



# WA Cares Fund Washington's Long-Term Services and Supports Trust Program

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# What You Need to Know about WA Cares Fund

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- Why do we need a new approach to long-term care?
- What is WA Cares Fund?
- Why is WA Cares good for Washington?
- How does WA Cares support Washington families?
- How does WA Cares work?
- Impact of Tribes choosing to opt-in or remain excluded
- Q&A

# We All Have Concerns About Aging



- **Marion:** I don't want to be a burden to my adult children, they have their own kids to care for. But I am having trouble getting in and out of the tub and I'm afraid I'm going to fall.
- **Barb:** My mother is in her 80s and keeps falling at home. Now she's broken her arm. She lives alone and there is no family in town to help.

# We All Have Concerns about Aging

- **Naomi:** I'm afraid my mom's dementia is getting worse. She put plastic ware on the stove and nearly burned down her kitchen. She refuses to move to a facility or hire help.
- **Sharon:** My grandmother could really use medication reminders to keep on top of her insulin doses before she ends up in a crisis, and nutritious meal delivery to keep her blood pressure low.



# The Need for Care Can Come Unexpectedly



**Calvin:** I work in customer service. I was in an accident and lost the use of my legs. I've spent most of my savings on medical bills. I'm worried about how I will pay for care to help me get ready for work in the morning and when I get home at night. I need help every day with things like getting dressed. My sister was helping me but she has a job and it puts a great deal of stress on her.

# Long Term Care Can Overwhelm a Family's Finances

- **Larry:** I turned 50 last year and after caring for my mom, I realized I need long-term care insurance but can't afford it. It would cost me \$2,700/year.
- **John:** I worked all my life and retired at 70. My stroke a few years ago makes it nearly impossible to dress, but I don't have \$110,000 for assisted living. I can't believe Medicare doesn't cover this.



**The LTSS Trust is a step toward resolving these concerns for Washingtonians.**

# Family Caregivers Need Support

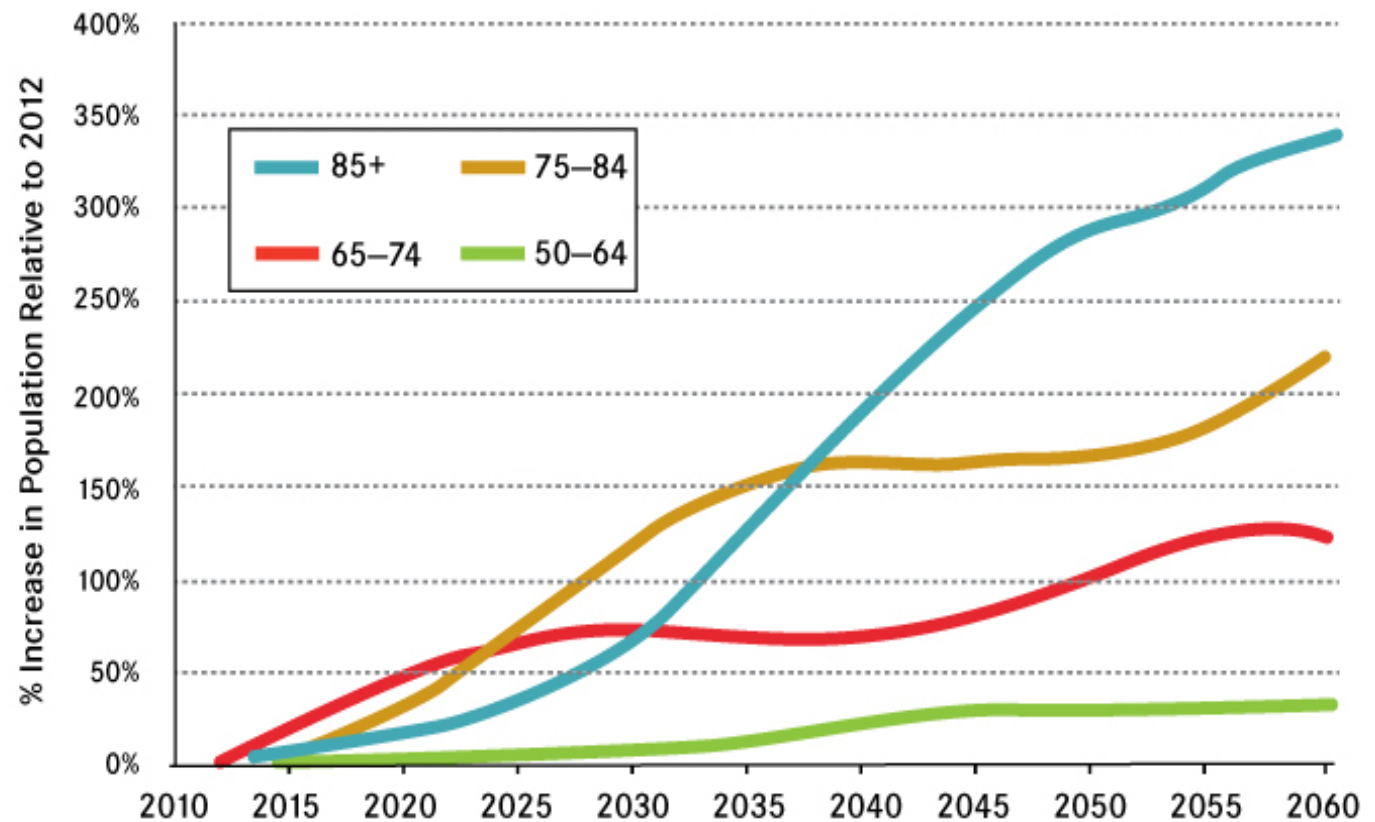
- “There are only four kinds of people in the world: those who **have been** caregivers, those who **are** caregivers, those who **will be** caregivers and those who **will need** caregivers.”
- “Caregiving is hard, even on the good days when it brings joy and fulfillment. It requires dedication, determination, and time.”

