

July 16, 2025 - LTSS Trust Commission Meeting Minutes

Meeting Date		7/16/2025		Time		1:00 – 4:00 pm	
Attendees							
<input checked="" type="checkbox"/>	Representative Nicole Macri	<input type="checkbox"/>	Vacant, Representative	<input type="checkbox"/>	Vacant, Representative	<input type="checkbox"/>	Vacant, Representative
<input checked="" type="checkbox"/>	Senator Curtis King	<input checked="" type="checkbox"/>	Senator Judy Warnick	<input type="checkbox"/>	Senator Rebecca Saldaña	<input checked="" type="checkbox"/>	Senator Steve Conway
<input checked="" type="checkbox"/>	Acting Secretary Bea Rector, 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 type="checkbox"/>	Lauri St. Ours, Representative of an association representing SNF/ALF providers	<input type="checkbox"/>	Vacant, Adult Family Homes Providers Representative
<input checked="" type="checkbox"/>	Ruth Egger, Individual Receiving LTSS #1 (or designee or representative of consumers receiving LTSS)	<input checked="" type="checkbox"/>	Mark Stensager, 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 type="checkbox"/>	Rachel Smith, Representative of an organization of employers whose members collect the premium (or will likely be collecting)
<input type="checkbox"/>	Silvia Gonzalez, Worker who is paying the premium established in section 9 of the LTSS Trust Act and who is not employed by a long-term services and supports provider (or will likely be paying the premium)	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
Guest Speakers							
<input checked="" type="checkbox"/>	Porsche Everson, Facilitator	<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"/>	Matt Smith, Office of State Actuary

Topic	Minutes
Welcome and Call to Order	<ul style="list-style-type: none"> Commission members in attendance indicated above. Acting Secretary Rector reviewed the meeting goals.
Approve Consent Agenda	<ul style="list-style-type: none"> No objections were made; items were adopted.
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



	<ul style="list-style-type: none"> ○ 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 <p>A person must work 500 hours during a year to receive credit for a qualifying year</p> <ul style="list-style-type: none"> • 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.), 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
Program Update	<p><u>DSHS Rulemaking</u></p> <p>On June 17th, DSHS filed a CR-102 that covers general provisions, beneficiary eligibility determinations, and requirements to provide approved services. The language includes:</p> <ul style="list-style-type: none"> • Definitions of approved services • Requirements for beneficiaries related to 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 <p>Upcoming CR-102 Filings</p> <ul style="list-style-type: none"> • 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 <p>Upcoming Rulemaking Project</p> <ul style="list-style-type: none"> • Rules related to the Pilot: CR-101 to be filed in August 2025
OSA Actuarial Valuation Report	<p><u>OSA Actuarial Valuation</u></p> <ul style="list-style-type: none"> • 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: https://leg.wa.gov/media/wa0dc0kb/actuarialvalwacaresfund.pdf <p><u>Summary of Key Valuation Results</u></p> <ul style="list-style-type: none"> • 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

	<ul style="list-style-type: none"> • 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 <p><u>OSA Recommendations</u></p> <ul style="list-style-type: none"> • Report includes recommendations from our latest solvency report <ul style="list-style-type: none"> ◦ 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% <ul style="list-style-type: none"> ◦ 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 <p><u>Open for discussion</u></p> <ul style="list-style-type: none"> • King: How long is Phase 1? <ul style="list-style-type: none"> ◦ Smith: We recommend Phase 1 lasts has paid benefits for several years, so I can see Phase 1 extending into 2029
Eligible Relative Care	<p><u>Update on Eligible Relative Care</u></p> <ul style="list-style-type: none"> • 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. <p><u>Options under consideration by DSHS</u></p> <ul style="list-style-type: none"> • 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 <p><u>DSHS approach to defining 3rd option</u></p> <ul style="list-style-type: none"> • Given uncertainty around utilization and consumer preferences for this first in the nation program, DSHS will collect data on utilization and customer preferences for up to one year before considering next steps. • DSHS needs to assess and develop fraud mitigation strategies due to a lack of case management of this self-directed benefit. • DSHS will work with CDWA on a lower cost option for family members working part-time only for a WA Cares beneficiary. This will be available at launch in July 2026.

