

July LTSS Trust Commission Meeting Minutes

Meeting Date	7/10/2024	Time	1:00 pm – 4:00 pm
Attendees			
<input type="checkbox"/> Representative Paul Harris	<input type="checkbox"/> Representative Bryan Sandlin	<input checked="" type="checkbox"/> Representative Frank Chopp	<input checked="" type="checkbox"/> Representative Nicole Macri
<input checked="" type="checkbox"/> Senator Curtis King	<input checked="" type="checkbox"/> Senator Judy Warrick	<input type="checkbox"/> Senator Karen Keiser	<input checked="" type="checkbox"/> Senator Steve Conway
<input checked="" type="checkbox"/> Secretary Jilma Meneses, Department of Social and Health Services	<input checked="" type="checkbox"/> Cami Feek, Employment Security Department	<input checked="" type="checkbox"/> Taylor Linke, Health Care Authority	<input checked="" type="checkbox"/> Peter Nazzal, Home Care Association Representative
<input checked="" type="checkbox"/> Madeleine Foutch, Representative of a union representing LTC workers	<input checked="" type="checkbox"/> Cathleen MacCaul, Representative of an organization representing retired persons	<input checked="" type="checkbox"/> Lauri St. Ours, Representative of an association representing SNF/ALF providers	<input checked="" type="checkbox"/> John Ficker, Adult Family Homes Providers Representative
<input checked="" type="checkbox"/> Ruth Egger, Individual Receiving LTSS #2 (or designee or representative of consumers receiving LTSS)	<input checked="" type="checkbox"/> Laura Cepoi, Organization Representing the Agencies on Aging	<input checked="" type="checkbox"/> Mark Stensager, Individual Receiving LTSS #1 (or designee or representative of consumers receiving LTSS)	<input type="checkbox"/> Rachel Smith, Representative of an organization of employers whose members collect the premium (or will likely be collecting)
Guest Speakers			
<input checked="" type="checkbox"/> Ben Veghte, Department of Social and Health Services	<input checked="" type="checkbox"/> Andrea Meewes Sanchez, Department of Social and Health Services	<input checked="" type="checkbox"/> Luke Masselink, Office of the State Actuary	<input checked="" type="checkbox"/> Ibrahim Dembele, Employment Security Department
<input checked="" type="checkbox"/> Annie Gunnlaugsson, Milliman	<input checked="" type="checkbox"/> Porsche Everson, Facilitator	<input type="checkbox"/>	<input type="checkbox"/>

Topic	Minutes
Welcome and Call to Order	<ul style="list-style-type: none"> Commission members in attendance indicated above. Acting Chair Cami Feek reviewed the meeting goals.
Approve Consent Agenda	<ul style="list-style-type: none"> No objections were made. Consent agenda passed.
WA Cares Fund Program Refresh	<p>Key program details per current statute (RCW 50B.04):</p> <ul style="list-style-type: none"> Premium rate - \$0.58 cents for every \$100 earned Lifetime benefit maximum –\$36,500, adjusted annually up to inflation, paid directly to providers Three pathways to qualified individual status <ul style="list-style-type: none"> Contribute 10 years without interruption of five or more consecutive years Contribute 3 of the last 6 years from the date of application for benefits For near-retirees (born before 1968): contribute at least one year, earning one-tenth of the lifetime benefit amount for each year contributed <ul style="list-style-type: none"> A person must work 500 hours during a year to receive credit for a qualifying year Eligible beneficiary <ul style="list-style-type: none"> A qualified individual who requires assistance with at least 3 activities of daily living (i.e., bathing, eating, ambulation, medication management, toilet use, transfer, etc.)



