

Title 50B

LONG-TERM CARE

Chapters

50B.04 Long-term services and supports trust program.

Chapter 50B.04 RCW

LONG-TERM SERVICES AND SUPPORTS TRUST PROGRAM

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50B.04.010 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Account" means the long-term services and supports trust account created in RCW 50B.04.100.

(2) "Approved service" means long-term services and supports including, but not limited to:

- (a) Adult day services;
- (b) Care transition coordination;
- (c) Memory care;
- (d) Adaptive equipment and technology;
- (e) Environmental modification;
- (f) Personal emergency response system;
- (g) Home safety evaluation;
- (h) Respite for family caregivers;
- (i) Home delivered meals;
- (j) Transportation;
- (k) Dementia supports;
- (l) Education and consultation;
- (m) Eligible relative care;
- (n) Professional services;
- (o) Services that assist paid and unpaid family members caring for eligible individuals, including training for individuals providing care who are not otherwise employed as long-term care workers under RCW 74.39A.074;

(p) In-home personal care;

(q) Assisted living services;

(r) Adult family home services; and

(s) Nursing home services.

(3) "Benefit unit" means up to one hundred dollars paid by the department of social and health services to a long-term services and supports provider as reimbursement for approved services provided to an eligible beneficiary on a specific date. The benefit unit must be adjusted annually at a rate no greater than the Washington state consumer price index, as determined solely by the council. Any changes adopted by the council shall be subject to revision by the legislature.

(4) "Commission" means the long-term services and supports trust commission established in RCW 50B.04.030.

(5) "Council" means the long-term services and supports trust council established in RCW 50B.04.040.

(6) "Eligible beneficiary" means a qualified individual who is age eighteen or older, residing in the state of Washington, was not disabled before the age of eighteen, has been determined to meet the minimum level of assistance with activities of daily living necessary to receive benefits through the trust program, as established in this chapter, and who has not exhausted the lifetime limit of benefit units.

(7) "Employee" has the meaning provided in *RCW 50A.04.010.

(8) "Employer" has the meaning provided in *RCW 50A.04.010.

(9) "Employment" has the meaning provided in *RCW 50A.04.010.

(10) "Long-term services and supports provider" means an entity that meets the qualifications applicable in law to the approved service they provide, including a qualified or certified home care aide, licensed assisted living facility, licensed adult family home, licensed nursing home, licensed in-home services agency, adult day services program, vendor, instructor, qualified family member, or other entities as registered by the department of social and health services.

(11) "Premium" or "premiums" means the payments required by RCW 50A.04.080 and paid to the employment security department for deposit in the account created in RCW 50A.04.100.

(12) "Program" means the long-term services and supports trust program established in this chapter.

(13) "Qualified family member" means a relative of an eligible beneficiary qualified to meet requirements established in state law for the approved service they provide that would be required of any other long-term services and supports provider to receive payments from the state.

(14) "Qualified individual" means an individual who meets the duration of payment requirements, as established in this chapter.

(15) "State actuary" means the office of the state actuary created in RCW 44.44.010.

(16) "Wages" has the meaning provided in *RCW 50A.04.010, except that all wages are subject to a premium assessment and not limited by the commissioner of the employment security department, as provided under **RCW 50A.04.115. [2019 c 363 § 2.]

Reviser's note: *(1) RCW 50A.04.010 was recodified as RCW 50A.05.010 pursuant to 2019 c 13 § 85.

***(2) RCW 50A.04.115 was recodified as RCW 50A.10.030 pursuant to 2019 c 13 § 86.

50B.04.020 Duties—Health care authority, department of social and health services, office of the state actuary, employment security department.

(1) The health care authority, the department of social and health services, the office of the state actuary, and the employment security department each have distinct responsibilities in the implementation and administration of the program. In the performance of their activities, they shall actively collaborate to realize program efficiencies and provide persons served by the program with a well-coordinated experience.