Open for Discussion

- King (poor audio – paraphrased by facilitator): It sounded like you were checking to see whether a person needed to be a union member under the two options that currently exist. Is that correct?
 - King: Yes.
 - Meewes Sanchez: Those that join CDWA will be unionized, but those who join a home care agency may not be. Not every home care agency is unionized, so family members have the option to choose a home care agency that's not unionized, if they prefer.
 - King: But then they have to pay the agency that they join?
 - Meewes Sanchez: They would need to become an employee of the agency. The agency is paid the hourly rate for care out of the WA Cares benefit, and then the agency pays the family member directly for that care.
 - King: Thank you.
- Conway: I think the idea of using family members is a great idea but how much do we pay them? I understand that they will not be eligible for health care benefits and other things, but who establishes the rate of pay?
 - Meewes Sanchez: The rate of pay under CDWA is something that's part of a collective bargaining agreement.
 - Conway: I understand that but there are other options here. Is there going to be an established rate of pay using this option?
 - Meewes Sanchez: For home care agencies, there's not an established rate of pay. However, in our contracts with home care agencies, we specify that a certain percentage has to go towards the wages and benefits of workers versus admin costs. There will be some requirement that workers are paid fairly under the hourly rate under WA Cares.
- Conway: If a beneficiary decides to use a family member for care, are you saying the only way they can do that is with an agency relationship. Is that correct?
 - Meewes Sanchez: Either being employed by a home care agency or by CDWA, but we are going to be establishing a lower hourly rate charged to the benefit for people who are family members.
 - Conway: Who is establishing that?
 - Meewes Sanchez: DSHS in contract with CDWA.
- Conway: If an employee feels they were unpaid, what's the remedy?
 - Meewes Sanchez: As far as we understand it, they do have rights through L&I as domestic workers, who can file a complaint and have investigations done just like non-family members could.
 - Rector: In both models, there is a legal employer, which is either CDWA or the home care agency and they have to comply with state and federal labor laws. If someone feels they are not being paid for their work, L&I is the regulatory agency, but we can also look at it from a contract monitoring perspective as well.
- Conway: If they are injured during work hours, are they eligible for worker's compensation?
 - Rector: Yes.
- Conway: Are they also eligible for unemployment insurance, paid family medical leave, and other benefits out there? I know it's very complicated and we're just getting started. I hope that as you're working through this, you'll work closely with L&I and ESD.

- Rector: We'll definitely do that. They are considered employees, so they'll have the same employee protections in these two models. With the third model, we're going to track some data, preferences, etc. and make a decision after go-live.
 - Conway: Please keep us updated on that.
- Stensager: This is something we've spent a lot of time talking about. Bea, what do you see as the role of the Commission in the two models we're talking about?
 - Rector: There's a statutory role for the Commission related to setting maximum rates and for making recommendations for improvements to the program. In terms of these two services, you have made recommendations for maximum provider rates for personal care services and if you wanted to look at that again, in light of the decision about how we're moving forward, you could.
 - Meewes Sanchez: Our plan is to publish the maximum rate in our rules which is coming up in August and then use the contract negotiation and development process to put in specific rates for CDWA and the language around admin versus wage compensation funding in the contracts for home care agencies.
 - Stensager: I understand the need for gathering more information and I see a lot of common-sense language here, but this is a major topic for this Commission. The idea that you're going to go to the mountaintop and then coming back to say, "this is what we decided," without any feedback from us. I defer to your judgement ultimately, but if there's an opportunity to interact on this, that would be helpful.
 - Rector: I know our desire is to set that lower rate and the stipulations around that by September, and there is a September Commission meeting so that's something we could report out on in that meeting.
 - Veghte: We'll also be collecting data around utilization next year after go-live, and we can share the analysis of that data with the Commission. The statute says the Commission can make recommendations to DSHS on how to pay family members in the context of the 3rd option. Last year the recommendation was for DSHS to work on this, so that's what we've done. The Commission always has a role, if they wish to.
- Warnick: I heard someone say that if you have a family member working part time, they still have to go through an agency. How will that help that family member, who is technically an employee, be adequately compensated? This hits close to home as my sister-in-law is caring for my mother-in-law, so she can't work. What am I going to tell her? That she's going to get less money because she's working for her mother?
 - Meewes Sanchez: If the family member goes to work under CDWA, the rate is collectively bargained. What we're trying to reduce are costs that we don't think people will need when they're working for a family member. Things like health insurance if they already have it; retirement; overtime, etc. It's not the wage we're trying to lower; it's the administrative parts of the rate that would be charged against the benefit.
 - Warnick: "Collectively bargained" sounds like a union to me. Would a family member have to join a union to be part of the collectively bargained agreement?
 - Meewes Sanchez: Under CDWA, that's true. The other option is to be employed by a home care agency, which is not unionized. One of the things we're doing for WA Cares contracts is to require that a percentage (approx. 80%) of the hourly rate (max rate is \$45/hr.) needs to be spent on wages or benefits, rather than on admin costs. This is another way to make sure family members are not underpaid.
 - Veghte: What we're trying to do is give families choices and we're doing research in the first six to nine months after "go live" to see if there are additional options required to meet beneficiaries' needs.
- Cepoi: It's regrettable that we weren't able to get a direct employer option to maximize autonomy for families. We talk a lot about families, but as someone who administers programs around MAC and TSOA and dementia

