October LTSS Trust Commission Meeting Minutes							
Meeting Date	10/29/2025			Time		1:00 – 4:00 pm	
TVW Link	https://tvw.org/watch/?eventID=2025101077						
Attendees							
☒	Representative David Stuebe	☒	Representative Joe Schmick	☒	Representative Steve Tharinger	☒	Representative Nicole Macri
☒	Senator Curtis King	☐	Senator Judy Warnick	☐	Senator Rebecca Saldaña	☒	Senator Steve Conway
☒	Assistant Secretary Bea Rector, Department of Social and Health Services	☒	Cami Feek, Employment Security Department (Daniel Zeitlin represented)	☒	Taylor Linke, Health Care Authority	☒	Peter Nazzal, Home Care Association Representative
☒	Madeleine Foutch, Representative of a union representing LTC workers	☒	Cathleen MacCaul, Representative of an organization representing retired persons	☒	Lauri St. Ours, Representative of an association representing SNF/ALF providers	☐	Vacant, Adult Family Homes Providers Representative
☒	Ruth Egger, Individual Receiving LTSS #1 (or designee or representative of consumers receiving LTSS)	☒	Mark Stensager, Individual Receiving LTSS #2 (or designee or representative of consumers receiving LTSS)	☒	Laura Cepoi, Organization Representing the Agencies on Aging	☐	Rachel Smith, Representative of an organization of employers whose members collect the premium (or will likely be collecting)
☒	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)	☐		☐		☐	
Guest Speakers							
☒	Ben Veghte, Department of Social and Health Services	☒	Andrea Meewes Sanchez, Department of Social and Health Services	☒	Matt Smith, Office of the State Actuary	☒	April Amundson, Employment Security Department
☒	Porsche Everson, Facilitator	☒	Tyler Langford, Office of the Insurance Commissioner	☒	Luke Masselink, Office of the State Actuary	☐	

Topic	Minutes
Welcome and Call to Order	• Commission members in attendance indicated above. • Assistant Secretary Rector reviewed the meeting goals.
Approve Consent Agenda	• No objections were made; items were adopted.

Approve Agency Administrative Expenses Report	**Open for Discussion**
	• King: What percentage is that $261,502,000 to the amount of money being taken in?
	  o Veghte: It will be on the Commission's agenda next year or the year after to come up with a system for what that percentage should be and how to track it over time. I don't have that number off the top of my head, but we can get back to you on that. **ACTION ITEM.** I do know that the methodology that Milliman has recommended is that it should be a percentage of revenue plus a percentage of outlays. In these early years, there's a lot of volatility and change in terms of both of those things. After 2027, we'll have built all our IT systems, we'll be staffed up, and we'll stop needing consultants like project management. Overall, we'll have stabilized and have a better picture of our administrative expenses.
	• Schmick: It's been a while since I looked at the statute. Will this ever be a standalone program, meaning administrative costs will come out of what is being donated to the program, or will it always be part of the state budget that taxpayers have to pay into also?
	  o Veghte: The program was enacted in 2019, but we didn't start collecting premiums until 2023. For those first four years, the general fund provided a loan to the program for start-up costs. The statute required that within six months of the start of premium collection, in July of 2023, we were required to pay back that loan, which we did. We've been self-funded since then. Once we start paying benefits, all our benefit expenditures and all of our administrative expenditure will come out of the premiums we collect. The program has no impact on the general fund going forward.
	• Conway: What percentage of our dollars are implementation costs and what do we anticipate the long-term administrative costs to be? And what percentage of that is the dollars coming in? Have you broken that down in any way?
	  o Veghte: At a high level, in the current biennium about half our administrative expenses are staff costs. We have just under 100 Benefits and Customer Care Center staff, who support people trying to apply for benefits and schedule assessments for beneficiaries to see what kind of care they need. We have a little over 100 assessors across the state and we have headquarters staff. These are expenses that will not go away. Some of the other half are implementation costs and ongoing costs associated with maintaining program integrity by monitoring the provider network and making sure no one is being taken advantage of. There are additional costs in making sure people are aware of the benefits they've earned. We also support the AAAs in their work. This is just a general breakdown, but we can get back to you with more specifics. **ACTION ITEM**
	• Foutch: I believe the program also leads to some cost savings for the general fund because of savings to Medicaid. Can you remind us of those numbers?
	  o Veghte: These are projections, because we won't really know until we experience it. Some people who pay into and qualify for WA Cares benefits are low income would have applied for Medicaid right away, but some of them will apply for WA Cares and the first $36,500 of their long-term care journey would come from WA Cares, which would save money in the Medicaid budget. According to one study, about 28% of people only need long-term care for one year or less, so that's a significant number of people who may never need Medicaid and therefore save money for the general fund.
	  o Rector: In this current biennium, in the Caseload Forecast Technical Workgroup there was a dampening of the Medicaid trend taken assuming that there would be a small amount of savings to Medicaid because we're launching WA Cares. Obviously, we'll get better at predicting this over time, but we do know that there are some people currently on Medicaid who are WA Cares-eligible when it launches who may flip to WA Cares temporarily and then resume with Medicaid, since WA Cares is the first payer.

