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**HOUSE BILL 1569**

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**State of Washington****52nd Legislature****1991 Regular Session**

**By** Representatives Braddock, Prentice, Franklin, Locke, Morris, Sprenkle, Anderson, Nelson, Jacobsen, Belcher, Rasmussen, Wineberry, Brekke, Cole, Peery, R. Fisher, Spanel, Cantwell, Valle, Riley, Phillips and Paris.

Read first time February 1, 1991. Referred to Committee on Health Care\Revenue.

1       AN ACT Relating to establishment and financing of a community-based  
2 long-term care and support services system for functionally disabled  
3 persons; adding a new chapter to Title 70 RCW; prescribing penalties;  
4 making an appropriation; providing an effective date; and declaring an  
5 emergency.

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

7       NEW SECTION. **Sec. 1.** SHORT TITLE. This chapter may be known and  
8 cited as the omnibus community-based long-term care secured benefit  
9 act.

10       NEW SECTION. **Sec. 2.** PURPOSE AND INTENT. It is the purpose and  
11 intent of the legislature, through this chapter, to organize the  
12 foundation for financing and providing community-based long-term care  
13 and support services through an integrated, comprehensive system that  
14 promotes human dignity and recognizes the individuality of all

1 functionally disabled persons. This system shall be available,  
2 accessible, and responsive to all citizens based upon an assessment of  
3 their functional disabilities. The legislature recognizes that  
4 families, volunteers, and community organizations are absolutely  
5 essential for delivery of effective and efficient community-based long-  
6 term care and support services and it is a purpose of this chapter to  
7 support and strengthen that private and public service infrastructure.  
8 It is further a purpose of this chapter to provide secured benefit  
9 assurance in perpetuity without requiring family or program beneficiary  
10 impoverishment for service eligibility.

11        NEW SECTION. **Sec. 3.** DEFINITIONS. Unless the context clearly  
12 requires otherwise, the definitions in this section apply throughout  
13 this chapter.

14        (1) "Administrative entity" means an agency of state or local  
15 government or a private nonprofit organization that has entered into an  
16 agreement with the board to administer any part of the program.

17        (2) "Board" means the community-based long-term care secured  
18 benefit program board.

19        (3) "Committee" means the community-based long-term care secured  
20 benefit program policy advisory committee established pursuant to  
21 section 6 of this act.

22        (4) "Community-based long-term care and support services" means  
23 services and support provided to program beneficiaries in accordance  
24 with section 9 of this act.

25        (5) "Federal poverty level" means the annual poverty guidelines  
26 determined annually by the United States department of health and human  
27 services, or its successor agency.

28        (6) "Functionally disabled person" means a person who, because of  
29 a recognized chronic physical or mental condition or disease: (a)

1    Needs care, support, supervision, or monitoring to perform activities  
2    of daily living or instrumental activities of daily living; or (b)  
3    needs support to ameliorate or compensate for the effect of the chronic  
4    physical mental condition or disease.

5       (7) "Habilitation service" means services to assist persons in  
6 acquiring and maintaining life skills and to raise, maintain, or  
7 support their levels of physical, mental, social, and vocational  
8 functioning.     "Habilitation services" shall not include major  
9 rehabilitative services to assist persons in regaining previously  
10 existing bodily functions and life skills.

11           (8) "Program" means the community-based long-term care secured  
12 benefit program established by this chapter.

13           (9) "Program beneficiary" means a person who has been determined to  
14   be functionally disabled and eligible to receive services through the  
15   program.

19        NEW SECTION.    **sec. 4.**    INTENT REGARDING PROGRAM ADMINISTRATION.    It  
20    is the intent of the legislature that administration of the program  
21    includes active participation by program beneficiaries, their families,  
22    and communities in public discussions, service planning, decision  
23    making, and service delivery.    An independent board, representing  
24    payors and functionally disabled persons, shall administer this chapter  
25    within statutory guidelines established by the legislature.  
26    Administrative entities shall encourage creativity and innovation in  
27    the development and implementation of services.    Information systems  
28    shall be developed to assess program outcomes and to assure state-wide

1 adherence to baseline levels of service availability and quality. A  
2 simplified, independent inspection, monitoring and correction function  
3 shall be established within the system.

