

LTSS Trust Commission Agency Administrative Expenses Report

RCW 50B.04.030



Authored by:
LTSS Trust Commission

Date:
November 15, 2025



LTSS Trust Agency Administrative Expenses

Executive Summary

Statutory Requirement

Per [Chapter 50B.04.030 \(5\) RCW](#), the Long-Term Services and Supports Trust Commission shall monitor agency administrative expenses over time. The Commission must annually report to the Governor and the fiscal committees of the Legislature on agency administrative expenses and anticipated administrative expenses as the program shifts into different phases of implementation and operation.

Background

The Long-Term Services and Supports Trust Act was created through the passage of SSHB 1087 in April of 2019 and is now known as WA Cares Fund. The Department of Social and Health Services (DSHS), the Employment Security Department (ESD), the Health Care Authority (HCA), and the Office of the State Actuary (OSA) each have distinct responsibilities in the implementation and administration of the WA Cares Fund program. DSHS, ESD, HCA, and OSA will collaborate to realize program efficiencies and minimize administrative expenses.

The LTSS Trust Commission Agency Administrative Expenses Report, due to the Legislature on November 15, 2025, provides information on the DSHS, ESD, HCA, and OSA administrative expenses for the State Fiscal Years (SFY) 2024 and 2025 and the anticipated administrative expenses for the agencies in the 2025-27 biennium.

During the startup phase, the WA Cares Fund is making strategic investments to meet the requirements identified in RCW 50B. These include technology development, staffing for program design and policy development, and customer care.

In the November 15, 2027 Agency Administrative Expenses Report, the Commission will be required by [RCW 50B.04.030\(5\)](#) to include recommendations for a method of calculating future agency administrative expenses to limit administrative expenses while providing sufficient funds to adequately operate the WA Cares Fund program.

The Secretary of the Department of Social and Health Services, the Commissioner of the Employment Security Department, and the Director of the Health Care Authority may advise the Commission on the reports prepared but must recuse themselves from the Commission's process for review, approval, and submission to the Legislature.

WA Cares Fund Funding

Per chapter [50B.04.100 RCW](#), expenditures from the LTSS Trust account may be used for the administrative activities of the Department of Social and Health Services, the Employment Security Department, and the Health Care Authority. The account is subject to the allotment procedures under chapter [43.88 RCW](#). An appropriation is required for administrative expenses.

The Employment Security Department deposits into the LTSS Trust account premiums collected from employees. Employers started collecting premiums from their employees and self-employed individuals began electing coverage in July 2023. The general fund loan that funded administrative expenses prior to the commencement of premium collection was repaid with interest.

2023-25 Biennium WA Cares Fund Budget Appropriations by Fiscal Year

The budget appropriations for the 2023-25 Biennium by Fiscal Year 2024 and 2025 are shown in Table 1. These figures encompass one-time costs for program startup, including expenditures for a Benefit Application Management System, Customer Relationship Management System, WA Cares Assessment tool, and costs related to a ProviderOne change request.

Agency	Funding Source	FY24	FY25	Total Appropriations
DSHS	LTSS Trust	\$14,376,000	\$37,965,000	\$52,341,000
DSHS for OSA ¹	LTSS Trust	\$780,000	\$ 580,000	\$ 1,360,000
ESD	LTSS Trust	\$ 22,995,000	\$12,378,000	\$35,373,000
HCA ²	LTSS Trust	\$0	\$314,000	\$314,000
Total		\$ 38,151,000	\$51,237,000	\$89,388,000