	o Rector (from chat): We got confirmation from our DSHS forecast/budget team that for the 2025-27 biennium there's a forecasted savings assumption of $5.1M from the General Fund for ALTSA, and about $900K for DDA. • MacCaul: What will be the ongoing spending for marketing and communications? There will be a lot of people ready to register on day 1, but how do we sustain that level of awareness after the initial burst of interest? After we began rolling out systems and outreach, it became apparent that it was really important to continue the flow of information, especially to employers. I'm curious about rough ballpark estimates of what the budget is for that ongoing communication and how are the other agencies involved. o Veghte: Under statute, DSHS is responsible for customer service and the public in this program, and ESD is responsible for supporting employers. Experience in paid leave programs in other states has shown that if you don't do ongoing outreach, then you end up with an inequitable system, where college-educated people know about and apply to a program, and people with less education, perhaps with language barriers, or maybe just busy working two jobs, may not know about a program. It's very important that we continue to get the word out through the AAAs and the Community Assister Network we're building. It can be challenging just to make people aware of what long-term care is and that there is support out there. You may be in a family situation where your dad needs support and may not even think of that as long-term care. You might think "I just need to cook for him and take him to appointments, and that's not long-term care". Sometimes that is the beginning of a long-term care journey and that family can be supported. The dad may have paid into WA Cares so they can access that support. Otherwise, he'll have paid into it for nothing. You're right, it's an ongoing need to keep people informed, and we can get back to you with a more detailed breakdown of the numbers. **ACTION ITEM.** • Conway: We're going to see a major impact on Medicaid as a result of the federal act and I'm wondering if that's going to put any added pressure on our plan. Have you analyzed how the "big, beautiful bill" might impact us? o Rector: We've done some analysis of HR-1 and the impacts on people receiving Medicaid, and there are two impacts; one is related to people legally present in the U.S. (refugees and asylees) and they have always been eligible for Medicaid. There are about 3,000 individuals who will lose access to long-term care through Medicaid. For those who are legally here and legally able to work and pay in to WA Cares, it will be their only source of assistance to purchase long-term care. There are about 4,400 receiving long-term care through the Affordable Care Act (ACA). They don't lose eligibility, but they do have work requirements. With those requirements that come with the ACA portion of Medicaid, we may have people who are working and paying WA Cares premiums who will become eligible for those benefits and might otherwise not have been eligible. There are exemptions, and we are still waiting on further guidance from CMS on the implementation of HR-1. The last impact is "home equity". Part of becoming eligible for long-term care under Medicaid is the equity someone has in their home, and those home equity limits have been set under that legislation to be no more than $1 million. We are currently slightly above that in Medicaid. There may be folks out there who are low income, but house rich. They may not be eligible for Medicaid in the future due to their home equity, so WA Cares may become their only source of assistance. We'll see how things evolve as these two programs get implemented, but the impacts may be less than was first anticipated as HR1 did not make changes to classic Medicaid other than to the legal immigrant group. **Laura Cepoi made a motion to approve the Agency Administrative Expenses Report. Representative David Stuebe seconded the motion. A vote was taken, and there were 13 ayes, 0 nays. The motion passed.**

	Laura Cepoi volunteered to submit the report to the legislature on behalf of the LTSS Trust Commission by November 15th.
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** o Contribute 10 years o Contribute 3 of the last 6 years from the date of application for benefits o 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** o 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 o You can take your benefit with you if you leave the state
Program Update	**DSHS Rulemaking** DSHS is conducting three different rulemaking projects: • **Project 1**: General provisions, beneficiary eligibility determinations, and requirements to provide approved services o Effective date: September 22nd • **Project 2**: Payments and reimbursements for approved services, notices of department determinations, and administrative hearings for beneficiaries and providers o Effective date: October 27th • **Project 3**: Pilot requirements o CR-102 was filed on September 30th o A public hearing will be held on November 4th **ESD Rulemaking** **Timelines** • **Three phases** o Phase 1: Pilot project, qualified individuals, exemptions, CBA (effective by January 1, 2026) o Phase 2: Portable coverage and reporting requirements (target effective date July 1, 2026) o Phase 3: Penalties and interest (effective by January 1, 2027) **HCA Rulemaking** • Content: o The Health Care Authority is creating a new chapter 182-600 WAC for rules to support the long-term services and supports trust program (WA Cares). This chapter will address the portions outlined in RCW 50B.04.020 which the authority is responsible for. Other related rules, if appropriate, may also be revised because of these new rules. • Process: o **CR-101**: Filed under WSR 25-19, filed on 09/09/2025 ▪ Remaining pieces currently being drafted Appeals/Program Integrity