– Rosalynn Carter, Founder of the  
Rosalynn Carter Institute for Caregivers



# Why does WA Need a New Approach to Long-Term Care?

- LTSS needs are growing as Washingtonians age and families are less able to meet their needs
- 31% increase in American Indian/Alaska Natives 60+ by 2030



Source: Washington State Department of Social and Health Services, Research and Data Analysis Division



# WA Cares Fund Will Protect State Budget

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Washington's budget for LTC in the current 2019-2021 biennium:

**\$6.4 billion**

LTC spending as a percentage of the state budget:

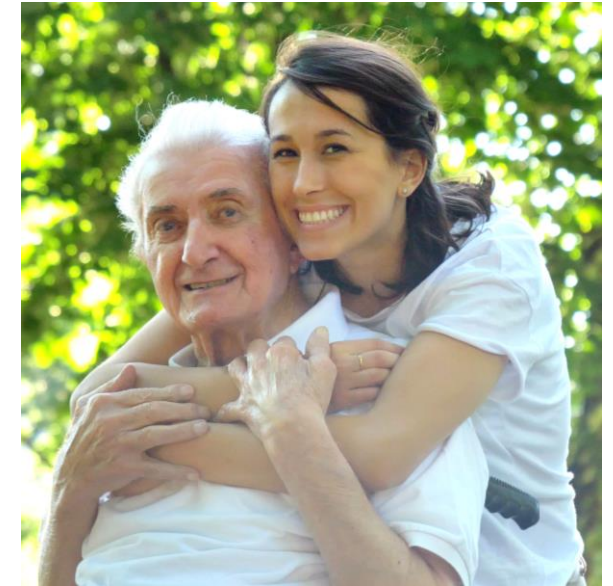
**6.3%**

- These costs and their impact on the state budget would have doubled in roughly two decades, along with the increase in our aging population, without a policy intervention.

