

2SHB 1087 - S AMD TO HLTC COMM AMD (S-3352.1/19) 719
By Senator Carlyle

ADOPTED 04/16/2019

1 On page 1, line 17, after "medicaid." insert "Middle class
2 families are at the greatest risk because most have not saved enough
3 to cover long-term care costs. When seniors reach the point of
4 needing assistance with eating, dressing, and personal care, they
5 must spend down to their last remaining two thousand dollars before
6 they qualify for state assistance, leaving family members in jeopardy
7 for their own future care needs."

8 On page 2, line 36, after "seamless;" strike "and"

9 On page 2, line 38, after "settings" insert "; and
10 (e) Program design focuses on the need to provide meaningful
11 assistance to middle class families"

12 On page 3, beginning on line 32, after "dollars" strike all
13 material through "approval," on line 33

14 On page 3, line 36, after "date." insert "The benefit unit must
15 be adjusted annually at a rate no greater than the Washington state
16 consumer price index, as determined solely by the council. Any
17 changes adopted by the council shall be subject to revision by the
18 legislature."

19 On page 4, line 1, after "(5)" insert "'Council" means the long-
20 term services and supports trust council established in section 5 of
21 this act.

22 (6) "

23 Renumber the remaining subsections consecutively and correct any
24 internal references accordingly.

25 On page 4, line 31, after "(14)" insert "'State actuary" means
26 the office of state actuary created in RCW 44.44.010.

27 (15) "

1 On page 4, line 36, after "services," insert "the office of the
2 state actuary,"

3 On page 6, line 16, after "commission" insert ", council, and
4 state actuary"

5 On page 6, after line 26, insert:

6 "(5) The office of the state actuary shall:

7 (a) Beginning January 1, 2024, and biennially thereafter, perform
8 an actuarial audit and valuation of the long-term services and
9 supports trust fund. Additional or more frequent actuarial audits and
10 valuations may be performed at the request of the council;

11 (b) Make recommendations to the council and the legislature on
12 actions necessary to maintain trust solvency. The recommendations
13 must include options to redesign or reduce benefit units, approved
14 services, or both, to prevent or eliminate any unfunded actuarially
15 accrued liability in the trust or to maintain solvency; and

16 (c) Select and contract for such actuarial, research, technical,
17 and other consultants as the actuary deems necessary to perform its
18 duties under this act."

19 On page 6, line 28, after "established." insert "The commission's
20 recommendations and decisions must be guided by the joint goals of
21 maintaining benefit adequacy and maintaining fund solvency and
22 sustainability."

23 On page 8, line 19, after "(e)" strike "The" and insert
24 "Providing a recommendation to the council for the"

25 On page 8, at the beginning of line 20, strike "the formula
26 established in section 2" and insert "sections 2 and 5"

27 On page 8, line 21, after "(f)" strike "The" and insert
28 "Assisting the state actuary with the"

29 On page 9, after line 11, insert the following:

30 "NEW SECTION. **Sec. 5.** (1) The long-term services and supports
31 council is established. The council includes the members identified
32 in section 4(2)(a) through (e) of this act and the director of the
33 office of financial management, or the director's designee.

1 (2) On an annual basis, the council must determine adjustments to
2 the benefit unit as provided in the definition of "benefit unit" in
3 section 2 of this act to assure benefit adequacy and solvency of the
4 long-term services and supports trust account established in section
5 10 of this act. In determining adjustments to the benefit unit, the
6 council must review the state actuary's actuarial audit and valuation
7 of the trust account, any recommendations by the state actuary and
8 commission, data on relevant economic indicators and program costs,
9 and sustainability.

10 (3) The director of the office of financial management, or the
11 director's designee, shall serve as chair of the council. The council
12 must meet at least once annually to determine adjustments to the
13 benefit unit as defined in section 2 of this act. Additional meetings
14 of the council are at the call of the chair. A majority of the voting
15 members of the council shall constitute a quorum for any votes of the
16 council. Approval of sixty percent of the members of the council who
17 are in attendance is required for the passage of any vote. The
18 council may adopt rules for the conduct of meetings, including
19 provisions for meetings and voting to be conducted by telephonic,
20 video, or other conferencing process.

21 (4) Members of the council must be compensated in accordance with
22 RCW 43.03.250 and must be reimbursed for their travel expenses while
23 on official business in accordance with RCW 43.03.050 and 43.03.060."