	▪ **External Review**: Tentatively 02/23/2026 through 03/06/2026 o **CR-102**: Tentatively to be filed 04/01/2026 under WSR 26-08 ▪ Public Hearing: Tentatively scheduled for 05/05/2026 o **CR-103**: Tentatively scheduled to be filed no later than 05/28/2026 o **Effective Dates of Rules: 07/01/2026** **<u>Update on Supplemental Long-Term Care Insurance Rulemaking</u>** • **CR-101 filed**: 6/29/2025 o Comment period ended 7/30/2025 • **Prepublication draft released:** 8/13/2025 o Interested party meeting on 8/26/2025 o Comment period ended 8/27/2025 • **Second prepublication draft released**: 10/1/2025 o Comment period ended 10/22/2025 • **CR-102 filing:** TBD o Public hearing: TBD • **CR-103 filing**: TBD **<u>Open for Discussion</u>** • MacCaul: Are the providers included in the OIC plan or are these just the rules that will guide the products they will submit to you? o Langford: Rulemaking addresses all aspects of the products from marketing standards to required policy positions, rate filing, the whole gamut of regulation around supplemental long-term care. The goal is to have our rules effective in early 2026 so the carriers can file their rates and forms with us in advance of May 1st. • Stensager: The supplemental long-term insurance has great potential and it's something I'm interested in following. Will the draft report be distributed to the Commissioners or how will we have access to it? o Langford: I'm happy to make it available to the Commission. Once the public hearing has been scheduled, I can let you all know. **ACTION ITEM** • Tharinger: Can OIC share what the late-breaking input was that threw your dates off a little bit? o Langford: It was mostly minor technical tweaks to the language. For example, there was a conflict between the life insurance rules that we are updating and the supplemental long-term care chapter that we are creating, so we just had to make sure those matched up. Things like that, nothing policy-related. • Tharinger: Your rulemaking doesn't affect WA Cares, correct? Is it just what the private market will do to complement WA Cares? o Langford: Yes, that's correct. o Veghte: The supplemental market takes WA Cares as the deductible and offers coverage on top of it. WA Cares doesn't disrupt the existing market, but if carriers want to enter this market it's available to them. They can offer policies that meet the statutory criteria with all the consumer protections, and they can offer coverage on top of WA Cares to extend your WA Cares benefits by an additional $50K to $150K. It's up to carriers whether they want to enter the market or not. We have no control over that. Tyler and I have been working together to support all the carriers and answer their questions as they consider entering this market.