# Why Families Need a New Approach to Long-Term Care

## Diane

*My dad needs help since his stroke 2 years ago. My mom took care of him until she passed away. I have a full time job and take care of my grandchildren regularly. I found out LTC is not covered by Medicare so we paid privately for some help for a while. Dad will have to spend down his life savings to \$2,000 to qualify for Medicaid. I'm not sure how I'm going to meet the time and financial needs of my dad, my grandchildren and myself.*



## Long-Term Care is predictable and expensive

- 70% of those turning 65 today will need long-term care
- Annual cost of home care: \$33k to \$66k (20-40 hours/week)

## Most Seniors can't afford long-term care

- Among Washington seniors:
  - Median household income: \$56,000
  - Half have no 401(k) or pension income

# What is WA Cares Fund?

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- A universal long-term care program enacted in Washington State
- An earned benefit – only those who contribute are eligible
- Self-funded from worker contributions, reducing the need to raise taxes to pay for Medicaid LTSS costs associated with the coming age wave
- Affordable contributions across our careers is a more efficient and effective way to pay for long-term care
- Lifetime maximum benefit of \$36,500
- Contributions begin 1/1/2022; Benefits begin 1/1/2025
- Workers contribute 0.58% of their wages



# WA Cares Fund: A Smarter, More Affordable Way to Support Families with Long-Term Care

## Old Way

- LTC insurance is unaffordable for most
- Fear of not being able to remain in our home as we age
- Anxiety around financial and family burdens of one day needing LTC
- Deplete life savings and ultimately rely on Medicaid

## New Way

- **Affordable** LTC insurance for all
- **Peace of mind** that care will be available
- Allows families to **focus on care, not money**, when care needs arise
- We **choose** whatever mix of family and professional care supports meets our preferences and needs

# The Path to WA Cares



## 2019

State Legislature  
Passes SSHB 1087

- **ESD** Collects Premiums
- **DSHS** Administers Benefit
- **HCA** Tracks Lifetime Benefit
- **State Actuary** Performs Actuarial Audit Functions

