaboration ○ Focus ○ Debate ○ Creativity ○ Commitment

Report Objectives:

This report contains an overview of the Think Tank's final output and Maddock Douglas' recommendations regarding key themes, implications and next steps.

Use this report to:

- Inform decision-making so that the Society of Actuaries (SOA), Think Tank participants and other constituents can use the workshop output to make progress in the long term care space
- Determine the most appropriate next steps for allocating SOA or constituent innovation resources

PLATFORMS OF INFLUENCE

Section Overview:

The final concepts have been categorized into the following three **Platforms of Influence** for further exploration, each of which represents a discreet area that can be influenced and explored in its own unique way. The platforms are **chosen for the type and sequence of innovation work** that is required to make meaningful progress.

Use the Platforms of Influence to:

- Share, internalize and collect feedback on platforms
- Further test and explore how new value can be driven by these platforms

PLATFORMS OF INFLUENCE

The final concept outlines have been categorized into the following three *Platforms of Influence* for further exploration by the users of this report:

- **Data-Driven Decision Support** p. 11
- **Service Evolution and Expansion** p. 12
- **Paying for Care (“Pay-fors”)** p. 13

PLATFORM OF INFLUENCE #1

Data-Driven Decision Support

This category addresses how data is used to drive more evidence-based decision-making. Ideas in this category aim to educate caregivers and care recipients, keep them informed of best practices, guide them in making decisions, improve the coordination of care, and obtain longitudinal data required to improve pricing and recommendations.

Use the ideas in this category to explore new ways of coordinating data collection. By further exploring the prevalence of the needs in this category and how willing consumers are to pay for new information and solutions, possibilities open for determining if carriers or other members of the value chain would leverage aggregated data sets versus having to create them on their own. This is an area where the SOA or other data-oriented entities are clearly positioned to drive value.

PLATFORM OF INFLUENCE #2

Service Evolution and Expansion

This category addresses consumer needs that relate to where, how or when claims dollars can be spent and how this impacts access to care. Ideas in this category aim to increase the number of caregivers in the system, more efficiently distribute available care to match care recipient needs, more efficiently deploy care-related resources, improve access to quality care, and delay the need for care in the first place.

Use the ideas in this category as fodder for thought-leadership initiatives or to drive new products and services that are not necessarily insurance based. The collective expertise of workshop participants makes this category a rich source of hypotheses that the industry can use to focus consumer research, prototyping and testing efforts. The research, prototyping and testing seek to answer how prevalent these needs are, who is most likely to experience the need(s), which product/service/business model designs best address them, and the resulting impacts to consumer adoption/willingness to pay for them.

PLATFORM OF INFLUENCE #3

Paying for Care (“Pay-fors”)

This category addresses how long term care costs are funded. Ideas in this category aim to help the industry and consumers to find additional ways of financing long term care, more effectively pool their resources, and make receiving financial reimbursement more familiar.

Use the ideas in this category to recognize potential partnerships and/or support changes to legislation that give consumers access to new financing options and make paying for LTC easier/more affordable.

CONCEPT GRIDS AND RATIONALE FOR CHOOSING CONCEPTS

Choosing Representative Ideas:

Each of the three platform sections of the report contains **concept grids** representing two ideas chosen to represent that platform best. **Revised illustrations** are also included.

Chosen ideas were both **a) directly consumer facing** and **b) had the highest number (or a meaningful number) of votes** from participants.

Use concept grids to:

Prioritize and collect feedback on the assumptions and hypotheses related to each Platform of Influence so that they can be further explored for purposes of prototyping and building new products, services or business models.

Use revised illustrations to:

Aid in the understanding of the key benefits of the concept and how it might work. As platforms and ideas continue to evolve, illustrations should be updated.

CONCEPT GRIDS EXPLAINED

The ideas generated in a brainstorming session such as the LTC Think Tank are based largely on the expertise of the group (versus specific consumer insights), requiring participants to create assumptions and hypotheses around the consumer preferences that drive the key benefits of the idea.

A **concept grid** is a tool that Maddock Douglas uses to help clients identify and extract those hypotheses and assumptions so they can be further explored and validated. By breaking a concept into its component parts, a concept grid can be used to frame ongoing research to determine what is required to bring each concept component to market and whether the design of each component will truly address market needs that consumers want help to solve.

CONCEPT GRIDS + CHOSEN CONCEPTS

Following are the *concept grids* and their original corresponding *concept outlines* as generated in the session. Outputs are organized by platform of influence, beginning on the page numbers shown below:

- **Data-Driven Decision Support** **p. 18**
 - Health Longevity App
 - Care Portal
- **Service Evolution and Expansion** **p. 29**
 - Uberfication
 - Health Care Look-A-Like
- **Paying for Care (“Pay-fors”)** **p. 39**
 - Flex 401(k)
 - Family Long Term Care Account

PLATFORM OF INFLUENCE #1
DATA-DRIVEN DECISION SUPPORT

ORIGINAL CONCEPT: HEALTHY LONGEVITY APP

Customer Insight: Seniors are more fearful of cognitive decline/Alzheimer's than any other chronic disease including cancer. The assumption is that there are behaviors that would mitigate cognitive decline and that consumers and especially seniors are interested in doing anything they can to avoid or lessen the impact of this condition.

Headline: *Incenting behaviors for healthy longevity*

Description *(What it is):*

App to encourage LTC insurance policyholders to lead healthier, more engaged and fulfilled lives. Focus on emotional, psychological and social engagement factors. App could act as coach/companion.

Concept Details *(What it does/How it works):*

- Incentives (via points for merchandise or premium credits)
- Brain fitness activities
- Exercise (steps, weight control, etc.)
- Volunteering
- Hiking/biking
- Taking a class (dance, cooking, academic, etc.)
- Sharing your health records with LTC insurer (ties into the idea of accessing LTC insured's health records for analytics and measurement)
- Pets, gardening
- Meditation
- Sleep hours
- Social networking
- **Differentiated from health care focus on conditions leading to acute medical claims**

Functional Benefit:

- Reduce and/or delay dementia-related symptoms and diseases
- Ongoing connection with policyholders
- Obtain data for analytics
- Potential for targeted advertisements

Emotional Benefit:

- Quality of life
- Avoid depression and cognitive decline
- Increase happiness

Reasons to Believe:

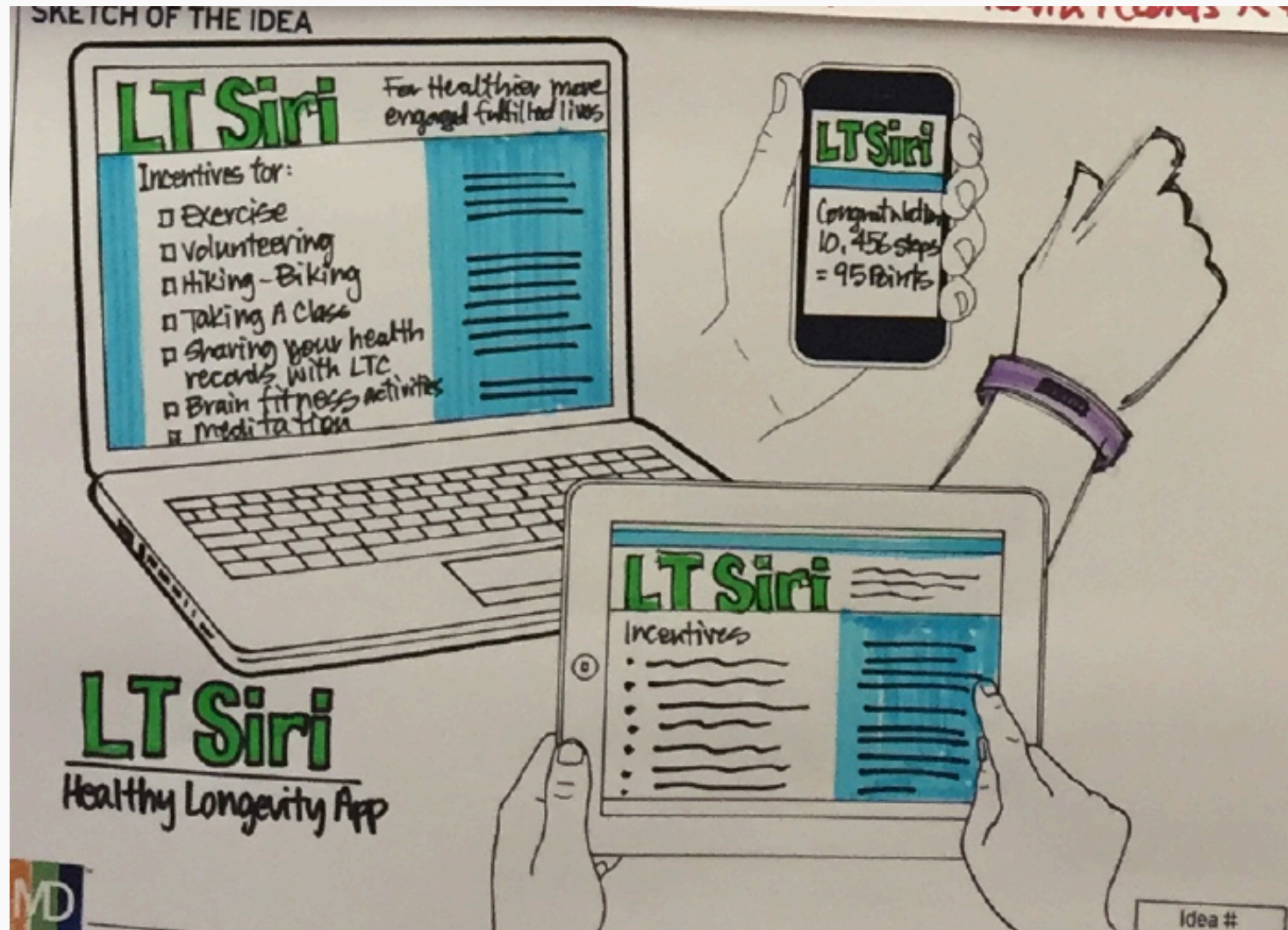
- Apps are popular (e.g., Fitbit)
- Medium cost
- Point system in place with credit cards, etc.
- Opportunity for actuarial cost savings

Builds:

- Opportunity to partner with the app Happify?
- Use to anticipate claims
- Early intervention is a key benefit

Number of Votes: 4

ORIGINAL CONCEPT: HEALTHY LONGEVITY APP



CONCEPT GRID: HEALTHY LONGEVITY APP

Areas of Exploration *(a starter list)*

Hypothesized Pain Point(s) based on idea	<p>I know there are things I could do to mitigate the impacts of cognitive decline, but I lack the knowledge of what activities could truly help and the know-how and wherewithal to integrate them into my lifestyle</p>	<p>Who feels this way? What holds them together attitudinally? How many of them are there? What's keeping them from taking positive actions/behaviors?</p>
Concept Name <i>(Descriptive)</i>	<p>Health Longevity App <i>Alt: Vitality Rewards</i> <i>Alt: Wholistic Vitality</i> <i>Alt: Embracing Vital Living</i> <i>Alt: Living Vitally</i></p>	<p>What name best describes what the idea is? How will the name be used? What names are available?</p>
Headline <i>(Sets up the concept and summarizes the key benefit)</i>	<p>Incenting Behaviors for Healthy Longevity (original) <i>Alt: Helping Your Brain Stay Healthy</i> <i>Alt: Exercising Your Cognition</i> <i>Alt: Going Beyond Your Physical Self</i></p>	<p>How much is about educating, incenting, motivating?</p>
Description <i>(What it is, what it does, how it benefits the consumer/solves for the insight)</i>	<p>What It Is</p> <ul style="list-style-type: none"> An app that encourages and provides rewards for behaviors and lifestyles that lead to better cognitive (brain) health <p>What It Does</p> <ul style="list-style-type: none"> Helps consumers improve their lifestyles and behaviors by tracking and incentivizing proper diets, stress relief, healthy sleep habits, physical fitness and social interactivity as they age <p>Benefits</p> <ul style="list-style-type: none"> Better quality of life Increased happiness and wellness Avoid cognitive decline Get rewarded for positive behaviors/actions 	<p>What should be tracked? How to track so it is easy for consumers? How to protect consumer desire for privacy of this kind of information?</p> <p>What is the key benefit?</p>
Additional Details <i>(Explanation of how it works and the reasons to believe)</i>	<ul style="list-style-type: none"> Sign up for, receive app/program, sync it with your computer or mobile device Activities, meals, sleep, vitals are all tracked automatically or in ways that are easy/fun for consumers Source of tailored information, podcasts, local activities, books provided verbally by Siri-type coach Provide discount for policyholder usage 	<p>What does the device track? Is a device necessary?</p>
Additional Information <i>(Other relevant product information, features and benefits)</i>	<ul style="list-style-type: none"> Incentives provided for activities, behaviors consistent with personal plan (i.e., brain fitness games, maintaining improving BMI) 	<p>What is the "exchange system" (i.e., how many points earned by each activity and what can they be used for?)</p>

HEALTHY LONGEVITY APP (REVISED ILLUSTRATION)



HEALTHY LONGEVITY APP — CRITICAL AREA OF MASTERY



CONTENT THAT IS PROVEN

The sponsor of this idea must find experts in the areas of dementia, neurology, etc., to identify and explore what activities and behaviors have the potential to mitigate the risk of neurological diseases, can be eventually proven as such, and should be included in the app (e.g., Rudi Tanzi, Harvard, startup companies).

ORIGINAL CONCEPT: THE CARE PORTAL

Customer Insight (What does it solve?): The assumption is that the long term care system is difficult to navigate when someone is in need and that consumers want help doing so.

Headline: *Information to help connect me to care*

Description *(What it is):*

This is a curated portal accessible via the Web that aggregates vetted products and services (such as care.com, caring.com) and points people in need of care to relevant products and services.

Concept Details *(What it does/How it works):*

- This Web portal is funded and promoted by insurance carriers and managed by a nonprofit organization. It can be accessed by people in need of services such as (but not limited to) transition to/from LTC, coordination, claim questions (general, like an FAQ section), transportation, housing-related (ramps, etc.) and general benefits. A “news” section could be included to help keep people aware of changes in health care, etc.
- Producers can offer to clients
- Claims departments can point callers to this resource when appropriate
- Collects feedback from consumers (possibly even customer testimonials via videos on YouTube) about providers and their services
- Can be used by carriers/distributors for arms-length recommendations before someone actually has a LTC claim.