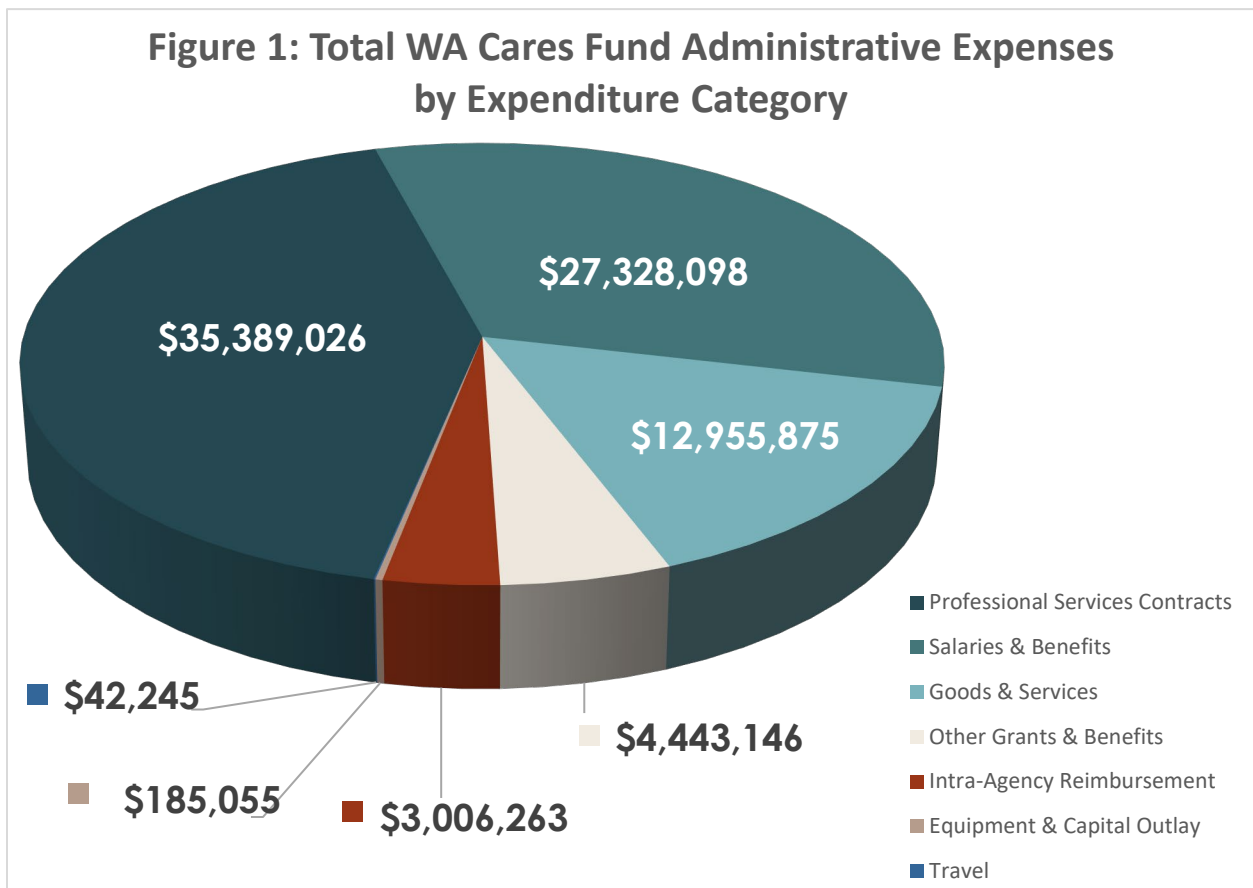
¹OSA costs will be charged back to DSHS through an Interlocal Agreement between the two agencies. Hence the total DSHS appropriation is \$53,701,000.

²Costs related to a ProviderOne change request payable during this biennium are included in the DSHS appropriation for the full biennium.