services, what we're really seeing is care being provided by spouses. Last year I was in a workgroup for spousal care for people with significant care needs. The average time devoted to giving personal care to another has nearly tripled since 2020. We know working adults are providing a lot of care. I'm seeing the data around how this impacts spouses in particular who don't have these supports. It's regrettable that we won't be able to offer some of the simplest, lowest cost options for beneficiaries to hire their family members directly. We want to continue to put this out there. We want to keep the system's costs low so beneficiaries can stretch their dollars and avoid paying for services they can't use. I'm curious if the Department will be looking more at how this will impact the spousal caregivers.

- Veghte: We agree with everything you just said. We know it's a really important issue, which is why we want to take the time to collect actual data to make sure we get it right. Up until now, we've had to work on assumptions of what we thought would best fit the needs of the beneficiary and their family caregiver. Hopefully after we collect actual data after "go live", we'll be able to see if our current options don't meet the needs that are expressed, then consider and design additional options. Part of what we're thinking is it would be premature to design this space too thoroughly before we have any data on utilization patterns and beneficiary preferences of family caregivers. WA Cares is very different from Medicaid in a lot of ways: different population, it's a self-directed benefit, etc. Once we have all that data, we can consider next steps, but all of this will honor the principles you just highlighted, which we all agree are very important.
- Rector: We do pay spouses in Veteran Directed Care, and so we do anticipate spouses will be able to be paid at launch. They can join CDWA and do the lower-cost option (or the full-cost option if they need access to health care and benefits) or they can join a home care agency. In the rough scoping of rate that we did in considering options, the lower-cost option of CDWA is roughly in the same order of magnitude as an hourly rate as a Fiscal Employer Agent. If you remember the options, we said there needs to be a third-party employer involved who could ensure wage per hour and other requirements, which is as close to a direct care pay option we were considering, and that is still on the table potentially for future reference after our initial data analysis.
- King: For our September Commission meeting, I'd appreciate it if we could have a chart that shows Options 1 & 2, and what you might expect for Option 3. I'd love to know what the costs are, if you go through a home care agency, what is that going to cost a beneficiary in dollars compared to what they would have received if they were just paid directly and didn't want all the other stuff that goes with it. Same with the union dues that you're going to have to pay if you go through CDWA. **ACTION ITEM** The two options take away from what that individual might be able to get for providing the services, so the people they're caring for don't have to go to a nursing home, which would be more expensive to the state to begin with. You say, "the spouse would still be able to take care of their husband or wife," but they have to sign up through CDWA and, though it may not be that much, they still have to join the union to do it. Then you say, "we're going to collect data quickly". I've never seen any agency collect data quickly. I'm sorry about that, but it's the truth. What data are you going to collect? I don't know how you're going to inform these individuals that these are their options in a way that they can understand and then you're going to say, "what else would you like to see?". What are the things we didn't do that we should have done? I think you need to come up with your three options off the bat and let them choose. That's the fair way to do it, not say, "oh, we can't just do this right now." I think we're going down this road the wrong way and, in some respects, no offense to anybody, for the wrong reasons. We're supposed to be focusing on taking care of the individual that needs to be taken care of. If you look at what we're doing here, we're forcing people to do things they may not want to do and we're not meeting that standard we have set for ourselves in being as

compassionate and forthright as we can be. We're still making them go through an agency or a union, one or the other. "Here are your two options. Tell us what you don't like, and then maybe we'll come up with a third option." That doesn't sit well with me, as you can probably tell.