	<ul style="list-style-type: none"> ○ You can take your benefit with you if you leave the state
Finance Update	<p><u>Finance Update: Monitoring Early Experience</u></p> <ul style="list-style-type: none"> • As part of the Risk Management Framework (RMF), Phase 1 is largely focused on data collection, monitoring, and updating actuarial projections • Actual experience will be used in future actuarial projections • When comparing actual to assumed data, sustained deviations or significant short-term deviations could have long-term impacts <ul style="list-style-type: none"> ○ Depending on the source of the deviation, it could take years before there is sufficient credible experience to modify assumptions based on actual experience ○ This is consistent with Phase 1 of the RMF • In the meantime, OSA and Milliman will be monitoring emerging experience and reporting on any impacts to long-term fund solvency <p><u>Quarterly Finance Update</u></p> <ul style="list-style-type: none"> • Premium Payments received from 4/1/2024 – 6/21/2024: \$347.2 million • Account transfers and retention since 4/1/2024 <ul style="list-style-type: none"> ○ \$347.2 million transferred to State Investment Board ○ \$1.56 million transferred to General Fund to complete Loan Payoff ○ \$12.1 million retained for FY24 budget appropriations and contingency reserve • WA Cares Fund Balance on 6/21/2024: \$16,849,726 <p><u>Cumulative transfers and retention</u></p> <ul style="list-style-type: none"> • General Fund loan repayment: \$65,840,814 • Total transfers to State Investment Board: \$927,767,032 • Retained for FY24 budget appropriations and contingency reserve: \$12,063,478 • Fund Balance on June 21st, 2024: \$16,849,726 <p>Open for questions:</p> <ul style="list-style-type: none"> • King: Can you tell me a percentage of how much more has come in that what was projected? <ul style="list-style-type: none"> ○ Masselink: I don't have updated actual amounts, but you'll be seeing that shortly. What was assumed was \$950 million for the first year and you'll hear about actual numbers right after. ○ Veghte: In the Cross-Agency Accounting Workgroup meeting yesterday, it was reported out that about \$1 billion was collected in the first 3 quarters and the money collected in the quarter following is coming in now and ultimately the projection was about \$1.3 billion for the year as a whole. Does that sound about right? ○ Dembele: I don't have those numbers in front of me right now, but I will check on that and get back to you with those numbers. ACTION ITEM • Conway: Are you going to start incorporating investment gains into your reports. I'm not exactly sure of the State Investment Board's process, but that's a significant amount of money that's going to be invested. Is there a plan to include that in our financial reports, because we're talking mostly here about the payroll contributions in revenue, but we are going to start seeing investment revenue as well.

	<ul style="list-style-type: none"> ○ Dembele: This is very true. Not only will be getting earnings from the investment that we send to SIB, but we also get money from having a savings account with the Washington State Treasury. As I'm new in this role, my goal is to meet with SIB on how we are investing and how we can incorporate those investments as well into our financial report. ACTION ITEM ○ Veghte: We have an Investment Strategy Subcommittee meeting on July 31st, and that might be a good forum to raise that question and I know you are part of that committee. SIB's update is really separate from the ESD's update on premiums and OSA's update on actuarial issues. I'm not sure if quarterly or annually would make sense, but that would be a good topic for the Investment Strategy Subcommittee. ● Egger: What is being spent now on salaries and other things to keep things going? Is that coming from this fund or is the money only going to be used for the public when they need the fund? <ul style="list-style-type: none"> ○ Dembele: We do collect, and then within the premiums, we have the administrative costs coming from these funds. ○ Veghte: Anything left over gets sent to the State Investment Board. The premium revenue was initially used to pay back the general fund loan and now it's just being used to fund ongoing administrative expenses and will eventually be used to fund benefit expenditures. And we don't have the exact amount in front of us, but we can get back to you on that. ○ Added to the chat: Administrative Expenses Report can be found on the WA Cares Fund website. ● MacCaul: The general fund loan repayment; what's the timeline on that? <ul style="list-style-type: none"> ○ Dembele: We paid off the initial loan of \$64 million dollars back in December and we paid of the \$1.5 dollars in interest in June. ● King: Milliman's estimate of what the revenues were going to be was around \$1 billion, but what we estimate now to be the actual amount is \$1.3 billion? <ul style="list-style-type: none"> ○ Veghte: Correct, by the end of the year it should be around \$1.3 billion, but we're not sure yet whether it's because there are more workers than projected, or higher wages, but we haven't done an analysis of why that is, but it is more than originally projected. ● Stensager: That \$65,840,814 is a large chunk of change. Can you break down how that was used? <ul style="list-style-type: none"> ○ Veghte: The program was enacted in 2019 and there were a lot of startup costs to get going; IT systems development, premium collections, administering exemptions, setting up call centers, Provider One system changes, building the Benefit Application Management System, Program websites, hiring and onboarding staff, etc. I don't know how it breaks down exactly between technology, staff, and other costs but that is in our Administrative Expenses Report. ○ Added to the chat: Administrative Expenses Report can be found on the WA Cares Fund website. ● Conway: You have to remember employment levels change a lot in a year. We just came through a low employment level period, but in the summer and fall employment picks up. Employment really drives income in this fund, so I advise you to work with ESD to analyze those fluctuations.
Report out and Vote on Third Option for Paying Family Caregivers	<p><u>Third Option for Paying Family Caregivers</u></p> <ul style="list-style-type: none"> ● RCW 50B.04.070 (2) Qualified family members may be paid for approved personal care services in the same way as individual providers, through a licensed home care agency, or through a third option if recommended by the commission and adopted by the department of social and health services. ● The Minimum Provider Qualifications Workgroup has met and developed their recommendation.



