

SENATE BILL REPORT

SHB 1323

As of March 18, 2021

Title: An act relating to the long-term services and supports trust program.

Brief Description: Concerning the long-term services and supports trust program.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Tharinger, Macri, Simmons, Fitzgibbon, Cody, Hackney, Santos, Ortiz-Self, Lekanoff and Pollet).

Brief History: Passed House: 2/23/21, 57-40.

Committee Activity: Health & Long Term Care: 3/22/21.

Brief Summary of Bill

- Specifies that employees who apply to opt-out of the Long-Term Services and Supports Trust Program (LTSS Trust Program) must attest to having long-term care insurance prior to the effective date of this act.
- Requires self-employed persons who wish to participate in the LTSS Trust Program, elect to do so by January 1, 2025, or within three years of becoming self-employed for the first time.
- Allows individuals who were disabled before the age of 18 to be eligible for the LTSS Trust Program.
- Authorizes federally recognized tribes to elect for its employees to participate in the LTSS Trust Program.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: LeighBeth Merrick (786-7445)

Background: In 2019, the Legislature established the Long-Term Services and Supports

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Trust Program (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. The premium assessment begins January 1, 2022, and eligible beneficiaries may begin receiving benefits on January 1, 2025. An individual who is a Washington resident, at least 18 years old, not disabled before the age of 18, assessed as needing assistance with at least three activities of daily living, and paid into the program for either three of the last six or years or a total for ten years with no more than a five- year interruption, is eligible to receive benefits.

From October 1, 2021, through December 31, 2022, employees who attest to having long-term care insurance may apply to the Employment Security Department (ESD) for an exemption from the premium assessment. An exempt employee is permanently ineligible from receiving LTSS Trust Program benefits. Self-employed individuals may elect coverage under the LTSS Trust Program and may withdraw from coverage according to time frames established by ESD.

The LTSS Trust Program is administered jointly by the Department of Social and Health Services, the ESD, and the Health Care Authority. Oversight is provided by the Long-Term Services and Supports Trust Commission which includes legislators, agency directors, and representatives from area agencies on aging, stakeholders, and consumers of approved services. In January 2021, the commission released a report to the Legislature with recommendations regarding the LTSS Trust Program's operations and solvency.

Summary of Bill: An employee who wishes to opt-out of the LTSS Trust Program must attest to having purchased long-term care insurance before the effective date of the bill.

A self-employed person who wishes to elect coverage under the LTSS Trust Program must exercise that option before January 1, 2025, or within three years of becoming self-employed for the first time.

Once a self-employed person has elected coverage under the LTSS Trust Program, the person may not withdraw from coverage. A self-employed person who has elected coverage must continue to pay premiums until retirement or until the person is no longer self-employed. The person must file a notice with ESD upon retirement or no longer being self-employed. In addition to performing investigations to determine compliance with the payment of premiums by employers, ESD must also make such determinations regarding self-employed persons.

A federally recognized tribe may elect for its employees to participate in the LTSS Trust Program.

Persons who were disabled before the age of 18 may qualify to receive benefits under the LTSS Trust Program.

Appropriation: None.

Fiscal Note: Requested on March 3, 2021.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.