



LTSS Trust Commission Meeting

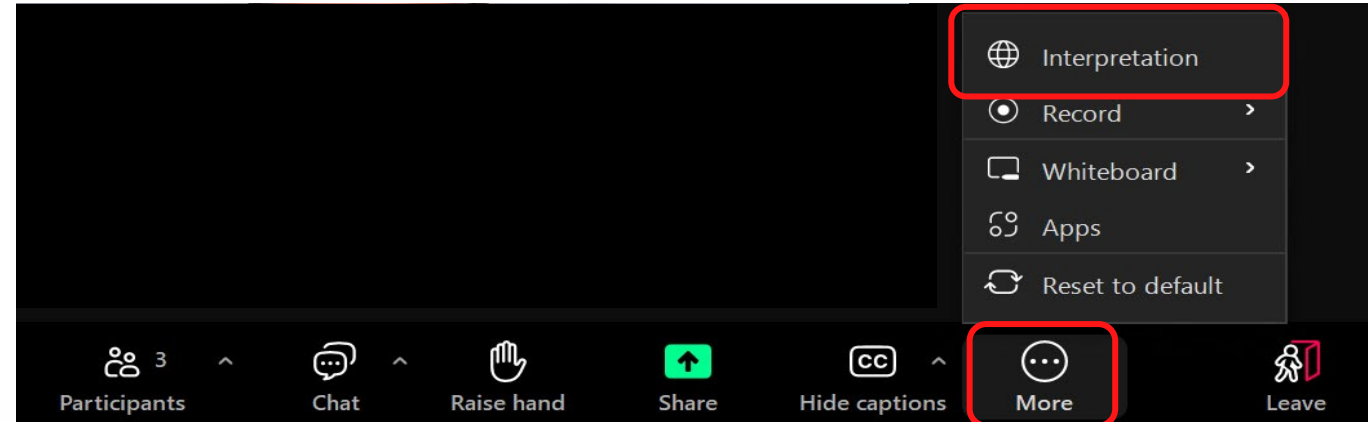
July 16, 2025



Language Interpretation – Zoom Setup

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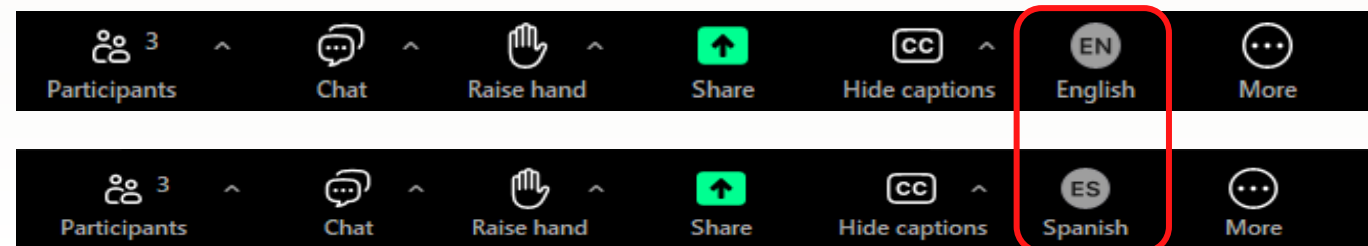
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Step 3:

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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 OSA Actuarial Valuation Report
- Report out on Eligible Relative Care
- Report out on Provider Payment Maximums Workgroup

Approve Consent Agenda

- 05/28/2025 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 and governor signs into law

2022

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

2023

July 1

Workers begin contributing

2024

Legislature gives workers the ability to take their benefit out of state

2025

Legislature creates supplemental private insurance market, gives workers with private insurance exemptions window to join WA Cares

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
 - 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.), and their need for assistance is expected to last for at least 90 days
 - You can take your benefit with you if you leave the state

LTSS Trust Commission Foundational Principles

- Respect the dignity and autonomy of beneficiaries in determining how and from whom they receive care
- Be customer focused
- Provide a seamless, quality user experience
- Be accessible to all Washingtonians both online and through a strong community presence
- Promote development of a long-term services and supports workforce and provider network to meet increased demand with high-quality, culturally competent services
- Ensure beneficiaries have a broad range of services and supports from which to choose
- Ensure outreach and policies are consistent with values of diversity, equity and inclusion
- Focus on solutions that are not rooted in tradition but are tailored to delivering new program benefits and meeting needs of current and future participants
- Respond to changing conditions, needs, and opportunities
- Be strong stewards of worker contributions by maintaining the financial stability and sustainability of the Trust
- Protect beneficiaries and the Trust Fund from program fraud
- Raise awareness of the benefit among all Washingtonians
- Provide accurate data to decision makers

Program Update

Andrea Meewes Sanchez, DSHS

ESSB 5291 Implementation Timeline

January 1,
2026

May 1,
2026

January 1,
2027

- Pilot launch
- Window starts for individuals who want to rescind their private long-term care insurance exemption (ends June 30, 2028)
- Automatic exemptions begin for employees who hold a nonimmigrant visa for temporary workers
- Exemptions available for active-duty service members who are engaged in off-duty civilian employment
- Collective bargaining agreement provision sunsets
- Supplemental Private Long-Term Care Insurance rules adopted and available for carriers to start filing policies for approval by the Office of the Insurance Commissioner
- ESD authority to assess penalties and interest for non-payment of premiums begins

DSHS Rulemaking

On June 17th, DSHS filed a CR-102 that covers general provisions, beneficiary eligibility determinations, and requirements to provide approved services.