## 2020

ESD Agency Request  
Legislation SSB 6267  
Passes

## 2021

HB 1323 Passes

**October 1**

ESD accepts  
exemptions  
through  
December 2022

## 2022

**January 1**

Employers begin  
deducting premiums  
from employee wages

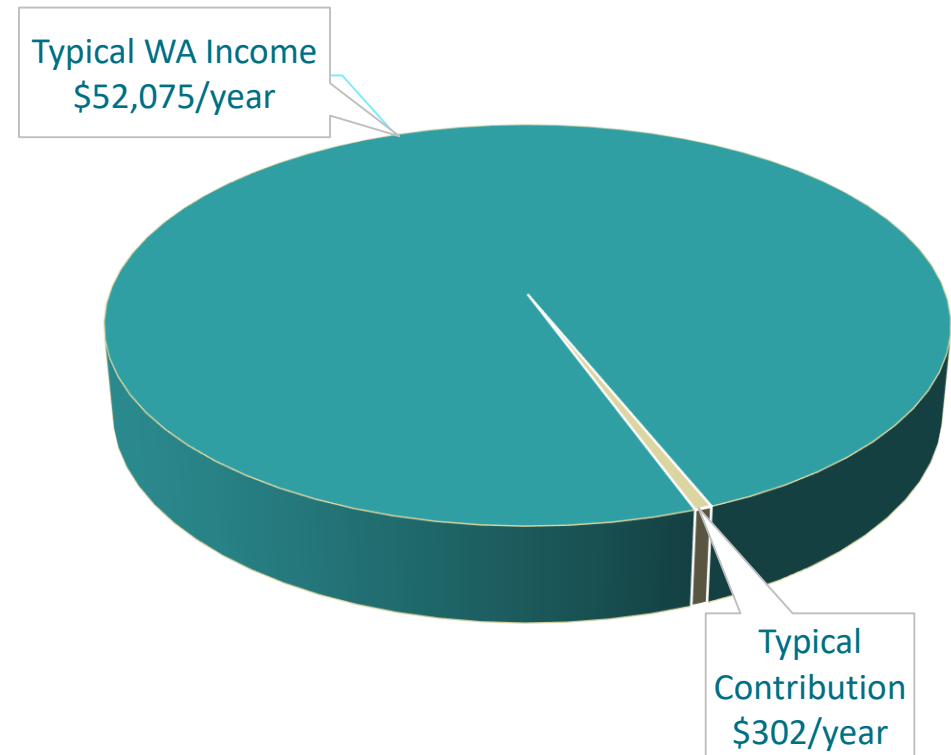
## 2025

**January 1**

Benefit becomes  
available for qualified  
individuals

# How WA Cares Works

- Every employee contributes a little over a half a percent (0.58%) of wages.
- Premiums go into dedicated Trust Fund that can be used only for this program.
- If you have purchased private LTC insurance before 11/1/2021, you can:
  - Keep it and use it to supplement the WA Cares \$36,500 benefit; or
  - Apply to permanently withdraw from WA Cares 10/1/2021 thru 12/31/2022



# How WA Cares Works

## What do employers need to know?

- Employers collect premiums from employee wages beginning January 1, 2022.
- Workers contribute to WA Cares; employers do not.
- Employers report wages and remit employee premiums to ESD.
- If an employee has LTC insurance and does not want additional coverage through WA Cares, they can apply to opt out through ESD. Employers do not process opt-out applications.
- Employers collect premiums from all workers except those who have provided confirmation from ESD certifying exemption from WA Cares coverage.
- Self-employed earners may opt in to WA Cares through ESD.



# How WA Cares Works

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## Vesting and eligibility

To meet vesting criteria, you must have earned your WA Cares benefit by working and contributing:

- At least ten years at any point in your life without a break of five or more years, or
- Three of the last six years;
- And at least 500 hours per year during those years.

To be eligible for benefits, you must require assistance with at least three activities of daily living.

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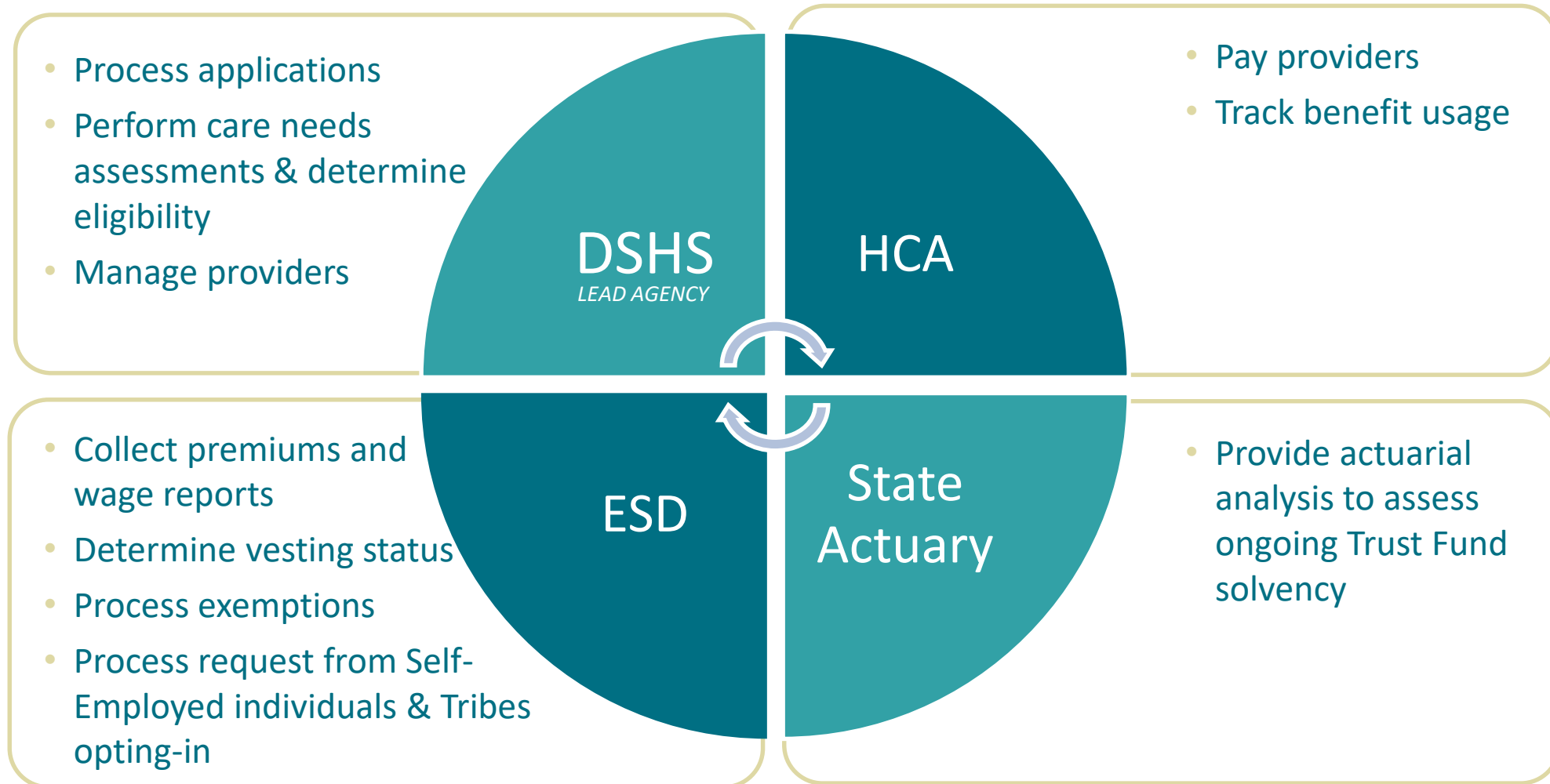


