



LTSS Trust Commission Meeting

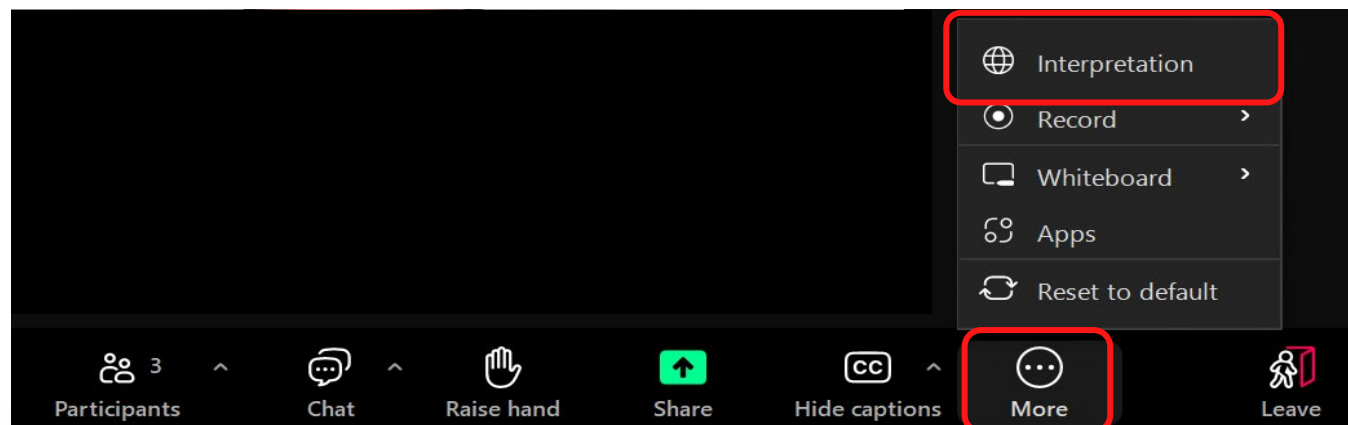
December 11, 2024



Language Interpretation – Zoom Setup

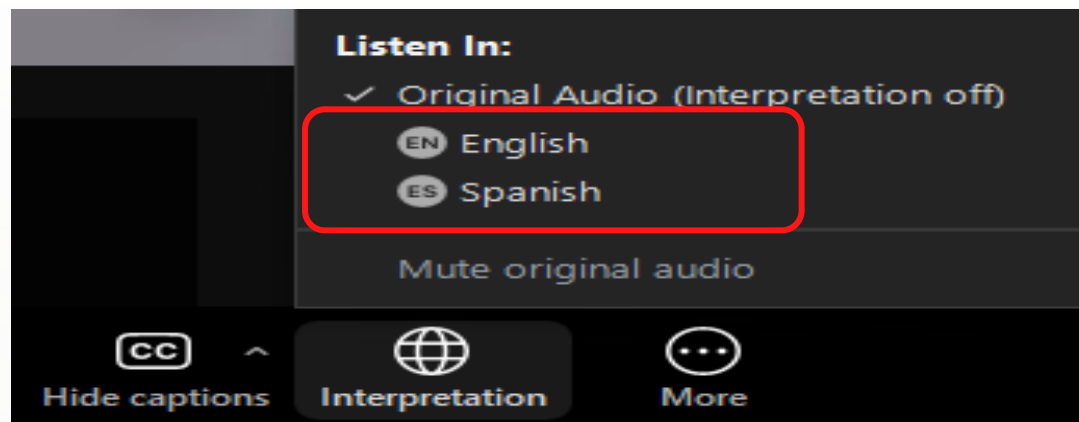
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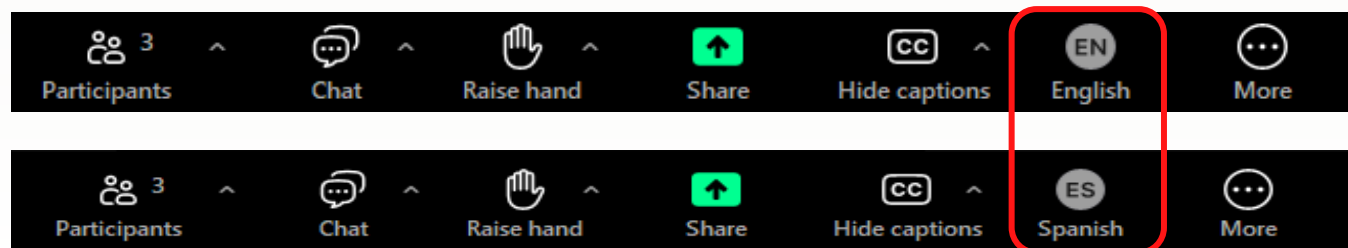
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Step 3:

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Meeting Guidelines

Commission Members

- Please turn on video
- Stay muted unless talking
- Encourage active participation
- Raise hand to speak if necessary

Audience Members

- Opportunity to provide public comment later in the meeting

**WELCOME &
CALL TO ORDER**

Meeting Goals

- Listen to Understand Respectfully
- Approve Consent Agenda
- Receive Program Update
- Receive Finance Update
- Receive Investment Performance Update
- Vote on Collection of Employment Sector Data (RCW 50B.04.140)
- Vote on Minimum Provider Qualifications; In-Home Personal Care – Home Care Agency
- Vote on Provider Payment Maximums Recommendations (Group 4)
- Vote on Commission Recommendations Report
- Receive Actuarial Update
- Receive Update on Milliman's Actuarial Valuation
- Review Commission Topics and Workgroups for 2025

Approve Consent Agenda

- 10/30/2024 Commission meeting minutes

WA Cares Fund Program Refresh

Andrea Meewes Sanchez, DSHS

WA Cares Fund Program Refresh

Program timeline

2014

Research on policy options for long-term care

2019

Legislature passes LTSS Trust Act & governor signs into law

2021

Legislature improves coverage for adults with disabilities that onset prior to age 18

2022

Legislature adds pathway to partial benefits for near-retirees; establishes voluntary exemptions for certain groups

2023

July 1
Workers begin contributing

2024

Legislature makes benefits portable

2026

July 1
Benefits become available for qualified, eligible individuals

WA Cares Fund Program Refresh

Key program details per current statute (RCW 50B.04):

- **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**
 - 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

A person must work 500 hours during a year to receive credit for a qualifying year

- **Eligible beneficiary**
 - 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.)
 - You can take your benefit with you if you leave the state

Program Update

Ben Veghte, DSHS

Program Update

1115 Waiver Update

- DSHS and HCA have been working with CMS on securing federal waiver since 2022
- In 2023, CMS confirmed that a Section 1115 demonstration waiver is the appropriate vehicle to pursue
- Since then, DSHS and HCA have been working with a vendor to develop a successful waiver strategy for this first-in-the-nation program.
- CMS has been backlogged with a long queue of waiver applications and issued new Medicaid rules in 2024 which complicate the waiver application (to secure waiver approval, WA Cares would have to comply with most Medicaid rules)
- Current plan is to leverage renewal of existing MTP 2.0 1115 waiver in fall of 2026

Finance Update

Ben Veghte, DSHS

Luke Masselink, OSA

Finance Update: Monitoring Early Experience

*Presentation to
LTSS Trust Commission*

Luke Masselink, Senior Actuary

December 11, 2024



Finance Update: Monitoring Early Experience

- As part of the Risk Management Framework (RMF), Phase 1 is largely focused on data collection, monitoring, and updating actuarial projections
 - The “learning phase” will improve actuarial modeling and assumption setting through collecting actual experience
- Actual experience will be used in future actuarial projections
 - When comparing actual to assumed data, deviations can have long-term impacts, however it depends on the source
- OSA and Milliman will be monitoring emerging experience and reporting on any impacts to long-term fund solvency

