
OLYMPIA, Wash. (AP) — Washington is poised to become the first state to establish an employee-paid program creating an insurance benefit to help offset the costs of long-term care, a step advocates say will help an aging population that is likely not prepared for the increasing costs needed for daily assistance.



WA Cares Fund Program Overview

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What You Need to Know About the WA Cares Fund

Why do we exist?

So Washingtonians can care for themselves and the people they love.

What do we do?

Support employees and employers so that they can maintain economic stability and peace of mind in challenging times.



The Path to WA Cares

2019

State Legislature
Passes SSHB 1087

- **ESD** Collects Premiums
- **DSHS** Administers Benefit
- **HCA** Tracks Lifetime Benefit
- **State Actuary** Performs Actuarial Audit Functions

2020

ESD Agency Request
Legislation SSB 6267
Passes

2021

HB 1323 Passes

October 1

ESD accepts
exemptions
through
December 2022

2022

January 1

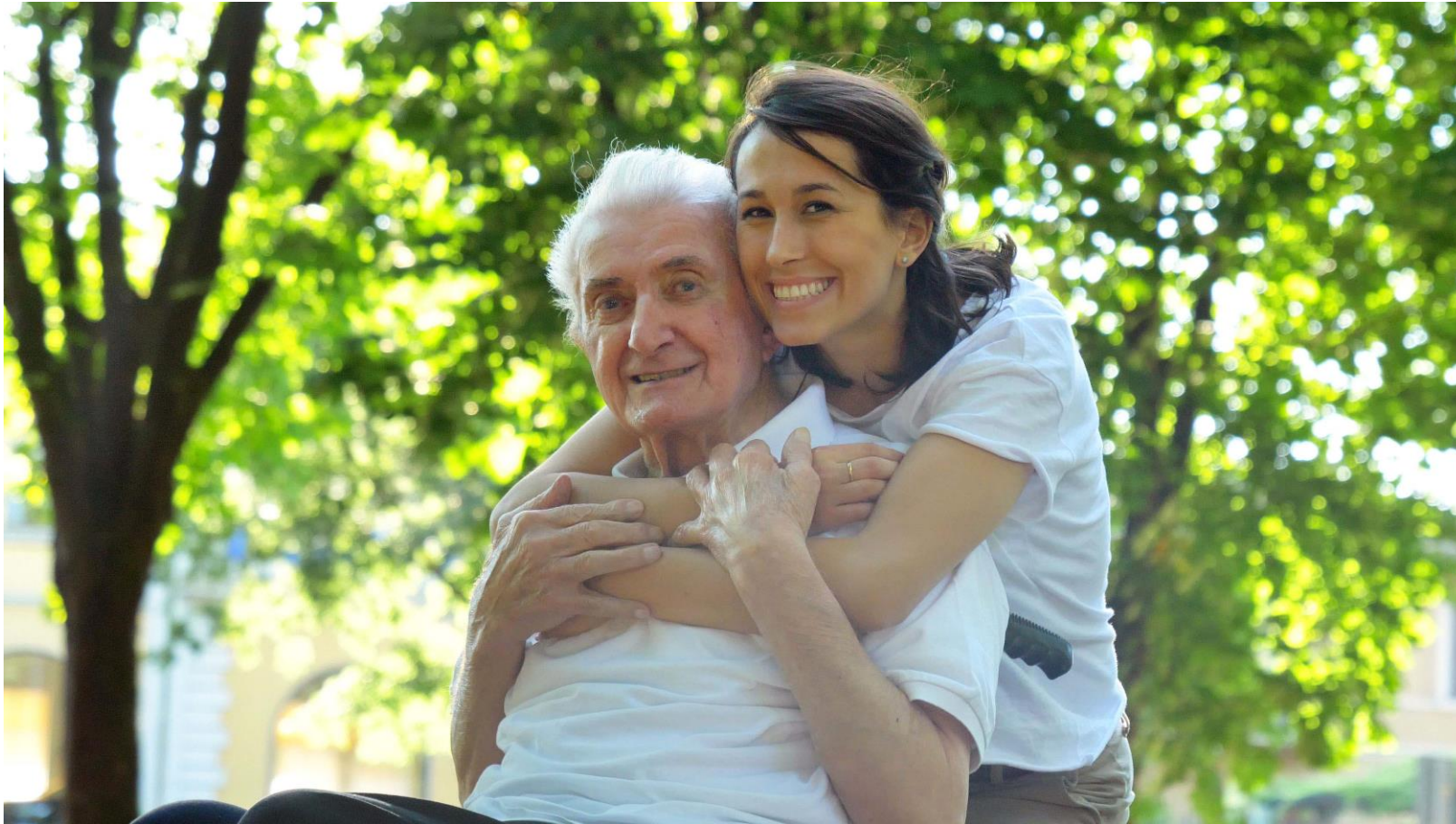
Employers begin
deducting premiums
from employee wages