# The Benefit is Flexible

- You can spend up to \$36,500 on a combination of services and supports.
- The benefit is flexible and you choose how you want to use it.
- You can hire a home care aide, pay a family member, make home modifications, etc.



# Cross-Agency Responsibilities



# Why is WA Cares important for tribal employers?



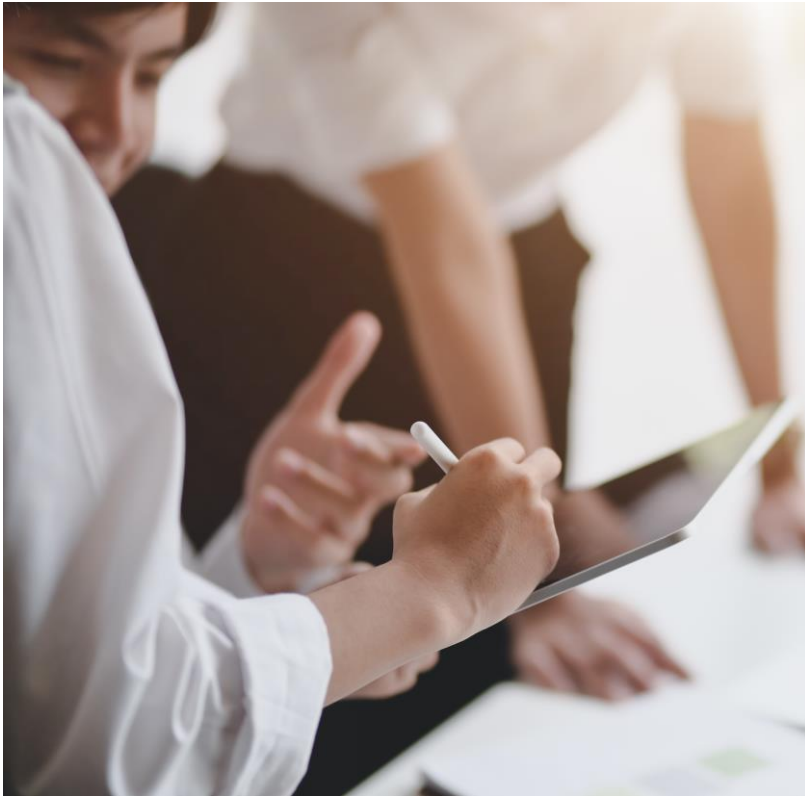
- Tribes are some of the largest employers in their regions. If Tribes don't opt in, workers could lose their benefit by coming to work for the Tribe. If someone has paid in for up to nine years working for a non-tribal employer and leaves their job when they are hired by a tribal employer, they will lose their benefit after five years with the Tribe.