Thank You

For questions, please contact
The Office of the State Actuary

leg.wa.gov/OSA

State.actuary@leg.wa.gov

360-786-6140

Luke Masselink

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Investment Performance Update

James Aber, SIB

LONG-TERM SERVICES AND SUPPORTS TRUST ACCOUNT (LTSS) PERFORMANCE REVIEW – 3Q 2024

DECEMBER 11, 2024

James Aber, Director of Institutional Relations



LTSS INVESTMENT POLICY AND STRATEGY

The WSIB approved the Long-Term Services & Supports Trust Account investment policy at its June 16, 2022, meeting

The customized fixed-income investment program is designed to maximize return at a prudent level of risk while abiding by the constitutional limitations

The investment program is actively managed by the WSIB with the following characteristics

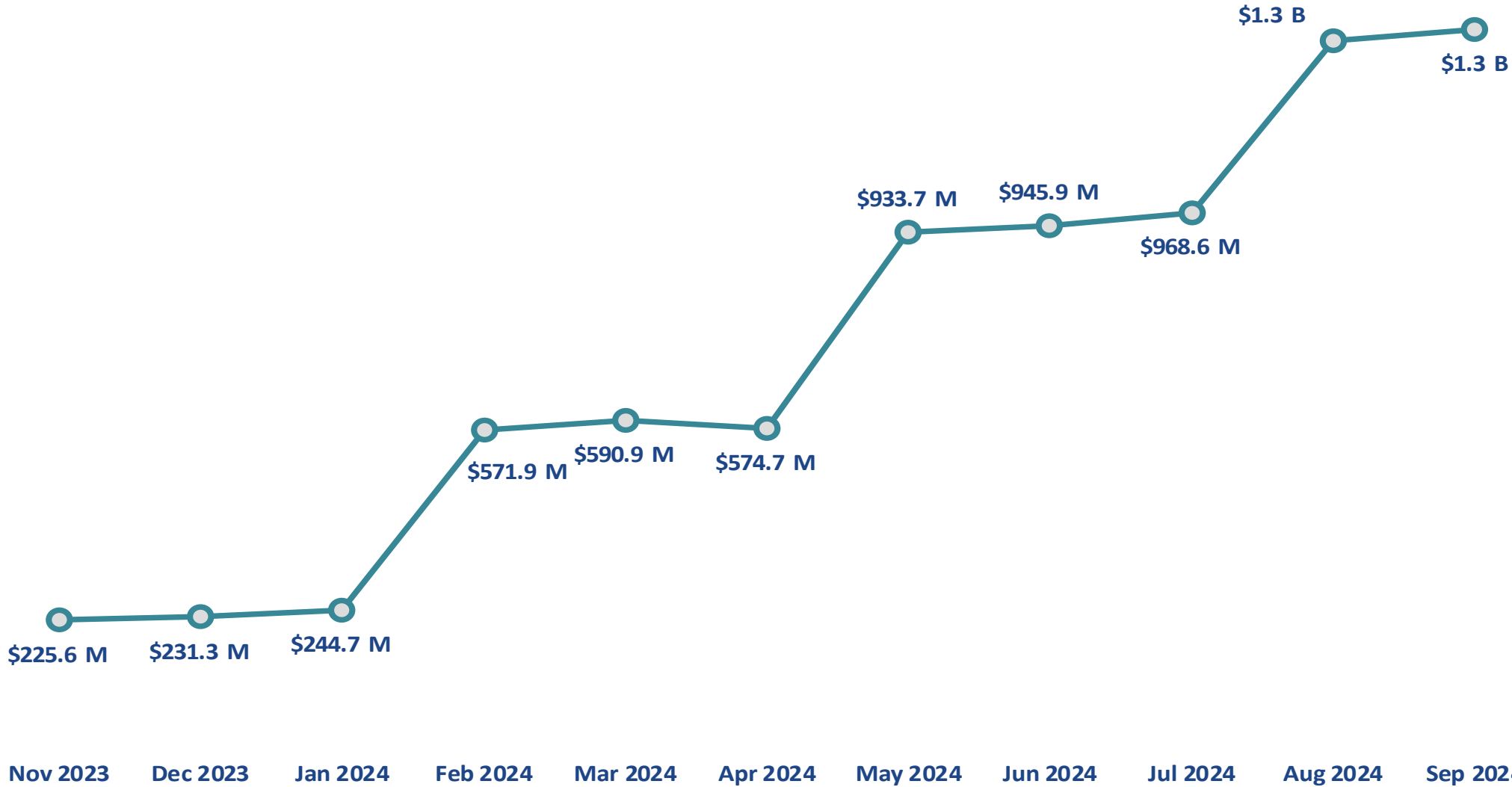
- Invested in interest-producing debt securities with varying maturity, structure, and credit ratings
- Expected to meet or exceed the return of the Bloomberg U.S. Universal Index
- Managed to maintain a portfolio duration within plus or minus 25 percent of the index

The Board-adopted policy can be found at

https://www.sib.wa.gov/docs/policies/2_35_600.pdf

HISTORICAL MARKET VALUE GROWTH OF LTSS

AS OF SEPTEMBER 30, 2024



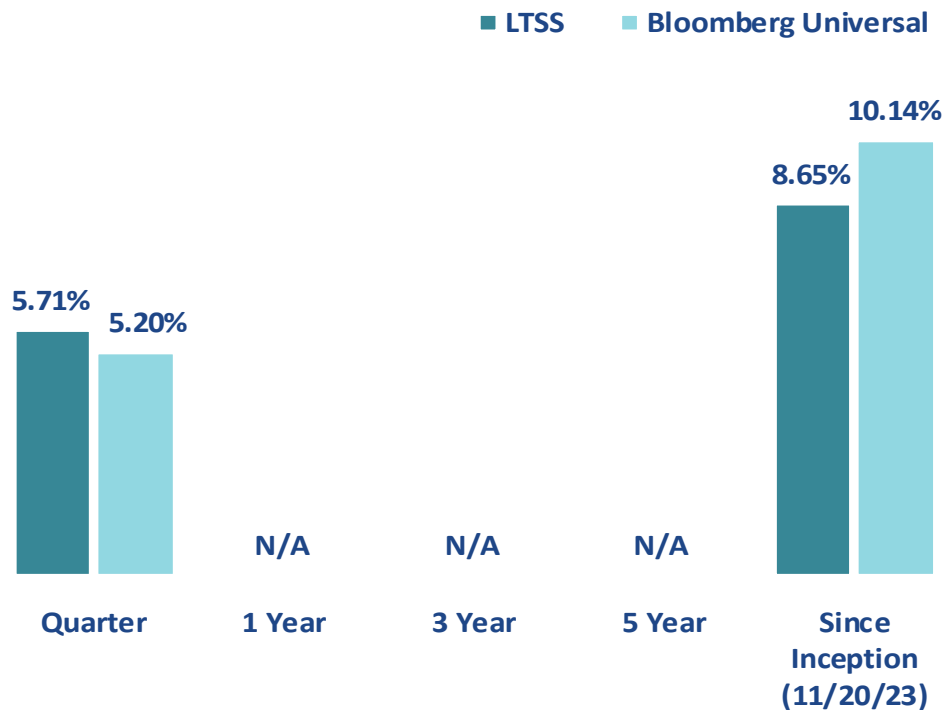
LTSS MARKET VALUE AND PERFORMANCE

AS OF SEPTEMBER 30, 2024

Market Value

Total	\$1,302,280,434
Fixed Income	\$1,302,280,434

Performance



The first assets arrived in November 2023, and with subsequent contributions and investment returns during the first three quarters of 2024, fund assets have grown to over \$1.3 billion

Early in the fund's life, new contributions are large relative to existing fund balances

