H-1671.2

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**HOUSE BILL 1594**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Representatives Abbarno, Robertson, Maycumber, Boehnke, Corry, Chase, McCaslin, Caldier, Eslick, Walsh, Klippert, Dye, MacEwen, Stokesbary, Hoff, Barkis, Graham, Schmick, Chambers, Dufault, Gilday, Kraft, Jacobsen, Orcutt, Dent, Griffey, and Young

AN ACT Relating to repealing the long-term services and supports trust program; creating a new section; repealing RCW 50B.04.010, 50B.04.020, 50B.04.030, 50B.04.040, 50B.04.050, 50B.04.060, 50B.04.070, 50B.04.080, 50B.04.085, 50B.04.090, 50B.04.095, 50B.04.100, 50B.04.110, 50B.04.120, 50B.04.130, 50B.04.140, 50B.04.150, 50B.04.160, and 50B.04.900; and declaring an emergency.

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

NEW SECTION. **Sec.**  The legislature finds that:

(1) In 2019, the legislature enacted the long-term services and supports trust program, which authorized a fifty-eight hundredths of one percent premium on employee wages beginning in January 2022 to pay for long-term care benefits for qualified individuals beginning in 2025. This tax will be paid by all employees who work in Washington, excluding individuals who have purchased a private long-term care insurance policy and received an exemption, regardless if they will retire before qualifying for the program or reside out of Washington currently or in the future and not be able to use the benefits of a program they paid into.

(2) The maximum benefits that a person may receive under the long-term services and supports trust program is $36,500 which will be wholly inadequate to meet the needs of most people needing care under the program. This will lead many people to think all their long-term care needs will be paid for under the program and not plan for costs beyond the maximum $36,500 benefit.

(3) In 2019, Washington voters recommended the repeal of House Bill 1087 in an advisory question by a resounding vote of over 62 percent.

(4) The state's Constitution only permits treasury investments which typically yield returns between two and three percent. Due to the fact that the solvency of the program was based on an actuarial model that assumed over five percent investment returns, in 2020, the legislature passed a constitutional amendment that would have allowed investment of the program's funds in vehicles besides treasuries, including stocks and bonds. This amendment was rejected by voters and now the investment returns that the program is based on are unattainable under current law and the program has an unfunded liability projected at $15,000,000,000 in net present value. Benefit cuts or further premium increases will be necessary to address the program's solvency.

(5) The most tangible benefit of the experiment with the long-term services and supports trust program has been the conversation that it has prompted among Washingtonians about the best way to finance long-term care needs. In response, an increased number of Washingtonians have purchased long-term care insurance policies and others are considering alternative ways to meet their anticipated long-term care needs. For those without the resources to save for their needs, it is unfair to burden them with financing a potential future benefit or give them the false impression all their long-term care needs will be met through this program when they are struggling with meeting the needs of today. Some Washingtonians, however, are prepared to assume responsibility for planning their future care and will need their funds to invest in long-term services. For these reasons, the long-term services and supports trust program must be repealed and a new discussion must occur about incentivizing and supporting Washingtonians in responsibly planning for their long-term care needs.

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1)RCW 50B.04.010 (Definitions) and 2021 c 113 s 1, 2020 c 98 s 1, & 2019 c 363 s 2;

(2)RCW 50B.04.020 (Duties—Health care authority, department of social and health services, office of the state actuary, employment security department) and 2021 c 113 s 2, 2020 c 98 s 2, & 2019 c 363 s 3;

(3)RCW 50B.04.030 (Long-term services and supports trust commission—Investment strategy subcommittee) and 2021 c 113 s 3 & 2019 c 363 s 4;

(4)RCW 50B.04.040 (Long-term services and supports council—Benefit unit adjustment) and 2019 c 363 s 5;

(5)RCW 50B.04.050 (Qualified individuals) and 2021 c 113 s 4, 2020 c 98 s 3, & 2019 c 363 s 6;

(6)RCW 50B.04.060 (Eligible beneficiaries—Determination—Services and benefits) and 2019 c 363 s 7;

(7)RCW 50B.04.070 (Payment of benefits) and 2019 c 363 s 8;

(8)RCW 50B.04.080 (Premium assessment—Rate—Collection) and 2020 c 98 s 4 & 2019 c 363 s 9;

(9)RCW 50B.04.085 (Premium assessment—Exemptions) and 2021 c 113 s 5 & 2020 c 98 s 7;

(10)RCW 50B.04.090 (Election of coverage—Self-employed persons) and 2021 c 113 s 6, 2020 c 98 s 5, & 2019 c 363 s 10;

(11)RCW 50B.04.095 (Election of coverage—Federally recognized tribe) and 2021 c 113 s 7;

(12)RCW 50B.04.100 (Long-term services and supports trust account) and 2019 c 363 s 11;

(13)RCW 50B.04.110 (Long-term services and supports trust account—Investment—Policies) and 2019 c 363 s 12;

(14)RCW 50B.04.120 (Appeal of determinations) and 2020 c 98 s 6 & 2019 c 363 s 13;

(15)RCW 50B.04.130 (Medicare data and waiver—Report) and 2019 c 363 s 14;

(16)RCW 50B.04.140 (Reports to legislature) and 2019 c 363 s 15;

(17)RCW 50B.04.150 (Benefits not income or resource) and 2019 c 363 s 16;

(18)RCW 50B.04.160 (Entitlement not created) and 2019 c 363 s 17; and

(19)RCW 50B.04.900 (Findings—2019 c 363) and 2019 c 363 s 1.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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