4        **NEW SECTION.** **Sec. 5.** ESTABLISHMENT AND POWERS OF BOARD. (1) The  
5 community-based long-term care secured benefit program board is hereby  
6 established. The board shall be composed of five members appointed by  
7 the governor. The members of the board shall be representative of  
8 public payors, private payors, and functionally disabled persons. The  
9 chairperson of the board shall be chosen by the vote of a majority of  
10 the members of the board.

11        (2) The governor shall appoint the initial members of the board to  
12 staggered terms not to exceed eight years, with three members of the  
13 board serving at least four years. Members appointed thereafter shall  
14 serve four-year terms, and may serve for up to two terms. Members of  
15 the board shall be compensated in accordance with RCW 43.03.250 and  
16 shall be reimbursed for their travel expenses while on official  
17 business in accordance with RCW 43.03.050 and 43.03.060. Meetings of  
18 the board shall be at the call of the chairperson.

19        (3) The board shall have the following powers and duties:

20            (a) To plan, design, and administer a system of community-based  
21 long-term care and support services that provides a coordinated system  
22 of care and support for functionally disabled persons, using family and  
23 volunteer resources to the greatest extent possible, in which  
24 functionally disabled persons and resources are directed toward the  
25 least restrictive and least costly service appropriate for each such  
26 person;

27            (b) To manage the current expense account and reserve account of  
28 the secured benefit fund established by section 20 of this act;

1       (c) To administer program benefits, and to determine the scope of  
2 community-based long-term care and support services covered by the  
3 program in accordance with section 9 of this act;

4       (i) In determining the scope of services, the board shall maintain  
5 the financial integrity of the secured benefit fund;

6       (ii) The board shall define the scope of transportation services  
7 that can be funded by the program in accordance with section 9 of this  
8 act. In defining the scope of transportation services, the board shall  
9 consider the appropriate role of paratransit systems;

10     (d) To develop uniform functional disability assessments that  
11 accurately measure the abilities and disabilities of functionally  
12 disabled persons of all ages, and determine the entity or entities  
13 responsible for conducting such assessments;

14     (e) To develop performance standards, to the extent not  
15 specifically established by this chapter, based upon the  
16 recommendations of the long-term care commission and its technical  
17 advisory committees, with input from functionally disabled persons,  
18 their families, long-term care service providers, and administrators.  
19 Performance standards shall emphasize outcomes, rather than the manner  
20 in which services are administered. Performance standards shall, to the  
21 greatest extent practicable, promote leveraging of family and community  
22 resources available to each program beneficiary and shall include  
23 consideration of the extent to which each program beneficiary's plan of  
24 care builds on the support available to that individual from their  
25 family and the community;

26     (f) To administer and adjust the sliding fee scale as necessary, in  
27 accordance with section 10 of this act;

28     (g) To engage in quality assurance activities in accordance with  
29 section 7 of this act;

1       (h) To develop payment and cost control mechanisms for community-  
2 based long-term care and support services;

3       (i) To design and administer a long-term care information system in  
4 accordance with section 16 of this act;

5       (j) To develop mechanisms to assure that the program is coordinated  
6 with the acute health care services system and the vocational  
7 rehabilitation services system;

8       (k) To coordinate with other relevant entities to plan for  
9 development of an appropriately trained long-term care work force;

10      (l) To contract with and monitor administrative model projects in  
11 accordance with section 14 of this act;

12      (m) To delegate its authority, when deemed appropriate by the  
13 board, to other public or private entities; and

14      (n) To adopt rules pursuant to chapter 34.05 RCW necessary to carry  
15 out the responsibilities established in this chapter.

