

FINAL BILL REPORT

SSB 6267

C 98 L 20
Synopsis as Enacted

Brief Description: Modifying the long-term services and supports trust program by clarifying the ability for individuals with existing long-term care insurance to opt-out of the premium assessment and making technical corrections.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Takko, King and Van De Wege; by request of Employment Security Department).

Senate Committee on Health & Long Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Appropriations

Background: In 2019, the Legislature established the Long-Term Services and Supports (LTSS) Trust Program, which provides up to \$36,500 in lifetime benefits for eligible beneficiaries to apply to the cost of their long-term care. The LTSS Trust Program is funded through a 0.58 percent premium assessment on an employee's wages. An employee demonstrating they have long-term care insurance is exempt from the premium assessment. Premium assessment begins January 1, 2022, with benefits available beginning January 1, 2025. The Health Care Authority, Department of Social and Health Services, the Employment Security Department (ESD), and a newly established LTSS Trust Commission are required to work together to administer the program.

Summary: An employee who attests they have long-term care insurance is permitted to apply for an exemption from the premium assessment. An exempt employee is permanently ineligible from receiving LTSS Trust Program benefits. ESD must only accept applications for exemptions from October 1, 2021, through December 31, 2022, and is not required to verify the employee has long-term care insurance. Employees who are 18 years old or older may apply for the exemption.

Approved exemptions will take effect on the first day of the quarter immediately following the approval of the exemption. Exempt employees are not entitled to a refund of any premium deductions made before the effective date of an approved exemption. An exempt employee must provide written notification to all current and future employers of an approved exemption. If an exempt employee fails to notify an employer of an exemption, the exempt employee is not entitled to a refund of any premium deductions made before notification is provided.

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

Employers must not deduct premiums after being notified by an employee of an approved exemption, and must retain written notifications of exemptions received from employees. An employer who deducts premiums after being notified by the employee of an exemption is solely responsible for refunding any premiums deducted after the notification to the employee. The employer is not entitled to a refund from ESD for any premiums remitted to ESD that were deducted from exempt employees. ESD must adopt rules necessary to implement and administer the exemption activities, including rules on submitting and processing exemption applications.

Technical corrections are made to statutory references.

Votes on Final Passage:

Senate	48	0
House	95	2

Effective: June 11, 2020