24 Renumber the remaining sections consecutively and correct any
25 internal references accordingly.

26 On page 15, beginning on line 17, strike all of section 17 and
27 insert the following:

28 "NEW SECTION. **Sec. 17.** A new section is added to chapter 43.09
29 RCW to read as follows:

30 By December 1, 2032, the state auditor must conduct a
31 comprehensive evaluation of the long-term services and supports trust
32 program established in chapter 50B.--- RCW (the new chapter created
33 in section 21 of this act) and deliver a report, including a
34 conclusion and recommendations for improvement to the legislature
35 regarding:

36 (1) Program operations, including the performance of the long-
37 term services and supports trust commission established in section 4
38 of this act;

1 (2) Program financial status, including solvency, the value of
2 the benefit provided, and the financial balance of program benefits
3 to costs;

4 (3) The overall efficacy of the program, based on the established
5 goals under this act including, but not limited to:

6 (a) Delaying middle class families' need to spend to poverty to
7 receive medicaid-funded long-term care;

8 (b) Strengthening the state economy through improving workforce
9 participation;

10 (c) Reducing the caseload and expenditures of the state medicaid
11 program on long-term care; and

12 (d) Obtaining shared savings through a medicaid demonstration
13 waiver."

14 On page 20, after line 13, insert the following:

15 **"Sec. 21.** RCW 44.44.040 and 2011 1st sp.s. c 12 s 7 are each
16 amended to read as follows:

17 The office of the state actuary shall have the following powers
18 and duties:

19 (1) Perform all actuarial services for the department of
20 retirement systems, including all studies required by law.

21 (2) Advise the legislature and the governor regarding pension
22 benefit provisions, and funding policies and investment policies of
23 the state investment board.

24 (3) Consult with the legislature and the governor concerning
25 determination of actuarial assumptions used by the department of
26 retirement systems.

27 (4) Prepare a report, to be known as the actuarial fiscal note,
28 on each pension bill introduced in the legislature which briefly
29 explains the financial impact of the bill. The actuarial fiscal note
30 shall include: (a) The statutorily required contribution for the
31 biennium and the following twenty-five years; (b) the biennial cost
32 of the increased benefits if these exceed the required contribution;
33 and (c) any change in the present value of the unfunded accrued
34 benefits. An actuarial fiscal note shall also be prepared for all
35 amendments which are offered in committee or on the floor of the
36 house of representatives or the senate to any pension bill. However,
37 a majority of the members present may suspend the requirement for an

1 actuarial fiscal note for amendments offered on the floor of the
2 house of representatives or the senate.

3 (5) Provide such actuarial services to the legislature as may be
4 requested from time to time.

5 (6) Provide staff and assistance to the committee established
6 under RCW 41.04.276.

7 (7) Provide actuarial assistance to the law enforcement officers'
8 and firefighters' plan 2 retirement board as provided in chapter 2,
9 Laws of 2003. Reimbursement for services shall be made to the state
10 actuary under RCW 39.34.130 and section 5(5), chapter 2, Laws of
11 2003.

12 (8) Provide actuarial assistance to the committee on advanced
13 tuition payment pursuant to chapter 28B.95 RCW, including
14 recommending a tuition unit price to the committee on advanced
15 tuition payment to be used in the ensuing enrollment period.
16 Reimbursement for services shall be made to the state actuary under
17 RCW 39.34.130.

18 (9) Provide actuarial assistance to the long-term services and
19 supports trust council and commission pursuant to chapter 50B.--- RCW
20 (the new chapter created in section 21 of this act). Reimbursement
21 for services shall be made to the state actuary under RCW 39.34.130."

22 Renumber the remaining section consecutively and correct any
23 internal references accordingly.

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24 On page 20, beginning on line 18, after "74.39A.076" strike all
25 material through "18.88B.041" on line 19 and insert ", 18.88B.041,
26 and 44.44.040"

27 On page 20, line 20, after "chapter" strike "44.28" and insert
28 "43.09"

EFFECT: (1) Modifies the intent section to include the program's
goals to assist middle class families.

(2) Transfers the authority to increase the annual benefit unit
from the Commission to the Council. Any changes adopted by the
council shall be subject to revision by the legislature.

(3) Creates the Long-Term Care Services and Supports Council consisting of the legislators and agency heads of the Commission and the Director of Office of Financial Management or designee. Council must meet annually to adjust benefit unit.

(4) Adds the Office of the State Actuary to the agencies with duties under the program. The State Actuary will provide a biennial actuarial audit and valuation of the long-term services and supports trust fund and provide recommendations to maintain solvency.

(5) Adds language that requires the Commission's recommendations and decisions to be guided by the goals of maintaining benefit adequacy and fund solvency and sustainability.

(6) Replaces the 2032 JLARC audit with a program evaluation by the state auditor that includes recommendations for improvements to program operations, financial solvency, value of the benefit, and overall efficacy of the program.

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