Functional Benefit:

- Resource for carriers/providers
- Educational resource
- Easy for carriers to participate
- Opportunity to share best practices; consumers and providers can see what others did or didn't do
- Help me manage costs/make choices
- Stimulate the market (services are made clear)
- Another carrier touch point that improves experience

Emotional Benefit:

- Self-service and education
- Makes policyholder feel benefits of their policy purchase before claim

Reasons to Believe:

- Inexpensive solution
- Unbiased
- Incredible source of information in one place

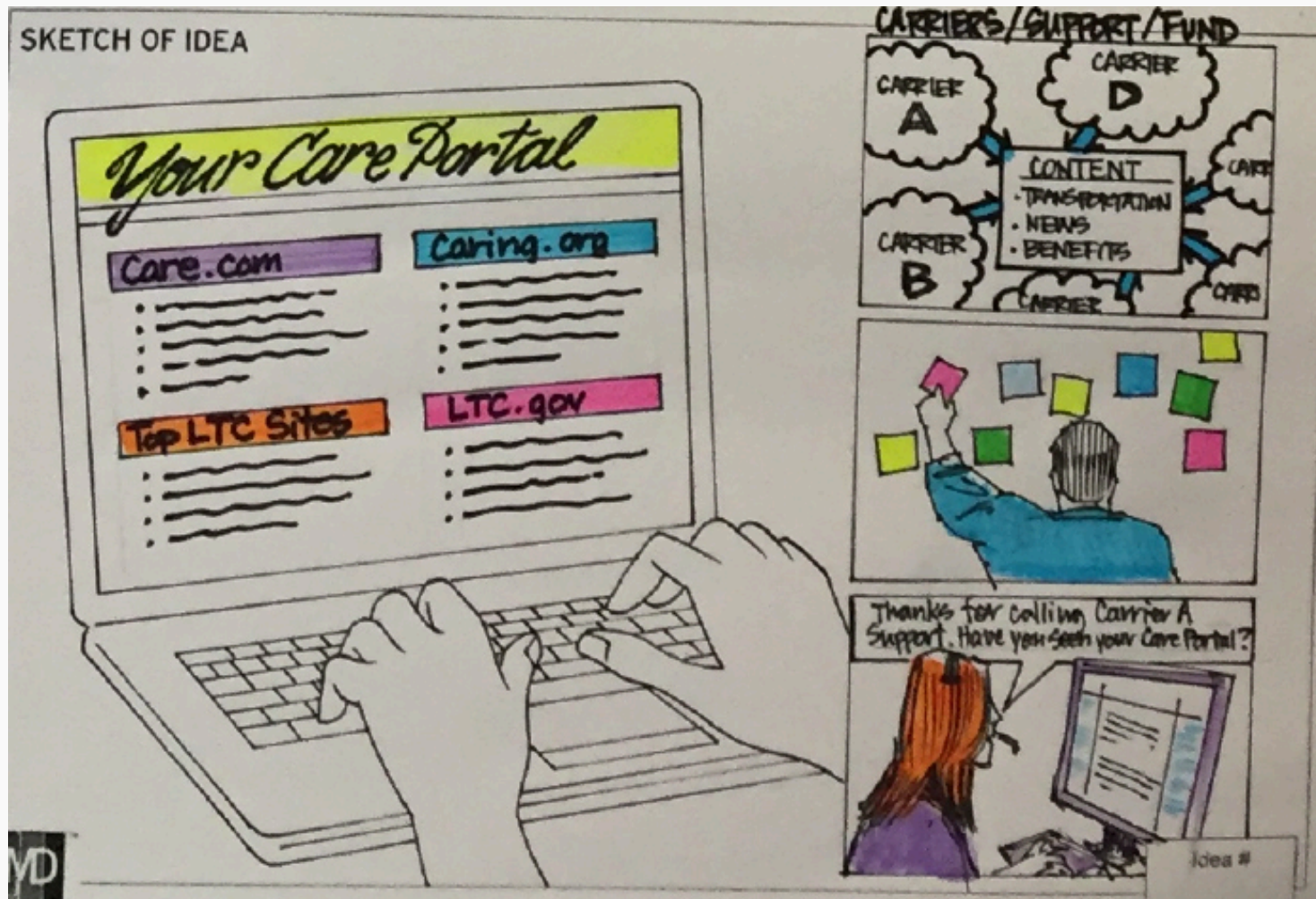
Builds:

- How to handle issues of conflicting information and different levels of quality?
- Can information overload be minimized with a front end questionnaire or filtering mechanism?

Number of Votes: 3



ORIGINAL CONCEPT: THE CARE PORTAL



CONCEPT GRID: THE CARE PORTAL

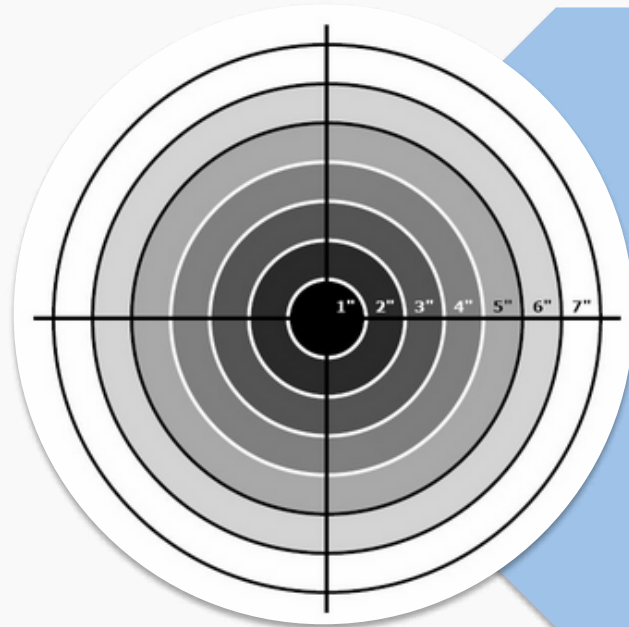
Areas of Exploration *(a starter list)*

Hypothesized Pain Point(s) based on idea	<p>It is difficult to find vetted, relevant health and long term care-related products, services and information.</p>	<p>Who feels this way? What holds them together attitudinally? How many of them are there? What is the hierarchy of what they are looking for?</p>
Concept Name <i>(Descriptive)</i>	<p>The Care Portal (original) <i>Alt. CareResourceCenter.com</i> <i>Alt. Care Connection</i> <i>Alt. CareConnect.com</i> <i>Alt. CareCorner.com</i> <i>Alt. Care Concierge</i></p>	<p>What name best describes what the idea is? How will the name be used? What names are available?</p>
Headline <i>(Sets up the concept and summarizes the key benefit)</i>	<p>Information to Help Connect Me To Care (original) <i>Alt. The Place To Turn For All Your Health-Related Needs</i> <i>Alt. The Place To Start When You Have Health Care Needs</i> <i>Alt. Connecting You To The Care You Need</i></p>	<p>What is the key benefit? Is it information, a place to turn, a starting point or connections?</p>
Description <i>(What it is, what it does, how it benefits the consumer/solves for the insight)</i>	<p>What It Is</p> <ul style="list-style-type: none"> An online portal and call-in support center <p>What It Does</p> <ul style="list-style-type: none"> Provides personalized/relevant, aggregated, vetted health care-related products and service information (e.g., doctors, hospitals, LTC facilities, financial assistance, insurance, housing modification providers, transportation providers, etc.) <p>Benefits</p> <ul style="list-style-type: none"> Self service Education Helps me manage costs/make choices 	<p>Is strictly online? Is there a call center? Both?</p> <p>How is it personalized/relevant? What information needs to be collected? What information is the target comfortable providing? What are the products and services that should be included? What information does it provide? Should it be broad or focused? Who would do the vetting/curating?</p> <p>What is the key benefit to the consumer?</p>
Additional Details <i>(Explanation of how it works and the reasons to believe)</i>	<ul style="list-style-type: none"> Go online and browse/search for products, services and topical information 	<p>Is there a mobile application? How/why would consumers use the mobile application? What information would the user need to enter to make it relevant to them? Are there security/privacy concerns? Can they chat with someone online or on the phone for consultation? What type of education/information? What are the best sources? Who would curate?</p>
Additional Information <i>(Other relevant product information, features and benefits)</i>	<ul style="list-style-type: none"> Provides a platform/rating system for consumers to provide feedback/testimonials on the products and services used Funded by (TBD) insurance companies and managed by (TBD) nonprofits 	<p>Should there be the ability to schedule appointment? Would the target be willing to provide feedback? Should there be a rating system? Would the target trust the feedback? How do consumers feel about it being funded by insurance companies and managed by a (TBD) nonprofit?</p>

THE CARE PORTAL (REVISED ILLUSTRATION)



CARE PORTAL — CRITICAL AREA OF MASTERY



ACCURATE RECOMMENDATIONS

This means having the access to a broad array of services and being able to make recommendations that are a very good match for the need of the person and not too general or self-serving to the sponsoring entity. This will require superior assessment capability.

PLATFORM OF INFLUENCE #2

SERVICE EVOLUTION AND EXPANSION

ORIGINAL CONCEPT: UBERFICATION

Customer Insight (What does it solve?): The assumption is that technology can be used to drive transparent markets, lower costs and increase supply of care and that people will want to participate as both suppliers of care and/or recipients of care.

Headline: *Uberfication of home health care lowers costs!*

Description *(What it is):*

- Technology can lower service prices. The Think Tank will encourage and promote these trends.

Concept Details *(What it does/How it works):*

- For example, Uberfy HHC. This would lower barriers of entry to becoming a provider and facilitate individuals to become entrepreneurial providers. A transparent market would set unit costs and provide reviews of individual providers.
- Create a low-cost way for aspiring caregivers to become certified and join the “UberCare” network of independent providers
- This could create a large supply of high-quality, low-cost, efficient providers
- Trust and attachment to individual providers would encourage people to use low-cost HHC settings as much as possible
- “Uber-like” market allows entrepreneurs to enter the market efficiently
- Run by a nonprofit, independent entity (quasi-government like) to ensure objectivity and quality concerns are met and maintained
- Loan forgiveness for caregiver participants to encourage participation by those in related fields
- Strict training, credentialing and quality assurance criteria
- Focus on IADL assistance more than personal care or supervisory care to avoid potential for fraud or abuse. Also limit use with people who have cognitive impairments or other similar vulnerabilities.

Functional Benefit:

- Large supply of providers
- Transparent systems are easier to administer
- Lower costs
- More efficient care-setting choices

Emotional Benefit:

- Trust and transparency with individual providers
- Transparent quality and prices

Reasons to Believe:

- Supply increases when barriers of entry are lowered
- HHC doesn't require much overhead
- Prices go down with transparency
- Consumers might trust an entrepreneur provider more than a corporation

Builds:

- Need to research whether this will bend the cost curve
- If so, what is the best manifestation as a first step?
- Are there unforeseen consequences of transparency?
- How to take from what's available?
- Need an accountability/verification system to ensure caregivers are showing up and providing what they are supposed to

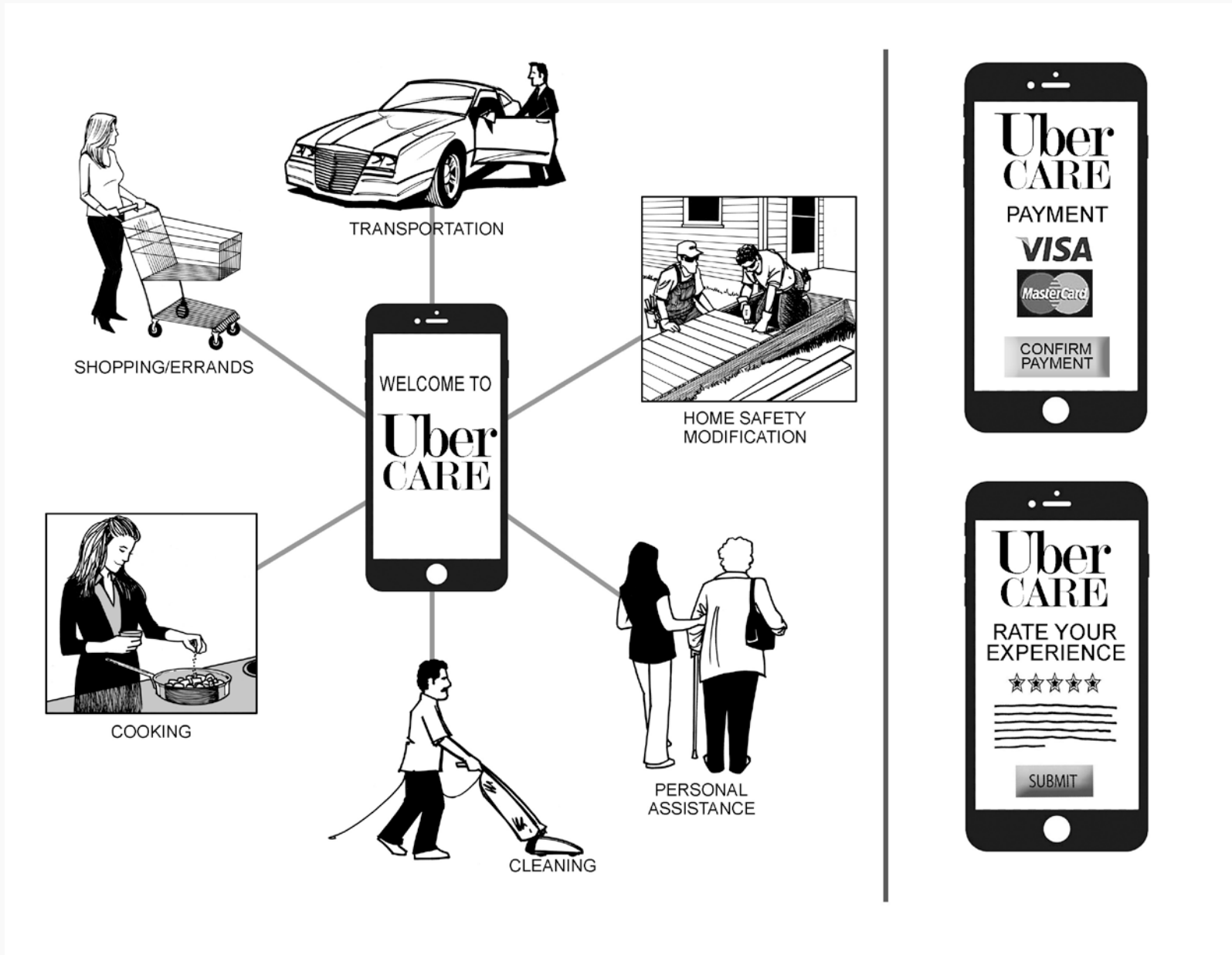
Number of Votes: 14

CONCEPT GRID: UBERFICATION

Areas of Exploration (*a starter list*)