	<ul style="list-style-type: none"> The workgroup considered the unique needs of caregivers providing care, the existing infrastructure, and the opportunities for development of a new pathway. <p>Proposed recommendation for third option for paying family caregivers:</p> <ul style="list-style-type: none"> The Department of Social and Health services will define a third option for paying qualified family members through the rulemaking process. <p>Open for questions:</p> <ul style="list-style-type: none"> King: To make sure I understand what has been put forth, are we leaving it up to DSHS to define the 3rd option on how these qualified family members will be paid? <ul style="list-style-type: none"> Veghte: We go through the normal stakeholdering process. It wouldn't be DSHS making the decision in a vacuum per se. It's a process with a lot of other input from stakeholders and the public and so forth. <p>Mark Stensager made a motion to adopt the recommendation regarding the Third Option for paying family caregivers. Laura Cepoi seconded the motion. A vote was taken, and the motion passed unanimously.</p>
<p>Report out from Minimum Provider Qualifications Workgroup</p>	<p>Open for questions:</p> <ul style="list-style-type: none"> Conway: Since we approved portability for people, do these recommendations apply to people out of state? <ul style="list-style-type: none"> Meewes Sanchez: We will have to revisit this for the out of state requirements and that has not started yet. King: Who is paying for the independent financial audit? <ul style="list-style-type: none"> Meewes Sanchez: It's up to the provider. King: You referenced that providers are required to meet DSHS contract requirements, yet on our screen it says, "hold insurance consistent with WA Cares contract requirements." Are we assuming those are the same thing? <ul style="list-style-type: none"> Meewes Sanchez: Yes, they are the same thing. It's all based on the type of provider and the risk of the services they're providing. Conway: It seems people might be using these benefits to do modifications on their home so they can stay in their homes. I noticed a lot of the qualifications deal with the provider having a one-year business license, which I'm not opposed to, but I'm curious how you came up with one year. I also wonder about materials. Some people might need to buy materials to modify their homes and I wonder if that would be included as a legitimate expense. So much of what you're talking about here is skills to meet your in-home living needs, what about materials? <ul style="list-style-type: none"> Meewes Sanchez: We do have the ability for people to purchase materials and self-install them if they're things like a grab bar, or maybe a modular ramp, we'll have an option for people to be reimbursed for that. As to your question about the one-year requirement, the workgroup didn't recommend one year of experience for the environmental modification providers, but they did for housework and errands, and yardwork and snow removal providers. And they were just looking for a history of doing those kinds of work in the state. Conway: A lot of that is very simple work. It seems like were restricting the use of these funds with this one-year requirement for all these activities that might be needed. It seems to me there is a need for more flexibility there. Egger: Can't the third option be used for the kinds of services Conway just talked about? For a ramp, if a son is a carpenter, couldn't they hire the son?

	<ul style="list-style-type: none"> ○ Meewes Sanchez: That person would need to be a contractor and have a business license. We haven't sorted out all the third option requirements but it's something we will consider in the rulemaking process.
<p>Report out from Provider Payment Maximums Workgroup</p>	<p><u>Provider Payment Maximums Workgroup</u></p> <ul style="list-style-type: none"> ● The workgroup made an initial recommendation for Group 2 Services to be paid at commercial rates (usual and customary) with the max rate for each service category as follows: <ul style="list-style-type: none"> ○ Adaptive Equipment and Technology: \$15,000 ○ Environmental Modifications: \$40,000 ○ Home Delivered Meals: \$16 per meal ○ Personal Emergency Response Systems: \$83 monthly service cost and \$100 installation with an exception to rule if needed <p>Next steps:</p> <ul style="list-style-type: none"> ● The Commission will be asked to vote on the Group 2 Services rate recommendation during the September 11th LTSS Trust Commission meeting ● Initial recommendations for other services will be presented at the next Commission meeting and voted on in a subsequent meeting. <p>Open for questions:</p> <ul style="list-style-type: none"> ● Conway: In previous conversations, the Commission has discussed some kind of minimal costs. Many of us are familiar with the fact if we spend more than 50 or 60 dollars, we have to have a receipt for it. In your cost analysis, did you give any consideration to minimal expenditures at the discretion of the participant? It seems like you're using Medicaid rates to direct our minimum expenditures. I don't have a problem with it, but it seems like it could be problematic. Let's say someone wants to order some food all of a sudden and they don't have any cash on hand, but they have this fund available, and they then decide to submit that expense, would that be covered? Did you give any thought to what would be required at a minimum level of expenditure for submission or receipts? <ul style="list-style-type: none"> ○ Meewes Sanchez: There are requirements in the law that we pay the providers directly. There are a couple of services, because of the recommendations from the Commission, that we will be reimbursing individuals for out-of-pocket expenses. We would reimburse folks for all the expenses that they had related to that. We wouldn't set a minimum threshold if that's what you're asking. ○ Conway: Yes, that's it. I don't want to get into it too deeply here, but these are payroll deductions that people have made but these are not Medicaid expenditures per se. These are dollars that people have paid into a system for needs they might have in retirement. I'm trying to find out how to minimize the oversight here so that people understand that these are accounts that they have developed. With pensions, we never require people to tell us how much or where they're spending their money. I'm wondering if it might be wise to try to maximize the opportunity for the participant to expect reimbursement for their expenditures. ○ Veghte: This works much more like Medicare than Social Security or pensions, in that it's a service benefit. The statute is very clear that the beneficiaries can use their benefits as they see fit, but in the scope of long-term care. They can't use it on other things. We try to ensure that they have maximum flexibility. In its recommendation for Provider Payment Maximums, the Commission has also tried to guarantee as much flexibility as possible, while also trying to mitigate fraud. But if we were to allow people to purchase things