# Why is WA Cares important for tribal employers?

- As an employer, any private coverage offered by the Tribe can be used in combination with the WA Cares Fund. Employers don't contribute anything, but by employees paying in just over ½ percent of their own wages over the course of their careers, they will earn a \$36,500 long-term care benefit. That benefit will be there for them long after they retire.



# WA Cares Fund Laws & Tribes as Employers



**RCW 50B.04.080 and RCW 50B.04.010 describe ESD’s responsibility for assessing premiums and define who participates.**

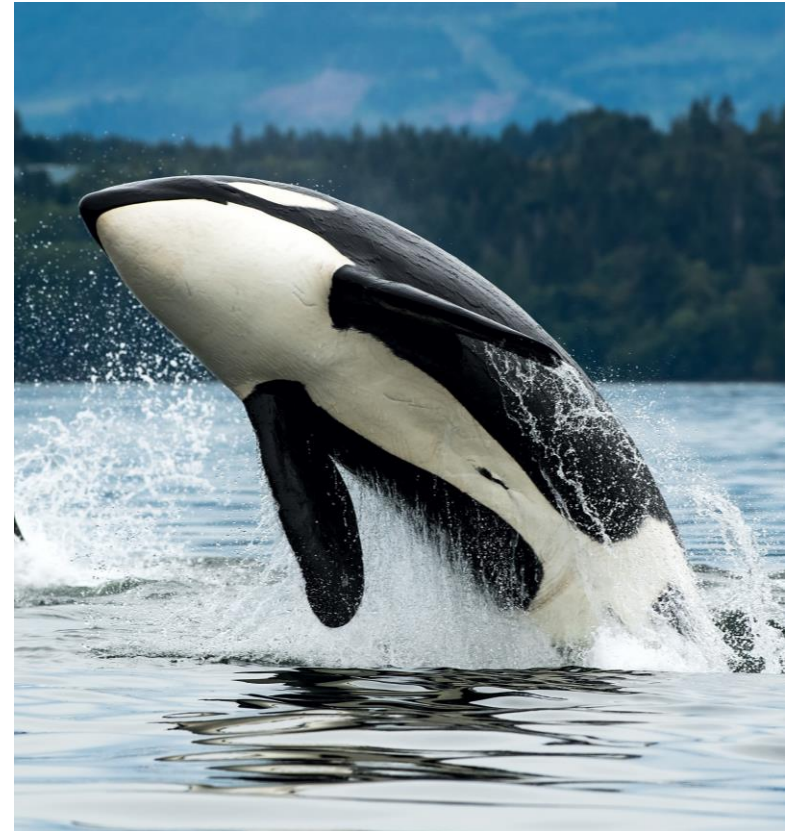
- “Employer” has the same definition used in Paid Family and Medical Leave (RCW 50A) and does not include Tribal governments. In PFML, there is an opt in clause to allow Tribal employer participation.
- To respect tribal sovereignty, “Employer” in the WA Cares Fund law does not automatically include tribal governments. A statute change was made during the 2021 legislative session to allow individual tribes to opt-in.