2023-25 Biennium WA Cares Fund Administrative Expenses by Fiscal Year

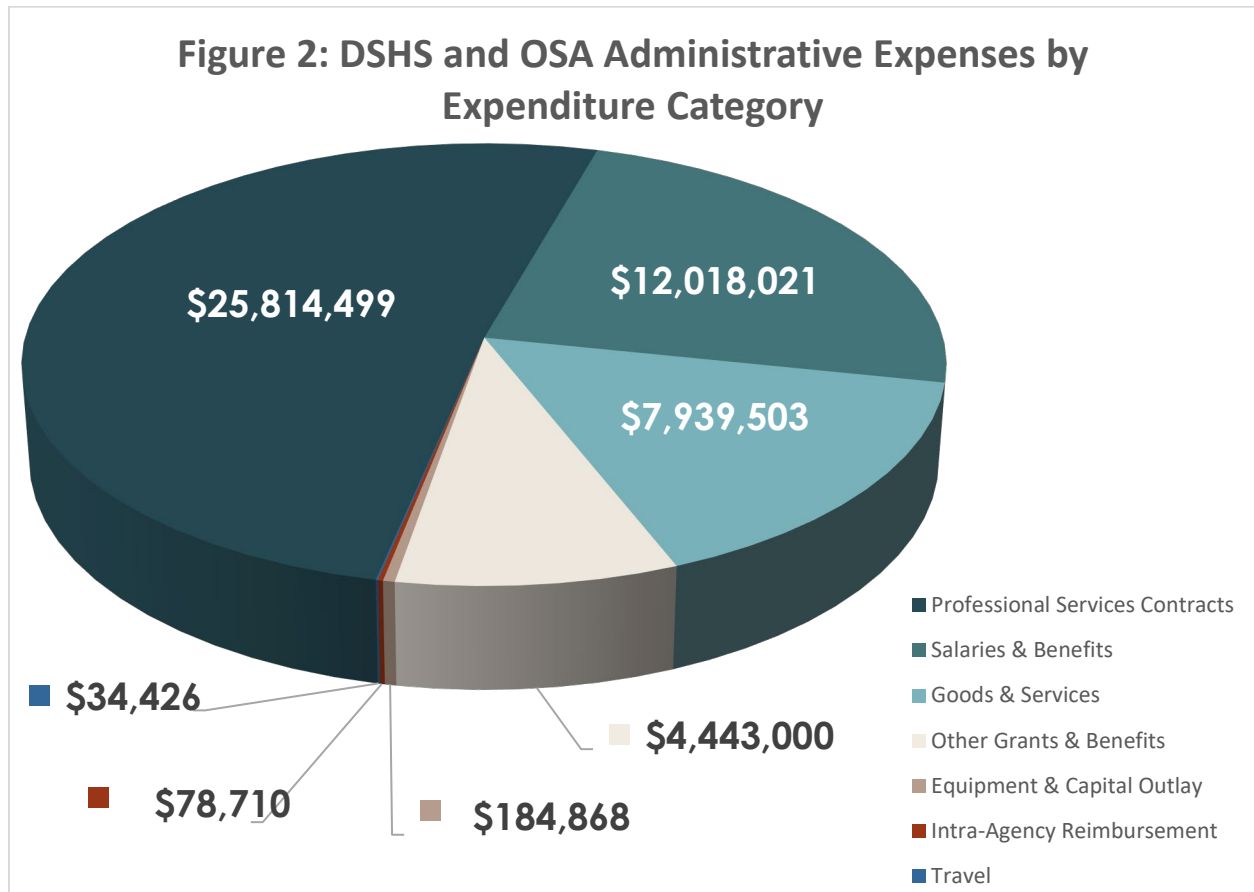
The total WA Cares Fund administrative expenses for the 2023-25 biennium were \$83,349,708. Table 2 shows the 2023-25 biennium administrative expenses by agency and Figure 1 shows expenses by expenditure category.

Agency	Funding Source	FY24 Expenditures	FY25 Expenditures	Total 2023–25 Expenditures
DSHS	LTSS Trust	\$13,757,683	\$35,447,346	\$49,205,029
DSHS for OSA	LTSS Trust	\$744,748	\$563,250	\$1,307,998
ESD	LTSS Trust	\$15,876,091	\$16,778,275	\$32,654,366
HCA	LTSS Trust	\$0	\$182,315	\$182,315
Total		\$30,378,522	\$52,971,186	\$83,349,708



DSHS and OSA

The total DSHS WA Cares Fund administrative expenses for the 2023-25 Biennium were \$50,513,027. Figure 2 shows DSHS expenses by expenditure category (**OSA expenses are part of Professional Services Contracts**).



DSHS and OSA WA Cares Fund implementation activities for the 2023-25 biennium included:

DSHS

- Finalized provider registration materials and began provider recruitment in preparation for an October 1, 2025 launch
- Engaged with Salesforce on the first phase of WA Cares software release to implement a lite version of the Customer Relationship Management system used by the Benefits and Customer Care team
- Engaged with Collabrios to develop the WA Cares Eligibility tool used to determine ADL and 90-forward need