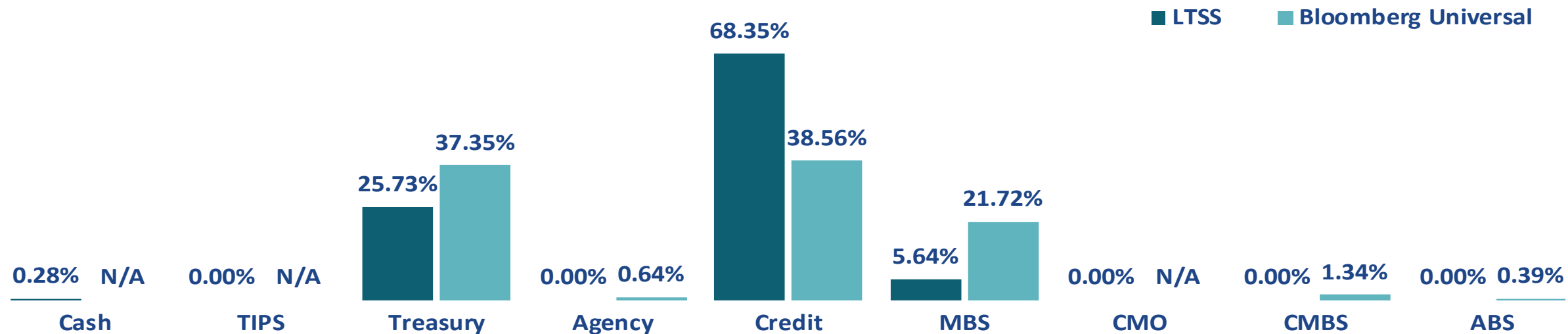
- Due to the pacing of these large new investments, early fund performance can differ from the benchmark

As the portfolio is built out and becomes broadly diversified, performance is expected to track the index more closely

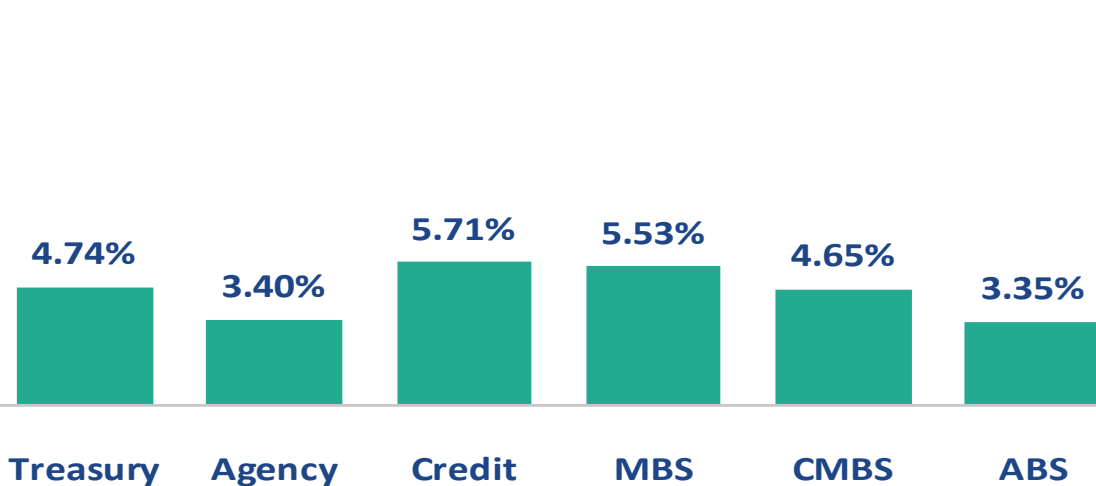
SECTOR WEIGHTS AND RETURNS

AS OF SEPTEMBER 30, 2024

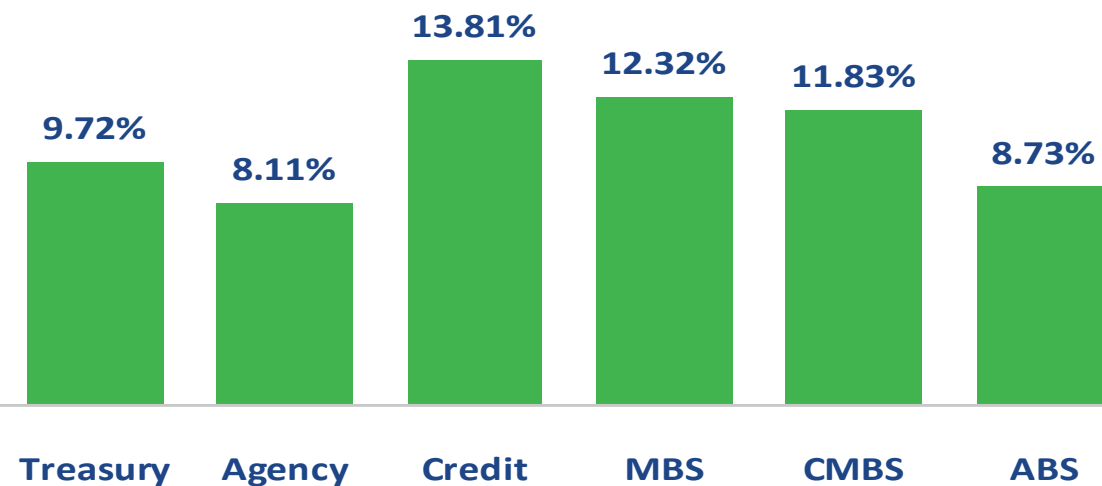
Sector Weighting



Bloomberg Universal 3Q 2024 Sector Returns



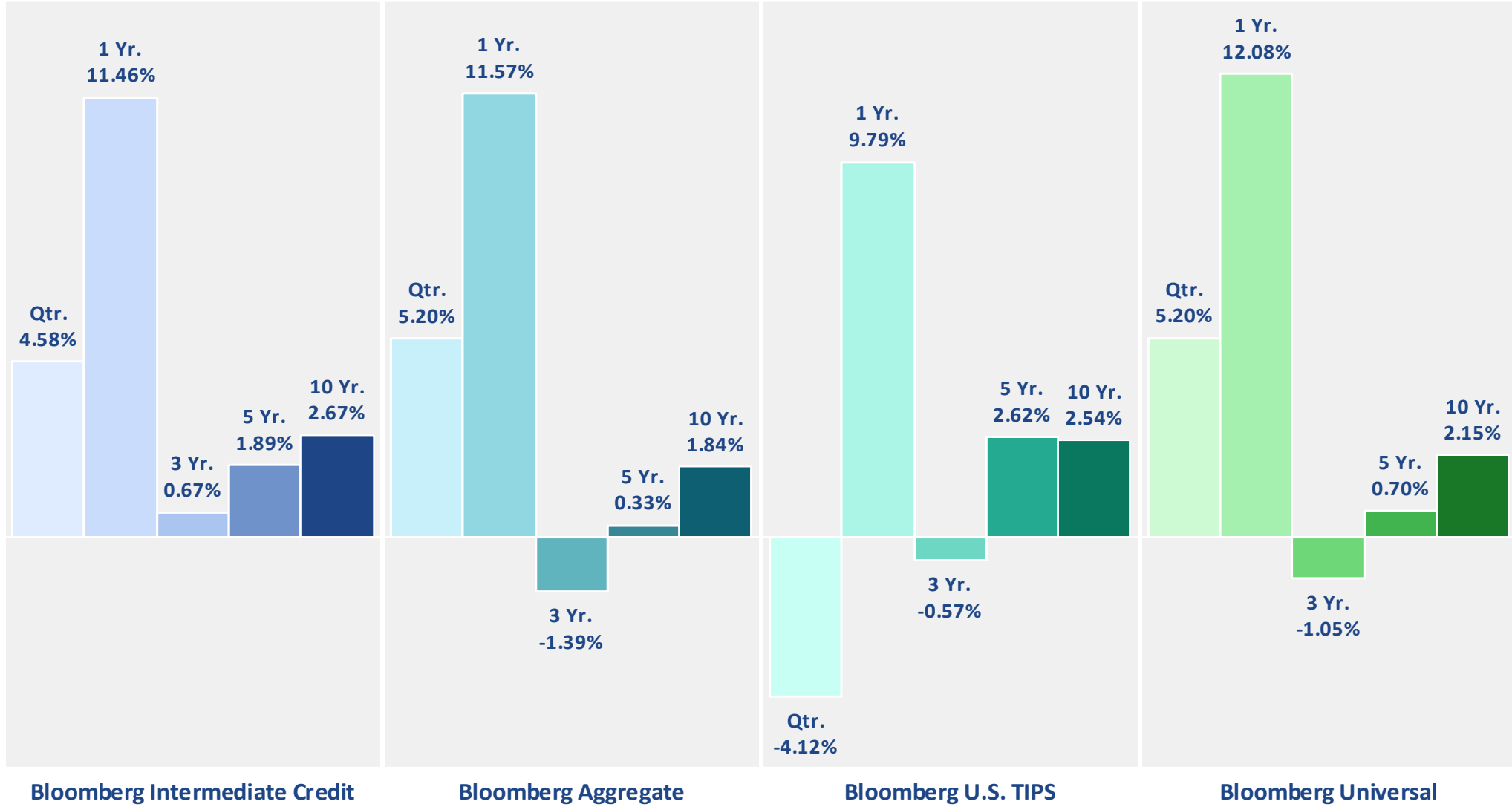
Bloomberg Universal 1-Year Sector Returns