16      (4) The board shall employ staff as necessary to fulfill its  
17 responsibilities and duties. The program director and up to five other  
18 employees are exempt from state civil service law, chapter 41.06 RCW.  
19 Remaining staff are subject to the state civil service law, chapter  
20 41.06 RCW. In addition, the board may contract with third parties for  
21 services necessary to carry out its responsibilities and duties to the  
22 extent not prohibited by RCW 41.06.380.

23      NEW SECTION. **Sec. 6.** ESTABLISHMENT OF POLICY ADVISORY COMMITTEE.

24      (1) The community-based long-term care secured benefit program policy  
25 advisory committee is hereby established. The committee shall be  
26 composed of thirteen members appointed by the board. At least half of  
27 the members shall be functionally disabled persons or their advocates,  
28 who shall not be paid long-term care services providers.

29      (2) The committee shall:

1       (a) Advise the board regarding planning and administration of the  
2 program; and

3       (b) Review and comment upon state policies, programs, and actions  
4 that affect program beneficiaries, with the intent of assuring maximum  
5 coordination with long-term care and support services, and maximum  
6 responsiveness to the needs of program beneficiaries.

7       (3) The committee shall meet at least quarterly. Committee members  
8 shall be reimbursed for travel expenses pursuant to RCW 43.03.050 and  
9 43.03.060.

10      NEW SECTION.    **Sec. 7.**    QUALITY ASSURANCE.   (1) The board is  
11 responsible for quality assurance activities relating to licensing,  
12 monitoring, and enforcement of performance standards applicable to  
13 administrative entities and community-based long-term care and support  
14 service providers. In its quality assurance activities, the board  
15 shall emphasize review of service outcomes, rather than the manner in  
16 which services are administered.

17      (2) Quality assurance activities shall include but not be limited  
18 to:

19       (a) Establishment of licensure and certification requirements for  
20 administrative entities, community-based long-term care and support  
21 service providers, and their employees, to the extent such requirements  
22 are not otherwise required by law;

23       (b) Enforcement of all licensure and certification requirements for  
24 administrative entities, community-based long-term care and support  
25 service providers, and their employees, including license and  
26 certification issuance, renewal, denial, or revocation;

27       (c) Monitoring and investigation of performance by administrative  
28 entities and community-based long-term care and support service  
29 providers, and their employees, including the establishment of

1 mechanisms to receive and respond to reports of abuse, neglect,  
2 malpractice, misfeasance, and contractual violations by such entities  
3 and providers;

4           (d) Imposition of sanctions against administrative entities,  
5 community-based long-term care and support service providers, and their  
6 employees, for abuse, neglect, malpractice, misfeasance, and  
7 contractual violations, which shall include withholding or requiring  
8 the withholding of payment, terminating or requiring the termination of  
9 contracts, injunctive remedies, civil penalties, receivership, and  
10 referral for prosecution; and

(e) Retrospective monitoring of data gathered through the information system established by section 16 of this act.

(3) The board shall provide for an independent office of the inspector general to assist in carrying out the quality assurance powers and duties established in this section, which office shall report directly to the board and which shall annually report to the legislature on the quality of community-based long-term care and support services provided to functionally disabled persons.

19 (4) By petition to the board, a program beneficiary may initiate,  
20 or intervene in, any proceeding in which the board is taking an  
21 enforcement action against an administrative entity or community-based  
22 long-term care provider serving the program beneficiary.

