



Update and Learnings
from Washington State:
What It Means for the
Future of Publicly
Financed Long-Term
Care Programs

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The path to WA Cares



2015

Research on
policy options for
LTC

2019

Legislature
passes LTSS Trust
Act & governor
signs into law

2021

Legislature
improves coverage
for adults with
disabilities that
onset prior to age
18

2022

Legislature adds
pathway to partial
benefits for near-
retirees;
establishes
voluntary
exemptions for
certain groups

2023

July 1
Workers begin
contributing

2026

July 1
Benefits become
available for
qualified, eligible
individuals

Benefit Portability

To make benefits portable, the LTSS Trust Commission considered the following issues:

- Options to reduce cost of expanding benefits to people who leave the state
- Timing implications of extending benefits to out-of-state eligible beneficiaries with respect to short-term program implementation and long-term collaboration with other states establishing similar programs
- Options for conducting eligibility determinations outside of Washington
- Alternative forms of benefits for out-of-state eligible beneficiaries and methods of cross-state coordination on LTSS providers

Benefit Eligibility

DSHS will make determinations regarding an individual's status as an eligible beneficiary under RCW 50B.04.060:

- (1) Beginning July 1, 2026, 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.

Recertification and Rescinding of Private LTC Insurance Exemption

Policy Background: Approximately 475,000 people have been approved for an exemption based on purchasing private long-term care insurance. The window to purchase private LTC insurance in order to be exempt from WA Cares Fund has closed.

According to the 2022 operating budget bill ESSB 5693, Section 204 (58) The long-term services and supports trust commission established in RCW 50B.04.030 must submit the results of the following activities, including any legislative recommendations, to the governor and appropriate legislative committees no later than January 1, 2023:

- (58)(b) The commission shall develop options for requiring the ongoing verification of the maintenance of long-term care insurance coverage by persons who have received an exemption under RCW 50B.04.085, including consideration of procedures that minimize administrative burden, minimize negative impact on long-term services and supports trust account solvency, and incentivize maintenance of coverage
- (58)(c) The commission shall develop options for providing workers who have received exemptions based on having private long-term care insurance pursuant to RCW 50B.04.085 an opportunity to rescind their exemption and permanently reenter the long-term services and supports trust program.

Recertification and Rescinding of Private LTC Insurance Exemption

Commission Recommendations:

- **Recertification**

- Require all individuals with approved exemptions to provide proof that they had purchased a qualifying LTC policy prior to 11/2021 and that they have maintained their policy through the present day.
- To maintain an exemption, recertification is required to occur at an interval of no more frequently than annually and no less frequently than every three years beginning in December 2024.
- Recertification is no longer required or possible after ten years.

- **Rescind the lifetime exemption**

- Give all exempted individuals a one-time limited opportunity to join WA Cares.
 - Expires in 2028 – five years after program premium payment begins.

Supplemental Private LTC Insurance (SPLTCI) Workgroup Report

Consensus was reached on set of recommendations on the structuring of an SPLTCI market, organized in six areas:

- Consumer protection
- Venue for filing policies
- Benefit trigger and elimination period
- Transition issues for near-retiree cohorts
- Continuity of covered care settings and providers
- Coordination of benefits between WA Cares and SPLTCI policies

SPLTCI Workgroup Recommendations – Consumer Protection

Challenge: Ensuring consumers are aware of cost and benefit tradeoffs involved in choices around policy design features, particularly for a product which claims to supplement WA Cares benefits.

Recommendations:

- Develop consumer guide for people seeking SPLTCI coverage to help them make informed choices
- Direct and fund Office of the Insurance Commissioner to expand Statewide Health Insurance Benefits Advisors (SHIBA) program to educate SPLTCI consumers (focus on middle-income market)
- Create new section of statute in Title 48 to regulate policies that can be marketed and sold as supplemental to WA Cares
 - Should apply to SPLTCI products only and not disrupt current long-term care insurance market
 - Should be sufficiently detailed and thorough to give consumers adequate information to protect them as they make decisions about purchasing a product that entails a substantial long-term financial commitment
 - Everything known about SPLTCI policies should be disclosed up front so consumers are not surprised later

SPLTCI Workgroup Recommendations – Venue for Filing SPLTCI Policies

Challenge: Issues regarding filing venue could create barrier to market entry by private LTC insurance carriers.

