

FINAL BILL REPORT

SHB 2186

C 140 L 96

Synopsis as Enacted

Brief Description: Establishing long-term care benefits for public employees.

Sponsors: By House Committee on Health Care (originally sponsored by Representatives Dyer, Cody, Dickerson, L. Thomas, Quall, Carlson and Cooke).

House Committee on Health Care
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: Long-term care refers to a wide range of medical and human services provided to those who are disabled or limited in their functional capacities and require assistance in performing necessary daily activities for a relatively long and indefinite period. These services can be provided in the home, community, or in a formal institutional setting such as a nursing home. The demand for long-term care services is expected to increase significantly in Washington and nationally for the next 10 years as the baby boomer generation comes of age.

Long-term care is different from the other health care services in that it is not typically covered under most health care policies or by Medicare. Medicare is not designed to help with chronic long-term care. It pays primarily for hospital and physician services. A person who wants long-term care coverage under his or her health care policies must purchase it separately. Most often, people pay for services with their savings until they have exhausted their savings and Medicaid takes over. Historically, Medicaid has been the only insurer for long-term care. However, it is available only to those elderly persons who are impoverished.

Although seniors plan for many aspects of their retirement, financial planning for long-term care has traditionally been ignored. One alternative to spending one's life savings on long-term care is to purchase private long-term care insurance. Long-term care insurance allows some protection against the catastrophic costs associated with long-term care services.

Long-term care insurance is regulated by the Office of the Insurance Commissioner. A number of private long-term care insurance plans are offered to the public. The Legislature recently added a new public/private insurance plan called the Long-term Care Partnership, to the list of plans offered.

Long-term care insurance coverage is not uniformly available to all state employees, their parents, or their dependents through the Public Employees' Benefits Board (PEBB).

Summary: The Public Employees' Benefits Board (PEBB) is directed to design and make available one or more long-term care insurance plans to public employees and their dependents, including their parents, by January 1, 1998. An employee is required to pay the entire cost of the insurance premiums, through payroll deductions where administratively possible, should the employee elect to obtain long-term care insurance coverage. Participation is voluntary and the plans are not subject to binding arbitration. A technical advisory committee is established to provide technical assistance to the PEBB and the Health Care Authority. The advisory committee will be made up of representatives from the office of the Insurance Commissioner, long-term care service providers, licensed insurance agents, employees, and others as needed. The Health Care Authority is required to set marketing procedures and work in cooperation with the office of the Insurance Commissioner to develop a consumer education program for eligible employees. A report concerning the marketing and distribution of the long-term care insurance benefits offered under this program must be submitted to the Legislature by December 1998 by the Health Care Authority in consultation with the PEBB.

Votes on Final Passage:

House	97	0	
Senate	29	18	(Senate amended)
House			(House refused to concur)
Senate			(Senate receded)
House	91	3	(House concurred)

Effective: June 6, 1996