PART II

COMMUNITY-BASED LONG TERM CARE SERVICES

25        NEW SECTION. **Sec. 8.** INTENT REGARDING SERVICES. It is the intent  
26 of sections 9 through 11 of this act relating to community-based long-  
27 term care and support services that such services be defined as  
28 noninstitutional services that are primarily rehabilitative which would

1 allow program beneficiaries to live and otherwise function in their  
2 community as independently as practicable. Although these services do  
3 not include nursing homes, state institutions, or health care  
4 facilities, it is necessary that these functions be coordinated with  
5 the community-based long-term care system. Technical, demographic, and  
6 cultural changes make it impossible to prescribe a complete list of  
7 services or define by program the array of services that could meet the  
8 intent and purposes of this chapter. It is the intent of this section  
9 to include those services commonly considered "community-based," and to  
10 allow flexibility in defining new or additional services that will  
11 contribute to the purpose and intent of this chapter. It is recognized  
12 that uniform systems of assessment and case management are essential  
13 for monitoring equity and quality in service delivery, measuring  
14 outcomes, and assuring the most effective use of public and private  
15 expenditures. It is recognized that availability of services does not  
16 guarantee their use, and that aggressive targeting and outreach, and  
17 culturally and linguistically accessible and appropriate services, are  
18 necessary to assure that services are available to the most  
19 dispossessed in our communities.

20        NEW SECTION. **Sec. 9.** COMMUNITY-BASED LONG-TERM CARE AND SUPPORT  
21 SERVICES. (1) The services available to program beneficiaries shall  
22 include, at a minimum, those services included in subsection (2) of  
23 this section and provided in accordance with subsection (3) of this  
24 section. Community-based long-term care and support services may be  
25 provided in a nonresidential setting, a program beneficiary's home, or  
26 other residential settings not specifically excluded pursuant to  
27 subsection (4) of this section.

28        (2) Community-based long-term care and support services shall  
29 include at least the following services:

- 1       (a) Public education;
- 2       (b) Telephone information and assistance, including screening and
- 3       possible referral for case management assessment;
- 4       (c) Gatekeeper, or other outreach component;
- 5       (d) Case management, which shall include:
  - 6           (i) A multidimensional assessment of the functionally disabled
  - 7       person's health and long-term care needs. No cost-sharing shall be
  - 8       imposed for this modality;
  - 9           (ii) Development of a comprehensive care plan negotiated by the
  - 10      program beneficiary and his or her case manager, which meets minimum
  - 11      standards established by the board to prevent overly subjective
  - 12      determinations of service needs, and which is subject to an appeal
  - 13      mechanism that provides an opportunity for informal review prior to a
  - 14      fair hearing;
  - 15           (iii) Initiation, coordination, and monitoring of all long-term
  - 16      care services needed by a program beneficiary, including those services
  - 17      not funded by the program;
  - 18           (iv) Involvement of each program beneficiary's family and other
  - 19      support systems; and
  - 20           (v) Reassessment and service termination;
- 21       (e) Personal and household assistance services to assist
- 22      individuals with activities of daily living and instrumental activities
- 23      of daily living;
- 24       (f) Respite care and family support services necessary to maintain
- 25      the program beneficiary in his or her family home;
- 26       (g) Nursing services;
- 27       (h) Day care and day health care for functionally disabled persons;
- 28       (i) Mental health day treatment and other mental health counseling;
- 29       (j) Habilitation services; and

1       (k) Transportation services, to the extent that the administrative  
2 entity can demonstrate positive planning by the community through the  
3 use of a local option tax or other method to provide paratransit or  
4 specialized transportation services to program beneficiaries.

5       (3) Each functionally disabled person's participation in a  
6 functional assessment performed by an entity designated by the board  
7 pursuant to section 5 of this act shall be a precondition to receipt of  
8 all long-term care services, including those long-term care services  
9 not provided through the program.

10      (4) Services performed by the following institutions shall not be  
11 funded by the secured benefit fund:

12       (a) Nursing homes licensed pursuant to chapter 18.51 RCW;  
13       (b) State institutions for developmentally disabled persons,  
14 defined as residential habilitation centers in chapter 71A.20 RCW; and  
15       (c) State institutions for mentally ill persons, including but not  
16 limited to Eastern State Hospital and Western State Hospital.