- Global fixed income markets moved higher in the third quarter as investors welcomed long awaited interest rate cuts by the U.S. Federal Reserve and other central banks
- U.S. inflation continued to cool with the U.S. Consumer Price Index (CPI) coming in at 2.4% (year-over-year) in September, down from 3.0% in June and 3.7% a year ago
- The Federal Open Market Committee (Fed) held two meetings during the third quarter and lowered the Federal Reserve Target Rate Range by 50 basis points to 4.75% to 5.00% at their September 18 meeting
- The U.S. 10-year Treasury yield declined steadily during the third quarter
 - The 10-year Treasury yield ended September at 3.8%, a decline of 0.62% for the quarter
 - Over the last 12-month period the 10-year rate is now down 0.8%
- With both interest rates and credit spreads lower, it was a strong quarter for fixed income
 - The Bloomberg Treasury index was up 4.7%, which brought the 1-year return to 9.70%
 - The Bloomberg High Yield index returned 5.3% for the quarter, while the broader Bloomberg Universal index returned 5.20%

CAPITAL MARKETS AT A GLANCE

SEPTEMBER 30, 2024



Website: <http://www.sib.wa.gov>

Address: 2100 Evergreen Park Drive SW

P.O. Box 40916

Olympia, WA 98504-0916

Phone: (360) 956-4600



Vote on Collection of Employment Sector Data (RCW 50B.04.140)

Ben Veghte, DSHS

Vote on Collection of Employment Sector Data (RCW 50B.04.140)

Per RCW [50B.04.140](#):

- Beginning December 1, 2028, and annually thereafter, and in compliance with RCW 43.01.036, the commission must report to the legislature on the program, including:
 - (5) Demographic information on program participants, including age, gender, race, ethnicity, geographic distribution by county, legislative district, and **employment sector**;
- The WA Cares Fund benefit will eventually serve people who have likely been out of the workforce for some time prior to applying for benefits, and who may have worked in several employment sectors throughout their careers. Collecting this data increases the burden on benefit applicants and is unlikely to lead to meaningful insights about recipients or the program itself.

Removing Employment Sector from Participant Demographic Reporting

Pros

- Improves user experience of benefit application
- Avoids need to collect and store data that is unlikely to lead to meaningful insights about recipients or the program itself.

Cons

- The legislature will not receive (imprecise) demographic data on employment sector connected to individual beneficiaries (although some employment sector data will still be available for administrative purposes)

Minimum Provider Qualifications; In-Home Personal Care – Home Care Agency

Andrea Meewes Sanchez, DSHS

Cathy MacCaul, Commission member

Minimum Provider Qualifications; In-Home Personal Care – Home Care Agency

In-Home Personal Care - Home Care Agency

Proposed Specific Provider Qualifications:

1. Hold a professional license for at least three consecutive years providing in-home care to clients
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws
- ~~5. No multiple lost litigation~~
6. Have no significant licensing deficiencies in the three-year period before registration. **For the purposes of this requirement, significant means deficiencies related to standards of care and beneficiary or client health and safety that result in enforcement action by the department of health.**
- ~~7. Obtain an independent financial audit~~
8. Use electronic visit verification (EVV)
9. Establish employee conflict of interest policy guidelines, procedures, and safeguards

Vote on Revised Recommendations for In-Home Personal Care - Home Care Agency

Workgroup Recommendation:

- Remove “No multiple lost litigation”
- Remove “Obtain an independent financial audit “
- Under “Have no significant licensing deficiencies during the three-year period prior to registration”, add “**For the purposes of this requirement, significant means deficiencies related to standards of care and beneficiary or client health and safety that result in enforcement action by the department of health.**”



**WA
CARES
FUND**

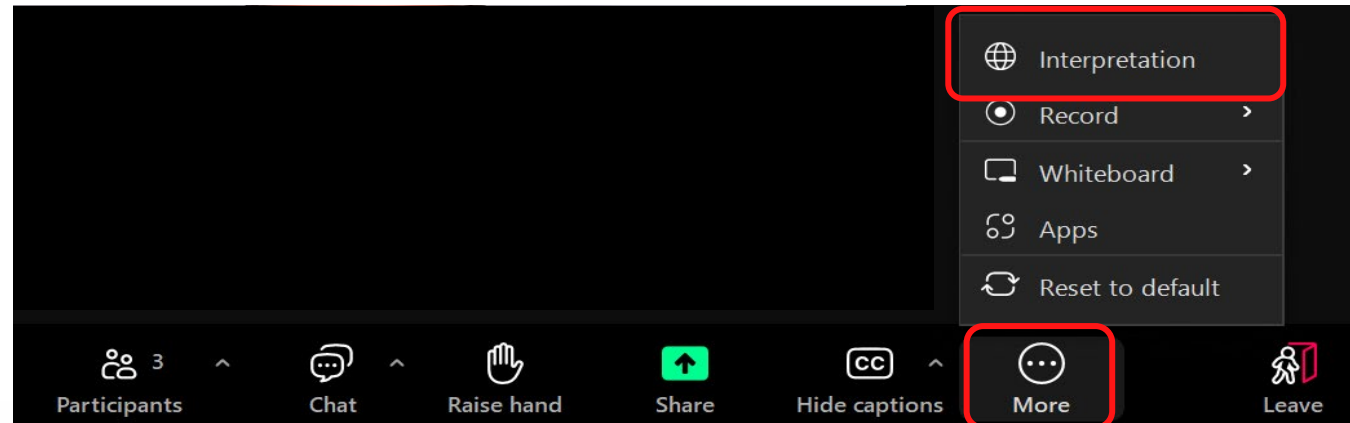
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Language Interpretation – Zoom Setup