2025

January 1

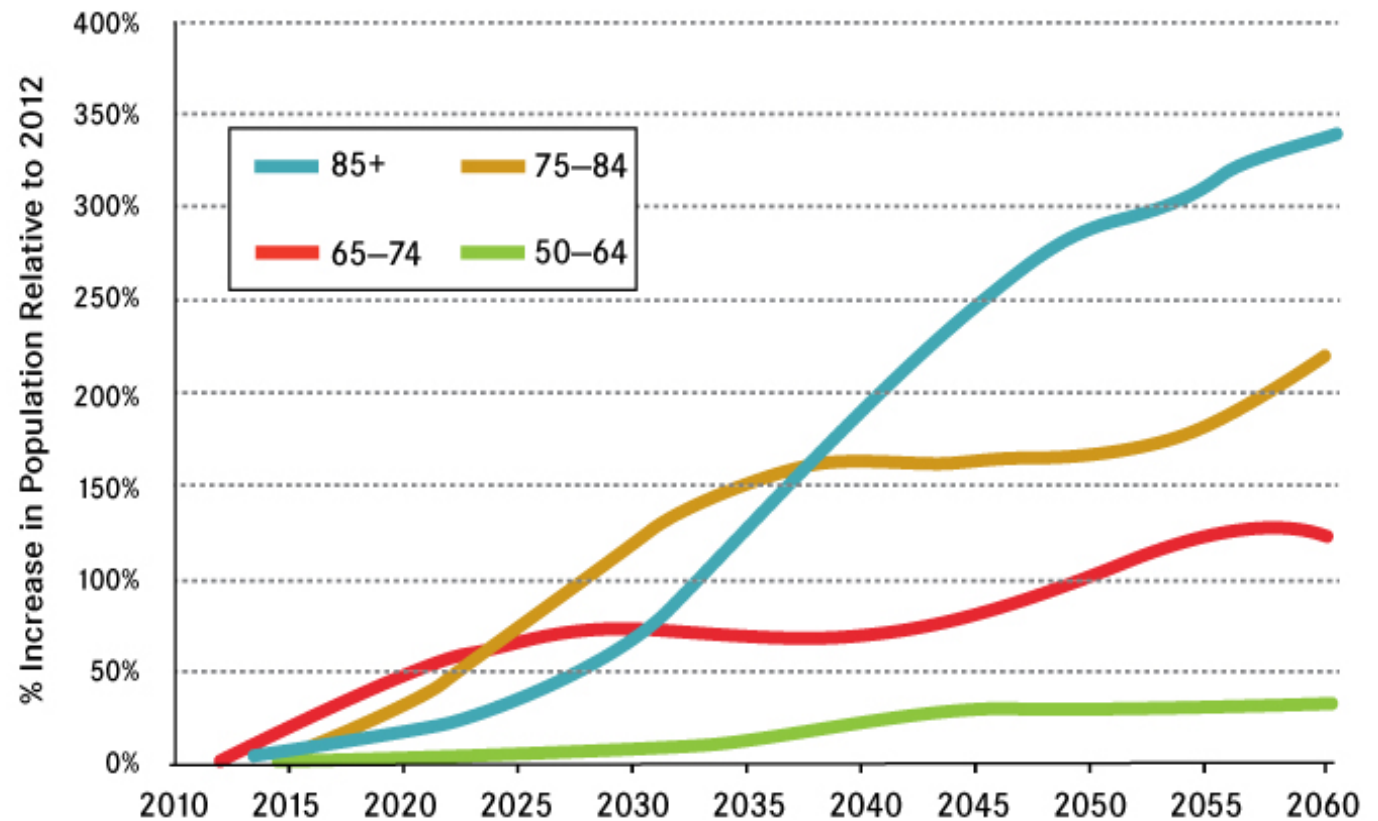
Benefit becomes
available for eligible
beneficiaries