17      (5) In determining whether services not explicitly included  
18 pursuant to subsection (2) of this section or excluded pursuant to  
19 subsection (4) of this section can be offered through the program, the  
20 board shall consider the following criteria:

21       (a) Protection of the financial integrity of the secured benefit  
22 fund established in section 20 of this act;

23       (b) The extent to which the service is consistent with the intent  
24 and purposes of this chapter;

25       (c) The extent to which the service supports individual dignity and  
26 independence;

27       (d) The needs of individual local communities;

28       (e) The effectiveness and efficiency of the service; and

29       (f) The extent of local community and volunteer participation in  
30 providing the service.

1        NEW SECTION. **Sec. 10.** PROGRAM BENEFICIARY COST-SHARING. (1) The  
2 board shall establish a sliding fee scale to determine a program  
3 beneficiary's contribution to the cost of community-based long-term  
4 care and support services provided to him or her through the program.  
5 The sliding fee scale shall be designed to generate a minimum of twenty  
6 percent of operating costs of the new system.

7            (2) The sliding fee scale shall:

8            (a) Base the level of a program beneficiary's contribution on that  
9 individual's gross household income, giving appropriate consideration  
10 to family size. In determining gross household income, the income of  
11 an applicant's spouse shall be considered available to the applicant,  
12 and the income of a minor applicant's parents shall be considered  
13 available to that minor. The board shall define "income" and other  
14 relevant criteria by rule;

15            (b) Provide that for program beneficiaries with gross household  
16 income below one hundred fifty percent of the federal poverty level,  
17 cost-sharing shall not have the effect of discouraging appropriate use  
18 of necessary community-based long-term care and support services;

19            (c) Provide for limits on annual cost-sharing obligation for each  
20 program beneficiary's household.

21            (3) To affect community-based long-term care and support service  
22 utilization, the board may establish copayments or deductibles which:

23            (a) May be imposed in lieu of the sliding fee scale for program  
24 beneficiaries requiring small amounts of community-based long-term care  
25 and support services; and

26            (b) Shall not have the effect of discouraging appropriate use of  
27 necessary community-based long-term care and support services for  
28 program beneficiaries with gross household incomes below one hundred  
29 fifty percent of the federal poverty level.

1        NEW SECTION.     Sec. 11.     RIGHT TO REFUSE SERVICES.     Nothing  
2 contained in this chapter shall be construed to require a program  
3 beneficiary to accept services, except to the extent provided otherwise  
4 by chapters 71.05, 11.88, and 11.92 RCW.

### PART III

## IMPLEMENTING THE NEW COMMUNITY-BASED LONG-TERM CARE SYSTEM

8        NEW SECTION.    **SEC. 12.**    INTENT RELATING TO IMPLEMENTATION.    It is  
9        the intent of the legislature that state-wide community-based long-term  
10      care and support services be modeled through pilot projects that will  
11      test various administrative structures.    Lessons learned through the  
12      pilot projects will be applied to development of the state-wide system.  
13      During the initial phase, additional community-based long-term care and  
14      support services will be provided through medicaid and other expansions  
15      using revenue from the secured benefit fund to serve unmet needs.

16        NEW SECTION.    **SEC. 13.**    IMPLEMENTATION. (1) The board shall adopt  
17    a schedule for the orderly development of the delivery of services and  
18    availability of the program to functionally disabled residents of the  
19    state, giving full consideration to the results of the evaluation of  
20    administrative model projects conducted in accordance with section 14  
21    of this act.

22       (2) Based upon knowledge gained from the administrative model  
23 projects established pursuant to section 14 of this act, current  
24 categorical long-term care systems shall merge into the program on a  
25 fixed future date, to be determined by the board after authorization by  
26 the legislature. Upon merger of these categorical systems, the needs

1 of all disability groups shall be equitably addressed through the  
2 program, regardless of the administrative model adopted by the board.

3        NEW SECTION.      **SEC. 14.**      ADMINISTRATIVE MODEL PROJECTS.      (1)

4      Administrative model projects shall have a duration of at least three  
5 years.

6        (2) Contracts to operate administrative model projects shall be  
7 competitively bid.

