

SENATE BILL REPORT

SB 5850

As Reported By Senate Committee On:
Ways & Means, February 23, 1999

Title: An act relating to the impact of retirement allowance adjustments on state-funded long-term care services.

Brief Description: Adjusting retirement allowances.

Sponsors: Senators Haugen, McCaslin, Fraser, Loveland, Deccio, Winsley and Rasmussen.

Brief History:

Committee Activity: Ways & Means: 2/18/99, 2/23/99 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5850 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Brown, Vice Chair; Fraser, Honeyford, Long, McDonald, Rasmussen, Roach, B. Sheldon, Spanel, Thibaudeau, Winsley and Wojahn.

Staff: Pete Cutler (786-7454)

Background: The Department of Social and Health Services (DSHS) administers the COPES program, which provides long-term care for certain low-income persons in assisted living facilities, adult family homes, and other community settings. The state limits COPES eligibility to persons who meet Medicaid categorically needy standards, which have an absolute income limit. The current income limit is \$1,500 per month. Persons who have income over the limit are not eligible for any financial support through COPES.

In 1998 the Legislature enacted a retroactive pop-up benefit for persons who had retired from the Public Employees Retirement System, Plan 1 (PERS 1) prior to January 1, 1996. The pop-up benefit was provided to persons who had selected an actuarially reduced retirement allowance that included a survivor benefit, where the person selected as the beneficiary of the survivor benefit had already pre-deceased the retiree. The retirement allowances for these retirees were increased to the full retirement allowance formula, as though the retiree had never selected a survivor benefit option.

PERS 1 retirees do not have the option to waive all or part of their retirement allowance. A PERS 1 retiree loses his or her eligibility for the COPES program if the increase provided by the retroactive pop-up benefit causes the retiree's income to exceed the COPES income limit.

Summary of Substitute Bill: A PERS 1 retiree who is receiving state-funded long-term care services is not eligible for the retroactive pop-up benefit if the increase makes the retiree ineligible for the services. State-funded long-term care services is defined to mean a state-

funded adult family home, adult residential care, assisted living, enhanced adult residential care, in-home care, or nursing home service, as defined in RCW 74.39A.009, for which the retiree is required to contribute all income other than a specified amount reserved for the retiree's personal maintenance needs.

Retirees who are subject to this limitation are required to notify the Department of Retirement Systems in writing. If a retiree receives overpayments due to the failure of the department to withhold the retroactive pop-up benefit, the department must modify the allowance on a prospective basis only.

Substitute Bill Compared to Original Bill: A technical amendment added in-home care to the definition of state-funded long-term care services.–

Appropriation: None.

Fiscal Note: Requested on February 13, 1999.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill will ensure that PERS I retirees won't lose their eligibility for state-funded long-term care service as a result of the retroactive pop-up benefit provided in 1998.

Testimony Against: None.

Testified: Donald Ivie (pro).