The language includes:

- Definitions of approved services
- Requirements for application and eligibility for receipt of approved services
- Requirements for registration and operational standards for LTSS providers
- Minimum qualifications to provide approved services
- Requirements for applying for and discontinuing a registration

DSHS Rulemaking

Upcoming CR-102 Filings

- Appeals of agency actions by beneficiaries or providers: CR-102 to be filed in August 2025
- Notices of agency action: CR-102 to be filed in August 2025
- Rates for approved services: CR-102 to be filed in August 2025
- Reimbursement for approved services to beneficiaries: CR-102 to be filed in August 2025

Upcoming Rulemaking Project

- Rules related to the Pilot: CR-101 to be filed in August 2025



OSA Actuarial Valuation Report

Matt Smith, OSA

OSA Actuarial Valuation Report

*Presentation to
LTSS Trust Commission*

Matthew M. Smith, State Actuary

July 16, 2025



Today's Presentation

- Informational only
- No action required



OSA Actuarial Valuation

- Report required under Chapter [50B.04 RCW](#)
- Summarizes the results of an [actuarial valuation report](#) prepared by Milliman
- Includes OSA recommendations to the Legislature and Pension Funding Council
- Report available [here](#) and includes supporting information

Key Actuarial Terminology

Actuarial Balance

- “A summary measure of the program’s financial status through the end of the 75-year valuation period”
- Can be positive or negative
- Expressed in dollars and as a percentage of claims (including expenses)
- Quantifies current margin under the program’s risk management framework

Fund Ratio

- “Projected fund balance in any given year as a percentage of the next year’s program expenditures”
- Quantifies the fund’s sufficiency to pay expected benefit payments in any program year



Risk Management Framework

- A 3-phase approach based on the Actuarial Control cycle
- Phase 1 is largely focused on the monitoring emerging experience and updating assumptions and projections
 - So-called “learning phase” will improve actuarial modeling and assumption setting
 - This phase expected to last until benefits have been paid for several years
- Phases 2-3 focus on setting and attaining an appropriate margin for the program
 - To mitigate the impacts of future adverse experience

Summary of Key Valuation Results

- Based on Milliman's latest report, program projected to have a positive actuarial balance and positive fund ratio for each year of the 75-year projection under the base scenario
 - Point-in-time measurement; future measurements will vary
- The program will inevitably face scenarios that vary from the base scenario and some of those scenarios could vary significantly from the base scenario
- The current actuarial balance can accommodate many of those scenarios, but not all
- Ongoing monitoring, updating actuarial projections, and taking corrective actions when necessary – consistent with the program's Risk Management Framework (RMF) – will support the ongoing solvency of the fund



OSA Recommendations

- Report includes recommendations from our latest solvency report
 - Continue to monitor emerging experience and update projections as part of Phase 1 of the RMF
 - Clarify key program parameters to ensure actuarial modeling is in line with expected program administration
 - Ensure data systems collect and report information necessary for ongoing evaluation of trust solvency
- Recommendation to the Pension Funding Council (PFC) to maintain the current premium rate of 0.58%
 - We do not believe the premium rate should change during Phase 1 of the RMF regardless of the outcome of [SJR 8201](#)
 - We also recommend the PFC clarify preferred timing of future OSA premium rate recommendations

Thank You

For questions, please contact
[The Office of the State Actuary](#)
360-786-6140
State.actuary@leg.wa.gov