8        (3) Administrative model projects shall satisfy the following  
9 criteria:

10        (a) Build upon support available to each program beneficiary from  
11 the individual's family, community, and local business;

12        (b) Existing local advisory councils, such as councils on aging,  
13 developmental disabilities, and mental health established under state  
14 or federal law, and multicultural and multi-ethnic groups will be  
15 involved in the proposed long-term care delivery system;

16        (c) Services to minimize the effects of degenerative and  
17 debilitating conditions that result in a loss of independence will be  
18 offered. Such a plan might include a mechanism to support people who  
19 are at risk of rapid deterioration without support;

20        (d) Identify mechanisms that will be used to coordinate services  
21 with the acute health care and vocational rehabilitation systems;

22        (e) Transportation needs will be assessed and addressed;

23        (f) Identify mechanisms that will be used to control nursing costs;

24        (g) Provide case management services that include:

25        (i) A multidimensional assessment of the functionally disabled  
26 person's health and long-term care needs. No cost-sharing shall be  
27 imposed for this modality;

28        (ii) Development of a comprehensive care plan negotiated by the  
29 program beneficiary and his or her case manager, which meets minimum

1 standards established by the board to prevent overly subjective  
2 determinations of service needs, and which is subject to an appeal  
3 mechanism that provides an opportunity for informal review prior to a  
4 fair hearing;

5 (iii) Initiation, coordination, and monitoring of all long-term  
6 care services needed by a program beneficiary, including those services  
7 not funded by the program;

8 (iv) Involvement of each program beneficiary's family and other  
9 support systems; and

10 (v) Reassessment and service termination;

11 (h) Include mechanisms to ensure access to culturally and  
12 linguistically appropriate services by minority and limited English  
13 speaking populations.

14 (4) The board shall, to the greatest extent possible, contract for  
15 a diversity of case management models. At least one of the models  
16 shall utilize a case management model in which the case manager  
17 authorizes and manages services within budgeted funds.

18 (5) Contracts with administrative model project entities shall  
19 include remedies for failure to comply with the terms of the contract,  
20 including intermediate remedies in addition to termination of a  
21 contract.

22 NEW SECTION. **SEC. 15.** EVALUATION OF ADMINISTRATIVE MODEL  
23 PROJECTS. The board shall develop criteria to evaluate the success and  
24 failure of the administrative model projects established pursuant to  
25 section 14 of this act in meeting the intent and purposes of this  
26 chapter. The board shall contract with an independent entity to  
27 evaluate:

28 (1) The administrative model projects using the criteria developed  
29 pursuant to this section; and

1       (2) The actions taken by the board to implement this chapter giving  
2 consideration to this chapter's intent and purposes.

3       A report detailing the results of the evaluation shall be submitted  
4 to the governor and appropriate committees of the legislature no later  
5 than three years following initiation of the administrative model  
6 projects.

7       NEW SECTION. **Sec. 16.** INFORMATION SYSTEM. The board shall design  
8 and administer a long-term care information system. In designing the  
9 information system, the board shall pursue the following objectives:

10      (1) Use of a single common identifier for each functionally  
11 disabled person using long-term care services;

12      (2) Ability to track each functionally disabled person's use of  
13 long-term care services;

14      (3) Protection of confidentiality for functionally disabled persons  
15 using long-term care services; and

16      (4) Access to nonconfidential information relating to available  
17 long-term care services, training information for caregivers, and  
18 service utilization and cost data for planners and policymakers.

19       NEW SECTION. **Sec. 17.** ADMINISTRATION OF LONG-TERM CARE SERVICES  
20 PENDING STATE-WIDE IMPLEMENTATION OF PROGRAM. Pending merger of  
21 current categorical long-term care systems into the program as provided  
22 in section 13 of this act, other than in the model administrative  
23 sites, current long-term care services administration shall continue.  
24 During this period, subject to board approval, agencies administering  
25 community-based long-term care and support services may make  
26 administrative changes consistent with the intent and purposes of this  
27 chapter and as otherwise authorized by law.