- Egger: We discussed all these options in our workgroup, and I thought the 3rd option of having a family member taking care of their loved one was going to be set up and they were going to go through a fiscal agent to be paid. It wouldn't be that they would just get paid by a family member, so there would still be some administrative cost added to the hourly wage. I'm confused how all of a sudden we're not offering this 3rd option that we just discussed. I'm also wondering if you can do some research about it before we start because there are so many caregiver relationships in Washington State that you could do a focus group with. It seems like we are waiting until we start, maybe only waiting three or four months and then you have the other option available. I'm kind of confused how this came about.
 - Veghte: That's a good point about starting our research earlier and we'll give some thought to how we might be able to do that. Because WA Cares is a unique program and serves everyone in society, Medicaid serves a different population than WA Cares serves. We'd have to make sure it was instructive to the case we're talking about, but it's a good suggestion and we'll look into that.
 - Meewes Sanchez: To address where we were and where we are now, when the workgroup was meeting in 2023 and were thinking about what the 3rd option could be, we went through all kinds of ideas before we narrowed it down to having an Agency of Choice or a Fiscal Employer Agent. Once we got down to those two options, there wasn't a consensus on which option the Commission wanted to recommend. Therefore, the Commission decided to just recommend that a 3rd option be available and have DSHS decide what it would look like. After that, we did some initial rulemaking sessions and presented some options to the public in our listening sessions where we still heard a lot of conflicting feedback. That's when we started to collaborate more with leadership and the Governor's Office, and that's where we are today. We've made a decision to explore it further because we need to understand with data about WA Cares and how people are utilizing WA Cares, which option is going to emerge as our 3rd option.
- MacCaul: For our next meeting, I'd like to learn more about CDWA. Specifically, I want to know about fraud, abuse, and neglect reports. If you say you're going to do an assessment about fraud mitigation strategies related to self-directed care, I'd like to understand the reporting that's happening in CDWA. I'd also like to learn how long it takes for someone signing up through CDWA to get paid. Also, I was going over our foundational principles and was struck by the one that said, "We ensure that beneficiaries have a broad range of services and supports". This is not a broad range of services and supports. Another one of our fundamental principles is that "This is not rooted in tradition but meets the future needs." This is rooted in tradition that frankly isn't going to work for everyone. We are being challenged to create something new, and it requires new ways of thinking. I did a quick Google search just now, I've done a lot of research on fiscal employer agents and there's a great description of what a fiscal employer agent does and, in fact, there are multiple states that use fiscal employer agents to pay people directly because it's expeditious. They can track the administrative and overhead costs, the accounting costs, and the training certification requirements. I'm really a bit frustrated and I've talked to several of you about that and we aren't giving family caregivers a choice. Having been a family caregiver for my mother, and seeing the challenge and the struggle, this is a real opportunity to do something new and different, instead of defaulting to a system that I don't think has the capacity to handle that. If we're talking about data, show us the numbers. Let's see the turnaround, the fraud exploitation data, the reports. Let's understand all of those numbers. If you want to have

	<p>data and information specifically for a self-directed model, I think it's fair to have information on CDWA and CDWA-light.</p> <ul style="list-style-type: none"> o Rector: We are tracking very closely in the Medicaid space the timeliness of hire at CDWA, so we can absolutely bring that data to the September Commission meeting. We can also talk to them about tracking fraud and abuse and what data we might be able to report. ACTION ITEM. o MacCaul: I appreciate all the work that the DSHS staff does. You are top class on this issue. Nobody said this was going to be easy, but I want to continue to challenge us all to rethink the models. This is new, this is different, and we want to give consumers the choice in recognition that they are not necessarily all want to become professional caregivers.
Report out from Provider Payment Maximums Workgroup	<p><u>Medicaid Rate and Recommendation</u></p> <ul style="list-style-type: none"> • 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) • Senator Curtis King made a motion to approve the Provider Payment Maximums recommendation for Private Duty Nurse Adult Family Homes. Laura Cepoi seconded the motion. A vote was taken, and there were 11 ayes, 0 nays. The motion passed.
Public Comment	<ul style="list-style-type: none"> • There was no public comment provided.
Review Agenda for September 17 th meeting	<ul style="list-style-type: none"> • 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 <p><u>Open for Discussion:</u></p> <ul style="list-style-type: none"> • Foutch: I'd be interested in hearing, not necessarily in September, about how DSHS and the other agencies are prepping for "go live" in July, in terms of education, outreach, or anything else that's been happening behind the scenes that we haven't yet heard about. <ul style="list-style-type: none"> o Stensager: In that context, I've seen some of the public information and it would be great to hear what the strategies are for consumer education. It's incredibly complex and you're doing some great work in this area. It would be great to hear more about it at the September meeting or a meeting after that. o Rector: Are you interested specifically in what we're doing to make people aware of the benefit leading into launch or something else? o Stensager: I'm interested in the kind of information that we're going to be providing to consumers on day one, just in terms of how to look at these benefits, what to consider in paying for services, all those kinds of things. ACTION ITEM
Wrap-up <ul style="list-style-type: none"> • Action Item Review 	<ul style="list-style-type: none"> • Action items are captured in the table below. • Meeting adjourned at 2:45 pm

• Adjourn	
-----------	--

#	Action Items	Lead	Due Date
1	Charts comparing anticipated costs of the 3 options: home care agencies, CDWA, and a lower-cost option for family members working part-time only.	DSHS	9/17/2025
2	Bring back data on hiring timelines for CDWA as well as how issues like fraud, abuse, and neglect get reported out, and any metrics we have on those issues.	DSHS	9/17/2025
3	Share with the Commission the consumer education when they go on claim about what benefits are available to them, how to negotiate rates, whether or not they should move into an ALF depending on whether they can afford to live there for two years.	DSHS	9/17/2025