- Tharinger: As the LTSS Trust Commission, our main focus is on WA Cares, but it's also our duty to look at the long-term care insurance space and also have some input on that, isn't it?
    - Veghte: That question is open to interpretation, but this market is explicitly a WA Cares supplemental market. The entire statute and section is the product of a Commission recommendation. The intent is to extend WA Cares benefits. The legislature, based on Commission recommendations, has fixed some of the weaknesses of the original statute; things like portability, the near-retiree pathway, and exemptions for groups that had to pay in but couldn't qualify. The last remaining issue is it's a small benefit, so to address that, the Commission created a statutory framework to give Washingtonians the option to purchase additional coverage to extend their WA Cares benefit. I think it's reasonable to say that the Commission would continue to have a role to play in making recommendations to the legislature regarding this market that is essentially an extension of WA Cares.
    - King: It seemed to me that this was just an add-on to WA Cares. I don't know why we'd have any oversight over it. I could be wrong, but it should just be an agreement between the individual and the insurance company, and I don't see how WA Cares has any role to play in that decision.
    - Veghte: I think it's open to interpretation whether the Commission has a role in that.
- Stensager: Senator, I agree they are separate jurisdictions. However, this is a big deal from my point of view because it has the potential to expand benefits to Washingtonians with premiums that are lower than if they were out in the market independently. I think it's important for us as a Commission to understand and remain engaged with this opportunity.
    - King: Why do you think the premiums are going to be lower?
    - Stensager: If they're not, it doesn't work. The idea is that the front end, the $36,500 can potentially reduce that premium. I think that has potential.
    - Veghte: We had a workgroup on this subject that included some actuaries from private insurance companies who are interested in entering this market, and they have to decide what price to put on their policies. They want it to be as low as possible so they can sell as many as possible, but high enough to cover their costs. On the average $200,000 policy, someone might use the front half, but not the back half because they might pass away. The fact that WA Cares covers the first $36,500 of a person's care trajectory, we're saving the carrier that amount of money. Therefore, they should be able to offer a lower price point. We don't know what they are going to do, but we've heard from them that the logic behind it makes sense to them.
- Egger: When you meet with the potential insurers, will you be discussing the rules that WA Cares provides and will they be providing similar rules, like no elimination period, or activities of daily living? Our rules are a little more liberal and it would be great if they came in and offered something similar.
    - Veghte: The term "elimination period" can have two components: it can have a dollar amount (monetary deductible) or a time period. In the supplemental statute, carriers can't have an amount higher than $36,500 that they require customers to pay out-of-pocket before they can access their supplemental policy. For any Washingtonians who earn WA Cares benefits who were to purchase a supplemental policy, when they exhausted their $36,500 the supplemental policy would extend those benefits. As the Commission was debating these issues with carriers back in 2023, the carriers said they wanted the freedom to offer a time-period component of an elimination period. What that would mean is the carrier could say that if you want a lower premium, you could have a 3-month, or 6-month, or 12-month period that you have to be on WA Cares before the supplemental policy could kick in. That's a time-period component of an elimination

	period, which wouldn't require people to spend out-of-pocket above the $36,500 to satisfy the time period. The Commission workgroup decided that it would give consumers more choices on a broader range of products. Some might have a lower premium with perhaps a 6-month waiting period, while other policies might have a higher premium with a 0-day waiting period. • Tharinger: One of the advantages of this is if it's a continuation of WA Cares. One of the primary goals of WA Cares is to help people age in their homes. A lot of long-term care policies don't offer that; they wouldn't fund a family caregiver or things like that. If the $36,500 expires and the private market steps in to extend those same services, I think that's a big plus. I appreciate the effort here. o Veghte: Thank you, Senator. Those are included in the statute. They're required to cover home care and they're required to cover family caregivers. These are key components we wanted to include to ensure continuity of care.
Vote On Risk Management Framework Recommendations	**Risk Management Framework** • LTSS Trust Commission approved the Risk Management Framework (RMF) in November 2021 • Due to program changes since then, the RMF required technical fixes • Commission to vote on adoption of those changes today **Updates to RMF** • OSA worked with DSHS staff to make technical updates to the RMF • We believe these to be minor updates • Changes include dates, removal of references to LTSS Trust Council, and updated terminology for consistency with current actuarial reporting • Updated draft RMF document part of your meeting materials for this meeting **Senator Curtis King made a motion to approve the Risk Management Framework. Representative Steve Tharinger seconded the motion. A vote was taken, and there were 15 ayes, 0 nays. The motion passed.**
Vote on Foundational Principles and Bylaws Workgroup Recommendations	**Proposed Foundational Principles** • The LTSS Trust Commission declares the following principles to be foundational to the work of the WA Cares Fund: o Respect the dignity, privacy, and autonomy of beneficiaries in determining how and from whom they receive care o Ensure customers have the information and resources they need to manage their care journeys o Provide a seamless, quality user experience o Be accessible to all Washingtonians both online and through a strong community presence o Promote development of a long-term services and supports workforce and provider network to meet increased demand with a broad range of high-quality, culturally competent services o Ensure policies and procedures respect the many cultures, customs, and community values throughout our diverse communities. o Raise awareness of the benefit among all Washingtonians. o Embrace innovation to meet the changing needs of current and future participants o Responsibly manage worker contributions by ensuring the Trust's financial stability and long-term sustainability **Representative David Stuebe made a motion to approve the Foundational Principles. Ruth Egger seconded the motion. A vote was taken, and there were 16 ayes, 0 nays. The motion passed.**

	<u>Proposed Recommendations to the Bylaws</u>
	• Technical updates to the Bylaws include:
	  o Updating changes made to RCW 50B.04 (dates, reporting metrics, etc.)
	  o Updating terminology and processes to be consistent with what is currently used within the LTSS Trust Commission and DSHS
	  o Removing references to the LTSS Trust Council and completed reports
	
	<u>Proposed Recommendations to RCW 50B.04</u>
	Proposed recommendations requiring changes to RCW 50B.04:
	• Make the Health Care Authority a voting member on the Commission
	• In the Appointments section of the Bylaws add the following:
	  o "At the end of a commissioner's term, if no new successor has been appointed, the commissioner will continue to serve until a successor has been appointed."
	