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PART IV  
FINANCING COMMUNITY-BASED  
LONG-TERM CARE SERVICES

4        NEW SECTION. **Sec. 18.** INTENT RELATING TO FINANCING. Recognizing  
5        that financial stability is essential to success of a comprehensive  
6        long-term care system and that current and future demands are exceeding  
7        available financial resources, a dedicated fund comprised of state  
8        general funds, matching federal funds, public insurance funds, and  
9        sliding fee contributions by program beneficiaries shall be  
10      established. The legislature recognizes that development and  
11      implementation of the program will involve significant cooperation and  
12      partnership between Washington state and the federal government. It is  
13      the intent of the legislature that a minimum of fifty percent of annual  
14      revenues generated by public insurance be held in an ongoing trust  
15      account that will accrue principal and interest until at least the year  
16      2010 and then be expended only for services eligible under this  
17      chapter.

18        NEW SECTION. **Sec. 19.** FEDERAL/STATE RELATIONSHIP. The board  
19      shall identify and request federal statutory waivers necessary to allow  
20      federal funds currently used for community-based long-term care and  
21      support services to be deposited into the secured benefit fund and  
22      expended as provided in this chapter.

23        NEW SECTION. **Sec. 20.** FINANCING. (1) The secured benefit fund is  
24      created in the state treasury. All receipts from sources specified in  
25      this section shall be deposited in the fund. Moneys in the fund may be  
26      spent only after appropriation and may be used only for carrying out  
27      the purposes of this chapter.

1       (2) The secured benefit fund shall consist of:

2           (a) The insurance contributions specified in this section for any  
3 calendar year that begins on or after January 1, 1992, and payable by  
4 each employer as defined in RCW 50.04.080, and each individual  
5 registered with the department of revenue under Title 82 RCW;

6           (b) Legislative appropriations for general fund-state spending for  
7 community-based long-term care and support services;

8           (c) Federal funds received by the state as payment for community-  
9 based long-term care and support services, including but not limited to  
10 the medicare program, Title XVIII of the federal social security act,  
11 and the medicaid program, Title XIX of the federal social security act;  
12 and

13          (d) Program beneficiary cost-sharing as provided in section 10 of  
14 this act.

15          (3) Moneys in the secured benefit fund shall be held as follows:

16           (a) Fifty percent of the annual revenues from public insurance  
17 contributions under subsection (2)(a) of this section shall be held in  
18 a trust account, to be invested by the state investment board. Such  
19 revenues shall remain in the trust account, until the year 2010, at  
20 which time the board may transfer moneys to the current expenditure  
21 account as it deems necessary; and

22           (b) Fifty percent of the revenues from contributions under  
23 subsection (2)(a) of this section, and the remainder of funds deposited  
24 in the fund, shall be held in a current expenditure account and a  
25 reserve account to support the current expenditure account, at a level  
26 to be determined by the board. Funds held in the current expenditure  
27 account shall constitute the global budget for program services.

28          (4)(a) Insurance contributions under subsection (2)(a) of this  
29 section shall become due and be paid under rules adopted by the  
30 commissioner of the employment security department. Contributions

1 shall be collected on a semi-annual basis, with the first period  
2 consisting of the six calendar months ending June 30, and the second  
3 period consisting of the six calendar months ending December 31, of  
4 each calendar year. Up to one-half of the contribution may be deducted  
5 from the remuneration of individuals in the employ of the employer.  
6 Any deduction greater than one-half from individuals is in violation of  
7 this section and is unlawful, and is subject to penalty under Title 50  
8 RCW for an unlawful deduction.