Hypothesized Pain Point(s) based on idea	<p>In-home care is too expensive. I would like a more convenient way to schedule in-home care. I would like to be able to pick and choose what in-home care service. I want and request what I need when I need it.</p>	<p>Who feels this way? What holds them together attitudinally? How many of them are there? What is the biggest pain point to solve for?</p>
Concept Name <i>(Descriptive)</i>	<p>Uberfication (original) <i>Alt. UberCare</i> <i>Alt. In-Home Care On Demand</i></p>	<p>What name best describes what the idea is? How will the name be used? What names are available?</p>
Headline <i>(Sets up the concept and summarizes the key benefit)</i>	<p>Uberfication of home health care lowers costs! <i>Alt. In-Home Care Made More Affordable</i> <i>Alt. In-Home Care Made Easier</i> <i>Alt. The In-Home Care You Want, When You Want It</i></p>	<p>What is the key benefit? Lower cost? Affordability? Ease? The care you want, when you want it?</p>
Description <i>(What it is, what it does, how it benefits the consumer/solves for the insight)</i>	<p>What It Is</p> <ul style="list-style-type: none"> An Uber-like service <p>What It Does</p> <ul style="list-style-type: none"> Provides in-home care on demand from a pool of willing individuals — from grooming, dressing and walking assistance to meal preparation and diet monitoring to housekeeping to transportation to errands and shopping to medication reminders Clients can leave reviews of caregivers, request specific ones and/or schedule regular care with their favorite ones <p>Benefits</p> <ul style="list-style-type: none"> Lower cost Efficient Transparent 	<p>Does the consumer understand the Uber concept?</p> <p>What in-home care services should be offered/are most desirable?</p> <p>Does our target feel it will be cheaper, more efficient and transparent?</p>
Additional Details <i>(Explanation of how it works and the reasons to believe)</i>	<ul style="list-style-type: none"> Those in need of in-home care can submit a request (online or via smartphone app), which is then routed to the pool vetted in-home caregivers Like Uber, this service capitalizes on the fact that there are many people who are willing and able to provide the services needed and are willing to do it on an as-requested basis as it fits into their schedule 	<p>How would our target prefer to engage with this idea? Who does the vetting?</p> <p>Is the idea that there are qualified people out there willing to do this believable?</p>
Additional Information <i>(Other relevant product information, features and benefits)</i>	<ul style="list-style-type: none"> Payment is made directly from a credit card once the service(s) are complete Service recipients can post reviews and rate the service provider 	<p>How would the target like to pay for this? Are there security issues? What should the ratings be?</p>

UBERIFICATION (REVISED ILLUSTRATION)



UBERFICATION — CRITICAL AREA OF MASTERY



QUALITY CONTROL

The sponsor of this idea must ensure that the people who are performing these services are qualified, trustworthy, reliable and uphold the brand promise and experience. This will require a very specific training and/or vetting program that leaves little margin for error, and also a very efficient and effective rating system with strict adherence to minimums.

ORIGINAL CONCEPT: HEALTH CARE LOOK-A-LIKE

Customer Insight (What does it solve?): The assumption is that health insurance products are already familiar and have built-in ways to adjust pricing and make the LTC insurance product more manageable and understandable for both the consumer and the carrier.

Headline: *A LTC insurance policy that looks like a health insurance policy*

Description *(What it is):*

- Design a LTC insurance policy that “looks like” a health insurance policy

Concept Details *(What it does/How it works):*

Policy has:

- High deductible (replaces E.P.) that increases annually (HDHP)
- Coinsurance cost-sharing features to align carrier and policyholder interests and increase claimant participation
- Tax-advantaged savings fund that accumulates over time with restrictions on withdrawals; can use for out-of-pocket expenses (insured and not; like an HSA)
- Out-of-pocket maximum
- Networks for providers with in-/out-of-network benefits
- Integration/coordination with all health care providers to guide care decisions

Functional Benefit:

- Low-cost plan that people understand; simple to use
- Tax advantage savings fund that grows and can be used for out-of-pocket expenses
- Integration/coordination of care
- Access to best providers and guidance toward them

Emotional Benefit:

- Peace of mind that my care and wellness are protected and funded
- No longer on my own. Partner with my insurers.
- I understand what I bought

Reasons to Believe:

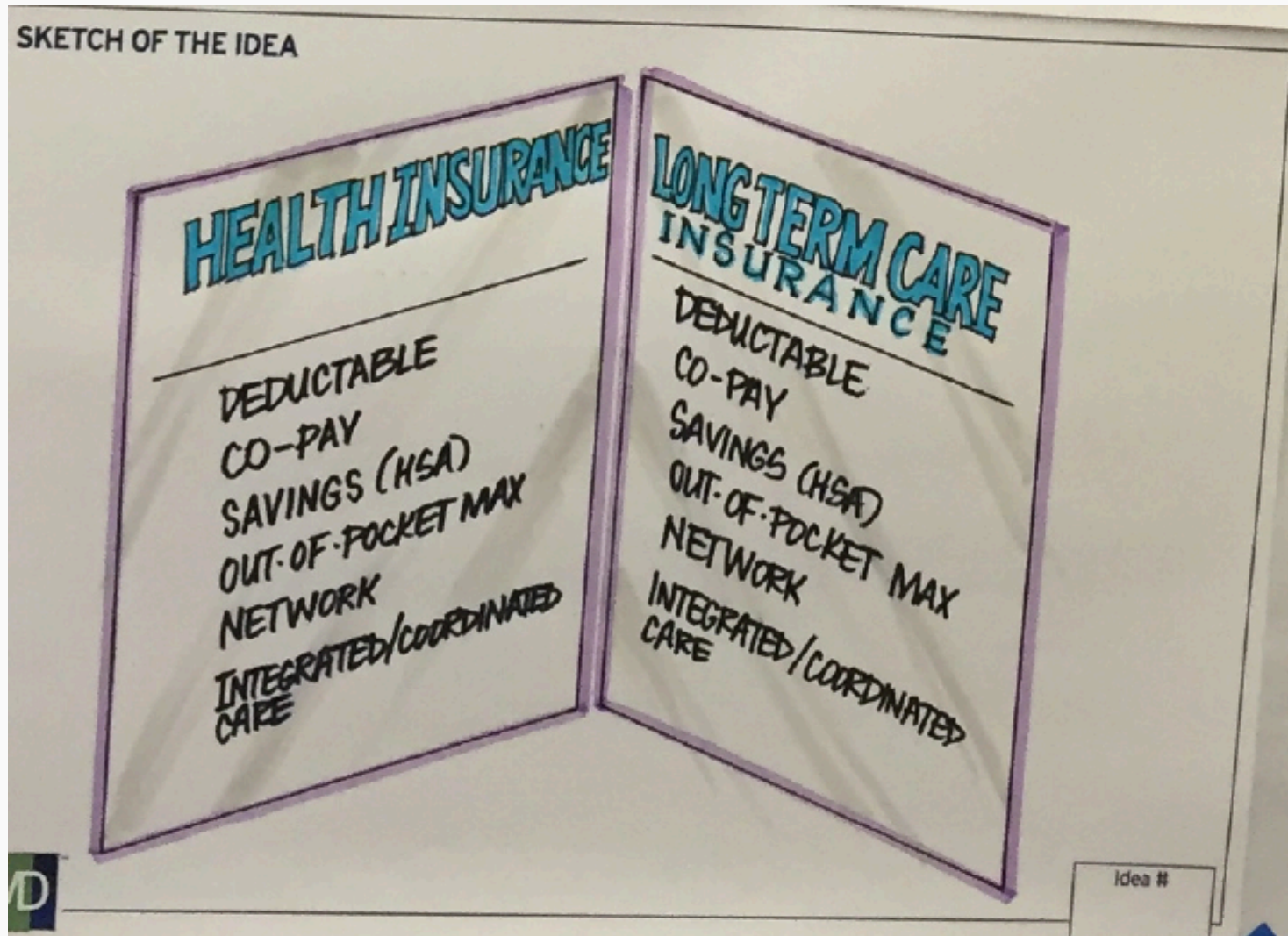
- Health care model has proven to work and continues to evolve
- HDHP works to improve outcomes and lower costs
- HSA already can be used to pay for LTSS and LTC insurance premiums

Builds:

- How to deal with inflation?
- “ACO”
- In-network coordination

Number of Votes: 11

ORIGINAL CONCEPT: HEALTH CARE LOOK-A-LIKE



CONCEPT GRID: HEALTH CARE LOOK-A-LIKE

Areas of Exploration (*a starter list*)

Hypothesized Pain Point(s) based on idea	Long Term Care insurance policies are hard to understand. Long Term Care insurance policies are confusing.	Who feels this way? What holds them together attitudinally? How many of them are there?
Concept Name <i>(Descriptive)</i>	Health Care Look-A-Like <i>Alt. Clear And Simple Long Term Care Policy</i> <i>Alt. Long Term Care Simplex Policy</i>	What name best describes what the idea is? How will the name be used? What names are available?
Headline <i>(Sets up the concept and summarizes the key benefit)</i>	A LTC insurance policy that looks like a health insurance policy <i>Alt. A Long Term Care Insurance Policy That Works The Way Health Insurance Does</i> <i>Alt. Long Term Care Insurance That Works Like Health Insurance</i>	What is the key benefit? Is a LTC insurance policy working like health Insurance attractive? Would it be even simpler if LTC is just part of more comprehensive health insurance?
Description <i>(What it is, what it does, how it benefits the consumer/solves for the insight)</i>	What It Is <ul style="list-style-type: none"> A Long Term Care insurance policy that is designed to mirror a health care insurance policy What It Does <ul style="list-style-type: none"> Allows LTC insurance policyholders to use their LTC insurance in much the same way they do their health insurance Benefits <ul style="list-style-type: none"> Low cost Easy to understand Simple to use Access to the best providers Peace of mind 	Does the target understand how their health insurance works? Do they like how health insurance works? Do they think that LTC insurance currently works differently? How will this lower costs? Does the target feel that their health care insurance is easy to understand and simple to use? Based on that, do they feel that this LTC insurance policy will be easy to understand and simple to use?
Additional Details <i>(Explanation of how it works and the reasons to believe)</i>	<ul style="list-style-type: none"> Plan works in a similar way to health insurance and includes things such as high deductible options, coinsurance, tax advantaged savings (like an HSA), out-of-pocket maximums, in- and out-of-network providers, etc. Health care model has proven to work HDHP works to improve outcomes at lower costs 	Does the target understand high deductibles, coinsurance, out-of-pocket maximums, etc.? Does the target feel that the health care model works? Do they feel that HDHP improves outcomes and lowers costs? How would this LTC insurance work when the insured in a health insurance plan transitions to Medicare at retirement?
Additional Information <i>(Other relevant product information, features and benefits)</i>	<ul style="list-style-type: none"> Feature integration and coordination with all health care providers to guide care decisions 	Is integration of a LTC insurance policy with all providers important to the target? Does the target feel this will help guide decisions? What does “all health care providers” mean to the target?

HEALTH CARE LOOK-A-LIKE (REVISED ILLUSTRATION)

Coverage for: Individual
 Plan Type: LTCI
 Coverage Period #####/#####
 Long Term Care Insurance Summary of Benefits and Coverage: What this plan covers and what it will cost

Important Questions	Answers
What is the overall deductible?	#### Doesn't apply to [insert]
Are there other deductibles for specific services?	Yes, #### for [insert] coverage There are no other specific deductibles
Is there an out-of-pocket limit on my expenses?	Yes, for participating providers \$#,#### For non-participating providers \$#,####
What is not included in the out-of-pocket limit?	Premiums, balanced-billed changes, and care this plan does not cover
Is there an overall annual limit on what the plan pays?	No
Does this plan use a network of providers?	Yes, go to www.[insert].com or 1-800-[insert] for a list of partic
Do I need a referral for a specialist?	No, you do not need a referral
Are there services this plan does not cover?	Yes

Questions: Call 1-800-###-#### or visit www.#####.com
 If you are not clear about any of the terms used in this form, see the Glossary.
 You can view the Glossary at www.#####.com or call 1-800-###-#### *

YTD Contribution Details day, ##### 12:00 p.m. ET

Account Information	
Long Term Care Savings Account	
LTCI Cash Account (****1638) Open	

YTD Contribution Details

TAX YEAR 2015 (previous year)		TAX YEAR 2016 (current year)	
YTD Contribution Total	####.##		####.##
Your Contributions			####.##
Other Contributions			####.##
Incentive Contributions			####.##

CORRECTED (if checked)

2015
Form 1099-SA
Distributions From an HSA, Archer MSA, or Medicare Advantage MSA

TRUSTEE'S PAYER'S name, street address, city, state, and ZIP code LONGTERM HEALTH BANK INC POST OFFICE BOX 8675309 SALT LAKE CITY	1 Gross Distribution ####.##	2 Earnings on excess cont. \$
PAYER'S federal identification number 41-885334	3 Distribution Code 1	4 PNY on date of death
RECIPIENT'S identification number	5 LTCIA Archer MSA <input type="checkbox"/> HSA <input type="checkbox"/> MSA <input type="checkbox"/>	
RECIPIENT'S name		
Street address (including apt. no.) City, state, and ZIP code		
Account number (see instructions) 9815824		

Department of the Treasury - Internal Revenue Service
 This information is being furnished to the Internal Revenue Service.

Copy B For Recipient

HEALTH CARE LOOK-A-LIKE — CRITICAL AREA OF MASTERY



~~UNKNOWN~~



FAMILIARITY = SIMPLIFICATION

The sponsor of this idea must prove both that the health insurance analog is truly well understood enough to make a plan like this equally understandable and to potentially further simplify it so that choices are easy, people understand why they are paying what they pay, and what is and isn't covered.

PLATFORM OF INFLUENCE #3
PAYING FOR CARE (“PAY-FORS”)

ORIGINAL CONCEPT: FLEX 401(k)

Customer Insight (What does it solve?): This idea assumes that consumers would find the ability to pre-fund Long Term Services and Supports and/or Long Term Care with tax-favored funds in defined contribution (DC) plans and IRAs attractive and would potentially take more responsibility for funding their own care.