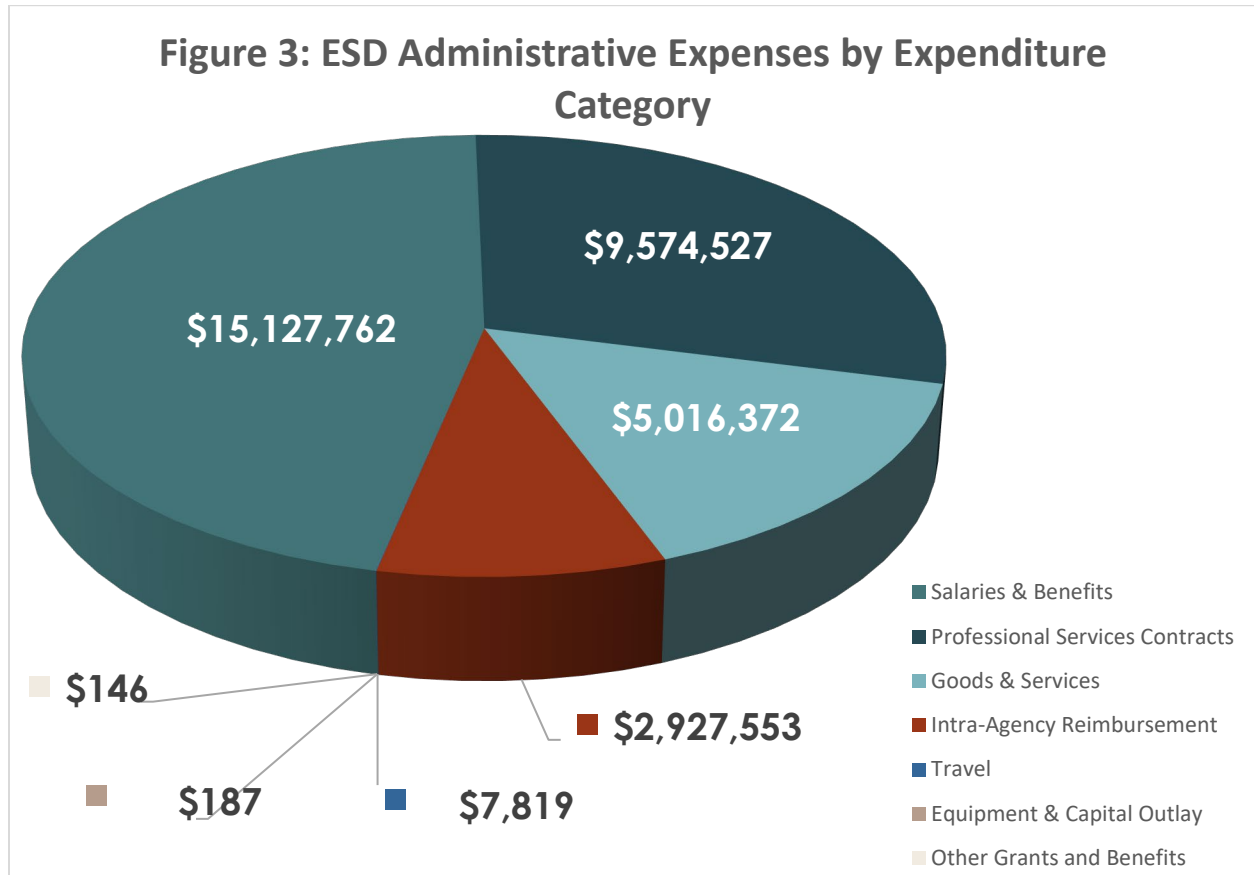
- Continued engagement with a user-experience design firm, The Holding Company, to help develop the WA Cares Fund user experience
- Developed a concept paper and continued discussions with the federal Centers for Medicare and Medicaid Services (CMS) on a potential 1115 Medicaid Waiver
- Continued operating the WA Cares Fund Benefits and Customer Care Center to respond to public inquiries about the program
- Continued strategic planning, organizational development, and project management activities to ensure successful launch
- Conducted tailored public outreach and developed and engaged community members in roundtable discussions to build knowledge about the program
- Began rulemaking activities for policy development on eligibility and provider network
- Expanded language translation to the WA Cares Fund website
- Staffed and facilitated Commission meetings, Commission Workgroups, and Investment Strategy Subcommittee meetings
- Exercised cross-agency program governance to ensure continued coordination across administering agencies