9       (b) For employers described in RCW 50.44.010 and 50.44.030 who have  
10 properly elected to make payments in lieu of contributions, employers  
11 who are required to make payments in lieu of contributions, and  
12 employers paying contributions under RCW 50.44.035, the contributions  
13 shall be paid according to rules adopted by the commissioner.

14       (c) The insurance contribution of individuals only registered with  
15 the department of revenue under Title 82 RCW shall be determined  
16 according to rules adopted by the commissioner of the employment  
17 security department. The rules shall include provisions that: (i)  
18 Require contributions on remuneration that is comparable to the wages  
19 subject to contributions under subsection (5) of this section; and (ii)  
20 if the individual's remuneration is subject to contribution under more  
21 than one subsection of this section, the total remuneration subject to  
22 contribution shall not exceed forty thousand dollars annually, as  
23 specified in subsection (5) of this section.

24       (5)(a) The amount of wages subject to insurance contributions under  
25 subsection (2)(a) of this section shall be forty thousand dollars  
26 annually, except that no contribution shall be paid on wages of any  
27 individual earning wages of less than one thousand five hundred dollars  
28 per calendar quarter. The contribution rate applicable to wages paid  
29 shall be 0.55 percent.

1       (b) "Wages" under this subsection shall include all remuneration  
2 for contribution purposes as defined under RCW 50.04.320.

3       (6) In the payment of any insurance contribution under this  
4 section, a fractional part of a cent shall be disregarded unless it  
5 amounts to one-half cent or more, in which case it shall be increased  
6 to one cent.

7       (7) Late reports or contributions, and penalties and interest shall  
8 be determined and administered as provided under Title 50 RCW. In  
9 administering this section, the commissioner of the employment security  
10 department shall have the same authority as is provided for  
11 administering and enforcing the collection of contributions under Title  
12 50 RCW.

13       NEW SECTION.   **Sec. 21.** PRIVATE LONG-TERM CARE INSURANCE. The  
14 private long-term care insurance commission is hereby established. The  
15 commission shall be composed of seven members who shall be appointed by  
16 the insurance commissioner. Commission members shall be reimbursed for  
17 travel expenses pursuant to RCW 43.03.050 and 43.03.060.

18       (2) The commission shall review and make recommendations regarding  
19 the role of long-term care insurance in the new system. The commission  
20 shall report its recommendations to the board, the insurance  
21 commissioner, and appropriate committees of the legislature on or  
22 before December 1, 1992.

23       NEW SECTION.   **Sec. 22.** IN-MIGRATION. (1) The legislature intends  
24 that the program be available to established residents of Washington  
25 state.

26       (2) To discourage relocation of functionally disabled persons from  
27 other states into Washington to obtain program benefits, the board  
28 shall require, as condition of receipt of program benefits by

1 functionally disabled persons who have not resided in Washington state  
2 for a continuous period of twelve months prior to their application for  
3 program benefits, that these individuals pay a monthly premium for  
4 program benefits actuarially determined based upon the level and type  
5 of benefits available through the program.

6       **NEW SECTION.**   **Sec. 23.** SEVERABILITY. If any provision of this act  
7 or its application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected.

10      **NEW SECTION.**   **Sec. 24.** EFFECTIVE DATE. This act is necessary for  
11 the immediate preservation of the public peace, health, or safety, or  
12 support of the state government and its existing public institutions,  
13 and shall take effect July 1, 1991.

14      **NEW SECTION.**   **Sec. 25.** CAPTIONS NOT LAW. Part and section  
15 headings as used in this chapter do not constitute any part of the law.

16      **NEW SECTION.**   **Sec. 26.** Sections 1 through 25 of this act shall  
17 constitute a new chapter in Title 70 RCW.

18      **NEW SECTION.**   **Sec. 27.** The sum of ..... dollars (the  
19 essential requirements level of state funding), or as much thereof as  
20 may be necessary, is appropriated for the biennium ending June 30,  
21 1993, from the general fund to the community-based long-term care  
22 secured benefit program board for the purposes of this act.