Recommendation:

- Washington State should endeavor to work through the logistical challenges for allowing “mix and match” to reach the agreed-upon goal of facilitating the development of a vibrant and competitive SPLTCI market

SPLTCI Workgroup Recommendations – Benefit Trigger and Elimination Period

Challenge: potential gaps in coverage related to benefit trigger and elimination period

Recommendations:

- SPLTCI deductible (monetary component of SPLTCI elimination period) should be equal to WA Cares full maximum lifetime benefit (starting at \$36,500) and automatically adjusted for inflation
- WA Cares annual benefit inflation adjustment should be automatic, rather than an annual discretionary determination by the LTSS Trust Council
- Carriers may not require that a client undergo a functional assessment or satisfy a benefit trigger in order to determine that a SPLTCI elimination period has begun or ended
 - Carrier may conduct a functional assessment and apply a benefit trigger for purposes of approving SPLTCI claim and authorizing SPLTCI benefits
 - SPLTCI policies must accept exhaustion of maximum WA Cares benefits (currently \$36,500) by a SPLTCI policyholder – or for WA Cares beneficiaries with partial benefits, exhaustion of WA Cares benefits and utilization of paid care which together total proposed statutory SPLTCI deductible (currently \$36,500) – as sufficient to satisfy monetary component (deductible) of SPLTCI elimination period

SPLTCI Workgroup Recommendations – Benefit Trigger and Elimination Period (2/2)

- For proof of exhaustion of WA Cares benefits, will suffice that WA Cares Fund informs carrier when a client's WA Cares benefits are exhausted
- SPLTCI policies' elimination period may include, in addition to the monetary component (deductible), a time component such as 3, 6, 9, or 12 months, but not to exceed 12 months
- For policies that include both monetary and time component, a policyholder would satisfy SPLTCI elimination period after later of 2 events:
 - Exhausting WA Cares benefits
 - Being on their WA Cares claim for the time period specified in the policy
- New SPLTCI consumer guide, SHIBA counseling, and disclosures should support consumers in assessing tradeoffs between various elimination period options and price points and educate consumers about importance of budgeting their WA Cares benefits carefully to reduce the likelihood and size of a potential donut hole

SPLTCI Workgroup Recommendations – Transition Issues for Near-Retiree Cohorts

Challenge: potential gap in coverage due to gap between partial benefits and \$36,500 elimination period in SPLTCI policies

Recommendations:

- SPLTCI consumer guide and SHIBA counseling will work to educate near-retirees on cost and benefits of purchasing SPLTCI policies
 - Particular focus will be potential for a large deductible before the SPLTCI policy begins paying claims, its implications, and strategies for managing this
- For SPLTCI policies marketed and sold to near-retirees, dollar component of elimination period (deductible) may be \$36,500 or less

SPLTCI Workgroup Recommendations – Continuity of Covered Care Settings & Providers

Challenge: Ensuring WA Cares beneficiaries can keep their existing care setting and/or provider (including family providers) as they transition to SPLTCI benefits

Recommendations:

- Unless there is good-faith reason to believe a care setting or provider is not suited to meeting care and safety needs of a beneficiary, SPLTCI policies must allow continuity from WA Cares to SPLTCI coverage of care setting and provider, including family providers, so that SPLTCI “extends” WA Cares benefits without disrupting care
 - Carriers may audit for fraud, i.e. to determine whether care being billed is actually being provided
- If a carrier determines a care setting or provider is not suited to meeting care and safety needs of a beneficiary the carrier may, effective 90 days after the transition from WA Cares to SPLTCI benefits, require a change in care setting or provider
 - Beneficiary will have right to appeal decision through third party independent review tracked by OIC
- In their covered care settings and providers, SPLTCI policies must generally include coverage of family providers

SPLTCI Workgroup Recommendations – Collaboration in Benefit Administration

Challenge: Ensuring warm handoffs to minimize risk of discontinuities in care

Recommendations:

- To support seamless transition from WA Cares to SPLTCI, a process of reciprocal administrative notification should be developed:
 - When a WA Cares Fund qualified individual applies for WA Cares benefits, WA Cares Fund asks whether individual has SPLTCI coverage and if yes, requests written consent from the applicant to share this information with SPLTCI carrier for purpose of triggering SPLTCI policy's elimination period as well as any potential care coordination
 - When a Washingtonian purchases a SPLTCI policy, carrier requests written consent from policyholder to share this information directly with WA Cares Fund and if this consent is granted, shares that information with WA Cares Fund
- Only basic demographic information that would allow a person to be identified in each system would be shared; no health information or data on claims.

THANK YOU



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