Why Families Need a New Approach to LTC



A Good Thing for Washington's Aging Population

- Long-term care needs are growing as Washingtonians age
- Families are less able to meet long-term care needs of loved ones



Source: Washington State Department of Social and Health Services, Research and Data Analysis Division

The cost of long-term care

Long-Term Care is predictable and expensive

- 70% of those turning 65 today will need long-term care
- Annual cost of home care: \$33k to \$66k (20-40 hours/week)

Most Seniors can't afford long-term care

- Among Washington seniors:
 - Median household income: \$56,000
 - Half have no 401(k) or pension income



How the WA Cares Fund Supports Washington Families

Affordability

- For the first time, long-term care insurance is affordable for all working Washingtonians

Peace of Mind

- We know we will have access to care when we need it later in life, reducing the emotional and financial stress on family relationships

Choice

- We choose who provides our care and where we receive it

Washington is a better place to live, work and retire.

How the benefit works

How the Benefit Works

- Each eligible beneficiary can access services and supports costing up to \$36,500.
- The benefit can be used for a range of services and supports, such as:



Professional care



Rides to the doctor



Home-delivered meals



Training family caregivers



Adaptive equipment and technology



Home safety evaluations

How the Benefit Works

Vesting and eligibility

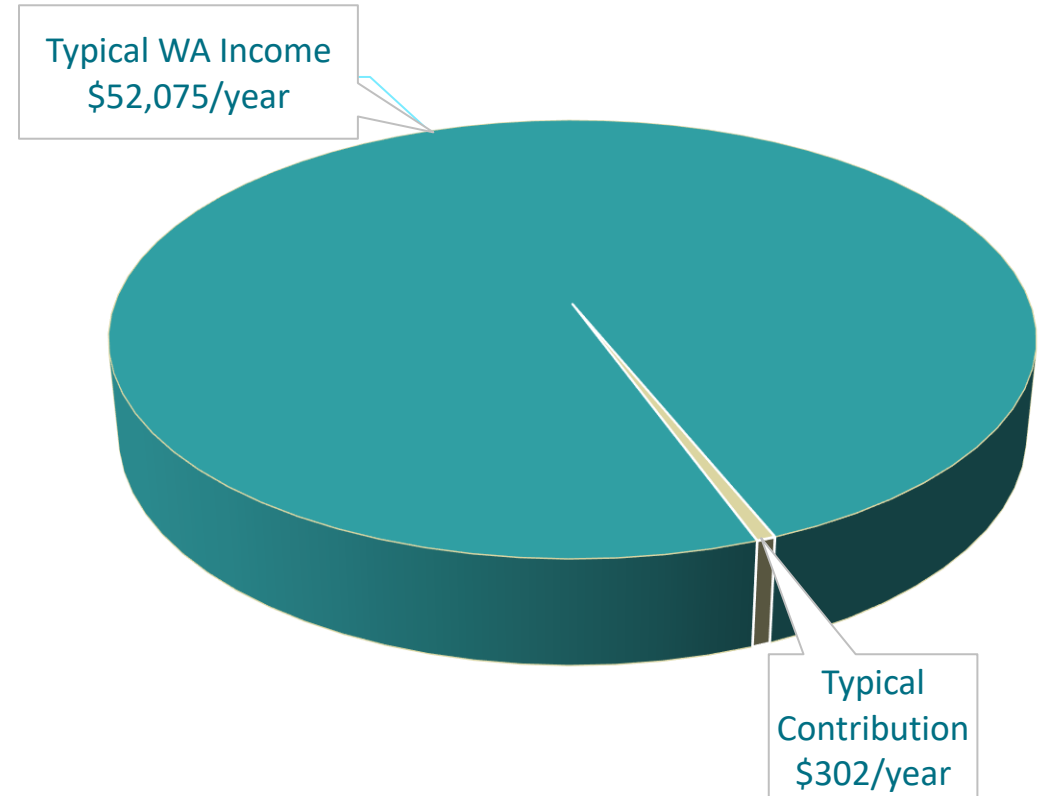
To meet vesting criteria, you must have earned your WA Cares benefit by working and contributing:

- At least ten years at any point in your life without a break of five or more years within those ten years, or
- Three of the last six years
- And at least 500 hours per year during those years, then

To be eligible for benefits, you must require assistance with at least three activities of daily living.

How the Benefit Works

- Every employee contributes **\$0.58 per \$100 of earnings**.
- Premiums go into a dedicated Trust Fund that can only be used for this program.
- If you have private long-term care insurance by Nov. 1, 2021, you may apply from Oct. 1, 2021, thru Dec. 31, 2022, to permanently withdraw from the program.



Exemptions

What is an Exemption?

Exemptions are for workers who have their own private long-term care insurance.

Exemptions are permanent. If approved, workers won't have premiums assessed and forfeit their right to the benefit for life.

Workers must apply for an exemption. Employers cannot apply on behalf of their employees.

- Key dates for exemption applications:
 - **By Nov. 1, 2021:** Have a qualifying private long-term care insurance policy.
 - **Oct. 1, 2021–Dec. 31, 2022:** Apply to ESD for an exemption.

Employee and Employer Responsibilities

- Employees must provide notification of exemption to all current and future employers.
- The only acceptable notification is a copy of the employee's approved exemption letter from ESD.
- Employers must maintain a copy of the employee's approved exemption letter.
- Employers should not collect premiums from exempt employees who have provided the approved exemption letter.
- Employees are not entitled to a refund of premiums that were assessed before their exemption was approved or before the approved exemption letter was provided to their employer.

WA Cares and Paid Leave

What Employers Need to Know About WA Cares

Employers don't contribute but will:

- Collect premiums beginning Jan. 1, 2022.
- Report and pay premiums to ESD.
 - Definitions of *employer*, *employee* and *remuneration* are consistent with Paid Leave.
 - Definition of *wages* also applies, excluding the social security tax cap, which does not apply.

Self-employed earners can opt-in.



Employers Report Once for Both Programs

ESD is updating the Paid Leave reporting system to include WA Cares.

- Many similarities between the programs
 - Employee, Employer, Employment, Wages (with exception of the social security cap)
 - Employers deduct premiums, report, and pay these premiums to ESD
 - Self-employed and federally recognized tribes can elect coverage
 - Employees covered by a CBA in existence on or before Oct. 19, 2017, don't have to participate unless the CBA has been reopened or renegotiated after that date.
 - To the extent possible, investigations for premium compliance will be the same

How WA Cares Differs from Paid Leave

- WA Cares benefits serve a different purpose
- ESD doesn't administer the benefits portion of WA Cares (DSHS)
- No employer contribution
- Premium amounts
- No Social Security wage cap on premium collection
- Tribes can elect coverage *and* opt out for any reason the tribe deems necessary
- Self-employed elective coverage has different requirements
 - Must elect coverage between January 1, 2022, and January 1, 2025, or within three years of becoming self-employed for the first time. Elective coverage for self-employed individuals is permanent.

Cross-Agency Responsibilities

DSHS, HCA, State Actuary, ESD

- Administer benefits
- Manage providers
- Apply for demo waiver from CMS

DSHS

LEAD AGENCY

HCA

- Process payments
- Track benefit usage
- Coordination of benefits

- Administer optional registrations & removals
- Collect premiums and wage reports
- Determine qualified individuals

ESD

State
Actuary

- Provide actuarial analysis to support Trust Fund solvency

WA Cares Outreach Implementation Timeline



Thank You

To learn more, please visit:

- WA Cares Fund | wacaresfund.wa.gov

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