# New WA Cares Fund Laws – Effective July 25, 2021

**SHB 1323 adds a new section to Chapter 50B.04 RCW:**

## **Elective coverage for Tribes**

- Allows tribes to opt-in to include tribal government and business employees regardless of tribal affiliation
- Tribes that opt in will have universal coverage for all employees
- Allows tribes to opt-out at any time for any reason
- Requires ESD to adopt rules to implement the tribal opt-in provision



# Impacts of a Tribe choosing to opt-in

- Tribes that opt-in would have all of their businesses withhold .58% of wages of their employees and submit contributions to ESD (no employer contribution)
- Employees of tribal employers whose tribes have opted in would earn vesting years toward LTSS Trust benefits each year they contribute
- Employees who start their careers working for non-tribal Washington employers and are hired by tribal employers would continue to contribute without concern of losing vesting status after a 5-year break
- Tribal members who work for non-tribal employers will have coverage even without the tribe opting in, and once the tribe opts in, employees of the tribe will have coverage



# Impacts of a Tribe choosing not to opt-in



- Employees of tribal employers whose tribes have not opted in cannot earn vesting years toward LTSS Trust benefits each year they work for the Tribe
- Employees who start their careers working for non-tribal Washington employers and are hired by tribal employers could lose their vesting status after working for the Tribe for 5 years
- Tribes that do not opt-in would not have coverage for their employees
- Tribal members who work for non-tribal employers will have coverage even without the tribe opting in, but employees of the tribe will not



Questions?