Headline: *Multipurpose savings (retirement)*

Description *(What it is):*

- Individuals/families should have more options to use DC plan/IRA funds to pay for LTSS (Long Term Services and Supports) directly and/or LTC insurance

Concept Details *(What it does/How it works):*

- Tax-favored contributions and distributions to pay for LTSS or LTC insurance at or below retirement age
 - Expand contribution limits
- Enable innovative insurance designs
 - Take \$1 out to pay for LTSS, carrier adds \$1
 - Side fund for LTSS
- Could buy a variety of products: Traditional products, combo products, future products that are integrated with Medigap/Medicare Advantage
- Allow distributions to pay for impaired annuities
 - DC plan assets can already be rolled over to an impaired annuity
- Employer match could be increased for employees who pick LTC options
- An exchange to purchase LTC insurance

Functional Benefit:

- Encourages/allows participants to use assets they already have for retirement to pay for LTSS; uses existing mechanisms
- Might encourage workers to save more in the first place
- Need for LTSS is a financial threat to retirement savings, so it's natural to protect the funds inside the 401(k)

Emotional Benefit:

- Can plan for multiple needs at once
- One-stop shopping makes retirement planning more manageable
- By deducting LTC insurance premiums from 401(k), there is no out-of-pocket cost that lowers the take-home pay

Reasons to Believe:

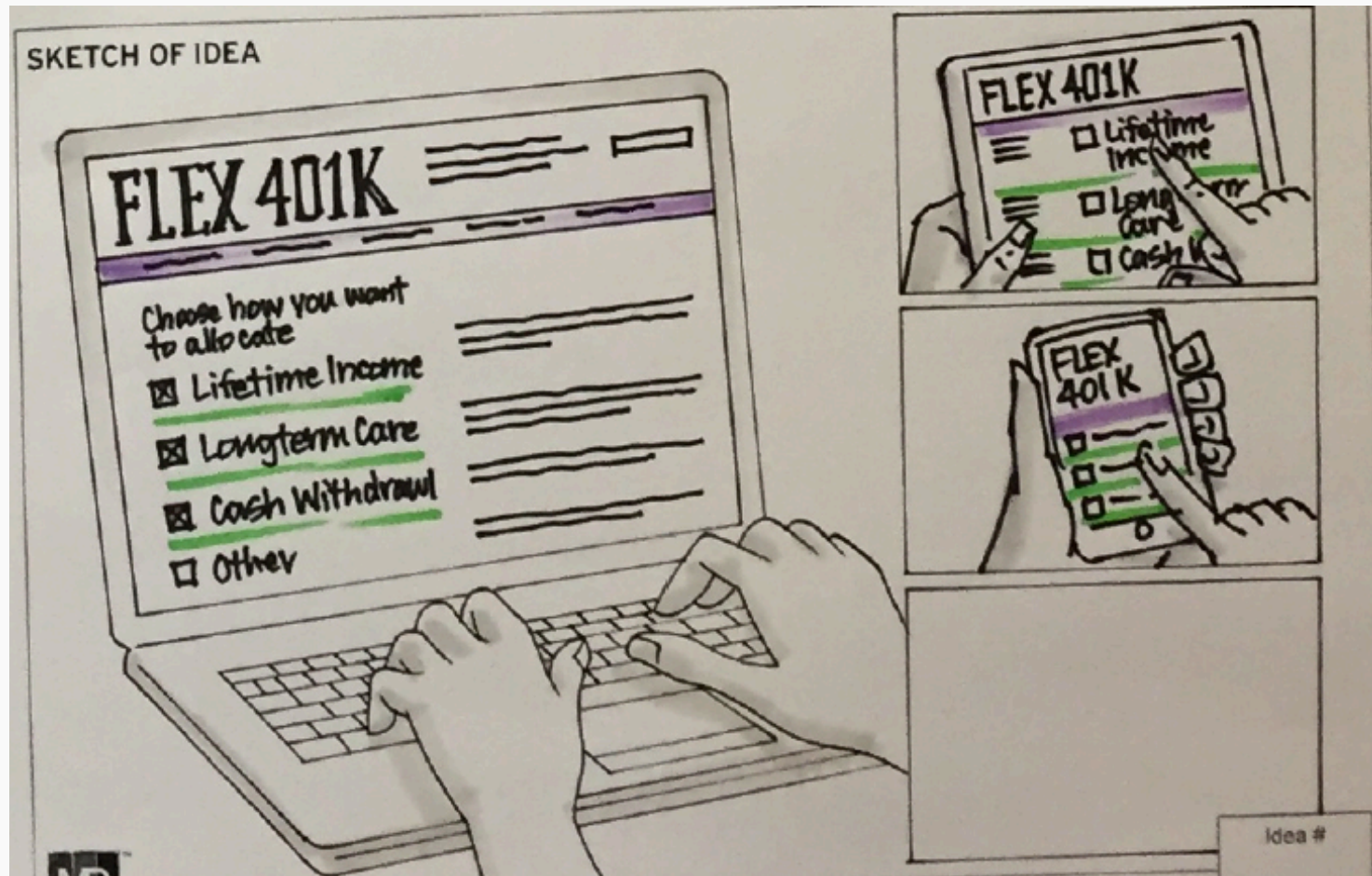
- Attaches LTC insurance to something people already do
- There are trillions of assets in retirement accounts. LTSS is a huge risk to retirement security. These two realities go together/fit nicely.
- Close to 40 percent of workers have a retirement account. The average balance in accounts is \$50,000.

Builds:

- Targets those who are not in the “planner” segment
- Coinsurance participation could depend on flex fund balance

Number of Votes: 19

ORIGINAL CONCEPT: FLEX 401(k)



CONCEPT GRID: FLEX 401(k)

Areas of Exploration *(a starter list)*

Hypothesized Pain Point(s) based on idea	I wish there were a simple way to save for retirement and long term care at the same time.	Who feels this way? What holds them together attitudinally? How many of them are there?
Concept Name <i>(Descriptive)</i>	Flex 401(k) <i>Alt. 401(k) Retirement Plus</i> <i>Alt. 401(k) Retirement + Care Account</i> <i>Alt. Retirement Advantage Account (RAA)</i>	What name best describes what the idea is? How will the name be used? What names are available?
Headline <i>(Sets up the concept and summarizes the key benefit)</i>	Multipurpose Savings Account <i>Alt. Caring For Your Future</i> <i>Alt. Helping Care For Your Future</i> <i>Alt. Helping You Take Care For The Future</i> <i>Alt. A Cared For Future</i> <i>Alt. The Simple Way To Care For Your Future</i>	What is the key benefit? Help? Simplicity? Confidence?
Description <i>(What it is, what it does, how it benefits the consumer/solves for the insight)</i>	What It Is <ul style="list-style-type: none"> A 401(k)/IRA type of retirement vehicle with expanded contributions and distributions for Long Term Care use What It Does <ul style="list-style-type: none"> Provides an easy, tax beneficial way to save for both retirement and Long Term Care at the same time Benefits <ul style="list-style-type: none"> Simple Can plan for multiple needs at once One-stop shopping 	Does our target understand what a 401(k) is and how it currently works, how/when the money can be accessed and spent? Does our target understand the tax benefits associated with a 401(k)? Is this seen as simple? Is our target looking to combine LTC and their retirement? Is one-stop shopping for LTC and retirement savings attractive?
Additional Details <i>(Explanation of how it works and the reasons to believe)</i>	<ul style="list-style-type: none"> Enroll and make selections like you would for a 401(k) OR you are automatically enrolled unless you opt out One of the options includes allocating a portion toward funding a Long Term Care insurance policy Employers can provide matching just like what is done with a traditional 401(k) The funds can then be used during retirement just like a 401(k) In the event funds need to be used for Long Term Care (before or during retirement), the insurance component kicks in and for every \$1 you spend on LTC, the insurance carrier provides \$1 back to you 	Should enrollment be similar to a 401(k)? Is 401(k) enrollment seen as simple? Does our target understand what Long Term Care is? How many of our target have a 401(k) that has a matching component? Does our target understand how/when 401(k) funds can be used?
Additional Information <i>(Other relevant product information, features and benefits)</i>	<ul style="list-style-type: none"> There should be minimal near-term loss of federal tax revenue by waiving the tax and the penalty on withdrawals since the funds would not have been withdrawn without this scheme in the first place 	NA

FLEX 401(k) (REVISED ILLUSTRATION)



FLEX 401(k) — CRITICAL AREA OF MASTERY



ESTIMATING THE IMPACTS

The sponsor of this idea must gain support for public policy change (i.e., tax treatment). This will require a very thorough consumer analysis that can simulate the acceptance rates of this idea, and the corresponding impact on the country's long term care problem.

ORIGINAL CONCEPT: THE FAMILY LONG TERM CARE ACCOUNT

Customer Insight (What does it solve?): This assumes that consumers would find a product that included the ability to use benefits on other family members attractive to pay for either their own care or that of someone they may end up responsible for.

Headline: *Family long term care with a punch*

Description *(What it is):*

The Family Long Term Care Account is a product designed to help an individual or a family save responsibly for long term care needs of multiple family members with a benefit that lasts beyond their savings, thanks to an insurance element added to it.

Concept Details *(What it does/How it works):*

The Family Long Term Care Account is a flexible premium-deferred annuity, where if any one of the insured has a long term care need (based on current benefit triggers), 2 percent of the accumulated savings becomes payable as a monthly benefit. The insurance “punch” comes from extending the benefit period to three times the length it would have lasted if you are depending only on your accumulation. In other words, if you accumulated \$20,000 at the point of claim, the benefit would allow you to pull out \$400 a month for the length of time that \$60,000 would last. The product would be marketed and sold through direct, robo, private exchanges and worksite to minimize overhead/commission costs. The product would have an accompanying website that provides an automated dashboard to track accumulation, benefits and claims activity and would allow people to model their scenarios to increase or decrease configurations.

Functional Benefit:

- Allows for systematic savings that the consumer does not “feel” (because of payroll deduction or EFT)
- Enables flexibility to use it on other family members so that caregivers are not financially burdened
- Tax deferred savings and benefits
- Tax deductible

Emotional Benefit:

- Peace of mind that one’s nest egg is protected against the risk of other people’s care needs, not just your own
- Feeling of personal responsibility and accountability

Reasons to Believe:

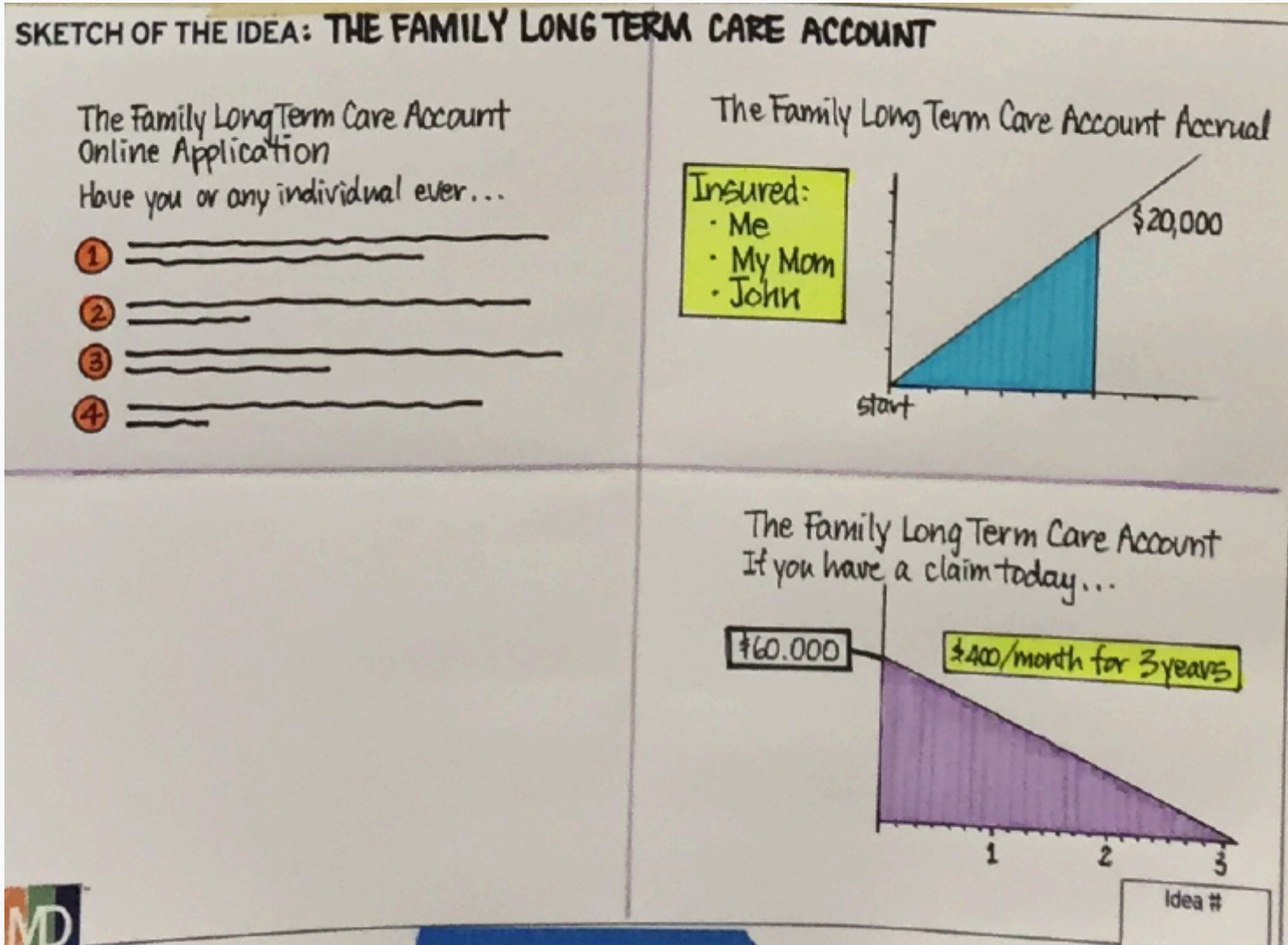
- This product can be provided by reputable insurers who are experts in annuities and insurance
- The government (aspirational) has agreed to make contributions deductible

Builds:

- Final Survivor = Death Benefit
- How to handle withdrawals?
- Longevity benefit?