(2) The health care authority shall:

(a) Track the use of lifetime benefit units to verify the individual's status as an eligible beneficiary as determined by the department of social and health services;

(b) Ensure approved services are provided through audits or service verification processes within the service provider payment system for registered long-term services and supports providers and recoup any inappropriate payments;

(c) Establish criteria for the payment of benefits to registered long-term services and supports providers under RCW 50B.04.070;

(d) Establish rules and procedures for benefit coordination when the eligible beneficiary is also funded for medicaid and other long-term services and supports, including medicaid, coverage through the department of labor and industries, and private long-term care coverage; and

(e) Adopt rules and procedures necessary to implement and administer the activities specified in this section related to the program.

(3) The department of social and health services shall:

(a) Make determinations regarding an individual's status as an eligible beneficiary under RCW 50B.04.060;

(b) Approve long-term services and supports eligible for payment as approved services under the program, as informed by the commission;

(c) Register long-term services and supports providers that meet minimum qualifications;

(d) Discontinue the registration of long-term services and supports providers that: (i) Fail to meet the minimum qualifications applicable in law to the approved service that they provide; or (ii) violate the operational standards of the program;

(e) Disburse payments of benefits to registered long-term services and supports providers, utilizing and leveraging existing payment systems for the provision of approved services to eligible beneficiaries under RCW 50B.04.070;

(f) Prepare and distribute written or electronic materials to qualified individuals, eligible beneficiaries, and the public as deemed necessary by the commission to inform them of program design and updates;

(g) Provide customer service and address questions and complaints, including referring individuals to other appropriate agencies;

(h) Provide administrative and operational support to the commission;

(i) Track data useful in monitoring and informing the program, as identified by the commission; and

(j) Adopt rules and procedures necessary to implement and administer the activities specified in this section related to the program.

(4) The employment security department shall:

(a) Collect and assess employee premiums as provided in RCW 50B.04.080;

(b) Assist the commission, council, and state actuary in monitoring the solvency and financial status of the program;

(c) Perform investigations to determine the compliance of premium payments in RCW 50B.04.080 in coordination with the same activities conducted under the family and medical leave act, *chapter 50A.04 RCW, to the extent possible;

(d) Make determinations regarding an individual's status as a qualified individual under RCW 50B.04.050; and

(e) Adopt rules and procedures necessary to implement and administer the activities specified in this section related to the program.

(5) The office of the state actuary shall:

(a) Beginning January 1, 2024, and biennially thereafter, perform an actuarial audit and valuation of the long-term services and supports trust fund. Additional or more frequent actuarial audits and valuations may be performed at the request of the council;

(b) Make recommendations to the council and the legislature on actions necessary to maintain trust solvency. The recommendations must include options to redesign or reduce benefit units, approved services, or both, to prevent or eliminate any unfunded actuarially accrued liability in the trust or to maintain solvency; and

(c) Select and contract for such actuarial, research, technical, and other consultants as the actuary deems necessary to perform its duties under chapter 363, Laws of 2019. [2019 c 363 § 3.]

***Reviser's note:** Substantial portions of chapter 50A.04 RCW were recodified as various new chapters in Title 50A RCW pursuant to 2019 c 13.

50B.04.030 Long-term services and supports trust commission—Investment strategy subcommittee.

(1) The long-term services and supports trust commission is established. The commission's recommendations and decisions must be guided by the joint goals of maintaining benefit adequacy and maintaining fund solvency and sustainability.

(2) The commission includes:

(a) Two members from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;

(b) Two members from each of the two largest caucuses of the senate, appointed by the president of the senate;

(c) The commissioner of the employment security department, or the commissioner's designee;

(d) The secretary of the department of social and health services, or the secretary's designee;

(e) The director of the health care authority, or the director's designee, who shall serve as a nonvoting member;

(f) One representative of the organization representing the area agencies on aging;

(g) One representative of a home care association that represents caregivers who provide services to private pay and medicaid clients;

(h) One representative of a union representing long-term care workers;

(i) One representative of an organization representing retired persons;

(j) One representative of an association representing skilled nursing facilities and assisted living providers;

(k) One representative of an association representing adult family home providers;

(l) Two individuals receiving long-term services and supports, or their designees, or representatives of consumers receiving long-term services and supports under the program;

(m) One member who is a worker who is, or will likely be, paying the premium established in RCW 50B.04.080 and who is not employed by a long-term services and supports provider; and

(n) One representative of an organization of employers whose members collect, or will likely be collecting, the premium established in RCW 50B.04.080.