	<p>and get reimbursed without receipts, we wouldn't know what they would be spending their money on, which would violate the statute if it wasn't for long-term care. Your feedback is well-taken that we should try to offer as much flexibility as possible.</p> <ul style="list-style-type: none"> • King: Environmental modifications, \$40,000. I don't know how we can allow that when the maximum is \$36,500. We're spending more money than we have. <ul style="list-style-type: none"> ◦ Veghte: We have discussed this many times internally, and the workgroup did as well, because we were trying to figure out this issue. The cost of things is independent of what the benefit is. For example, some people will have \$36,500 in their account at the time they're trying to do an environmental modification. Somebody else might only have \$5000 left in their benefit. The benefit is going to fluctuate over time, it will go up to match inflation, but the providers have to charge whatever they have to charge to stay in business. We're not trying to force providers to only charge amounts that match whatever people have left in their benefits. They really are two separate things. Let's say I have \$30,000 left in my benefits, and I want to get a lift that costs \$40,000, I could use that \$30,000 towards the overall costs and pay the rest out of pocket. We want providers to be able to charge reasonable rates but not to gouge people. • Macri: This recommendation is to follow commercial rates and setting a max rate. My question is how often commercial rates are adjusted and what future action will the Commission need to take if we support this recommendation? <ul style="list-style-type: none"> ◦ Meewes Sanchez: We do have Milliman looking at a recommendation on how to tackle inflation over time, which is part of the work they're going to be doing as part of their rate-setting. This is just an initial recommendation for getting started with the program when it goes live in 2026. We'll be working through agency rules and engaging with Milliman to come back and discuss some of the options on how to adjust for inflation.
<p>Report out from Contingency Planning Workgroup</p>	<ul style="list-style-type: none"> • The workgroup will review viable options to mitigate the impacts on WA Cares Fund solvency if participation became voluntary. • The workgroup was briefed by Milliman on short and long-term risks of voluntary designs. They discussed ways to mitigate risk and examples of risk mitigation strategies. • The workgroup will vet mitigation options and identify potential options to propose to the full Commission.
<p>Public Comment</p>	<p>Public comment was captured in the table below.</p>
<p>Review Agenda for September 11 meeting</p> <ul style="list-style-type: none"> • Approve 7/10/2024 Commission meeting minutes • Receive Program Update • Receive Finance Update • Report out and Vote on Minimums Provider Qualifications Workgroup 	<ul style="list-style-type: none"> • Foutch: For the votes on Minimum Provider Qualifications and Provider Payment Maximums, will they be voted on the recommendations made here today, or will there be new information presented and voted on before September 11th? <ul style="list-style-type: none"> ◦ Veghte: Those will be votes on what was presented today. There will be additional work done by those workgroups and then at the October 30th Commission meeting there will be additional items that will be voted on. The votes that are taking place in September are things that were already presented today. • King: Are we going to be allowed to offer changes or addendums to the recommendations from these 3 workgroups, or is it just a yes, or no? <ul style="list-style-type: none"> ◦ Veghte: Absolutely. The workgroups' recommendations are simply recommendations, and the full Commission can adopt ignore or amend the recommendations as they see fit. If you already have of some concerns, I encourage you to reach out to your colleagues on the workgroups or staff to revisit whatever those issues are because a lot of thought went into the recommendations. If you feel there