Number of Votes: 19

ORIGINAL CONCEPT: THE FAMILY LONG TERM CARE ACCOUNT

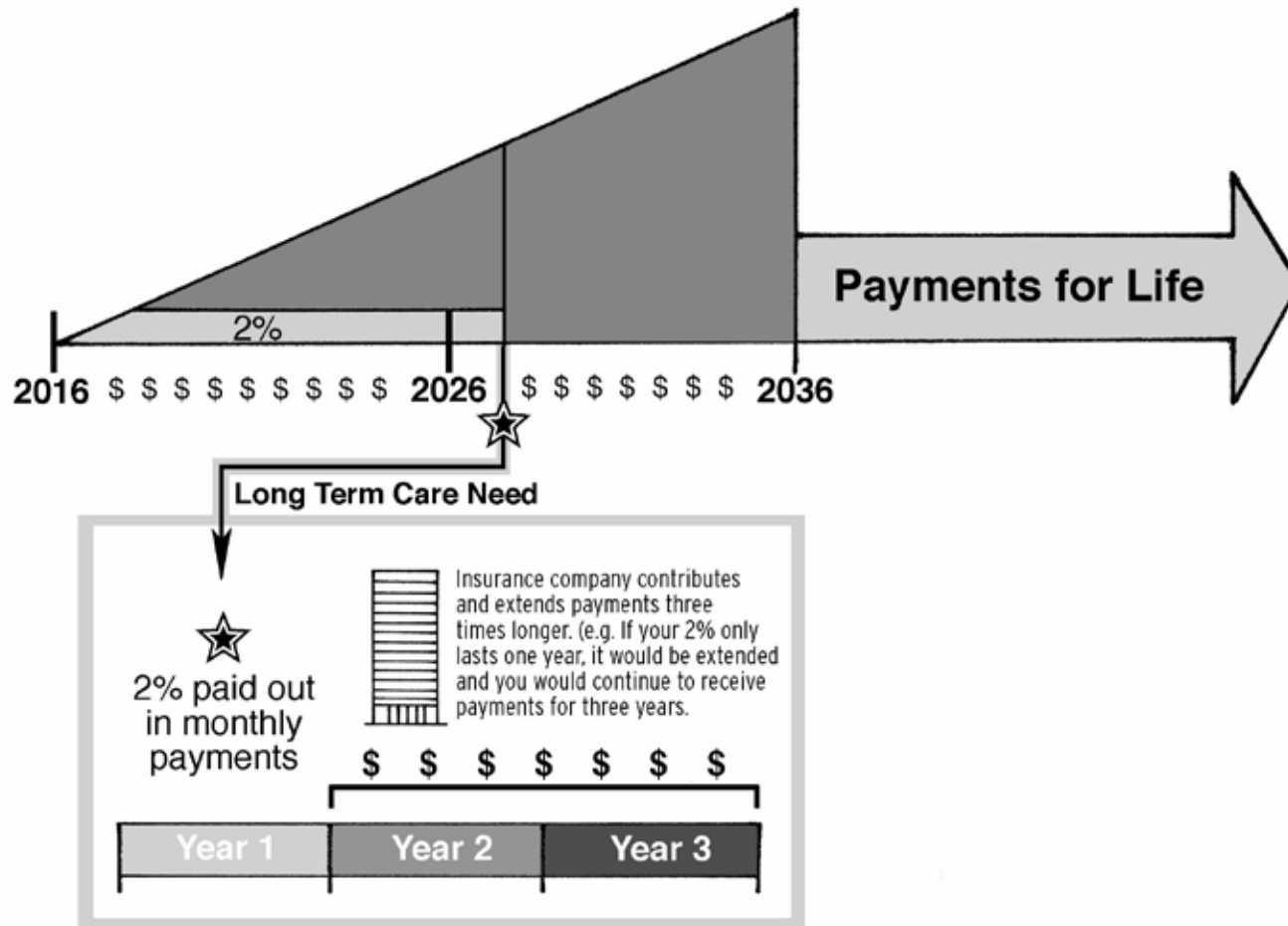


CONCEPT GRID: FAMILY LONG TERM CARE ACCOUNT

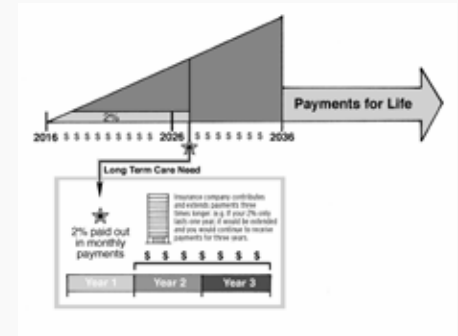
Areas of Exploration *(a starter list)*

Hypothesized Pain Point(s) based on idea	There are a lot of savings and investment options out there, but I wish they had more flexibility and less penalties so I could use the money for long term care should I need to.	Who feels this way? What holds them together attitudinally? How many of them are there?
Concept Name <i>(Descriptive)</i>	Family Long Term Care Account <i>Alt. Long Term Care Family Account</i> <i>Alt. Long Term Family Account</i> <i>Alt. Long Term Financial And Family Care Account</i>	What name best describes what the idea is? How will the name be used? What names are available?
Headline <i>(Sets up the concept and summarizes the key benefit)</i>	Family long term care with a punch <i>Alt. Income For Life And Long Term Care</i> <i>Alt. Ensuring You Have Enough Long Term</i> <i>Alt. Long Term Family Account</i>	What is the key benefit?
Description <i>(What it is, what it does, how it benefits the consumer/solves for the insight)</i>	What It Is <ul style="list-style-type: none"> A flexible premium-deferred annuity and Long Term Care insurance combination What It Does <ul style="list-style-type: none"> Provides guaranteed income for life and funds for long term care should you or anyone in your family need it Benefits <ul style="list-style-type: none"> If you don't use it for LTC, you don't lose it Flexibility Tax-deferred savings Extended benefits 	Do people understand what a flexible premium-deferred annuity is? Is the idea of being able to use it for anyone in the family unique/a key selling point? What is the key benefit?
Additional Details <i>(Explanation of how it works and the reasons to believe)</i>	<ul style="list-style-type: none"> You make payments monthly for a set duration of time Once the final payment is made, you are guaranteed a set monthly income for life If, at any time, you or someone in your family needs Long Term Care, 2 percent of the accumulated savings can be converted to a monthly long term care benefit without a penalty for early withdrawal The insurance aspect kicks in and extends the duration of how long you receive the monthly long term care benefit by up to three times 	Is the idea of an annuity attractive to our target consumer? Does our target have a concern for not being able to pay for long term care for themselves? For someone in their family? Do people assume they would have to pay more because there is an insurance aspect associated with this idea? Is this a key differentiator? Is three times realistic? Do people assume that "up to" means that they likely will not get the maximum benefit?
Additional Information <i>(Other relevant product information, features and benefits)</i>	<ul style="list-style-type: none"> NA 	NA

FAMILY LONG TERM CARE ACCOUNT (REVISED ILLUSTRATION)



FAMILY LONG TERM CARE ACCOUNT — CRITICAL AREA OF MASTERY



MAKING THE PRICING WORK

The sponsor of this idea must enter somewhat new territory on pricing by allowing a combination of family members in various generations to participate in the product. Also, the outflows of money for LTC purposes must be more meaningful than can be achieved with current product options.

**CONCEPT NEXT STEPS —
GETTING TO CONSUMER TESTING**

Section Overview:

This section of the report includes the next steps that would be required if any users of this report decide to advance any of the six concepts explained in the previous sections.

Use this section to:

- Understand the next steps involved in moving a concept through consumer testing
- Better approximate the level of risk and investment required to successfully bring a concept to market
- Guide decisions related to acquiring funding, partnering, evolving the concepts based on competitive research and determining the right research strategies

BRINGING THE CONCEPTS TO MARKET

1. Acquire Funding

Create a list of potential stakeholder organizations that might be interested in leading, partnering, participating and/or sponsoring further development of this concept.

Who will benefit by bringing this concept to market?
What is the hypothesized revenue model for each potential stakeholder?
Will they commit to making the necessary investments and taking the necessary risks to attempt bringing this concept to market?
Are they willing to pivot/revise plans if consumer testing indicates the original concept and related hypotheses are not viable?



2. Assign a Champion

Identify one or more people to lead further research and development of this concept. Use the “critical area of mastery” to help the champion understand what their biggest challenge will be.

Do they have the passion and willpower to see the project through?
Do they have the right design thinking, design research and product development expertise?
Can they assemble and manage the team required to reach success, and will they pivot/revise plans when necessary?



3a. Perform a Competitive Landscape Analysis

Part 1: Map the concept’s competitive set using several different competitive landscape analysis frameworks to identify how this concept will be differentiated from the competition.

How is this concept’s value proposition differentiated?
Which frameworks might lead to insight into your competition and positioning?

- Consider mapping the competition to a 4x4, with content versus market on one axis while assessing how generalized versus specialized each competitor’s content and market is on the other
- Consider conducting a SWOT analysis



BRINGING THE CONCEPTS TO MARKET

3b. Perform a Competitive Landscape Analysis

Part 2: Use each concept grid's "Areas of Exploration" questions as a guide in order to hypothesize answers based on your comparative research.

What other comparative data will you need to collect?

- How will you frame your competitive decisions?
- How can this framing be used to predict competitive outcomes?
- What behavioral biases might affect your competitors' decisions?
- What information do you need to define your ideal target market, the user need you will address, your activation strategy, etc.?
- Where will you find the details required, and which sources contain the data needed to fill in the blanks?



4. Complete the Lean Canvas

Based on your competitive landscape analysis, complete a [Lean Canvas](#)* in order to identify which hypotheses are most critical to test with consumers.

What is the unique value proposition of this concept?

What is this concept's unfair advantage?

What beliefs/needs/demographics define your target customers?

What are the top three problems this concept will solve, and what are the top three solution features to address these problems?

Which key metrics/activities will you measure to determine viability?

What are the channels/pathways to reach customers?

What is included in the cost structure (e.g., customer acquisition costs, distribution costs, people, etc.)?

What are the predicted revenue streams (e.g., revenue model, lifetime value, gross margin, etc.)?



*visit www.leanstack.com



BRINGING THE CONCEPTS TO MARKET

5. Conduct Consumer Research

Determine how to test the Lean Canvas hypotheses for your concept with your target consumers. After selecting the appropriate research methodology, write a research guide and develop any necessary models or prototypes for testing. Then recruit participants, conduct consumer research and analyze the results.

What are your most critical hypotheses?

How will you test these hypotheses with your target consumers?

- Example: In order to test the hypothesis that there would be online demand for shoes, the founder of Zappos took an existing shoe retailer and built an online website for them to compare their online sales to in-store sales. The results led him to decide his hypothesis was viable.

What metrics will you track in order to determine whether each hypothesis is worth moving forward with?

Will testing these hypotheses require models or prototypes, and if so, at what level of fidelity?

- Potential options include storyboarding, schematic diagramming, rough and ready prototyping, appearance modeling, etc.



6. Apply Research to Concept Development

Apply what was learned during consumer testing to decide which concept details should be revised, scrapped, further developed or whether more learning is required.

Do you need to change any of your concept-related assumptions?

How will you test your revisions or any new hypotheses that emerge?

As you move forward to develop the features you determined are viable, how will you decide whether revisions are needed over time?

INNOVATION NEXT STEPS — PLATFORM TESTING

Section Overview:

This section of the report includes platform-specific recommendations of next steps in order to best leverage the output from the workshop and most effectively and efficiently bring new innovations to market.

Use the this section to:

- Better understand the needs of both LTC consumers and those who want to use this output to serve them
- Explore which solutions will best address these needs
- Conduct the appropriate research to minimize the risks involved in bringing new concepts to market
- Validate the underlying assumptions and hypotheses of the concepts created during the workshop

RECOMMENDED NEXT STEPS

The following recommendations are categorized according to the Platforms of Influence:

- **Data-Driven Decision Support** p. 58
- **Service Evolution and Expansion** p. 61
- **Paying for Care (“Pay-fors”)** p. 65

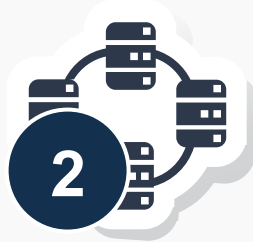
RECOMMENDATION #1: DATA-DRIVEN DECISION SUPPORT

UNDERSTANDING USER NEEDS (SUMMARY)



Lead User Exploration

Explore the needs of “lead users”



Data Collaboration Workshops

Brainstorm how to make data desirable, functional and feasible



Data Prototype Workshops

Develop key hypotheses



Data Visualization and Delivery

Develop prototypes to show how data can be delivered

RECOMMENDATION #1: DATA-DRIVEN DECISION SUPPORT

UNDERSTANDING USER NEEDS (DETAIL)



Lead User Exploration

Explore the needs of “lead users” most likely to value the aggregation of claims data showing trends in how LTC dollars are being spent by policyholders (e.g., how LTC start-up founders might use this data to obtain funding and design app-based solutions).

Key Deliverable: Data Use Cases and Value Propositions

Research would uncover the ways in which this data would be most useful and the categories of user outcomes it would inform.



Data Collaboration Workshops

Brainstorm how to make each data category from the research as desirable, functional and feasible as possible and prioritize which category of data to move forward with in developing solutions.

Key Deliverable: Analysis of Data Categories

Final report documenting the categories of data that can be tracked and projected and a recommendation for moving forward based on the organization’s current capabilities.

RECOMMENDATION #1: DATA-DRIVEN DECISION SUPPORT

UNDERSTANDING USER NEEDS (DETAIL)



Data Prototype Workshops

Develop key hypotheses related to how data will need to be formatted, delivered and used to create the most value. Determine how key hypotheses will be prototyped and tested in market via small pilot studies.

Key Deliverable: Critical Hypotheses and Prototype Plans

Summary of workshop output documenting critical hypotheses and how they will be tested in market.



Data Visualization and Delivery

Develop prototypes regarding how data will be visualized and delivered to be used in A/B testing of hypotheses with lead users.

Key Deliverable:

Final prototypes corresponding to critical hypotheses from the previous workshop that can now be taken into user testing.

RECOMMENDATION #2: SERVICE EVOLUTION AND EXPANSION

UNDERSTANDING CONSUMER LTC NEEDS (SUMMARY)



RECOMMENDATION #2: SERVICE EVOLUTION AND EXPANSION

UNDERSTANDING CONSUMER LTC NEEDS (DETAIL)



1

Qualitative Testing

Use Think Tank concepts as the basis for qualitative research (i.e., interviews, focus groups, etc.) to determine if there are attitudinal and behavioral differences driving interest/need states in the consumer population. If there are notable differences, move to step 2.

Key Deliverable: Qualitative Testing Summary

Report of key findings, including attitudinal and behavioral differences/similarities in need states and a recommendation for moving forward.



2

Segmentation*

Conduct a consumer segmentation to identify an attitudinal opportunity segment for innovation with LTC needs, interests and pain points that the client is best positioned to address. An attitudinal segmentation does not use demographic information as the basis for finding differences between consumer segments, though this information is still provided.

