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**HOUSE BILL 1286**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Tharinger, Harris, Jinkins, Johnson, Caldier, G. Hunt, Wylie, McBride, Kilduff, Takko, and Peterson

AN ACT Relating to a study regarding the funding of long-term services and supports; and creating new sections.

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

NEW SECTION. **Sec.**  The legislature makes the following findings:

(1) By 2030, nearly twenty percent or one out of every five people in our state will be age sixty-five or older and by 2060 the population of people who are age eighty-five or older in our state will more than triple. This will affect every area of state government;

(2) There is a need for increased focus and planning to support the growing number of seniors and people with disabilities in Washington state. Planning is necessary across a broad range of policy areas including health, long-term services and supports, housing, transportation, financial security, and protections for vulnerable adults;

(3) To address the growing demand for long-term services and supports, Washington state must do more to prepare for the future, leverage private resources, support families so they can take care of their loved ones without having to resort to medicaid, and help people plan for potential future costs;

(4) In the past few decades, a number of initiatives have been undertaken to reform Washington's system of supports for seniors to emphasize home and community-based options. These efforts have saved millions of dollars by preventing expensive institutional placements; and

(5) Washington must begin planning for the future long-term services and supports needs of its residents by taking steps to grow its workforce, resources, and quality long-term services and supports, and identify alternative long-term care financing options to help families and reduce the rate of growth in medicaid.

NEW SECTION. **Sec.**  (1) The department of social and health services shall contract for an independent feasibility study and actuarial modeling of public and private options for leveraging private resources to help individuals prepare for long-term services and supports needs. The study must model two options:

(a) A long-term care benefit paid for and open to workers, funded through a payroll deduction that would provide a one-to-three year, capped-dollar long-term care insurance benefit, the maximum length and amount of which will be determined by actuarial analysis; and

(b) A public-private reinsurance or risk-sharing model, with the purpose of providing a stable and ongoing source of reimbursement to insurers for a portion of their catastrophic long-term services and supports losses in order to provide additional insurance capacity for the state. The entity would operate as a public-private partnership supporting the private sectors role as the primary risk bearer.

(2) The report must include an evaluation of each option based on:

(a) The expected costs and benefits for participants;

(b) The total anticipated number of participants;

(c) The projected savings to the state medicaid program, if any;

(d) And legal and financial risks to the state.

(3) The joint legislative executive committee on aging and disability shall provide oversight and direction for this analysis and shall convene interested stakeholders to provide input on the study design.

(4) The feasibility study and actuarial analysis must be completed and submitted to the department of social and health services by December 20, 2016. The department shall submit a report, including the director's findings and recommendations based on the feasibility study and actuarial analysis, to the legislature no later than January 15, 2017. An interim report must be submitted to the department of social and health services on July 1, 2016.

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