OSA

- Published 2024 actuarial valuation of the WA Cares Fund program, December 2024
- Supported the Commission, DSHS, and relevant workgroups reviewing WA Cares Fund, providing consulting and actuarial analysis, as needed
 - Including contingency planning workgroup efforts and Medicaid savings analysis
- Supported the legislative process, including actuarial analysis
- Published first biennial OSA actuarial report and recommendations for the WA Cares Fund, June 2025
- Updated the frequently asked questions document for the WA Cares Fund program
- Continued strategic planning efforts to ensure valuable, efficient delivery of actuarial services for the WA Cares Fund program

ESD

The total ESD WA Cares Fund administrative expenses for the 2023-25 biennium were \$32,654,366. Figure 3 shows ESD expenses by expenditure category.



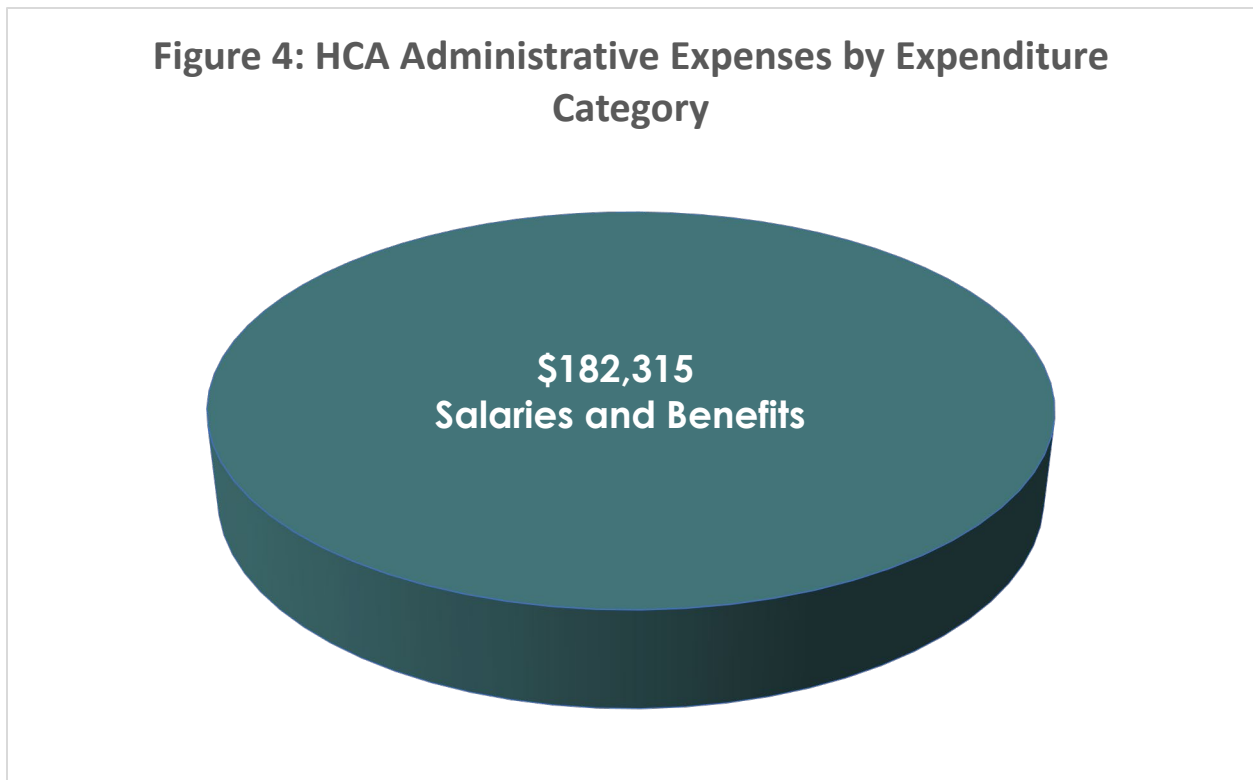
ESD WA Cares Fund implementation activities for the 2023-25 biennium included:

- Platform work to extend Paid Leave system to support the WA Cares Fund service
- Implementation of Employee Exemptions, Wage Reporting, Premium Collection, and Self-Employed Elective Coverage, including change management
- Implementing mandates from the 2024 legislative session
- Rules and policy work for Employee Exemptions, Wage Reporting, Premium Collection, and Self-Employed Elective Coverage, and Qualified Individual Status
- QA vendor activities and other contracts
- Training and staff onboarding planning for Employee Exemptions, Wage Reporting, Premium Collection, and Self-Employed Elective Coverage