Key Deliverable: Segmentation Report

Segmentation report, including key statistics and findings related to each attitudinal segment and MD's proprietary analysis of which segment has the greatest potential for return on investment.

RECOMMENDATION #2: SERVICE EVOLUTION AND EXPANSION

UNDERSTANDING CONSUMER LTC NEEDS (DETAIL)



Insight Development*

Insight development involves finding a quantified set of formulaic statements that enough consumers agree with, uncovering an opportunity to help build a business (see hypothetical example of an insight statement below).

Explore pain points and needs with selected opportunity segment via qualitative online interviews. Then use observations in an Insight Workshop to develop several insight statements for testing and choosing the best ones.

Key Deliverable: Insight Statement Report

Report of final insight statements and test results, prioritizing insight statements based on how strongly they resonate with target consumers and/or all consumers.

“I (behavior) because (reason), but (tension).”

“I look for new caregiver options because good care is important, but I never can seem to find them when I need them most.”



RECOMMENDATION #2: SERVICE EVOLUTION AND EXPANSION

UNDERSTANDING CONSUMER LTC NEEDS (DETAIL)



4a

Communication Development Workshop

Develop a communication program to build awareness (i.e., thought leadership) around unmet consumer needs in the LTC market. This is best suited for organizations that want to influence people in the industry's value chain.

Key Deliverable: Communication Program Report

Report of workshop output, including a proposal for how the communication program could be developed and executed.

OR



4b

Ideation Workshop*

Hold an Ideation session with people from the target segment, and other experts, to develop a whole pipeline of more ideas to solve for the insights. Ideas developed in this workshop would be further de-risked using additional quantitative testing. This is best suited for organizations that can deliver on the new products, services and business models.

Key Deliverable: Ideation Report

Report of workshop outputs, quantitative test results, market projections and experience design next steps.

RECOMMENDATION #3: PAYING FOR CARE (“PAY-FORS”)

ADVOCATING FOR LEGISLATIVE REFORMS (SUMMARY)



Problem Framing Workshop

Frame the problem and create action plans.



Quantitative Positioning Test

Determine if consumers support your ideas for solving those problems.



Advocacy Planning Workshop

Develop an advocacy program.

RECOMMENDATION #3: PAYING FOR CARE (“PAY-FORS”)

ADVOCATING FOR LEGISLATIVE REFORMS (DETAIL)



Problem Framing Workshop

Hold a professionally facilitated workshop with various kinds of contributing members to describe the problem for purposes of convincing legislative authorities on the merits of change. Then plan a series of actions to solve them, including ways to garner support.

Key Deliverable: Workshop Report

Report outlining key issues and action plans from the workshop.



Quantitative Positioning Test

Do a quantitative test to determine the level of consumer support of problems and potential action plans. Consumer support can be quantified and used as a strong business case for the solutions requested.

Key Deliverable: Quantitative Testing Report

Report of quantitative testing results, including a Maddock Douglas recommendation for which problem and respective action plan would be the best to pursue first.

RECOMMENDATION #3: PAYING FOR CARE (“PAY-FORS”)

ADVOCATING FOR LEGISLATIVE REFORMS (DETAIL)



Advocacy Planning Workshop

Based on research results, develop an advocacy program to build the consumer support and issue recognition required to initiate legislative change. This would include identification of all the appropriate steps necessary to put the consumer on the side of change, submit proposals to the right individuals, communicate, etc.

Key Deliverable: Advocacy Action Plan

Report outlining a plan for building the advocacy and commitments of the team members.

THINK TANK COMMUNICATION NEXT STEPS

THINK TANK COMMUNICATION NEXT STEPS

As part of this engagement, Maddock Douglas has agreed to participate in the creation and delivery of two sessions to communicate this work to a wider audience.

- A webcast sponsored by the Society of Actuaries to be broadcast live and also recorded for later replay (March 9, 2016)
- A session at the Society of Actuaries Annual Meeting in Philadelphia (June 15 – 16, 2016)

APPENDIX

**OTHER FINALIST CONCEPTS BY PLATFORM
AND LIST OF 85 “DAY 1” IDEAS**

Section Overview:

This section of the report includes all of the other concept outlines generated by participants during day two of the workshop, grouped by the **Platforms of Influence** as described in the first section of this report.

Use the additional concept outlines to:

Have richer conversations with constituents and consumers about what their needs are — and also to help frame thought leadership that inspires the industry to be more curious about how LTC solutions need to evolve for the industry to remain relevant.

Important note: We must build the discipline of consumer curiosity so that we do not create solutions in a vacuum and, instead, are driven by quantified consumer insights.

CONCEPT OUTLINES

The following concept outlines from the workshop follow under the three Platforms of Influence:

- **Data-driven Decision Support** p. 73
- **Service Evolution and Expansion** p. 79
- **Paying for Care (“Pay-fors”)** p. 87

DATA-DRIVEN DECISION SUPPORT

THE OPEN KIMONO

Customer Insight (What does it solve?): Transparency brings about change

Headline: None

Description *(What it is):*

The SOA and participating carriers will regularly publish “care” costs and expected incident rates at a very granular level (e.g., by care provider). By publishing and promoting it, this new information could be used by the current ecosystem as well as new entrants for innovation and claimant negotiation to drive lower costs.

Concept Details *(What it does/How it works):*

- Carriers would supply costs paid by provider. This would allow for unprecedented visibility into the distribution of costs and create leverage for care coordinators (insured and uninsured populations) in negotiations
- This data would be added to reviews, ratings, etc., in an effort to place better and more thorough information into the market. All in the ecosystem could use this data to negotiate, compete, improve business, innovate, etc.
- SOA’s role in process is to make data anonymous to prevent carrier-level exposure

Functional Benefit:

- More transparency
- Quality data can lead to more efficient markets and lower costs (hats off to rational economists...)
- Policyholders can extend money and carriers can reduce expenditures

Emotional Benefit:

Claimants can feel better about their choice of care provider and can extend their money for care

Reasons to Believe:

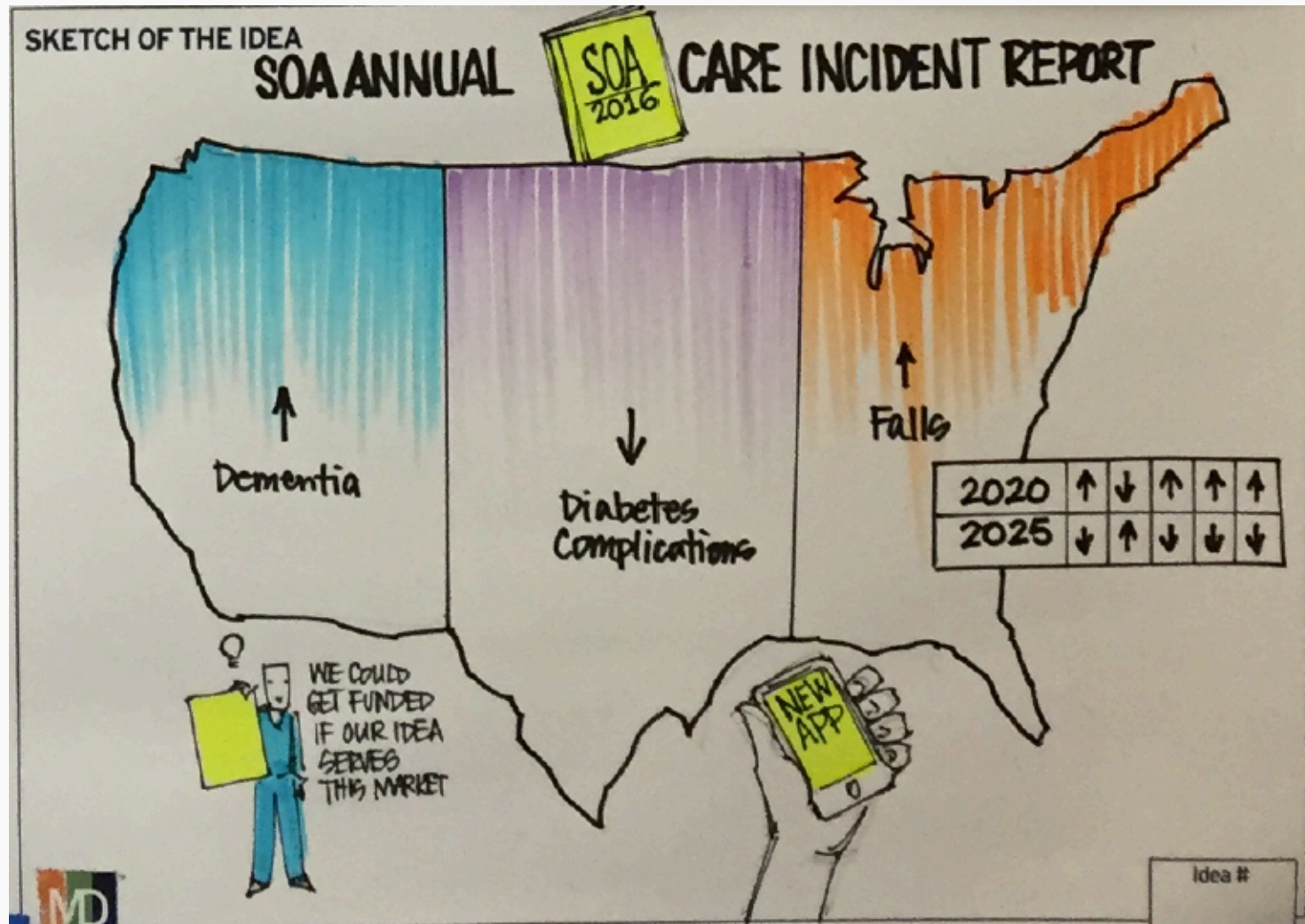
- Tried and proven in many industries over decades (e.g., Uber, Amazon, etc.)
- Done by “Fair Health” in health care

Builds:

- Existing model? Can the NAIC Model/Framework be used for some elements?

Number of Votes: 7

THE OPEN KIMONO



QUALITY CARE TRAINING AND CERTIFICATION COUNCIL

Customer Insight (What does it solve?): Affordable certification of ADL, IADL and cognitive skills to ensure caregivers are trained to stay up to date with evidence-based best practices

Headline: *Make sure you have the skills you need to give quality care and getting certified is easier and more affordable than ever!*

Description *(What it is):*

This evidence-based caregiving authority would collaborate with caregiving agencies and practitioners to determine the most up-to-date standards in providing high-quality care. Based on this research, the council would then develop an online platform of caregiving classes offered for free. For a fee, these classes can be validated, combined into nano-degrees and certified at in-person testing facilities (similar to Udacity).

Concept Details *(What it does/How it works):*

- Those interested in learning about evidence-based caregiving can log in and search classes, signing up for as many online modules as they want for free.
- However, those who want to be certified as having learned and mastered ADL, IADL, cognitive or specialty skills can pay for the verification process.

This certification process involves:

- Paying for keystroke validation that you actually took the classes
- Paying for nano-degree access to unlock the class combinations required to be competent in different areas (e.g., IADL, ADL, cognitive and specialty nano-degrees available)
- Going in person to a testing facility to prove you learned what you were supposed to and have the required caregiving hours to be certified (e.g., similar to DMV license experience)
- As a result, certified caregivers are provided badges for completed nano-degrees in different skill sets. This system integrates with insurance companies and hospitals to allow patients to search for caregivers who are certified in the skills they're looking for.

Functional Benefit:

Insurance companies can feel confident their constituents can find quality caregivers with evidence-based certification without having to take on any liability due to the third-party model. Government can eventually mandate that quality certification be required.

Emotional Benefit:

Care recipients can trust that their selected caregivers have exactly the skills they need and at a trustworthy level of mastery. It also allows family and informal caregivers to feel confident they have the required training to care for loved ones effectively. Caregiving agencies can also pay for all caregiver employees to complete the training and be certified. Trust that caregivers have up-to-date training and continued education.

Reasons to Believe:

Udacity is very successful at creating evidence-based online classes that teach exactly the skills employers are looking for and validation/nano-degrees are already available across many disciplines.

Builds:

- Combine with Care Exchange, Uberfication and Caregiver Corps
- How to validate soft skills? Can this part be verified in person via the DMV-like validation process?
- How to collect evidence that caregiving can be learned online? How many "practice/shadow" hours are necessary to become certified?

Number of Votes: 1

LEVEL THE PLAYING FIELD

Customer Insight (What does it solve?): Minimizing inefficiency

Headline: *Standing together against up-charging*

Description (*What it is*): Develop a national R&C database to be used by the actuarial claims teams.

