
Health Care & Wellness Committee

HB 1323

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

Sponsors: Representatives Tharinger, Macri, Simmons, Fitzgibbon, Cody, Hackney, Santos, Ortiz-Self, Lekanoff and Pollet.

Brief Summary of Bill

- Requires that self-employed persons who wish to elect coverage under the Long-Term Services and Supports Trust Program (Trust Program) exercise that option by January 1, 2025, or within three years of becoming self-employed for the first time.
- Authorizes federally recognized tribes to elect to collect the premium assessment for their employees under the Trust Program.

Hearing Date: 2/1/21

Staff: Christopher Blake (786-7392).

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.

Beginning January 1, 2022, a premium of 0.58 percent will be assessed on the wages of all employees in Washington who have worked at least 500 hours during the year. 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

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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, must be a Washington resident, and may not have been disabled before the age of 18. 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 and may withdraw from coverage according to time frames established by the Employment Security Department. Employees who attest to having long-term care insurance may apply to the Employment Security Department 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 which includes legislators, agency directors, and representatives from area agencies on aging, stakeholders, and consumers of approved services.

Summary of Bill:

A self-employed person who wishes to elect coverage under the Long-Term Services and Supports Trust Program (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 Trust Program, the person may not withdraw from coverage. A self-employed person who has elected coverage under the Trust Program must continue to pay premiums until retirement or until the person is no longer self-employed. The person must file a notice with the Employment Security Department upon retirement or no longer being self-employed. In addition to performing investigations to determine compliance with the payment of premiums by employers, the Department of Employment Security must also make such determinations regarding self-employed persons.

A federally recognized tribe may elect to collect the premium assessment for its employees under the Trust Program.

Persons who were disabled before the age of 18 may qualify as an "eligible beneficiary" under the Trust Program.

It is specified that the exemption to the Trust Program for employees who have long-term care insurance applies to those who had purchased the long-term care insurance prior to July 28, 2019.

It is clarified that the requirement to have paid the premium with three of the previous six years to become a qualified individual under the Trust Program applies to payment for three of the six

years prior to the date of application.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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