

FINAL BILL REPORT

SHB 1323

C 113 L 21

Synopsis as Enacted

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).

House Committee on Health Care & Wellness
Senate Committee on Health & Long Term Care

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. 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 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-employed 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.

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

Applications for an exemption must be made between October 1, 2021, and December 31, 2022.

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:

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. A federally recognized tribe that has elected coverage has the option to opt out of the Trust Program at any time and for any reason.

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 have purchased the long-term care insurance prior to November 1, 2021.

The Long-Term Services and Supports Trust Commission must work with insurers to develop long-term care insurance products that supplement the Trust Program's benefits.

The Employment Security Department and the Department of Social and Health Services must provide employers with educational materials to ensure that employees are aware of the Trust Program and that the premium assessments begin on January 1, 2022. The agencies must provide information about the Trust Program and premiums on a website and make the information available in English and other primary languages which include Spanish, Vietnamese, Cambodian, Laotian, and Chinese.

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 for benefits.

Votes on Final Passage:

House 56 41

Senate 26 22 (Senate amended)

House 58 39 (House concurred)

Effective: July 25, 2021