Concept Details (*What it does/How it works*):

- Provide the claims team with a means to apply R&C to expenses and advise policyholders how they are spending their benefit dollars
- Help actuaries improve their models with more accurate and consistent costs by geographic area

Functional Benefit:

- Creates a consistent benchmark across carriers and geographic areas
- Provides a marketing tool to attract new policyholders by providing evidence that the benefit level selected is appropriate
- Assist the claims team to pay claims in an efficient and consistent manner

Emotional Benefit:

Confidence that benefit dollars are being spent efficiently and confidence that our policy forms are appropriately priced

Reasons to Believe:

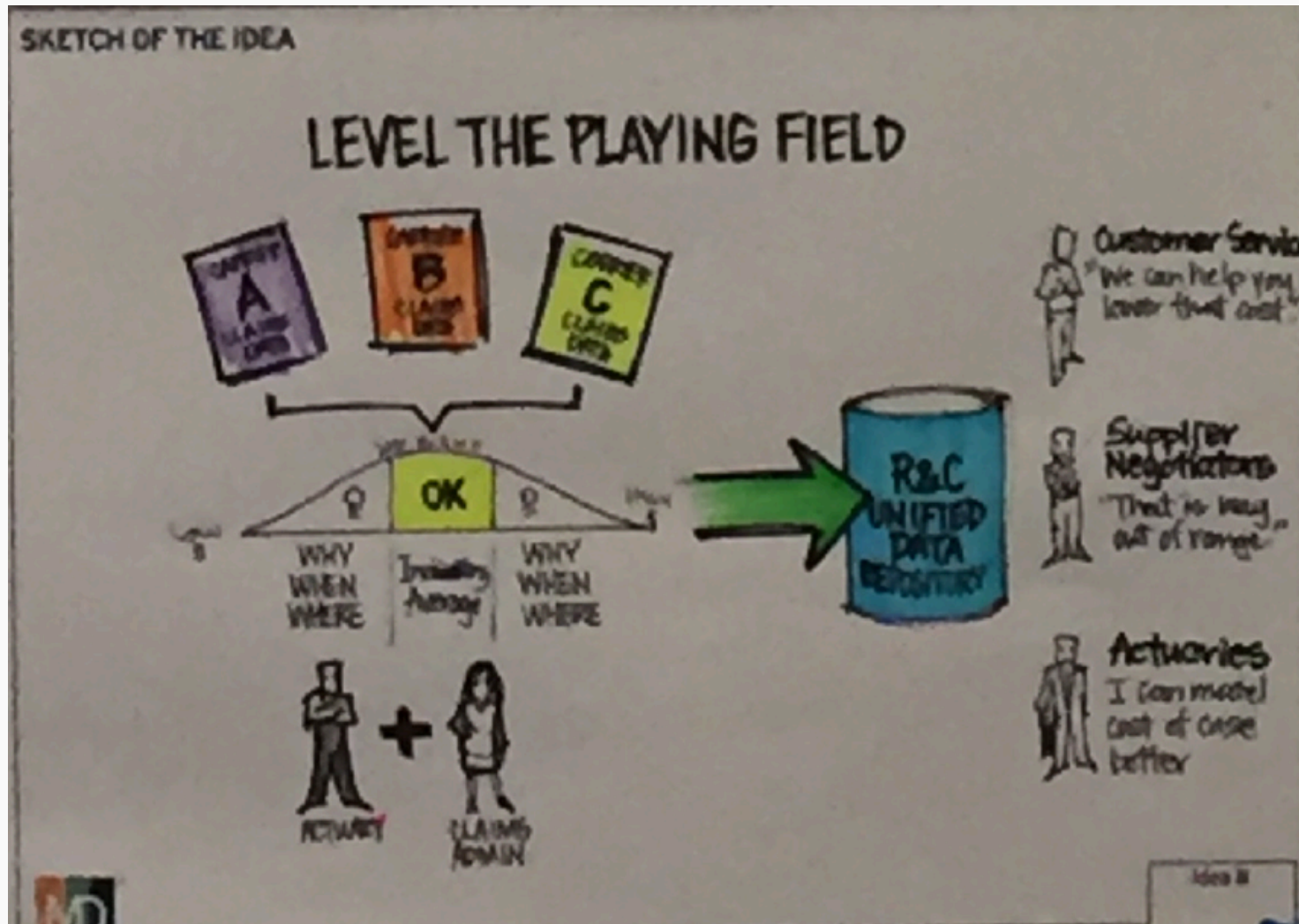
Existing evidence that up-charging frequently occurs and that it is difficult to challenge/prove when this is happening

Builds:

None

Number of Votes: 0

LEVEL THE PLAYING FIELD



SERVICE EVOLUTION AND EXPANSION

CAREGIVING CORPS

Customer Insight (What does it solve?): Addresses the national caregiver shortage by creating new incentives and easier pathways to becoming a caregiver

Headline: *Become part of the solution to the national caregiver shortage by volunteering today and get help paying off your college debt in the process.*

Description *(What it is):*

This nonprofit organization provides students and employees with the opportunity to volunteer as caregivers for recipients in need in their local community. In exchange, the organization will provide school scholarships that turn into loans pending on completion of required hours as well as loan forgiveness for volunteers with college debt.

Concept Details *(What it does/How it works):*

- Individual learns about the opportunity through their high school career counselor, employee volunteer program or unemployment agencies/ career development centers.
- Individual logs into the website and applies as a volunteer, after which they are required to complete basic training and a background check (this is also an integration opportunity with the Quality Care Training and Certification Idea).
- Next they search for Medicaid-eligible care recipients in their area and sign up for volunteer slots on the calendar feature. If volunteers don't show up to their assigned slot or are late too many times, they are terminated.
- Volunteers acquire loan forgiveness dollars toward college debt or scholarship dollars toward current schooling. For scholarships, should a student fail to meet his/her hourly commitment, the scholarship turns into a loan that he/she can pay back.

Functional Benefit:

Volunteer caregivers provide less expensive care (i.e., net of loan forgiveness) than current care. Also provides a source of education funding for caregivers.

Emotional Benefit:

Young people have an opportunity to “connect” with the community/ elders. Care recipients benefit from having the energy, perspective and connection with the younger caregiver. Caregiver has satisfaction of giving back through volunteering.

Reasons to Believe:

Medicaid has incentive to use this network of motivated and trained volunteers to meet member demand for caregivers. Laws could also be changed to reduce minimum level of care requirements to allow volunteers to qualify. (This is similar to how Teach for America fills a national need for teachers in inner-city schools.)

Builds:

- Combine with Care Exchange, Uberfication and Quality Care Training and Certification Council
- Can this be a nonprofit?
- Can it be expanded beyond Medicaid?
- How would exchange “value” work?

Number of Votes: 7

CARE EXCHANGE

Customer Insight (What does it solve?): There is a great need for IADL care, and there are underutilized resources for the community.

Headline: *Find care, provide care*

Description (What it is):

A government framework for training and certifying individuals that can be effectively deployed by an individual or private business (including community and nonprofits) that match up consumers and providers.

Concept Details (What it does/How it works):

Government sets up a database for various levels of training/credentials, for example, an RN.

- Includes background check and periodic recertification
- Training all done online; different training for different levels of care (group model — Boy Scouts of America)
- Database accessible to individuals and businesses to search
- [We thought about quality assurance but still struggling with how to solve for this]

Business Model:

The database creates an environment for a third-party business to match providers with consumers

- Similar to Uber, Airbnb, Angie's List and Care.com
- Creates infrastructure for new patient and community based on organizations to create local solutions
- Allows government participation through waver program for lower income families
- Allows for student loan forgiveness program from government to provide more workers (in exchange for providing defined levels of service commitment through the exchange)
- Could also utilize unused physical capital in a community, for example, the model of childcare at YMCA or church

Functional Benefit:

- Expands reach of consumers looking for IADL care beyond friends/family/neighbors
- Provides way for providers to reach consumer needing care
- Brings underemployed/unemployed into workforce in entry level capacity
- Consumers get a certified caregiver for type of care needed

Emotional Benefit:

- Remote family constituents coordinating care get peace of mind since exchange provides certified and screened providers
- Easier to find providers when only need lower levels of care
- Consumer-driven care choice
- Allows for aging in home, earlier intervention

Reasons to Believe:

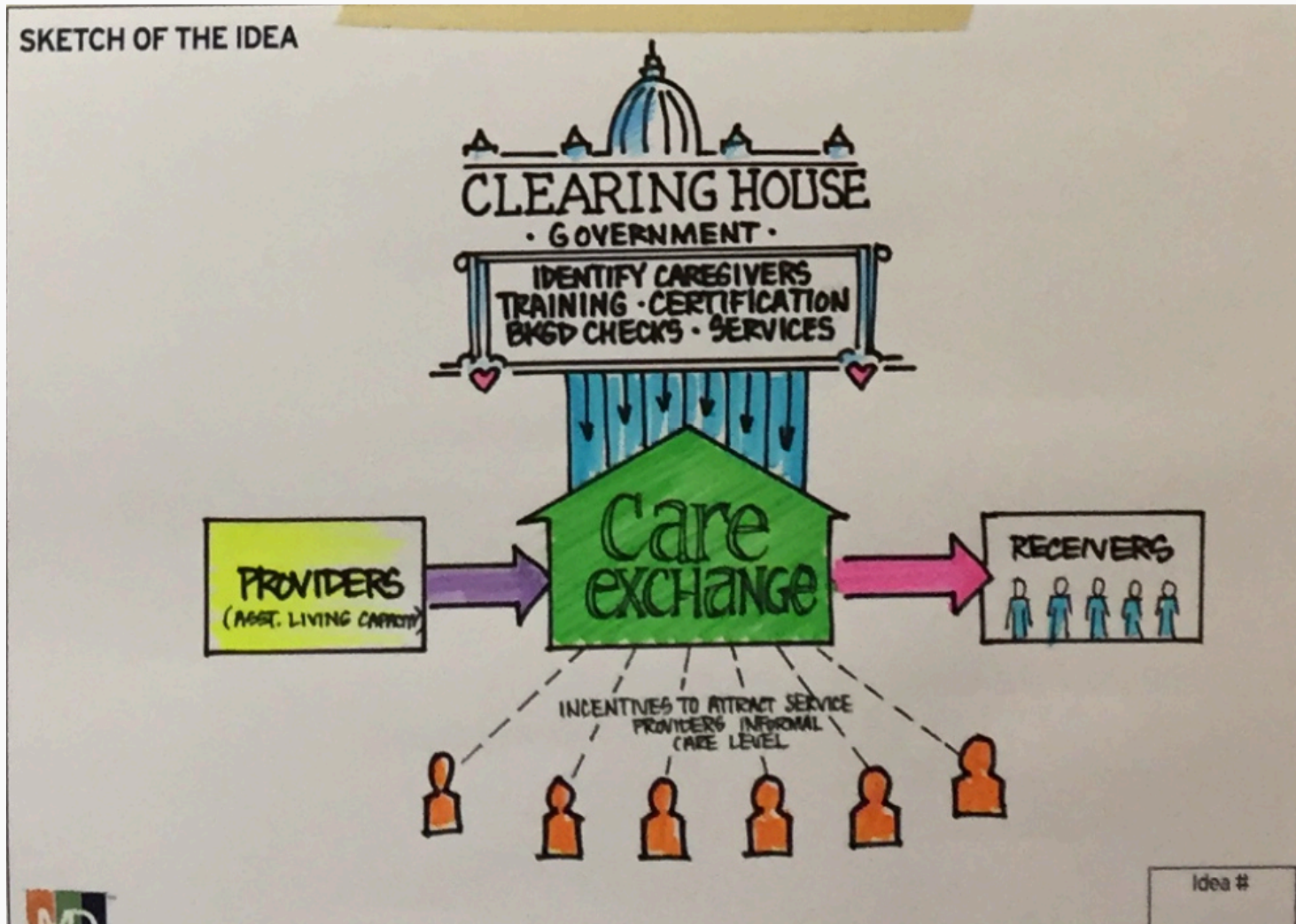
- Matching services are working — Uber, Airbnb
- Allows for customized employment opportunities — ranging from free time to three hours to two days a week

Builds:

Combine with Care Given Corps, Uberfication and Quality Care Training and Certification Council

Number of Votes: 2

CARE EXCHANGE



CARE WATCH

Customer Insight (What does it solve?): Easier coordination and management of care activities to ensure quality care and prevent mistakes

Headline: *A mobile platform that empowers caregivers to manage and coordinate care so they can focus their energy on what matters most.*

Description *(What it is):*

A coordination suite of apps or a dashboard integrating existing and future technology to assist caregivers.

Concept Details *(What it does/How it works):*

- Start with a questionnaire to determine levels of assistance needed, number of people involved in care, what care activities are needed, diagnosis, functional and/or cognitive impairments and existing technology.
- Categories of technology include home monitoring (e.g., locking doors, kitchen use), ADL care services and care coordination (e.g., service recommendations and scheduling, caregiver notes, medication management, financial planning/IADLs, scheduling doctor visits, etc.). GPS use allows for alerts when care recipient falls or needs help. Biometric monitors that track blood sugar, blood pressure, sleeping, etc., could be integrated as well for both home and facility monitoring.

Functional Benefit:

- Using technology to coordinate care needs and unify existing and future tech solutions on one dashboard, which will encompass all technology
- Future could include a 2.0 version that interfaces with existing telemedicine platforms and/or biometric integration with robotic assistance if large enough market. Would need to prove need to manufacturing

Emotional Benefit:

- Peace of mind for family due to increased monitoring
- Assist caregivers in coordination of care and to keep track of care rendered and needed

Reasons to Believe:

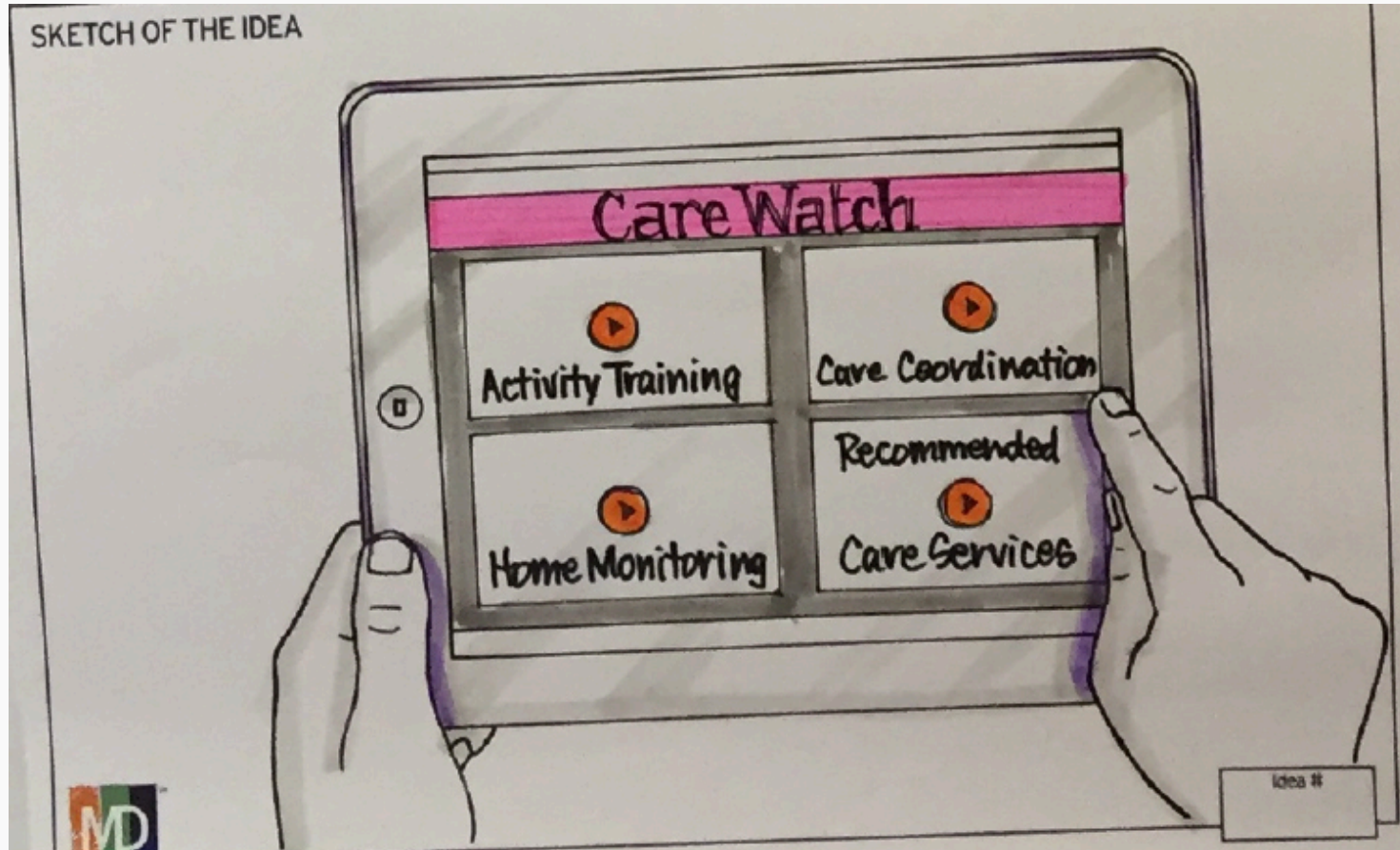
- A way to help coordinate and take advantage of tech solutions to assist caregivers and make them more productive

Builds:

- What other apps and monitoring already exist?
- How to deal with technology breakdowns?