(3)(a) Other than the legislators and agency heads identified in subsection (2) of this section, members of the commission are appointed by the governor for terms of two years, except that the governor shall appoint the initial members identified in subsection (2)(f) through (n) of this section to staggered terms not to exceed four years.

(b) The secretary of the department of social and health services, or the secretary's designee, shall serve as chair of the commission. Meetings of the commission are at the call of the chair. A majority of the voting members of the commission shall constitute a quorum for any votes of the commission. Approval of sixty percent of those voting members of the commission who are in attendance is required for the passage of any vote.

(c) Members of the commission and the subcommittee established in subsection (6) of this section must be compensated in accordance with RCW 43.03.250 and must be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060.

(4) Beginning January 1, 2021, the commission shall propose recommendations to the appropriate executive agency or the legislature regarding:

(a) The establishment of criteria for determining that an individual has met the requirements to be a qualified individual as established in RCW 50B.04.050 or an eligible beneficiary as established in RCW 50B.04.060;

(b) The establishment of criteria for minimum qualifications for the registration of long-term services and supports providers who provide approved services to eligible beneficiaries;

(c) The establishment of payment maximums for approved services consistent with actuarial soundness which shall not be lower than medicaid payments for comparable services. A service or supply may be limited by dollar amount, duration, or number of visits. The commission shall engage affected stakeholders to develop this recommendation;

(d) Changes to rules or policies to improve the operation of the program;

(e) Providing a recommendation to the council for the annual adjustment of the benefit unit in accordance with RCW 50B.04.010 and 50B.04.040;

(f) A refund of premiums for a deceased qualified individual with a dependent who is an individual with a developmental disability who is dependent for support from a qualified individual. The qualified individual must not have been determined to be an eligible beneficiary by the department of social and health services. The refund shall be deposited into an individual trust account within the developmental disabilities endowment trust fund for the benefit of the dependent with a developmental disability. The commission shall consider:

(i) The value of the refund to be one hundred percent of the current value of the qualified individual's lifetime premium payments at the time that certification of death of the qualified individual is submitted, less any administrative process fees; and

(ii) The criteria for determining whether the individual is developmentally disabled. The determination shall not be based on whether or not the individual with a developmental disability is receiving services under Title 71A RCW, or another state or local program;

(g) Assisting the state actuary with the preparation of regular actuarial reports on the solvency and financial status of the program and advising the legislature on actions necessary to maintain trust solvency. The commission shall provide the office of the state actuary with all actuarial reports for review. The office of the state actuary shall provide any recommendations to the commission and the legislature on actions necessary to maintain trust solvency;

(h) For the January 1, 2021, report only, recommendations on whether and how to extend coverage to individuals who became disabled before the age of eighteen, including the impact on the financial status and solvency of the trust. The commission shall engage affected stakeholders to develop this recommendation; and

(i) For the January 1, 2021, report only, the commission shall consult with the office of the state actuary on the development of an actuarial report of the projected solvency and financial status of the program. The office of the state actuary shall provide any recommendations to the commission and the legislature on actions necessary to achieve trust solvency.

(5) The commission shall monitor agency administrative expenses over time. Beginning November 15, 2020, the commission must annually report to the governor and the fiscal committees of the legislature on agency spending for administrative expenses and anticipated administrative expenses as the program shifts into different phases of implementation and operation. The November 15, 2025, report must include recommendations for a method of calculating future agency administrative expenses to limit administrative expenses while providing sufficient funds to adequately operate the program. The agency heads identified in subsection (2) of this section may advise the commission on the reports prepared under this subsection, but must recuse themselves from the commission's process for review, approval, and submission to the legislature.

(6) The commission shall establish an investment strategy subcommittee consisting of the members identified in subsection (2)(a) through (d) of this section as voting members of the subcommittee. In addition, four members appointed by the governor who are considered experienced and qualified in the field of investment shall serve as nonvoting members. The subcommittee shall provide guidance and advice to the state investment board on investment strategies for the account, including seeking counsel and advice on the types of investments that are constitutionally permitted. [2019 c 363 § 4.]