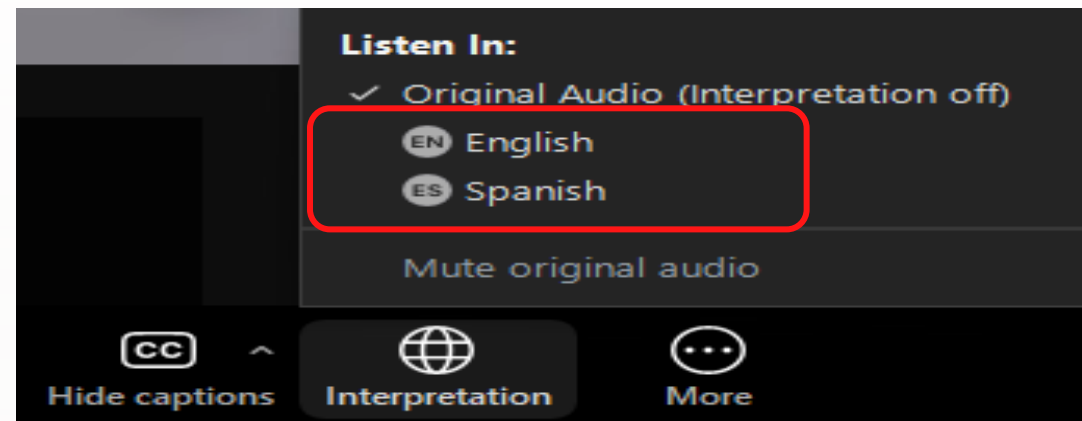
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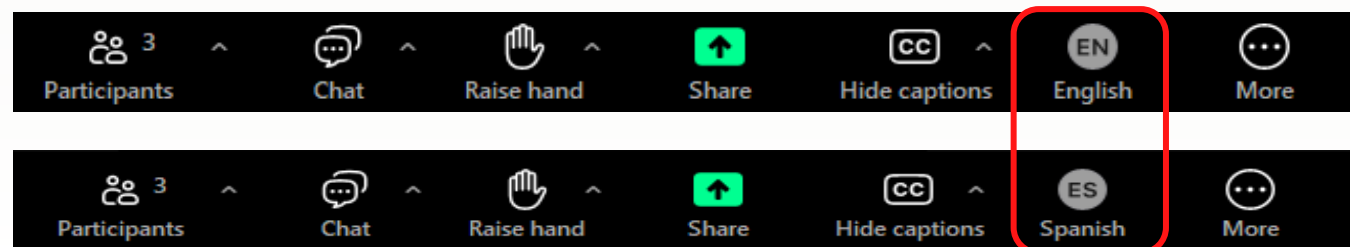
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Step 3:

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Report out on Provider Payment Maximums Recommendations (Group 4)

Andrea Meewes Sanchez, DSHS
Milliman

Provider Payment Maximums Recommendations

- The LTSS Trust Commission shall propose recommendations to DSHS regarding the establishment of payment maximums for approved services consistent with actuarial soundness which shall not be lower than Medicaid payments for comparable services. A service or supply may be limited by dollar amount, duration, or number of visits. The commission shall engage affected stakeholders to develop this recommendation. (RCW 50B.04.030)
- DSHS will use the Commission's recommendation on maximum rates to develop rates in agency rules and provider contracts.

Provider Payment Maximums Workgroup

Group 1	Group 2	Group 3	Group 4
<ul style="list-style-type: none">• Adult Family Home• Assisted Living• In-Home Personal Care• Nursing Home	<ul style="list-style-type: none">• Adaptive Equipment and Technology• Environmental Modifications• Home Delivered Meals• Personal Emergency Response Systems	<ul style="list-style-type: none">• Adult Day Services• Eligible Relative Care• Transportation• Respite for Family Caregivers	<ul style="list-style-type: none">• Care Transition Coordination• Dementia Support/Memory Care• Education and Consultation & Services that Assist Paid and Unpaid Family Members• Home Safety Evaluation• Professional Services

Provider Payment Maximums Recommendations – Care Transition Coordination

Care Transition Coordination is a time-limited service that complements primary care. Care Transition Coordination is designed to ensure proper coordination, timely follow-up care, and healthcare continuity with the goal of avoiding preventable poor outcomes as beneficiaries return home from an acute care setting like a hospital or skilled nursing facility (such as readmission).

Provider Payment Maximums Recommendations – Care Transition Coordination

Commercial Rates

Service	Rate	Unit
Transitional Care Management	\$120 to \$360	per service

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Care Transition Coordination:

WA Cares will pay up to a maximum of \$360 per month for up to two consecutive months when transitioning from an acute care setting.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Dementia Supports

Dementia and Behavior Supports offers non-medical, community-based services to beneficiaries and their caregivers to improve care for the beneficiary by:

1. Helping to develop a behavior support plan for the beneficiary; and
2. Providing legal consultation for beneficiaries seeking powers of attorney or other decision-making supports.

Provider Payment Maximums Recommendations – Dementia Supports

Commercial Rates

Service	Rate	Unit
Legal Consultation	\$50 to \$125	per 15 min
Behavior Support Planning	\$25 to \$40	per 15 min
Support Group	Up to \$40	per session

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Dementia Supports:

WA Cares will pay usual and customary rates up to a maximum of \$125 per 15-minute unit.

Usual and customary rates vary by type:

Description	Rate Range (2024)
Legal Consultation	\$50 - \$125 per 15 minutes
Behavior Support	\$25 - \$40 per 15 minutes
Support Group	Up to \$40 per session

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Memory Care

Memory Care is a specialty service provided to beneficiaries with dementia in Assisted Living Facilities. Specialty training for dementia care must be completed prior to providing Memory Care services to residents. Assisted Living Facility administrators, their designees, and caregivers must complete specialty training under chapter 388-112A WAC.

Provider Payment Maximums Recommendations – Memory Care

Commercial Rates

Service	Rate	Unit
ALF observed rates excluding memory care ¹	\$125 to \$540	per day
Memory care “upcharge”	\$50 to \$325	per day
ALF observed rates including memory care	\$175 to \$600	per day

¹ For some research / facility data, we are unable to itemize charges for memory care services

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Memory Care:

WA Cares will pay usual and customary rates for Assisted Living Facility services that include Memory Care up to a maximum of \$600 per day. Rates will be inflation adjusted on a regular basis.

Providers cannot charge the maximum rate without justification in the provider’s negotiated care plan. Rates will be adjusted to reflect regional differences.

Rates are payment in full for standard services consistent with resident assessment. Typical services include but are not limited to: room (shared or private), meals, laundry, housekeeping, supervision, direct personal care, intermittent nursing services, specialty care.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Education and Consultation

Through Education and Consultation, beneficiaries, and caregivers (including paid and unpaid family members) receive non-medical education, consultation, behavior management and training regarding the beneficiary's care, diagnoses and chronic health issues aimed at supporting the beneficiary to better manage their activities of daily living and their health and wellness.

Provider Payment Maximums Recommendations – Education and Consultation

Commercial Rates

Service	Rate	Unit
Skills Training/Development	Up to \$80	per 15 min
Evidence-Based Programs	Up to \$600	per program

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Education and Consultation:

WA Cares will pay usual and customary rates up to a maximum of \$80 per 15-minute unit.

Usual and customary rates vary by type:

Description	Rate Range (2024)
Skills Training/Development	Up to \$80 per 15-minute
Evidence-Based Programs	Up to \$600 per program
Training for Eligible Relative Caregivers	Up to \$800 per program

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Services that Assist Paid and Unpaid Family Members

Housework and Errands supports beneficiaries to remain in the community by assisting with the health and safety of the beneficiary who may no longer be able to perform such duties. This service can be used to eliminate the burden of these tasks typically left to family members or risk institutionalization of the beneficiary. This service should not be used by beneficiaries who are already receiving in-home personal care as these tasks are included in that service.

Provider Payment Maximums Recommendations – Services that Assist Paid and Unpaid Family Members

Commercial Rates

Service	Rate	Unit
Housework and Errands	\$5 to \$15	per 15 min

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Services that Assist Paid and Unpaid Family Members (Housework and Errands):

WA Cares will pay usual and customary rates up to a maximum of \$400 per month.

- Usual and customary rates allow for the standard service but also allow for a one-off cleaning need such as 'move out' cleaning or a more intense deep cleaning.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Services that Assist Paid and Unpaid Family Members

Yardwork and Snow Removal is available to beneficiaries who may need this support to remain in the community. The purpose will be to allow safe egress/entry into the home; reduce potential fire danger; assist the beneficiary to comply with local city/county codes, or other local requirements, such as a Homeowner's Association, or to address violations to remain in their choice of setting. This service can be used to eliminate the burden of these tasks typically left to family members.

