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## Appropriations Committee

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### HB 1732

**Brief Description:** Delaying the implementation of the long-term services and supports trust program by 18 months.

**Sponsors:** Representatives Sullivan, Chopp, Johnson, J., Walen, Chapman, Berry, Cody, Dolan, Fey, Macri, Peterson, Ryu, Santos, Senn, Shewmake, Wylie, Simmons, Callan, Slatter, Ramos, Bergquist, Tharinger, Valdez, Thai, Pollet, Morgan, Taylor, Stonier, Ortiz-Self, Gregerson, Davis, Riccelli, Ormsby, Duerr, Orwall, Bateman, Kloba and Frame.

**Brief Summary of Bill**

- Delays the collection of premium assessments under the Long-Term Services and Supports Trust Program (Trust Program) until July 1, 2023.
- Delays the availability of approved services under the Trust Program until July 1, 2026.
- Allows persons born before January 1, 1968, who do not meet the 10-year minimum for paying Trust Program premiums to receive partial benefits based on the number of years of premium payments.

**Hearing Date:** 1/11/22

**Staff:** Christopher Blake (786-7392) and Mary Mulholland (786-7391).

**Background:**

In 2019 the Long-Term Services and Supports Trust Program (Trust Program) was enacted 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.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

Beginning January 1, 2022, the Trust Program assesses a premium of 0.58 percent on the wages of all employees in Washington. Washington residents who are at least 18 years old and who have paid the premium for either: (1) three years within the last six years; or (2) for a total of 10 years, are granted "qualified individual" status. A qualified individual may become an "eligible beneficiary" upon having been assessed as requiring assistance with at least three activities of daily living. In addition, eligible beneficiaries must be at least 18 years old and a Washington resident. Upon becoming an eligible beneficiary, a person may receive approved services in the form of benefit units that the Department of Social and Health Services pays to a long-term services and supports provider for performing services on behalf of eligible beneficiaries.

Persons who are self-insured may elect coverage under the Trust Program according to specified time frames. Employees who attest to having purchased long-term care insurance before November 1, 2021, may apply to the Employment Security Department by December 31, 2022, for an exemption from the premium assessment.

The Trust Program is administered jointly by the Department of Social and Health Services, the Employment Security Department, and the Health Care Authority. Trust Program oversight is provided by the Long-Term Services and Supports Trust Commission (Trust Commission) which includes legislators, agency directors, and representatives from Area Agencies on Aging, stakeholders, and consumers of approved services. The Trust Commission's January 1, 2022 report included a recommendation to allow persons who retire before they reach the 10-year contribution requirement in 2032 to elect continuing coverage after retirement until they reach the 10-year minimum. The Trust Commission also considered other options for persons near retirement, including pro-rated benefits, continued premium payments until benefits are needed, opt-outs for persons over a certain age, and premium refunds.

### **Summary of Bill:**

The implementation of many of the activities related to the Long-Term Services and Supports Trust Program (Trust Program) are delayed. The date for beginning the collection of premium assessments under the Trust Program for both employees and self-employed persons is delayed by 18 months from January 1, 2022, until July 1, 2023. The employer outreach program that the Employment Security Department and the Department of Social and Health Services must conduct is updated to account for the delayed collection of premium assessments. The availability of approved services under the Trust Program is delayed by 18 months from January 1, 2025, until July 1, 2026. The Department of Social and Health Services may not accept applications for eligible beneficiary determinations before July 1, 2026. The first biennial actuarial audit and valuation of the Trust Program is due July 1, 2026, rather than January 1, 2024. Premiums collected from employees before July 1, 2023, must be refunded to the employee within 120 days of collection by the employer or by the Employment Security Department through the employer.

Persons born before January 1, 1968, who do not pay the premium for the required 10 years needed to become vested in the full number of benefit units may receive partial benefits under

the Trust Program. For each year that persons in this population make the premium payments for the minimum 500 hours, they may receive 10 percent of the maximum number of benefit units. Persons in this population may still qualify for full benefits if they have paid the premium for three years within the last six years.

**Appropriation:** None.

**Fiscal Note:** Requested on January 3,2022.

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