- Communications and outreach activities for WA Cares Fund, including Employee Exemptions, Wage Reporting, Premium Collection, and Self-Employed Elective Coverage
- Technology Budget, Project Charter, and Project Management Plan approved by WaTech
- Updated gate 5 & 6 Technology Budget, Project Charters, and Project Management Plan approved by WaTech
- ESD Oversight Committee established governance activities for Wage Reporting, Premium Collection, Self Employed Elective Coverage

HCA

The total HCA WA Cares Fund administrative expenses for the 2023-25 biennium were \$182,315. Figure 4 shows HCA expenses by expenditure category (all HCA expenses were on Salaries and Benefits).



HCA WA Cares Fund implementation activities for the 2023-25 biennium included:

- Completed the development and submission of the formal ProviderOne Change request to support implementation of WA Cares Fund requirements. Reviewed

analysis for any potential changes as a result of the implementation schedule changes and delays from legislative session

- Worked with DSHS on business needs and changes needed for ProviderOne, as policy discussions and potential new requirements emerged
- Collaborated with DSHS and ESD on development of refined governance structure
- Evaluated current call center and telephony standards/capabilities in support of ESD and DSHS analysis for future shared customer coordination.

2025-27 Biennium WA Cares Fund Budget Appropriations

The budget appropriations and projected WA Cares Fund administrative expenses for the 2025-2027 biennium are shown in Table 3. This does not include supplemental requests made in FY26.

Table 3: 2025-27 WA Cares Fund Biennium Budget Appropriations by Agency				
Agency	Funding Source	FY26	FY27	Total 2025-27 Appropriations
DSHS	LTSS Trust	\$95,852,000	\$117,572,000	\$213,424,000
DSHS for OSA	LTSS Trust	\$725,000	\$725,000	\$1,450,000
ESD	LTSS Trust	\$23,236,500	\$12,619,500	\$35,856,000
HCA	LTSS Trust	\$3,956,000	\$6,816,000	\$10,142,000
Total		\$123,769,500	\$137,732,500	\$261,502,000

2025-27 Biennium Implementation Activities by Agency

Planned WA Cares Fund implementation activities by agency for the 2025-27 biennium are shown in Table 4.

Table 4: 2025-27 Implementation Activities by Agency								
Activity	FY 2026				FY 2027			
	DSHS	OSA	ESD	HCA	DSHS	OSA	ESD	HCA
Build and execute WA Cares Fund IT systems	X		X	X	X		X	X

Table 4: 2025-27 Implementation Activities by Agency

Activity	FY 2026				FY 2027			
	DSHS	OSA	ESD	HCA	DSHS	OSA	ESD	HCA
Implement operations for pilot and statewide benefits launch	X		X	X	X		X	X
Implement annual program statements	X		X		X		X	
Coordinate across agencies to respond to public inquiries about WA Cares Fund	X		X	X	X		X	X
Build the provider network	X				X			
Administer premium collection			X				X	
Administer opt-in option for self-employed people			X				X	
Administer employee exemptions			X				X	
Conduct rule and policy writing	X		X	X	X		X	X
Conduct additional actuarial work as needed		X				X		
Advance data sharing capabilities between agencies	X	X	X	X	X	X	X	X
Begin planning for implementation of benefit portability	X		X	X	X		X	X
Identify program outcomes and metrics	X	X	X	X	X	X	X	X
Continue to staff, plan, and facilitate Commission meetings, Investment Strategy Subcommittee meetings, and Commission workgroups	X	X	X		X	X	X	

Table 4: 2025-27 Implementation Activities by Agency

Activity	FY 2026				FY 2027			
	DSHS	OSA	ESD	HCA	DSHS	OSA	ESD	HCA
Work with the Commission to use the Risk Management Framework for the WA Cares Fund	X	X						
Provide staff support to the Commission's annual WA Cares Fund Administrative Expenses Report to the Governor and Legislature	X	X	X	X	X	X	X	X
Provide staff support to the Commission's annual LTSS Trust Commission Recommendations Report to the Legislature and Executive Agencies	X	X	X	X	X	X	X	X