Number of Votes: 1

CARE WATCH



THE LTC SHERPA

Customer Insight (What does it solve?): Navigating the system

Headline: *Helping guide you through care*

Description (What it is):

- Matching services and care with need
- Targeting middle class working caregivers who want to access actual services and products

Concept Details (What it does/How it works):

- Service for fee: Recommendations (for profit) offered to the segment of people who value the support and experience of professional services/ care coordinators who can help navigate some of the most critical elements of care and move through the paperwork and bureaucracy
- Helps with transition planning
- Offers tiered services to address varied income levels
- Online access allows interaction via an app
- Allows consumer to share their feedback via social media
- Bronze:
 - Review content
 - Online calendar
 - 24-hour response
- Silver:
 - Calendar sync
 - Two hours of chat time for consultation
- Gold:
 - Access to coordinator 24/7
 - Reporting

Functional Benefit:

- Promotes aging in place and community living (for people with disabilities)
- Potential planning tool for the individual in need or his/her family
- Increases accessibility to information
- Streamlines care coordination
- Consumers can see and review other's experiences with providers

Emotional Benefit:

- Peace of mind for the planner
- Confidence with making the right decision

Reasons to Believe:

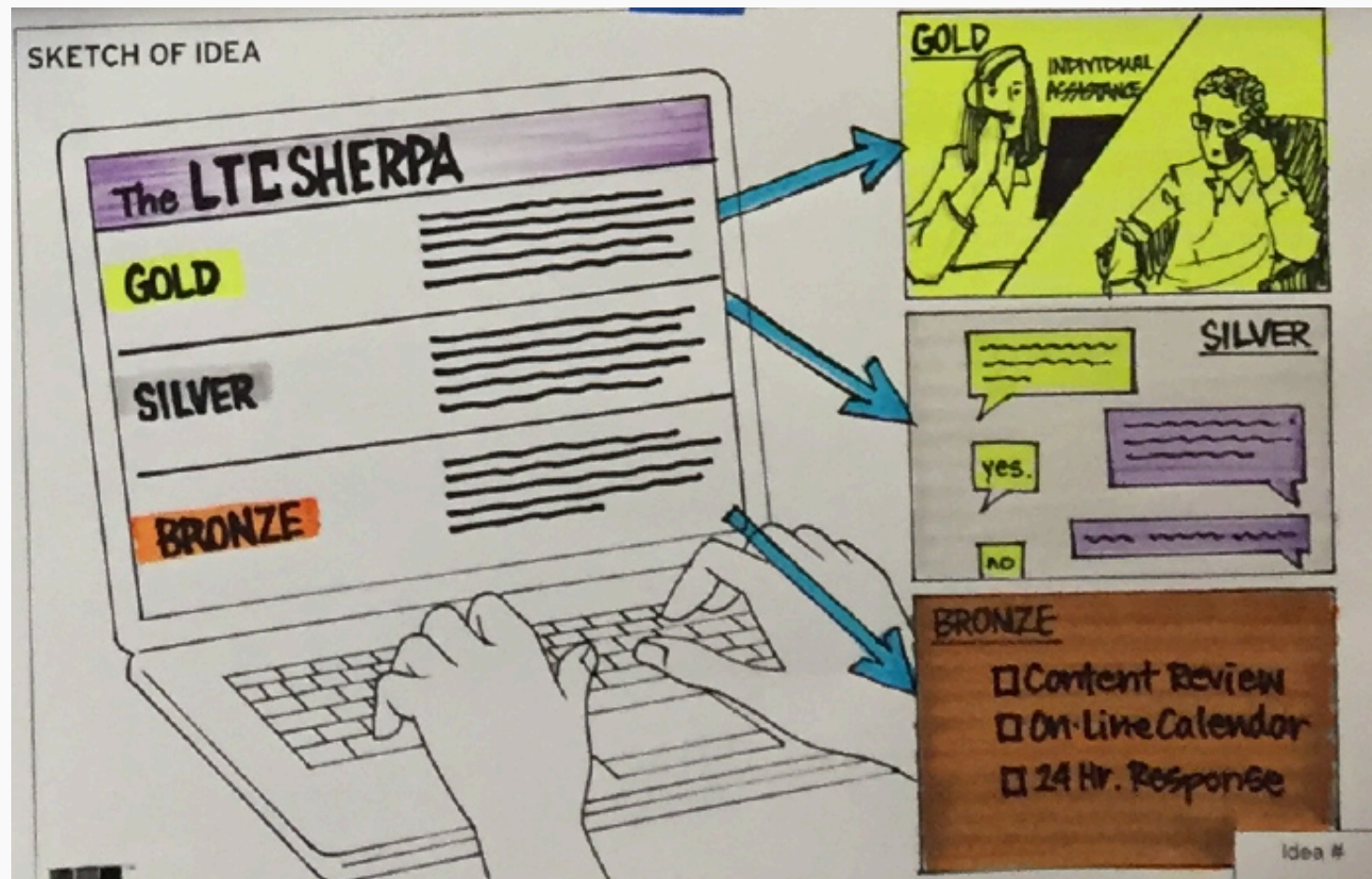
- People want to make the right choices and are willing to and want validation for important decisions
- The tiered approach allows you to get the help you need at the price you can afford

Builds:

- Benefits could include a "benefit coordinator" to look across all policies and consult on when/when not to use certain benefits

Number of Votes: 1

THE LTC SHERPA



PAYING FOR CARE (“PAY-FORS”)

HEALTH AND LTSS COMBINATION

Customer Insight (What does it solve?): People without a lot of assets living paycheck-to-paycheck need some way to fund LTSS. Add LTSS benefit to Medigap and Medicare Advantage and leverage those enrollment processes.

Headline: *Health and LTSS together*

Description *(What it is):*

- Carriers in Medigap and Medicare Advantage must offer a short-term care product
- Cover custodial (home) care; smaller benefit
- Price at half of the cost of Medigap and Medicare Advantage (maybe \$50 – \$75 a month)

Concept Details *(What it does/How it works):*

When Americans turn 65, they must purchase either Medigap or Medicare Advantage. Most enroll in part D too. Can also facilitate coordination between health services and LTSS. This guaranteed-issue benefit will “catch” people who didn’t buy LTC insurance earlier or who don’t have large assets.

- Use existing risk adjustment in Medicare Advantage to facilitate
- Add near risk adjustment for Medigap to handle risk selection
- No waiver of premium when on claim
- Deemed partnership eligible with credits for informal care (e.g., if I provide unpaid care, I get \$20 of credit toward partnership)
- Think about similar benefit for 75% – 150% of FPL
- Could have dividends for wellness; savings on the acute side

Functional Benefit:

- Expands some coverage to much larger population
- Coordinated/integrated health and LTSS
- Potential savings on the acute health care side (prevents accidents)
- Medigap and Medicare Advantage plans will manage the risk better

Emotional Benefit:

- Peace of mind for the middle class
- Someone to go to bat for you have complex health and LTSS needs

Reasons to Believe:

- Attaches LTSS to something people are doing anyway
- Existing structures (Medigap and Medicare Advantage) provide a compelling vehicle
- Opportunity for carriers

Builds:

- If you take LTSS benefit at age 65, you get GI
- Vesting?
- How to sell to younger ages with benefits kicking in? 401(k)?

Number of Votes: 14

MEDICARE LTC BENEFIT

Customer Insight (What does it solve?): Some people still won't have coverage even if we expand retirement plans/Medigap/Medicare Advantage. This closes the gap.

Headline: *Payroll tax funded*

Description *(What it is):*

Everyone with earnings pays in and everyone gets a base of LTC insurance coverage. Individuals can purchase private supplemental coverage.

Concept Details *(What it does/How it works):*

Basic LTSS benefit for everyone eligible for Medicare or Social Security. Financed by payroll tax. Individuals may buy supplemental/private insurance.

Functional Benefit:

- Almost all people would get some coverage to be near universal. Provides base for supplemental coverage to build upon.

Emotional Benefit:

- Peace of mind

Reasons to Believe:

- Attaches LTC insurance to an existing public program
- Natural evolution of social insurance

Builds:

None

Number of Votes: 4

LIST OF 85 “DAY 1” IDEAS

#	IDEA	HEADLINE
1	eHarmony for Care Providing	
2	Projectable Premiums	Pay this year for the years you worry will be the years you need
3	Encouraged 24/7	"Encouraged" 24/7 health care provider access
4	Working with Health Care to Keep Clients Healthy	Coordinate with health care
5	Today Incentives	Financial incentives to delay care needs
6	Competitive Healthy Living	Turn eating right and exercising into competition
7	Robotics	Share technology to keep down costs and stay at home longer
8	Expanding Retirement Accounts	Allowing retirement accounts to be used for all retirement needs
9	Informal Care Community	Connecting you with people who will make you healthier/mitigate the need for care
10	Care Management	Care and coverage to support best use of existing resources
11	Catastrophic Insurance Product	
12	Shared Housing	Sharing a "home" that provides various levels of care
13	Streamline Change	
14	Public Catastrophic LTSS Insurance Backstop	
15	Congressional Budget	Change the congressional budget office cost estimation methodology to consider long-term costs/benefits
16	Expand Partnerships	All producers count
17	LTC Saving Account	
18	LTSS Annuities	
19	Offshore LTC	Assisted living facilities, timeshares
20	Establish Co-ops	Hire home health aide, cook, driver to serve a group of people
21	LTC Funding Pools	How will you pay if you don't play?
22	Credit Card Points	Credit card points that go to LTSS services
23	Add LTSS Benefit Medicaid	Add LTSS benefit to Medigap, Medicare Advance and/or Medicare Part E, etc.
24	Uber for Caregiving Time Bank	Can pay with cash or services
25	AmeriCorps for LTS	Cash and student loan forgiveness for unemployed college graduates
26	Gathering Insights	Policyholders sharing their data
27	Having All Options Open	Get real with the circle of life
28	What I Need Now	Being able to have the needs right now covered
29	Medicaid for the Truly Needy Only	
30	Leverage Qualified Dollars	Leverage qualified money into LTC spending

#	IDEA	HEADLINE
31	Soccer for IADLS	
32	Medicare Supplement	It's open enrollment time for this plan
33	Medicare Part L	
34	Exchanged-Based LTC Insurance	
35	401(k)/LTC	Allow tax/penalty-free use of 401(k) for qualified LTC
36	Dementia Care Plan	Only pays for "dementia" care but catastrophic coverage
37	Renovation and Repurposing of Property	Renovation and repurposing of property
38	Reducing Care Cost	Community care co-op
39	Managed RTC	Breaking down the "don't know what you don't know" about aging
40	Report Card	Report card, transparency of cost
41	Friends and Family	Use your benefits to benefit others
42	Robots Root Out Inefficiencies in LTC	Robots Root Out Inefficiencies in LTC
43	Care for America	A two-year volunteer program to help those in your community while receiving college credit and reducing tuition
44	Single Provider	Costco identifies best LTSS provider — negotiates best deal for clients
45	LTSS Marketplace	Reducing cost of care by putting individuals in charge of their dollars and making it easy to shop around
46	Eco System Control	Amazon wins again
47	Aggressive Alternative Plans of Care	Negotiate for less expensive, better care
48	Caregiver Training	App that help caregiver and receiver connect
49	Angie's List for Caregiving at Home	
50	Uber for Dementia Care	
51	Adult Daycare	Mode for communities to create "ideal"
52	Care Watch — Wearable Monitor/Reminder	Provide care without caregiver present
53	Pods for Respite and Other Care	Care park
54	Care Visits to Homebound	Low income people to discuss options
55	ER EAP	Incentives to employees if they expand EAP with meaningful LTC ITR
56	Tax Deduction	Tax deductions for family caregivers
57	Loan Forgiveness	Loan forgiveness for graduates who go through caregiver training
58	Public Sector	
59	Uber for Caregivers ADLs only	
60	Quality-Based Care	Ensuring you receive quality care from the care professionals we cover

#	IDEA	HEADLINE
61	Caregiver Support Technologies	
62	Wellness Program	
63	Risk Assessment Health/Wellness	Understand your risks and how to take action now to prevent them
64	Health Care Navigator	
65	Relax LTC Regulations	Make LTC simpler, therefore more accessible
66	Pathway to Citizenship	Providing care
67	Trade Schools	
68	LTC Caregiving Cool	
69	Expand Community-Based Medicaid	Services for truly needy
70	Organize Marketplace	Rating/cost quality
71	Revise State Scope	
72	Expand Adult Daycare	More effective care to keep people at home
73	Tech Service	Google and Uber save the world
74	Simplify Product	So simple even my grandma could buy it (and that's the point)
75	Care Connect/Compass	Care coordination app with hire help features
76	Media Bonanza	
77	Integrating Access	
78	Public Reinsurance	
79	Transition Plan	A little planning now can take you a long way later
80	Lifestage Protection Products	Protect your family from your untimely death
81	Income Benefits	Increases with longer waiting periods
82	Residual Market Mechanisms	Industry benefits from creation of new "residual market" mechanism
83	Statistical Agency Creation	Industry benefits from creation of new stat. agent for LTC industry
84	Enhance Acceptance	Carriers create mechanisms to issue coverage to higher risk consumers
85	Adopt Health Care Model	Improve product appeal by incorporating concepts from health care

LONG TERM CARE THINK TANK

EXPLORING THE POSSIBILITIES FOR HELPING THE AMERICAN PUBLIC
MANAGE THE FINANCIAL BURDEN OF LONG TERM CARE

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