	<u>Open for discussion</u>
	• Conway: I'm curious how the recommended change to the Bylaws applies to legislative members of the Commission. The appointments come from the caucuses, right?
	  o Veghte: It doesn't apply to the legislators, only the governor-appointed members.
	
	Senator Curtis King made a motion to approve the Bylaws. Senator Steve Conway seconded the motion. A vote was taken, and there were 16 ayes, 0 nays. The motion passed.

Vote on SJR 8201 Contingency Planning Workgroup Recommendations	**<u>Workgroup Recommendation</u>** • Consistent with the program's RMF, the Commission recommends no changes to the program's current benefit structure that have significant adverse impact to solvency until the completion of Phase 3 of the RMF. This recommendation is not intended to prohibit changes to the benefit structure that increase program costs but offset these cost increases with measures that achieve corresponding cost savings. • After the completion of Phase 3, the Commission recommends the Legislature consider enacting benefit changes that enhance the meaningfulness of program benefits while maintaining the security of those benefits. The timing and length of Phases 2-3 will depend on the program's financial status at the end of Phase 1, which is expected to end no sooner than 2029. • Consistent with recommendations from the Office of the State Actuary, the Commission recommends no change to program's premium rate, at this time, regardless of the outcome of SJR 8201. **Senator Steve Conway made a motion to approve the SJR 8201 Contingency Planning Workgroup recommendations. Representative Steve Tharinger seconded the motion. A vote was taken, and there were 15 ayes, 1 nay. The motion passed.**
Review Draft Commission Recommendations Report	• Any feedback on the narrative in this report should be sent to staff by November 12th.
Public Comment	• No public comment was provided.

	• Cathy MacCaul spoke about the AARP report, "Caregiving in the USA 2025"
	  ○ 1.33 million adults in Washington state (22%) provide care to a family member or friend with a complex medical condition or disability.
	  ○ 94% of family caregivers are caring for an adult, often a parent (44%)
	  ○ Average family caregiver is 52 years-old, caregiving for someone 67-years old
	  ○ 32% of caregivers are from the "sandwich generation", caring for an adult and children under 18
	  ○ 22% of caregivers spend at least 40 hours/week providing care.
	  ○ By 2030-35, we will have more people over 65 than under 18
	  ○ Link to the report: https://states.aarp.org/washington/ahead-of-national-family-caregivers-month-aarp-releases-new-data-highlighting-caregiving-in-washington-state

Review Agenda for December 10th meeting	• Approve 10/29/2025 LTSS Trust Commission meeting minutes
	• Receive Program Update
	• Receive Finance Update
	• Receive Pilot Update
	• Vote on Commission Recommendations Report
	• Review Commission Topics and Workgroups for 2026
	
	Open for Discussion
	• Conway: When we start paying benefits in July, I'm wondering if the Commission should have some kind of special committee working with you and your team on implementation because paying benefits is the biggest thing we'll be doing in 2026.
	  ○ Veghte: We'll be talking about processes for keeping the Commission members updated more frequently than quarterly on certain key metrics related to how implementation is going. We have a meeting in April 2026, right before we begin collecting applications in mid-May. We can give that more thought internally and get back to you at the December meeting on how that could work.
	• Egger: Since we're going to be live next year, do we think we should have a position on the Commission for a family caregiver and a paid caregiver so that those voices are represented?
	  ○ Veghte: Yours and Mark's roles are those of people who are either receiving or have served in a family caregiving capacity. The legislature could certainly add additional slots to the Commission as they see fit, so that could be a recommendation the Commission could make.

Wrap-up • Action items review • Adjourn	• Action items are captured in the table below. • Meeting adjourned at 3:15 pm

#	Action Items	Lead	Due Date
1	How do the administrative expenses relate to premium revenue?	DSHS	12/10/2025

#	Action Items	Lead	Due Date
2	What percentage of our costs are implementation-related and what do we anticipate the long-term administrative costs to be?	DSHS	12/10/2025
3	What's the budget for ongoing marketing & communications?	DSHS	12/10/2025
4	OIC to send out pre-publication draft of its rulemaking once the public hearing has been scheduled.	OIC	12/10/2025
5	Get back to Commissioners with ideas on how to keep them informed once we begin implementation.	DSHS	12/10/2025