Matthew M. Smith

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7/16/2025

Office of the State Actuary





**WA
CARES
FUND**

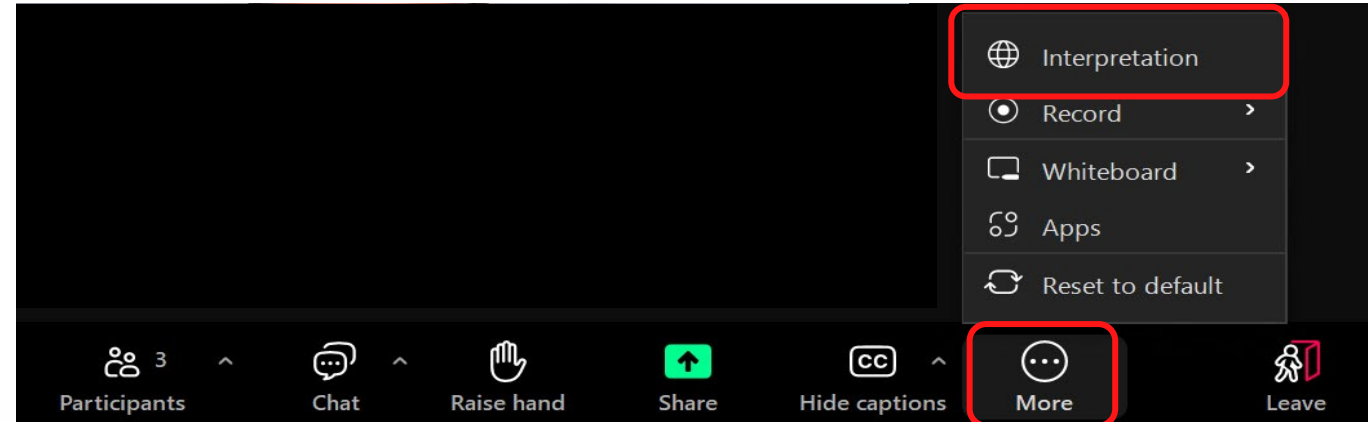
BREAK



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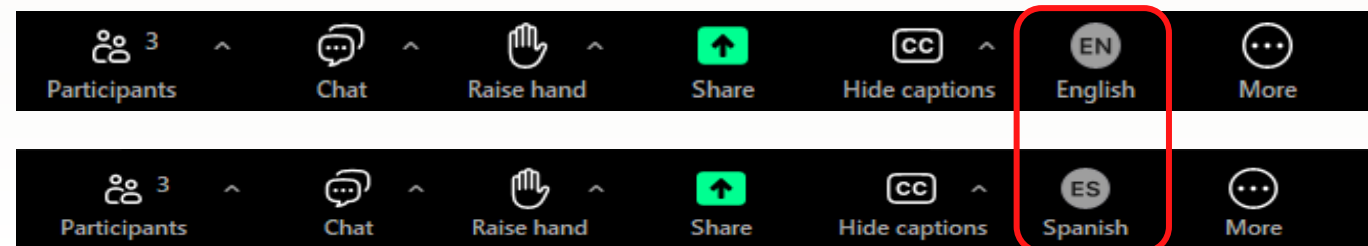
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Eligible Relative Care

Andrea Meewes Sanchez, DSHS

Update on Eligible Relative Care

- RCW 50B.04.070(2) states, "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.**"
- In July of 2024, the LTSS Commission recommended that DSHS define a third option for paying qualified family members through the rulemaking process.

Options under consideration by DSHS

- Agency with Choice, whereby the agency and beneficiary are co-employers of the family member
- Fiscal Employer Agent that supports the WA Cares Fund beneficiary to employ their family member directly
- Both an Agency with Choice and Fiscal Employer Agent
- Delay until after initial launch

DSHS approach to defining 3rd option



Provider Payment Maximums Workgroup

Andrea Meewes Sanchez, DSHS

Provider Payment Maximums Recommendations – Private Duty Nurse Adult Family Home

Private Duty Nursing (PDN) Adult Family Home (AFH): Individuals using PDN services in an Adult Family Home 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 AFH is to:

- Provide residential-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.
- Nurses operating an AFH are vetted thoroughly during the contracting process before being able to obtain a PDN contract to ensure they have the appropriate experience to serve fragile clients who may not be able to communicate their needs.

Medicaid Rate and Recommendation

- The current Medicaid all-inclusive rate is **\$898.95** per day. To match the Medicaid rate, the PDN AFH add-on rate must be at **\$445** to reach \$900/day.
- Because the Medicaid rate may change again before July 1, 2026, we recommend making the WA Cares rate slightly higher to allow for a potential increase to the all-inclusive Medicaid PDN AFH rate.
- The workgroup recommends the PDN AFH add-on rate be set so the PDN rate for WA Cares totals **\$920/day (\$465 for PDN AFH add-on)**

Provider Payment Maximums Recommendations – Private Duty Nurse Adult Family Homes

Rates

Description	Max Rate
Adult Family Home	\$455 per day
Private Duty Nurse (add on)	\$465 per day
Private Duty Nurse Adult Family Home (total)	\$920 per day

Workgroup Recommendation

Private Duty Nurse Adult Family Home:

WA Cares will pay usual and customary rates up to a maximum of **\$920** per day. Rates will be inflation adjusted on a regular basis.

Private Duty Nursing care plan is developed in conjunction with a written order by a physician to meet the beneficiary's needs. Rates will be adjusted to reflect regional differences.

Rates are payment in full for standard services consistent with the resident assessment.



PUBLIC COMMENT

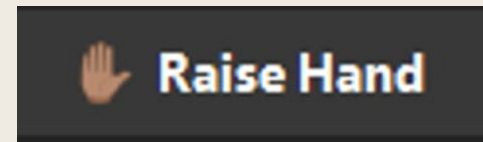
Submit written comments or questions to:
wacaresfund@dshs.wa.gov.

For more information about the program, visit
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Sign up for Public Comment

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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 September 17th Meeting

- Approve 07/16/2025 Commission meeting minutes
- Approve the 2026 Commission meeting schedule
- Receive Program Update
- Report out from Foundational Principles and Bylaws Workgroup
- Report out from SJR 8201 Contingency Planning Workgroup

Wrap Up

- Action items review
- Adjourn

THANK YOU



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