50B.04.040 Long-term services and supports council—Benefit unit adjustment. (1) The long-term services and supports council is established. The council includes the members identified in RCW 50B.04.030(2) (a) through (e) and the director of the office of financial management, or the director's designee.

(2) On an annual basis, the council must determine adjustments to the benefit unit as provided in the definition of "benefit unit" in RCW 50B.04.010 to assure benefit adequacy and solvency of the long-term services and supports trust account established in RCW 50B.04.100. In determining adjustments to the benefit unit, the council must review the state actuary's actuarial audit and valuation of the trust account, any recommendations by the state actuary and commission, data on relevant economic indicators and program costs, and sustainability.

(3) The director of the office of financial management, or the director's designee, shall serve as chair of the council. The council must meet at least once annually to determine adjustments to the benefit unit as defined in RCW 50B.04.010. Additional meetings of the council are at the call of the chair. A majority of the voting members of the council shall constitute a quorum for any votes of the council. Approval of sixty percent of the members of the council who are in attendance is required for the passage of any vote. The council may adopt rules for the conduct of meetings, including provisions for meetings and voting to be conducted by telephonic, video, or other conferencing process.

(4) Members of the council must be compensated in accordance with RCW 43.03.250 and must be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060. [2019 c 363 § 5.]

50B.04.050 Qualified individuals. (1) The employment security department shall deem a person to be a qualified individual as provided in this chapter if the person has paid the long-term services and supports premiums required by RCW 50B.04.080 for the equivalent of either:

(a) A total of ten years without interruption of five or more consecutive years; or

(b) Three years within the last six years.

(2) When deeming a person to be a qualified individual, the employment security department shall require that the person have worked at least five hundred hours during each of the ten years in subsection (1)(a) of this section and each of the three years in subsection (1)(b) of this section. [2019 c 363 § 6.]

50B.04.060 Eligible beneficiaries—Determination—Services and benefits. (1) Beginning January 1, 2025, approved services must be available and benefits payable to a registered long-term services and supports provider on behalf of an eligible beneficiary under this section.

(2) A qualified individual may become an eligible beneficiary by filing an application with the department of social and health services and undergoing an eligibility determination which includes an evaluation that the individual requires assistance with at least three activities of daily living. The department of social and health services must engage sufficient qualified assessor capacity, including via contract, so that the determination may be made within forty-five days from receipt of a request by a beneficiary to use a benefit.

(3)(a) An eligible beneficiary may receive approved services and benefits through the program in the form of a benefit unit payable to a registered long-term services and supports provider.

(b) An eligible beneficiary may not receive more than the dollar equivalent of three hundred sixty-five benefit units over the course of the eligible beneficiary's lifetime.

(i) If the department of social and health services reimburses a long-term services and supports provider for approved services provided to an eligible beneficiary and the payment is less than the benefit unit, only the portion of the benefit unit that is used shall be taken into consideration when calculating the person's remaining lifetime limit on receipt of benefits.

(ii) Eligible beneficiaries may combine benefit units to receive more approved services per day as long as the total number of lifetime benefit units has not been exceeded. [2019 c 363 § 7.]

50B.04.070 Payment of benefits. (1) Benefits provided under this chapter shall be paid periodically and promptly to registered long-term services and supports providers.

(2) Qualified family members may be paid for approved personal care services in the same way as individual providers, through a licensed home care agency, or through a third option if recommended by the commission and adopted by the department of social and health services. [2019 c 363 § 8.]

50B.04.080 Premium assessment—Rate—Collection. (1) Beginning January 1, 2022, the employment security department shall assess for each individual in employment with an employer a premium based on the amount of the individual's wages. The initial premium rate is fifty-eight hundredths of one percent of the individual's wages. Beginning January 1, 2024, and biennially thereafter, the premium rate shall be set by the pension funding council at a rate no greater than fifty-eight hundredths of one percent. In addition, the pension funding council must set the premium rate at the lowest amount necessary to maintain the actuarial solvency of the long-term services and supports trust account created in RCW 50B.04.100 in accordance with recognized insurance principles and designed to attempt to limit fluctuations in the premium rate. To facilitate the premium rate setting the office of the state actuary must perform a biennial actuarial audit and valuation of the fund and make recommendations to the pension funding council.

