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**HOUSE BILL 1011**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Abbarno, Corry, Dent, Barkis, Griffey, Ybarra, Walsh, Schmidt, Robertson, Couture, Stokesbary, Chambers, Hutchins, Eslick, Volz, Sandlin, Jacobsen, Klicker, Graham, Steele, McClintock, Connors, Christian, Rude, Dye, Caldier, Schmick, Orcutt, Springer, Barnard, and Cheney

Prefiled 12/06/22. Read first time 01/09/23. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to repealing the long-term services and supports  
2 trust program; creating a new section; repealing RCW 50B.04.010,  
3 50B.04.020, 50B.04.030, 50B.04.040, 50B.04.050, 50B.04.055,  
4 50B.04.060, 50B.04.070, 50B.04.080, 50B.04.085, 50B.04.088,  
5 50B.04.090, 50B.04.095, 50B.04.100, 50B.04.110, 50B.04.120,  
6 50B.04.130, 50B.04.140, 50B.04.150, 50B.04.160, 50B.04.170, and  
7 50B.04.900; and declaring an emergency.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** The legislature finds that:

10 (1) In 2019, the legislature enacted the long-term services and  
11 supports trust program, which authorized a fifty-eight hundredths of  
12 one percent premium on employee wages to pay for long-term care  
13 benefits for qualified individuals beginning in 2025. Beginning July  
14 1, 2023, this tax will be paid by all employees who work in  
15 Washington, excluding individuals who have purchased a private long-  
16 term care insurance policy and received an exemption, regardless if  
17 they will retire before qualifying for the program or reside out of  
18 Washington currently or in the future and not be able to use the  
19 benefits of a program they paid into.

20 (2) The maximum benefits that a person may receive under the  
21 long-term services and supports trust program is \$36,500 which will

1 be wholly inadequate to meet the needs of most people needing care  
2 under the program. This will lead many people to think all their  
3 long-term care needs will be paid for under the program and not plan  
4 for costs beyond the maximum \$36,500 benefit.

5 (3) In 2019, Washington voters recommended the repeal of House  
6 Bill No. 1087 in an advisory question by a resounding vote of over 62  
7 percent.

8 (4) The state's Constitution only permits treasury investments  
9 which typically yield returns between two and three percent. Due to  
10 the fact that the solvency of the program was based on an actuarial  
11 model that assumed over five percent investment returns, in 2020, the  
12 legislature passed a constitutional amendment that would have allowed  
13 investment of the program's funds in vehicles besides treasuries,  
14 including stocks and bonds. This amendment was rejected by voters and  
15 now the investment returns that the program is based on are  
16 unattainable under current law and the program has an unfunded  
17 liability projected at \$15,000,000,000 in net present value. Benefit  
18 cuts or further premium increases will be necessary to address the  
19 program's solvency.

20 (5) The most tangible benefit of the experiment with the long-  
21 term services and supports trust program has been the conversation  
22 that it has prompted among Washingtonians about the best way to  
23 finance long-term care needs. In response, an increased number of  
24 Washingtonians have purchased long-term care insurance policies and  
25 others are considering alternative ways to meet their anticipated  
26 long-term care needs. For those without the resources to save for  
27 their needs, it is unfair to burden them with financing a potential  
28 future benefit or give them the false impression all their long-term  
29 care needs will be met through this program when they are struggling  
30 with meeting the needs of today. Some Washingtonians, however, are  
31 prepared to assume responsibility for planning their future care and  
32 will need their funds to invest in long-term services. For these  
33 reasons, the long-term services and supports trust program must be  
34 repealed and a new discussion must occur about incentivizing and  
35 supporting Washingtonians in responsibly planning for their long-term  
36 care needs.

37 NEW SECTION. **Sec. 2.** The following acts or parts of acts are  
38 each repealed:

- 1 (1) RCW 50B.04.010 (Definitions) and 2021 c 113 s 1, 2020 c 98 s  
2 1, & 2019 c 363 s 2;
- 3 (2) RCW 50B.04.020 (Duties—Health care authority, department of  
4 social and health services, office of the state actuary, employment  
5 security department) and 2022 c 1 s 1, 2021 c 113 s 2, 2020 c 98 s 2,  
6 & 2019 c 363 s 3;
- 7 (3) RCW 50B.04.030 (Long-term services and supports trust  
8 commission—Investment strategy subcommittee) and 2022 c 1 s 2, 2021 c  
9 113 s 3, & 2019 c 363 s 4;
- 10 (4) RCW 50B.04.040 (Long-term services and supports council—  
11 Benefit unit adjustment) and 2019 c 363 s 5;
- 12 (5) RCW 50B.04.050 (Qualified individuals) and 2022 c 2 s 3, 2022  
13 c 1 s 3, 2021 c 113 s 4, 2020 c 98 s 3, & 2019 c 363 s 6;
- 14 (6) RCW 50B.04.055 (Exemptions—Voluntary exemptions—Criteria,  
15 rules, and procedures—Discontinuing—Notification) and 2022 c 2 s 2;
- 16 (7) RCW 50B.04.060 (Eligible beneficiaries—Determination—  
17 Services and benefits) and 2022 c 1 s 4 & 2019 c 363 s 7;
- 18 (8) RCW 50B.04.070 (Payment of benefits) and 2019 c 363 s 8;
- 19 (9) RCW 50B.04.080 (Premium assessment—Rate—Collection) and 2022  
20 c 2 s 1, 2022 c 1 s 5, 2020 c 98 s 4, & 2019 c 363 s 9;
- 21 (10) RCW 50B.04.085 (Premium assessment—Exemptions) and 2021 c  
22 113 s 5 & 2020 c 98 s 7;
- 23 (11) RCW 50B.04.088 (Premium assessment—Refunds for premiums  
24 collected prior to July 1, 2023) and 2022 c 1 s 8;
- 25 (12) RCW 50B.04.090 (Election of coverage—Self-employed persons)  
26 and 2022 c 1 s 6, 2021 c 113 s 6, 2020 c 98 s 5, & 2019 c 363 s 10;
- 27 (13) RCW 50B.04.095 (Election of coverage—Federally recognized  
28 tribe) and 2021 c 113 s 7;
- 29 (14) RCW 50B.04.100 (Long-term services and supports trust  
30 account) and 2019 c 363 s 11;
- 31 (15) RCW 50B.04.110 (Long-term services and supports trust  
32 account—Investment—Policies) and 2019 c 363 s 12;
- 33 (16) RCW 50B.04.120 (Appeal of determinations) and 2020 c 98 s 6  
34 & 2019 c 363 s 13;
- 35 (17) RCW 50B.04.130 (Medicare data and waiver—Report) and 2019 c  
36 363 s 14;
- 37 (18) RCW 50B.04.140 (Reports to legislature) and 2022 c 1 s 7 &  
38 2019 c 363 s 15;

1 (19) RCW 50B.04.150 (Benefits not income or resource) and 2019 c  
2 363 s 16;

3 (20) RCW 50B.04.160 (Entitlement not created) and 2019 c 363 s  
4 17;

5 (21) RCW 50B.04.170 (Confidentiality of information and records)  
6 and 2022 c 18 s 1; and

7 (22) RCW 50B.04.900 (Findings—2019 c 363) and 2019 c 363 s 1.

8 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
9 preservation of the public peace, health, or safety, or support of  
10 the state government and its existing public institutions, and takes  
11 effect immediately.

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