Provider Payment Maximums Recommendations – Services that Assist Paid and Unpaid Family Members

Commercial Rates

Service	Rate	Unit
Yardwork / Snow Removal	\$10 to \$35	per 15 min

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Workgroup Recommendation

Services that Assist Paid and Unpaid Family Members (Yardwork and Snow Removal):

WA Cares will pay usual and customary rates up to a maximum of \$140 per hour, not to exceed \$400 per month.

- Rates will be adjusted to reflect regional differences.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Home Safety Evaluation

Home Safety Evaluation offers the assessment of a beneficiary's home (rented or owned) by a professional therapist to identify and reduce or eliminate potential fall hazards to help minimize injury and improve accessibility while in the home.

Provider Payment Maximums Recommendations – Home Safety Evaluation

Commercial Rates

Service	Rate	Unit
Home Safety Evaluation	\$200 to \$500	per hour

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Home Safety Evaluation

WA Cares will pay usual and customary rates up to a maximum of \$300 per home safety evaluation.

- Typical services include but are not limited to: evaluation of the beneficiary's home to determine health and safety risk and professional recommendations to reduce or eliminate risk.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Professional Services

Professional Services include:

- Skilled Nursing: A service that is intended for short-term, intermittent treatment of acute conditions or exacerbation of a chronic condition. Skilled nursing is used for treatment of chronic, stable, long-term conditions that cannot be delegated or self-directed.
- Nurse delegation: Allows an RN to delegate specific skilled nursing tasks to nursing assistants or home care aides for eligible clients who have a skilled nursing task need.
- Private Duty Nursing (PDN): A program that provides in-home skilled nursing care to individuals who would otherwise be served in a medical institution. Individuals using PDN services are dependent on a technology modality, including mechanical ventilation, complex respiratory support, tracheostomy, intravenous (IV) or parenteral administration of medications, or IV administration of nutritional substances. The purpose of PDN is to:
 - Provide community-based alternatives to institutional care for clients who have complex medical needs and require skilled nursing care on a continuous and daily basis that can be provided safely outside of an institution.
 - Support beneficiary families, who must assume a portion of the client's care.

Provider Payment Maximums Recommendations – Professional Services

Commercial Rates

Service	Rate	Unit
Nurse Delegation	\$10 to \$15 per 15 min	
Private Duty Nursing	\$25 to \$65 per 15 min	
Skilled Nursing	\$10 to \$35 per 15 min	

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Professional Services:

WA Cares will pay usual and customary rates up to a maximum of \$65 per 15-minute unit.

- For private duty nursing in a contracted Adult Family Home, WA Cares will conduct additional research to determine a maximum rate in 2025.

Typical services include but are not limited to:

- Skilled Nursing: direct patient nursing care
- Nurse Delegation: comprehensive assessment of beneficiary, determine tasks that can be delegated, and providing written plans and detailed instructions
- Private Duty Nursing: direct patient nursing care and support to family members who must assume a portion of the beneficiary's care.

Note: Requests to exceed the maximum rate may be considered by the Department.

Milliman Caveats and Limitations

The commercial rate ranges presented are intended for the internal use of the Washington State Department of Social and Health Services (DSHS) and it should not be distributed, in whole or in part, to any external party without the prior written permission of Milliman, subject to the following exception:

- This presentation shall be a public record that shall be subject to disclosure to the State Legislature and its committees, persons participating in legislative reviews and deliberations, and parties making a request pursuant to the Washington Public Records Act

We do not intend this information to benefit any third party even if we permit the distribution of our work product to such third party.

In preparing this information, we relied on information provided by DSHS and publicly available data, which we accepted without audit. However, we did review this information for general reasonableness. Our results and conclusions may not be appropriate if this information is not accurate.

Annie Gunnlaugsson, Chris Giese, and Evan Pollock are actuaries for Milliman. They are members of the American Academy of Actuaries, and they meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Vote on Commission Recommendations Report

Ben Veghte, DSHS

Andrea Meewes Sanchez, DSHS

LTSS Trust Commission Recommendations Report

RCW 50B.04.030 (4)

Authored by:
Long-Term Services and Supports Trust Commission

Date:
January 1, 2025

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Minimum Provider Qualifications Section

Minimum Provider Qualifications Recommendations

Group 1

Adult Family Home, Assisted living Facility, & Nursing Home

Proposed Specific Provider Qualifications:

1. Hold a professional license
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

In-Home Personal Care – Individual Provider (IP)

Proposed Specific Provider Qualifications:

1. Be 18 years of age or older and pass a DSHS background check
2. Meet all applicable laws and training requirements

Minimum Provider Qualifications Recommendations Group 1

In-Home Personal Care - Home Care Agency

Proposed Specific Provider Qualifications:

1. Hold a professional license for at least three years
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws
5. No multiple lost litigation
6. Have no significant licensing deficiencies in the three-year period before registration
7. Obtain an independent financial audit
8. Use electronic visit verification (EVV)
9. Establish employee conflict of interest policy guidelines, procedures, and safeguards

Minimum Provider Qualifications Recommendations

Group 1

In-Home Personal Care - Home Care Agency

Proposed Specific Provider Qualifications:

1. Hold a professional license for at least three years
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws
- ~~5. No multiple lost litigation~~
6. Have no significant licensing deficiencies in the three-year period before registration. **For the purposes of this requirement, significant means deficiencies related to standards of care and beneficiary or client health and safety that result in enforcement action by the department of health.**
- ~~7. Obtain an independent financial audit~~
8. Use electronic visit verification (EVV)
9. Establish employee conflict of interest policy guidelines, procedures, and safeguards

Minimum Provider Qualifications Recommendations

Group 2

Adaptive Equipment and Technology

Proposed Specific Provider Qualifications:

1. Hold a business license and National Provider Identifier (NPI) number (Medical Providers only)
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

A beneficiary may purchase WCF covered items from a retail or online store of their choice and be reimbursed by a Financial Management Services (FMS) vendor contracted by DSHS if beneficiary submits receipt to FMS vendor for covered purchased items.

Environmental Modifications

Proposed Specific Provider Qualifications:

1. Hold a business license, endorsement, credential, and/or certification
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

A beneficiary may purchase self-installation supplies from a retail or online store of their choice and be reimbursed by a Financial Management Services (FMS) vendor contracted by DSHS if beneficiary submits receipt to FMS vendor for covered purchased items.

Minimum Provider Qualifications Recommendations

Group 2

Home Delivered Meals

Proposed Specific Provider Qualifications:

1. Hold a business license, credential, and/or certification
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Personal Emergency Response System

Proposed Specific Provider Qualifications:

1. Hold a business license, endorsement, credential, and/or certification
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Minimum Provider Qualifications Recommendations

Group 3

Adult Day Services (Adult Day Health and Adult Day Care)

Proposed Specific Provider Qualifications:

1. Hold a business license
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Respite for Family Caregivers – Adult Day Services

Proposed Specific Provider Qualifications:

1. Hold a business license
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Minimum Provider Qualifications Recommendations

Group 3

Eligible Relative Care

Proposed Specific Provider Qualifications:

1. Be 18 years of age or older, be a relative to the beneficiary, and pass a DSHS background check
2. Meet all applicable laws and training requirements

Respite for Family Caregivers – Individual Provider

Proposed Specific Provider Qualifications:

1. Be 18 years of age or older and pass a DSHS background check
2. Meet all applicable laws and training requirements

Minimum Provider Qualifications Recommendations

Group 3

Respite for Family Caregivers – Home Care Agency

Proposed Specific Provider Qualifications:

1. Hold a professional license for at least three years
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws
5. No multiple lost litigation
6. Have no significant licensing deficiencies in the three-year period before registration
7. Obtain an independent financial audit
8. Use electronic visit verification (EVV)
9. Establish employee conflict of interest policy guidelines, procedures, and safeguards

Minimum Provider Qualifications Recommendations

Group 3

Respite for Family Caregivers – Home Care Agency

Proposed Specific Provider Qualifications:

1. Hold a professional license for at least three years
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws
- ~~5. No multiple lost litigation~~
6. Have no significant licensing deficiencies in the three-year period before registration. **For the purposes of this requirement, significant means deficiencies related to standards of care and beneficiary or client health and safety that result in enforcement action by the department of health.**
- ~~7. Obtain an independent financial audit~~
8. Use electronic visit verification (EVV)
9. Establish employee conflict of interest policy guidelines, procedures, and safeguards

Minimum Provider Qualifications Recommendations

Group 3

Transportation

Proposed Specific Provider Qualifications:

1. Hold a business license, endorsement, credential, and/or certification
2. Be 18 years of age or older and pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

A beneficiary may turn in receipts for an approved transportation purchase, including transportation provided by a family member, friend, or neighbor, and be reimbursed by a Financial Management Services (FMS) vendor contracted by DSHS if beneficiary submits documentation to FMS vendor for covered purchase.

Minimum Provider Qualifications Recommendations

Group 4

Care Transition Coordination & Dementia Supports

Proposed Specific Provider Qualifications:

1. Hold a professional or business license as applicable
2. Be 18 years of age or older and pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Memory Care

Proposed Specific Provider Qualifications:

1. Hold a professional license, endorsement, credential, and/or certification
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Minimum Provider Qualifications Recommendations

Group 4

Education and Consultation & Home Safety Evaluation

Proposed Specific Provider Qualifications:

1. Hold a business or professional license, endorsement, credential, and/or certification
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Professional Services (Skilled Nursing, Nurse Delegation, and Private Duty Nursing)

Proposed Specific Provider Qualifications:

1. Hold a professional or business license, endorsement, credential, and/or certification as applicable
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Minimum Provider Qualifications Recommendations

Group 4

Services that Assist Paid and Unpaid Family Members – Housework and Errands

Proposed Specific Provider Qualifications:

1. Hold a business license for at least one year
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws and OSHA's standard of use for cleaning agents

Services that Assist Paid and Unpaid Family Members – Yardwork and Snow Removal

1. Hold a business license for at least one year
2. Pass a DSHS background check
3. Hold insurance consistent with WA Cares contract requirements
4. Meet all applicable laws

Provider Payment Maximums Section

Provider Payment Maximums Recommendations – Adult Family Home

Commercial Rates

Description	Commercial Rate
Adult Family Home	\$135 to \$455 per day

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Adult Family Home:

WA Cares will pay usual and customary rates up to a maximum of \$455 per day. Rates will be inflation adjusted on a regular basis.

Providers cannot charge the maximum rate without justification in the provider’s negotiated care plan. Rates will be adjusted to reflect regional differences.

Rates are payment in full for standard services consistent with the resident assessment. Typical services include but are not limited to: room (shared or private), meals, laundry, supervision, direct personal care, memory care, and medication assistance.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Assisted Living Facility

Commercial Rates

Description	Commercial Rate
Assisted Living Facility	\$125 to \$540 per day

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Assisted Living Facility:

WA Cares will pay usual and customary rates up to a maximum of \$540 per day. Rates will be inflation adjusted on a regular basis.

Providers cannot charge the maximum rate without justification in the provider’s negotiated service agreement. Rates will be adjusted to reflect regional differences.

Rates are payment in full for standard services consistent with resident assessment. Typical services include but are not limited to: room (shared or private), meals, laundry, housekeeping, supervision, direct personal care, intermittent nursing services, specialty care

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Nursing Home

Commercial Rates

Description	Commercial Rate
Nursing Home	\$260 to \$535 per day

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Nursing Home:

WA Cares will pay usual and customary rates up to a maximum of \$535 per day. Rates will be inflation adjusted on a regular basis.

Providers cannot charge the maximum rate without justification in the provider’s resident assessment. Rates will be adjusted to reflect regional differences.

Rates are payment in full for standard services consistent with resident assessment. Typical services include but are not limited to: room and board (shared or private), direct personal care, meals consistent with requirements in WAC 388-91-1120, nursing services, memory care, and activities programs. Does not include rehab services.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Respite in Residential Facilities

Commercial Rates

<u>Description</u>	<u>Commercial Rate</u>
<u>Adult Family Home</u>	<u>\$135 to \$455 per day</u>
<u>Assisted Living Facility</u>	<u>\$125 to \$540 per day</u>
<u>Nursing Home</u>	<u>\$260 to \$535 per day</u>

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Respite in Residential Facilities:

WA Cares will pay usual and customary rates up to a maximum of:

- Adult Family Home: \$455 per day
- Assisted Living Facility: \$540 per day
- Nursing Home: \$535 per day
- Rates will be inflation adjusted on a regular basis.

Providers cannot charge the maximum rate without justification in the resident assessment/care plan/agreement. Rates will be adjusted to reflect regional differences. Rates are payment in full for standard services consistent with the resident assessment/care plan/agreement. Typical services include but are not limited to:

- AFH: Personal care services or special care services
- ALF: Services needed to maintain or improve the individual's health and functional status during their stay as described in the negotiated service agreement
- NH: Services needed to maintain or improve the individual's health and functional status during their stay or care in the nursing home consistent with the beneficiary's plan of care.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – In-Home Personal Care including Respite

Commercial Rates

Description	Commercial Rate
In-Home Personal Care	\$35 to \$45 per hour

Description	Commercial Rate
Respite - In-Home Personal Care	\$35 to \$45 per hour

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

In-Home Personal Care including Respite:

WA Cares will pay up to a maximum of \$45 per hour.

- Rates should be adjusted to reflect regional differences.
- Rates should be informed by the Medicaid rates for home care and should be inflation adjusted on a regular basis.
- DSHS should develop wage/compensation pass through requirements to incentivize long-term care worker participation and mitigate worker shortages.

Typical services include but are not limited to: ADLs, IADLs, and nurse delegation for Home Care Agencies per a plan of care developed by or with input from the beneficiary and within the scope of the long-term care worker's practice.

Provider Payment Maximums Recommendations – Adaptive Equipment and Technology

Commercial Rates

Description	Rate Range per Support
Bathroom Equipment	\$15 to \$1,000
Incontinence Supplies	\$10 to \$250
Mobility Aids	\$100 to \$5,000
Hospital Beds	\$500 to \$10,000
Lifts and Positioning	\$2,500 to \$15,000
Pressure Relieving Equipment	\$50 to \$300
Compression Garments	\$25 to \$500
Overall	\$10 to \$15,000

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Adaptive Equipment and Technology:

WA Cares will pay usual and customary rates up to a maximum of \$15,000

Typical services include but are not limited to: mobility aides, cognitive and sensory aides, and fine and gross motor aides. Assistive technology is any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Environmental Modification

Commercial Rates

Description	Rate Range per Modification
Accessible Bathrooms and Bedrooms	\$100 to \$35,000
Accessible Lighting	\$20 to \$6,000
Automatic Door Openers	\$400 to \$6,000
Ceiling Track Lifts	\$1,500 to \$8,000
Door and Hallway Widening	\$300 to \$40,000
Emergency Exits	\$2,600 to \$5,600
Grab Bars	\$85 to \$500
Ramps	\$1,000 to \$5,000
Low-Pile Carpet and Smooth Flooring	\$100 to \$10,000
Stairlifts and Porch Lifts	\$1,500 to \$6,000
Overall	\$20 to \$40,000

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Environmental Modifications:

WA Cares will pay usual and customary rates up to a maximum of \$40,000

Typical services include but are not limited to: grab bars, ramps, widening doors, and bathroom remodels for safety and accessibility.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Home Delivered Meals

Commercial Rates

<u>Description</u>	<u>Rate per Meal Serving</u>
Face-to-Face Delivery	\$8 to \$9
Mail Delivery	\$8.50 to \$16
Overall Range	\$8 to \$16

Includes prepared & ready meals from a range of meal providers

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Home Delivered Meals:

WA Cares will pay usual and customary rates up to a maximum of \$16 per meal.

