
Health Care & Wellness Committee

HB 2533

Brief Description: Concerning long-term care services and supports.

Sponsors: Representatives Jenkins, Johnson, Cody, Tharinger, Harris, Slatter, Appleton, Frame, Robinson, Haler, Stonier, Fitzgibbon, Fey, Wylie, Pollet and Macri.

Brief Summary of Bill

- Establishes the Long-Term Services and Supports Trust Program (Trust Program) to provide benefits for long-term services and supports to qualified individuals who need assistance with at least three activities of daily living.
- Establishes eligibility requirements for the Trust Program for persons who pay a premium of 0.49 percent of a person's wages for a specific amount of time.

Hearing Date: 1/24/18

Staff: Chris Blake (786-7392).

Background:

Persons who need assistance with activities of daily living such as bathing, dressing, medication administration, personal hygiene, or other health-related tasks may access assistance through several types of care providers in different settings. Many of these settings also provide skilled nursing and therapists, activities, rehabilitation, and coordinated care. Providers of long-term services and supports include unpaid family caregivers, nursing homes, assisted living facilities, adult family homes, home health services, and individual and agency providers. Sources of funding for long-term services and supports include personal resources, private long-term care insurance, and Medicaid.

The 2015-17 Operating Budget funded the Department of Social and Health Services to contract for an independent feasibility study and actuarial modeling of two options to provide financial assistance to persons with preparations for long-term services and supports needs. The first option was to review a public long-term care benefits for workers funded through a payroll tax

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deduction. The second option was to review a public-private reinsurance model to provide a stable source of reimbursement for insurers for a portion of catastrophic long-term services and supports losses. The study was released in January 2017.

Summary of Bill:

The Long-Term Services and Supports Trust Program (Trust Program) is established to provide long-term services and supports benefits to persons who have paid into the Trust Program for a specific amount of time and who have been assessed as needing a certain amount of assistance with activities of daily living.

Beginning January 1, 2022, employees in Washington shall be assessed a premium of 0.49 percent of their wages. Washington residents receive "qualified individual" status if they are at least eighteen years old and have paid the premium for either: (1) three years within the last six years, or (2) for a total of 10 years, with at least five of those years paid without interruption. Beginning January 1, 2025, a qualified individual may become an "eligible beneficiary" if he or she is not eligible for long-term services and supports under Medicare and has been determined by the Department of Social and Health Services (DSHS) as requiring assistance with at least three activities of daily living.

Upon becoming an eligible beneficiary, a person may receive long-term services and supports in the form of benefit units. A benefit unit is the equivalent of up to \$100, adjusted by an annual 3 percent index, that the DSHS pays to a long-term services and supports provider for providing care to an eligible beneficiary on a specific date. The benefits do not begin until 30 days after the person becomes an eligible beneficiary. An eligible beneficiary may receive up to 365 benefit units over the course of his or her lifetime. Partial benefit units may be retained by the eligible beneficiary if a day of care costs less than the value of the benefit unit.

The Trust Program is administered jointly by the DSHS, the Employment Security Department (ESD), and the Health Care Authority (HCA).

- The DSHS is responsible for making determinations regarding eligible beneficiary status, registering long-term services and supports providers that meet minimum qualifications, discontinuing the registration of long-term services and supports providers that fail to meet minimum qualifications or that violate Trust Program operating standards, dispersing benefits to long-term services and supports providers, performing assessments to determine functional eligibility for benefits, preparing informational materials, providing support to the Long-Term Services and Supports Trust Commission (Commission), and establishing rules and procedures for benefit coordination.
- The ESD shall collect and assess employee premiums, assist the Commission in monitoring the solvency and financial status of the Trust Program, and perform investigations to determine compliance with premium payments.
- The HCA shall make determinations regarding the status of a person as a qualified individual, and assure that services are provided.

The Commission is established and is comprised of:

- four legislators;
- the Commissioner of the ESD;

- the Secretary of the DSHS;
- the Director of the HCA;
- a representative of a union representing long-term care workers;
- a representative of an association representing retired persons;
- a representative of an association representing the majority of skilled and assisted living providers;
- a representative of an association representing adult family home providers; and
- two individuals receiving long-term services and supports, or their designees, or representatives of consumers receiving long-term services and supports under the Trust Program.

The Commission has authority to establish rules and policies, including criteria for qualified individuals and eligible beneficiaries, minimum qualifications for the registration of long-term services and supports providers, criteria for paying benefits, operational standards for registered long-term services and supports providers. In addition, the Commission must make annual adjustments of the value of the benefit unit and prepare actuarial reports on the solvency and financial status of the Trust Program. Beginning December 1, 2023, the Commission must submit an annual report to the Legislature on the Trust Program. The report must include information about projected and actual program participation, the adequacy of premium rates, fund balances, benefits paid, demographic information on program participants, and the extent to which the program has resulted in savings to the Medicaid program through cost avoidance.

Beginning January 1, 2023, self-employed persons may elect coverage under the Trust Program. Those who elect such coverage may voluntarily withdraw from participation. The ESD may cancel elective coverage if the self-employed person fails to make the required payments or file reports.

Legislative findings are made related to the difficulty in obtaining coverage for long-term care, the need for long-term care, the cost of long-term care, the inability of seniors to rely on family caregivers, the cost to the state of providing long-term services and supports, the need for an alternative funding mechanism for long-term services and supports, and the need for the state to continue to promote consumer choice in selecting long-term care settings.

Appropriation: None.

Fiscal Note: Requested on January 18, 2018.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.