
HOUSE BILL 2777

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Tharinger, Jenkins, Appleton, Ryu, Fitzgibbon, Ormsby, Pollet, and Morrell

Read first time 02/07/14. Referred to Committee on Appropriations.

1 AN ACT Relating to studying options for providing long-term care
2 coverage; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature makes the following
5 findings:

6 (1) By 2030, nearly twenty percent or one out of every five people
7 in our state will be age sixty-five or older and by 2060 the population
8 of people who are age eighty-five or older in our state will more than
9 triple. This will affect every area of state government;

10 (2) There is a need for increased focus and planning to support the
11 growing number of seniors and people with disabilities in Washington
12 state. Planning is necessary across a broad range of policy areas
13 including health, long-term services and supports, housing,
14 transportation, financial security, and protections for vulnerable
15 adults;

16 (3) To address the growing demand for long-term services and
17 supports, Washington state must do more to leverage private resources,
18 support families so they can take care of their loved ones without

1 having to resort to medicaid and help people plan for potential future
2 costs;

3 (4) In the past few decades, a number of initiatives have been
4 undertaken to reform Washington's system of supports for seniors to
5 emphasize home and community-based options. These efforts have saved
6 millions of dollars by preventing expensive institutional placements;
7 and

8 (5) Washington must begin planning for the future long-term
9 services and supports needs of its residents by taking steps to grow
10 its workforce, resources, and quality long-term services and supports,
11 and identify alternative long-term care financing options to help
12 families and reduce the rate of growth in medicaid.

13 NEW SECTION. **Sec. 2.** (1) The department of social and health
14 services shall contract for an independent feasibility study and
15 actuarial modeling of public and private options for leveraging private
16 resources to help individuals prepare for long-term services and
17 support needs. The study should model at least three options: (a) A
18 public long-term care insurance benefit funded through payroll
19 deduction that would provide a time-limited long-term care insurance
20 benefit; (b) a set of regulatory changes that would encourage the
21 development and growth of new products on the insurance market that
22 combine features of life insurance, long-term care insurance,
23 annuities, and medicaid life settlements; and (c) public-private
24 options to facilitate a new marketplace for long-term care insurance
25 policies, such as through the Washington health plan finder, for
26 private long-term care insurance policies that would provide a time
27 limited benefit, an age defined individual mandate for purchasing these
28 policies, and subsidies to ensure affordability for lower income
29 individuals.

30 (2) The report must include an evaluation of each option based on:
31 (a) The expected costs and benefits for participants; (b) the total
32 anticipated number of participants; (c) the projected savings to the
33 state medicaid program; and (d) legal and financial risks to the state.
34 The joint legislative executive committee on aging and disability shall
35 provide oversight and direction for this analysis and will convene
36 interested stakeholders to provide input on the study design. The

1 department of social and health services shall provide a report on its
2 findings and recommendations to the relevant policy and fiscal
3 committees of the legislature by January 15, 2015.

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