(2)(a) The employer must collect from the employees the premiums provided under this section through payroll deductions and remit the amounts collected to the employment security department.

(b) In collecting employee premiums through payroll deductions, the employer shall act as the agent of the employees and shall remit the amounts to the employment security department as required by this chapter.

(3) Nothing in this chapter requires any party to a collective bargaining agreement in existence on October 19, 2017, to reopen negotiations of the agreement or to apply any of the responsibilities under this chapter unless and until the existing agreement is reopened or renegotiated by the parties or expires.

(4)(a) Premiums shall be collected in the manner and at such intervals as provided in this chapter and directed by the employment security department.

(b) To the extent feasible, the employment security department shall use the premium assessment, collection, and reporting procedures in *chapter 50A.04 RCW.

(5) The employment security department shall deposit all premiums collected in this section in the long-term services and supports trust account created in RCW 50B.04.100.

(6) Premiums collected in this section are placed in the trust account for the individuals who become eligible for the program.

(7) If the premiums established in this section are increased, the legislature shall notify each qualified individual by mail that the person's premiums have been increased, describe the reason for increasing the premiums, and describe the plan for restoring the funds so that premiums are returned to fifty-eight hundredths of one percent of the individual's wages.

(8) An employee who demonstrates that the employee has long-term care insurance is exempt from the premium assessment in this section. [2019 c 363 § 9.]

**Reviser's note:* Substantial portions of chapter 50A.04 RCW were recodified as various new chapters in Title 50A RCW pursuant to 2019 c 13.

50B.04.090 Election of coverage—Self-employed persons. (1) Beginning January 1, 2022, any self-employed person, including a sole proprietor, independent contractor, partner, or joint venturer, may elect coverage under this chapter. Those electing coverage under this subsection are responsible for payment of one hundred percent of all premiums assessed to an employee under RCW 50B.04.080. The self-employed person must file a notice of election in writing with the employment security department, in the manner required by the employment security department in rule. The self-employed person is eligible for benefits after paying the long-term services and supports premium for the time required under RCW 50B.04.050.

(2) A self-employed person who has elected coverage may withdraw from coverage, at such times as the employment security department may adopt by rule, by filing a notice of withdrawal in writing with the employment security department, with the withdrawal to take effect not sooner than thirty days after filing the notice with the employment security department.

(3) The employment security department may cancel elective coverage if the self-employed person fails to make

required payments or file reports. The employment security department may collect due and unpaid premiums and may levy an additional premium for the remainder of the period of coverage. The cancellation must be effective no later than thirty days from the date of the notice in writing advising the self-employed person of the cancellation.

(4) Those electing coverage are considered employers or employees where the context so dictates.

(5) For the purposes of this section, "independent contractor" means an individual excluded from the definition of "employment" in *RCW 50B.04.010(8).

(6) The employment security department shall adopt rules for determining the hours worked and the wages of individuals who elect coverage under this section and rules for enforcement of this section. [2019 c 363 § 10.]

**Reviser's note:* The definition of "employment" is found in RCW 50B.04.010(9). The reference to RCW 50B.04.010(8) appears to be erroneous.

50B.04.100 Long-term services and supports trust account. (1) The long-term services and supports trust account is created in the custody of the state treasurer. All receipts from employers under RCW 50B.04.080 must be deposited in the account. Expenditures from the account may be used for the administrative activities of the department of social and health services, the health care authority, and the employment security department. Benefits associated with the program must be disbursed from the account by the department of social and health services. Only the secretary of the department of social and health services or the secretary's designee may authorize disbursements from the account. The account is subject to the allotment procedures under chapter 43.88 RCW. An appropriation is required for administrative expenses, but not for benefit payments. The account must provide reimbursement of any amounts from other sources that may have been used for the initial establishment of the program.