Typical services include but are not limited to: box meals, pre-packaged meals, hot meals delivered to a beneficiary home.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Personal Emergency Response Systems

Commercial Rates

Description	Rate Range per Service
Installation	\$0 to \$99
Monthly Service	\$19 to \$40
Add On Services	\$10 to \$43

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Personal Emergency Response Systems: WA Cares will pay usual and customary rates up to a maximum of \$100 for installation and \$83 per month for monthly services. This per month cost includes flexibility to accommodate multiple add on services.

Typical services include but are not limited to: Basic PERS, GPS, Med reminder and fall detector and wellness checks, via phone or in-person.

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Adult Day Services including Respite

Commercial Rates

<u>Description</u>	<u>Commercial Rate</u>
Adult Day Services	\$75 to \$325 per day

<u>Description</u>	<u>Commercial Rate</u>
Respite - Adult Day Services	\$75 to \$325 per day

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Adult Day Services including Respite:

WA Cares will pay up to a maximum of \$325 per day for adult day services, including respite. The maximum rate reflects a full (8 hour) day offering adult day health skilled nursing and rehab therapy.

Rates will be adjusted to reflect regional differences and type of service provided, below:

- Adult Day Health (skilled nursing and rehabilitative therapy)
- Adult Day Care (supervised day programs, respite, and meaningful activities)
- Adult Day Care Respite (short term break for family/caregivers)

Note: Requests to exceed the maximum rate may be considered by the Department.

Provider Payment Maximums Recommendations – Transportation

Commercial Rates

Description	Commercial Rate
Transportation (NEMT Vendor)	\$35-\$50 pickup plus \$3-\$5 per mile Additional costs for wait time, hospital discharge, vehicle type, after hours, etc.
Transportation (Rideshare)	Average price of a 6-mile rideshare: All WA: \$25-\$28 Seattle: \$35-\$38 UberHealth: \$13-\$36, varies by geography

All numerical values shown are for discussion only. The rates represent a reasonable range of commercial costs observed for illustrative covered services but should not be considered bounds. The rate ranges are intended to inform the potential maximum rate for a group of covered services under WA Cares and should not be relied upon to set actual rates reimbursed to a provider for a specific service.

Workgroup Recommendation

Transportation:

To reduce actuarial risk, WA Cares will pay up to \$400 per month for transportation services. This includes any combination of the following:

- \$0.67 (or the current standard IRS mileage rate) per mile up to 220 miles per month for friends and family mileage reimbursement. Limits are imposed to reduce actuarial risk.
- Usual and customary per trip costs, which may include costs associated with wait time, hospital discharge, vehicle type to accommodate specific needs, after hours and mileage.
- Rates will be adjusted to reflect regional differences.

Note: Requests to exceed the maximum rate may be considered by the Department.

Actuarial Update

Matt Smith, OSA

Actuarial Update

*Presentation to
LTSS Trust Commission*

Matthew M. Smith, State Actuary

December 11, 2024



Update on Actuarial Communications

- Milliman's 2024 Actuarial Valuation Report (AVR)
- OSA Solvency Report
- Upcoming actuarial communications
 - OSA Executive Summary of Milliman's 2024 AVR
 - Updated OSA FAQs
 - OSA 2025 "audit and valuation" report



Milliman's 2024 AVR

- Milliman will review the results of the AVR following this presentation
- Updated actuarial measurements that reflect first full year of premium collection, addition of portability provision, and assumption updates
 - Reflects updated data on the initial covered population
- Introduction of new metrics in support of program's risk management framework (RMF)

Recap of Risk Management Framework

- Program currently in first phase of a three-phase glidepath
- This framework recognizes that it will take time, additional data, and additional analysis to support the program's ongoing financial soundness
- Phase 1 of this framework focuses on gathering data, assessing assumptions, and updating financial projections

New Key Actuarial Metric – Actuarial Balance

- “Actuarial balance” converts the program’s projected cash flows (inflows and outflows), future investment earnings, and accumulated past premium revenue into a single metric

$$\begin{aligned} & \text{PV of Future Premium Revenue} \\ & + \text{Current Assets} \\ & - \text{PV of Future Expenditures} \end{aligned}$$

- Also can be expressed as a percentage of future program claims
 - For example, a positive value of 10% would mean that the program’s projected sufficiency in assets could cover an adverse deviation in claims of up to 10%
 - Calculated as of a given measurement date and based on the assumptions and methods from that given measurement

Interpretation/Use of Actuarial Balance

- In the context of the RMF, the actuarial balance can be used to evaluate the program's projected margin
- In Phase 1 of the RMF – “the learning phase” – we monitor this projected actuarial balance, assess results, and update future projections
 - This actuarial balance will change over time
- Phase 2 of the RMF will involve developing plans to achieve a positive actuarial balance/margin if not already achieved after Phase 1
- Phase 3 of the RMF will involve determining an appropriate or desired margin and developing plans to attain that margin if not already attained after Phase 2

Where Do We Go from Here?

- Early actuarial measurements and emerging premium collection experience have been positive thus far
- The program has yet to pay benefits or assess claims-related assumptions based on actual claims experience
 - Reminder: early claims experience will reflect only near-retiree and “3 of 6 years pathway” cohorts
- Based on the results of the 2024 AVR, the program is on track with Phase 1 of the RMF
- We’re still in the learning phase of the RMF and we expect that to last until at least 2028



OSA's Solvency Report

- Recommendations unchanged from our earlier preview
 - Clarify key program parameters to ensure program administration aligns with actuarial modeling
 - Ensure data systems collect and report information necessary for ongoing evaluation of trust solvency
 - Continue to monitor emerging experience and update projections as part of Phase 1 of the RMF
- Will be included in the Commission's recommendations report

Upcoming Actuarial Communications

- OSA Executive Summary of Milliman's 2024 AVR
 - Summarize key takeaways from AVR
 - Assess AVR results under RMF and document key next steps
- Updated OSA FAQs
 - Updated to reflect Milliman's most recent AVR and other necessary updates
- OSA 2025 "audit and valuation" report required under [RCW 50B.04.020](#)



Thank You

For questions, please contact
The Office of the State Actuary

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360-786-6140

Matthew M. Smith

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12/11/2024

Office of the State Actuary

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Milliman's Actuarial Valuation

Milliman

Commission Topics and Workgroups for 2025

Ben Veghte, DSHS

Commission Topics and Workgroups for 2025

- Review of Foundational Principles and Bylaws

PUBLIC COMMENT

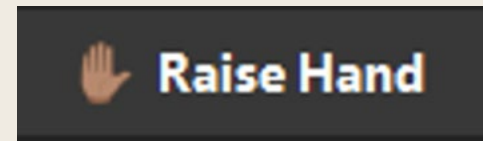
Submit written comments or questions to:
wacaresfund@dshs.wa.gov.

For more information about the program, visit
wacaresfund.wa.gov.

Sign up for Public Comment

Submit written comments or questions to:
wacaresfund@dshs.wa.gov.

For more information about the program,
visit wacaresfund.wa.gov.



Attendees: click on the Raise Hand icon to sign up for public comment



Phone callers: press *9 to raise your electronic hand.

Then, when recognized, press *6 to unmute yourself

Review Agenda for May 28th Meeting

- Approve 12/11/2024 Commission meeting minutes
- Receive Program Update
- Receive Finance Update
- Receive Legislative Session Update
- Review Commission Topics and Workgroups for 2025

Wrap Up

- Action items review
- Adjourn

THANK YOU



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