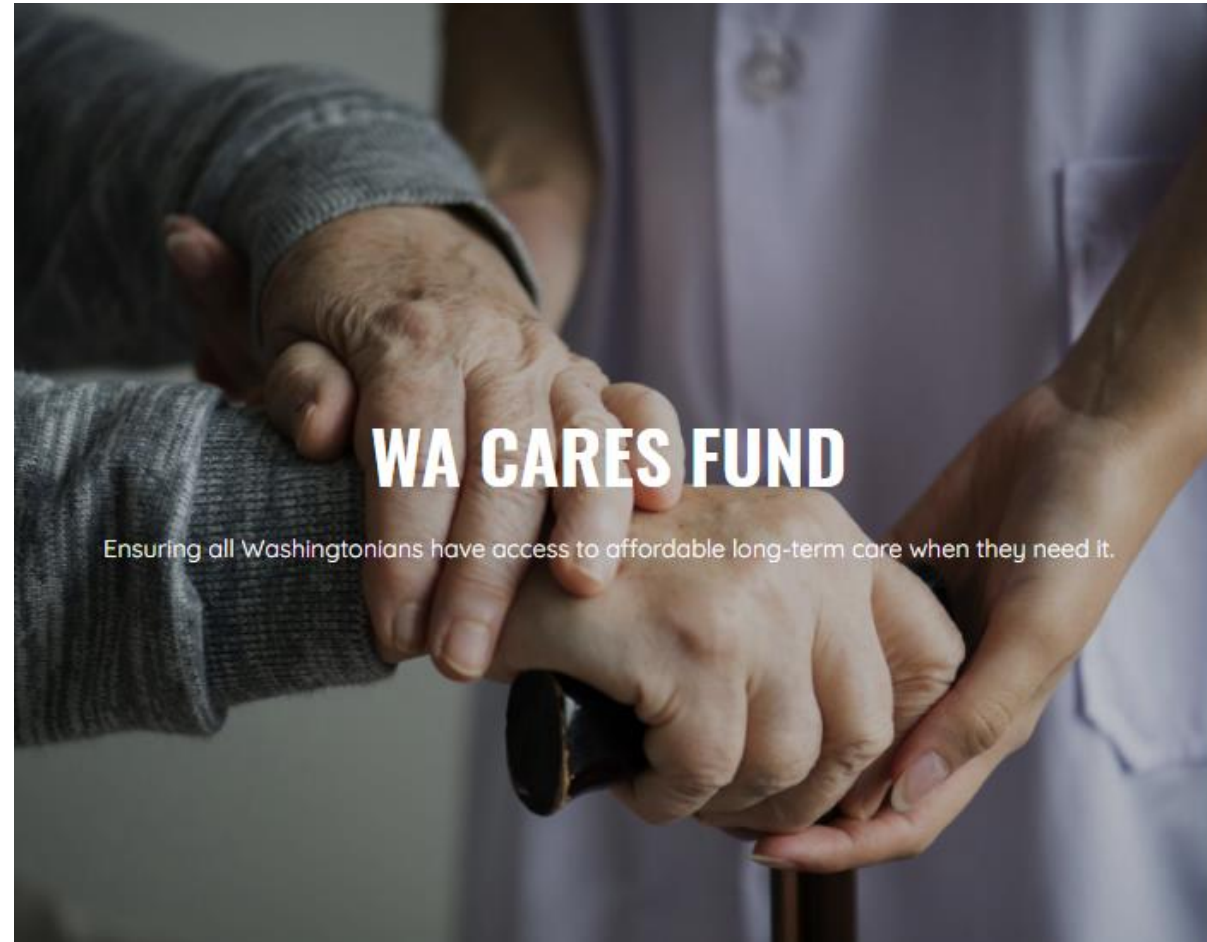


# Thank You

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To learn more, please visit:

[wacaresfund.wa.gov](https://wacaresfund.wa.gov)



# WA CARES FOR EMPLOYEES

## What is WA Cares?

The WA Cares Fund\* is a universal long-term care program that provides Washington workers with access to a wide range of long-term services and supports. Workers all contribute and earn the benefit while they are working and, if they ever need long-term care, can access the earned benefit when they need it.

With WA Cares, you can:

- Earn a **\$36,500** long-term care benefit.
- Pay an affordable premium of **0.58%** of your wages only while you are working.
- Retain your benefit for your whole lifetime, even after you retire.

## From Employees: Why I Like WA Cares



When I have a bad year, I don't pay much but I still earn the same benefit as everyone else.



My benefit can be used to pay a family member, including a spouse, to provide care for me.



I can choose from services like meal delivery, transportation, or home modifications.

## Ready When You Need It

**The WA Cares Fund provides workers with the peace of mind that they will have long-term care when they need it.**

If you work 500 hours a year or more (about 10 hours per week), once you have paid in for 10 years without a break of five or more years, you will earn your benefit. You can use it decades after you retire. If you need help sooner, you can qualify if you contributed 3 of the last 6 years. You can choose from a wide variety of services to meet your needs.



# WA CARES FOR EMPLOYEES

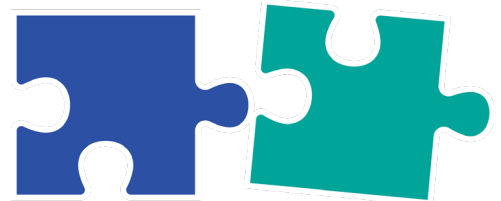
## The Impact of Opting In or Out (Dependent on SHB 1323 passing the legislature)

**Tribal employers do not automatically participate in the WA Cares Fund. To provide coverage to their employees, they must choose to opt in. Employees who do not work their entire careers for tribal business are at risk of losing coverage.**

**Benefits are earned over the course of our careers and may be accessed after contributing for ten years without a break of five consecutive years.**



When tribes opt in, employees of tribal businesses are covered. They continue earning their benefits while employed with a tribe or tribal business.



When tribes do not opt in, employees who come to work for a tribal business from another employer before they are vested lose coverage after they work for the tribe for five years.

## Reasons to Opt In



Tribes are some of the largest employers in their regions. If we don't opt in, workers could lose their benefit by coming to work for the Tribe. If someone has paid in for five years working at a non-tribal employer and leaves their job when they are hired by a tribal employer, they will lose their benefit after five years with us.



As an employer, any private coverage I offer my employees can be used in combination with the LTSS Trust. I won't contribute anything to WA Cares, but by contributing just over ½ percent of their own wages over the course of their career, they will earn a \$36,500 long-term care benefit.

A tribe can opt in by contacting the Employment Security Department. When a tribe opts in, all of their businesses are included and all of their employees have access to coverage when they need it.

With questions or to opt in, contact:

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