(2) The revenue generated pursuant to this chapter shall be utilized to expand long-term care in the state. These funds may not be used either in whole or in part to supplant existing state or county funds for programs that meet the definition of approved services.

(3) The moneys deposited in the account must remain in the account until expended in accordance with the requirements of this chapter. If moneys are appropriated for any purpose other than supporting the long-term services and supports program, the legislature shall notify each qualified individual by mail that the person's premiums have been appropriated for an alternate use, describe the alternate use, and state its plan for restoring the funds so that premiums are not increased and benefits are not reduced. [2019 c 363 § 11.]

50B.04.110 Long-term services and supports trust account—Investment—Policies. (1) The department of social and health services shall have the state investment board invest the funds in the account. The state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the account. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings

from the investment of the money shall be retained by the accounts.

(2) All investments made by the state investment board shall be made with the degree of judgment and care required under RCW 43.33A.140 and the investment policy established by the state investment board.

(3) As deemed appropriate by the state investment board, money in the account may be commingled for investment with other funds subject to investment by the state investment board.

(4) Members of the state investment board may not be considered an insurer of the funds or assets and are not liable for any action or inaction.

(5) Members of the state investment board are not liable to the state, to the account, or to any other person as a result of their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violations of law. The state investment board in its discretion may purchase liability insurance for members.

(6) The authority to establish all policies relating to the account, other than the investment policies as provided in subsections (1) through (3) of this section, resides with the department of social and health services acting in accordance with the principles set forth in this chapter. With the exception of expenses of the state investment board under subsection (1) of this section, disbursements from the account shall be made only on the authorization of the department of social and health services or its designee, and moneys in the account may be spent only for the purposes specified in this chapter.

(7) The state investment board shall routinely consult and communicate with the department of social and health services on the investment policy, earnings of the accounts, and related needs of the program. [2019 c 363 § 12.]

50B.04.120 Appeal of determinations. (1) Determinations made by the health care authority or the department of social and health services under this chapter, including determinations regarding functional eligibility or related to registration of long-term services and supports providers, are subject to appeal in accordance with chapter 34.05 RCW. In addition, the standards and procedures adopted for these appeals must address the following:

- (a) Timelines;
- (b) Eligibility and benefit determination;
- (c) Judicial review; and
- (d) Fees.

(2) Determinations made by the employment security department under this chapter are subject to appeal in accordance with the appeal procedures under *chapter 50A.04 RCW. The employment security department shall adopt standards and procedures for appeals for persons aggrieved by any determination or redetermination made by the department. The standards and procedures must be consistent with those adopted for the family and medical leave program under *chapter 50A.04 RCW and must address topics including:

- (a) Premium liability;
- (b) Premium collection;
- (c) Judicial review; and
- (d) Fees. [2019 c 363 § 13.]

***Reviser's note:** Substantial portions of chapter 50A.04 RCW were recodified as various new chapters in Title 50A RCW pursuant to 2019 c 13.

50B.04.130 Medicare data and waiver—Report. The department of social and health services must:

(1) Seek access to medicare data from the federal centers for medicare and medicaid services to analyze the potential savings in medicare expenditures due to the operation of the program;

(2) Apply for a demonstration waiver from the federal centers for medicare and medicaid services to allow for the state to share in the savings generated in the federal match for medicaid long-term services and supports and medicare due to the operation of the program;

(3) Submit a report, in compliance with RCW 43.01.036, on the status of the waiver to the office of financial management and the appropriate committees of the legislature by December 1, 2022. [2019 c 363 § 14.]

50B.04.140 Reports to legislature. Beginning December 1, 2026, and annually thereafter, and in compliance with RCW 43.01.036, the commission must report to the legislature on the program, including:

- (1) Projected and actual program participation;
- (2) Adequacy of premium rates;
- (3) Fund balances;
- (4) Benefits paid;
- (5) Demographic information on program participants, including age, gender, race, ethnicity, geographic distribution by county, legislative district, and employment sector; and
- (6) The extent to which the operation of the program has resulted in savings to the medicaid program by avoiding costs that would have otherwise been the responsibility of the state. [2019 c 363 § 15.]

