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**Health Care & Wellness Committee**

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**HB 1636**

**Brief Description:** Establishing a program to fund long-term services and supports.

**Sponsors:** Representatives Jinkins, Johnson, Tharinger, Harris, Appleton and Fey.

**Brief Summary of Bill**

- Establishes the Long-Term Services and Supports Trust program (Trust Program) to provide benefits for long-term services and supports to qualified enrollees.
- Establishes eligibility requirements for the Trust Program for persons who pay a payroll tax of 0.49 percent for a specific amount of time.
- Establishes the Long-Term Services and Supports Trust Commission to establish policies for the Trust Program and authorizes the Employment Security Department to administer the Trust Program.

**Hearing Date:** 2/15/17

**Staff:** Chris Blake (786-7392).

**Background:**

Persons who need assistance with activities of daily living such as bathing, dressing, medication administration, personal hygiene, or other health-related tasks may access assistance through several types of care providers in different settings. Providers of long-term services and supports include unpaid family caregivers, nursing homes, assisted living facilities, adult family homes, home health services, and individual and agency providers. Sources of funding for long-term services and supports include personal resources, private long-term care insurance, and Medicaid.

The 2015-17 operating budget funded the Department of Social and Health Services to contract for an independent feasibility study and actuarial modeling of two options to provide financial assistance to persons with preparations for long-term services and supports needs. The first option was to review a public long-term care benefits for workers funded through a payroll tax

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deduction. The second option was to review a public-private reinsurance model to provide a stable source of reimbursement for insurers for a portion of catastrophic long-term services and supports losses. The study was recently released.

### **Summary of Bill:**

The Long-Term Services and Supports Trust Program (Trust Program) is established 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 having a certain level of need. The Trust Program is funded through a payroll tax of 0.49 percent for all employees in Washington. Washington residents are granted "qualified enrollee" status if they are at least eighteen years old and have paid the tax for either: (1) three years within a six-year period, or (2) for a total of ten years. A qualified enrollee may become an "eligible beneficiary" if he or she is not eligible for long-term services and supports under Medicare and has been assessed by an approved health care provider as requiring assistance with at least three activities of daily living. A person's qualified enrollee status may lapse if he or she is not a Washington resident for five consecutive years without paying the payroll tax. Upon returning to Washington the person may reestablish qualified enrollee status by complying with the requirements.

Once becoming an eligible beneficiary, a person may receive long-term services and supports in the form of daily benefit units. A daily benefit unit is the equivalent of \$100, adjusted by an annual three percent index, that the Employment Security Department (Department) pays to a long-term services and supports provider for providing a day of care to an eligible beneficiary. The benefits do not begin until thirty days after the person becomes an eligible beneficiary. An eligible beneficiary may receive up to 365 daily benefit units over the course of his or her lifetime. Partial daily benefit units may be retained by the eligible beneficiary if a day of care costs less than the value of the daily benefit unit.

The Trust Program is administered by the Department with oversight and policy direction from the Long-Term Services and Supports Trust Commission (Commission). The Department is responsible for determining the eligibility status of individuals, registering long-term services and supports providers, disbursing benefit payments to long-term services and supports providers, reimbursing health care providers for performing eligibility assessments, collecting payroll deductions, assisting the Commission with monitoring the solvency and financial status of the program, and communicating with qualified enrollees and eligible beneficiaries.

The Commission is comprised of four legislators, the commissioner of the Department, the Secretary of the Department of Social and Health Services (DSHS), two representatives of long-term services and supports providers, two representatives of an organization representing retired persons, and two representatives of consumers receiving long-term services and supports. The Commission has authority to establish rules and policies, including criteria for qualified enrollees and eligible beneficiaries, minimum qualifications for health care providers who conduct assessments, minimum qualifications for long-term services and supports providers, criteria for paying benefits, adjustments of benefit amounts, and reporting on the solvency and financial status of the Trust Program.

The DSHS must establish a registry for health care providers who meet the minimum eligibility requirements established by the Commission to conduct eligibility assessments for qualified

enrollees. The registry must be available to qualified enrollees and eligible beneficiaries to locate a health care provider who may assess the extent to which the person has an impairment with the activities of daily living. The DSHS must establish procedures for discontinuing the registration of health care providers who fail to meet the minimum qualifications or violate program standards.

Legislative findings are made regarding the number of older adults without long-term care insurance; the expense of long-term services and supports; the number of older adults who will need long-term services and supports; the amount of state spending on long-term services and supports; and the need for new funding options for long-term services and supports.

**Appropriation:** None.

**Fiscal Note:** Requested on January 24, 2017.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.