<ul style="list-style-type: none"> Report out and Vote on Provider Payment Maximums Workgroup Report out from Contingency Planning Workgroup 	<p>needs to be more research done in a particular area, it's helpful to be able to do that research ahead of the full Commission meeting.</p> <ul style="list-style-type: none"> Conway: Can you give us the memberships of these workgroups? I'm not aware of who's on them. <ul style="list-style-type: none"> Veghte: We can send that out. ACTION ITEM
<p>Wrap-up</p> <ul style="list-style-type: none"> Action Item Review Adjourn 	<ul style="list-style-type: none"> Action items captured in the table below. Meeting adjourned at 2:33

#	Action Items	Lead	Due Date
1	Update on revenue projections and actuals compared to what was projected.	OSA	9/11/2024
2	Consider incorporating investment gains into reports to the Commission.	DSHS	9/11/2024
3	Share a breakdown of our technology and staffing costs	DSHS	9/11/2024
4	Share out which Commissioners are in each Workgroup	DSHS	9/11/2024

Name	Public Comment
Seth Greiner	Members of the Commission, thank you for your time and work today. I'm an advocacy manager with the National Multiple Sclerosis Society, based here in Seattle. MS is a neurological disease of the central nervous system. Symptoms vary from person to person and may include fatigue, cognitive challenges, lost mobility, disability, and paralysis. Family caregivers play a central and key role in MS care. The MS Society advocates nationwide for policies and programs that recognize that central role family caregivers play in MS care and believe they should be provided adequate financial, emotional, and practical support. We thank the board and the Commission for their attention to these issues. Thank you for your time today.
Nicole Kiddoo	Thank you for the opportunity to provide comment. I'm the Executive Director of the Lewis-Mason-Thurston Area Agency on Ageing, and the Chair of the Washington Association of Area Agencies on Ageing. We support a WA Cares option for people to hire their family members directly to provide care. Thank you for your vote to recommend a third option for paying family caregivers. The Area Agencies on Ageing will be engaged in the rulemaking process to ensure this option is designed to work for families on the ground. Most people prefer to have family help them with bathing, dressing, and other very intimate tasks. We will not have enough professional caregivers to meet the needs of our growing population of older adults. We must ensure that WA Cares is friendly and easy for family members to support their loved ones. I appreciate your work to make this program a great resource.
Norm McLoughlin	I'm a member of the Mustard Seed Project in Key Peninsula. We serve the seniors on the Key with all the services we can provide to help them stay in their own homes. I want to thank you. I've been following the Commission now for some time, and I appreciate the recommendation for 3 rd option to provide caregivers from family members. It's difficult to find caregivers in the first place, and I think there's a lot of benefit in allowing family members help their loved ones. So, keep up the good work and thank you very much.



Name	Public Comment
Val Wanke	I'm with Axia Partners and my question is related to individual family caregivers. I appreciate the slides on the PowerPoint. I'm looking at the DSHS requirements to be a family caregiver and those are quite daunting. Right now, the site says spouses cannot be a caregiver, however the slide says that spouses are eligible. But it still seems rather daunting, the application, the training. Just the questions as far as, are those family caregivers going to be required to submit fingerprints, to go through the background check, to go through the training, and then be "hired" by SEIU in order to provide that care. In additional things that you put out, if that could be delved into a little bit greater, that would I'm sure of great help to everyone.
	I'm the Public Policy Director of the Homecare Association of Washington and I lobby for the Washington chapter of the Homecare Association of America. I was a participant in the Workgroups that helped put together the recommendations for homecare agencies, and I want to thank the group for all the hard work and interesting discussions we had over the time. We worked through a lot of the issues between the Medicaid agencies and the private pay homecare agencies that serve seniors in our state, and I think we came to a very reasonable solution on that. I was glad to see the recommendation today. The Homecare Association of Washington also represents skilled nursing in the home, so it was good to see that piece in there about private duty nursing as well. I look forward to learning more about respite care with homecare agencies and I hope to work collaboratively with folks in our private pay homecare agencies in this state. So, thank you very much and I look forward to participating in the rulemaking.
	<ul style="list-style-type: none"> • Veghte: I'd like to clarify something. The third option has yet to be defined. Requirements in Medicaid are quite distinct from what they might end up being in WA Cares. • King: Are we going to have a chance to review the 3rd option and what the requirements would be? Are we going to be the deciding factor or are we going to leave it all up to DSHS? <ul style="list-style-type: none"> ○ Veghte: The recommendation that was voted on today was that it would be moved on to rulemaking, where this plenty of opportunity for stakeholders to give input as part of that process, but it would not be a Commission decision ultimately. That was what was voted on today. ○ King: That's what I was afraid of.