50B.04.150 Benefits not income or resource. Any benefits used by an individual under this chapter are not income or resources for any determinations of eligibility for any other state program or benefit, for medicaid, for a state-federal program, or for any other means-tested program. [2019 c 363 § 16.]

50B.04.160 Entitlement not created. Nothing in this chapter creates an entitlement for a person to receive, or requires a state agency to provide, case management services including, but not limited to, case management services under chapter 74.39A RCW. [2019 c 363 § 17.]

50B.04.900 Findings—2019 c 363. The legislature finds that:

(1) Long-term care is not covered by medicare or other health insurance plans, and the few private long-term care insurance plans that exist are unaffordable for most people, leaving more than ninety percent of seniors uninsured for long-term care. The current market for long-term care insurance is broken: In 2002, there were one hundred two companies offering long-term care insurance coverage, but today that number is only twelve.

(2) The majority of people over sixty-five years of age will need long-term services and supports within their lifetimes. The senior population has doubled in Washington

since 1980, to currently over one million, and will more than double again by 2040. Without access to insurance, seniors must rely on family care and spend their life savings down to poverty levels in order to access long-term care through medicaid. Middle class families are at the greatest risk because most have not saved enough to cover long-term care costs. When seniors reach the point of needing assistance with eating, dressing, and personal care, they must spend down to their last remaining two thousand dollars before they qualify for state assistance, leaving family members in jeopardy for their own future care needs. In Washington, more than eight hundred fifty thousand unpaid family caregivers provided care valued at eleven billion dollars in 2015. Furthermore, family caregivers who leave the workforce to provide unpaid long-term services and supports lose an average of three hundred thousand dollars in their own income and health and retirement benefits.

(3) Paying out-of-pocket for long-term care is expensive. In Washington, the average cost for medicaid in-home care is twenty-four thousand dollars per year and the average cost for nursing home care is sixty-five thousand dollars per year. These are costs that most seniors cannot afford.

(4) Seniors and the state will not be able to continue their reliance on family caregivers in the near future. Demographic shifts mean that fewer potential family caregivers will be available in the future. Today, there are around seven potential caregivers for each senior, but by 2030 that ratio will decrease to four potential caregivers for each senior.

(5) Long-term services and supports comprise approximately six percent of the state operating budget, and demand for these services will double by 2030 to over twelve percent. This will result in an additional six billion dollars in increased near-general fund costs for the state by 2030.

(6) An alternative funding mechanism for long-term care access in Washington state could relieve hardship on families and lessen the burden of medicaid on the state budget. In addition, an alternative funding mechanism could result in positive economic impact to our state through increased state competition and fewer Washingtonians leaving the workforce to provide unpaid care.

(7) The average aging and long-term supports administration medicaid consumer utilizes ninety-six hours of care per month. At current costs, a one hundred dollars per day benefit for three hundred sixty-five days would provide complete financial relief for the average in-home care consumer and substantial relief for the average facility care consumer for a full year or more.

(8) Under current caseload and demographic projections, an alternative funding mechanism for long-term care access could save the medicaid program eight hundred ninety-eight million dollars in the 2051-2053 biennium.

(9) As the state pursues an alternative funding mechanism for long-term care access, the state must continue its commitment to promoting choice in approved services and long-term care settings. Therefore, any alternative funding mechanism program should be structured such that:

(a) Individuals are able to use their benefits for long-term care services in the setting of their choice, whether in the home, a residential community-based setting, or a skilled nursing facility;

(b) The choice of provider types and approved services is the same or greater than currently available through Washington's publicly funded long-term services and supports;

(c) Transitions from private and public funding sources for consumers are seamless;

(d) Long-term care health status data is collected across all home and community-based settings; and

(e) Program design focuses on the need to provide meaningful assistance to middle class families.

(10) The creation of a long-term care insurance benefit of an established dollar amount per day for three hundred sixty-five days for all eligible Washington employees, paid through an employee payroll premium, is in the best interest of the state of Washington. [2019 c 363 § 1.]

