DSHS Washington State Department of Social and Health Services

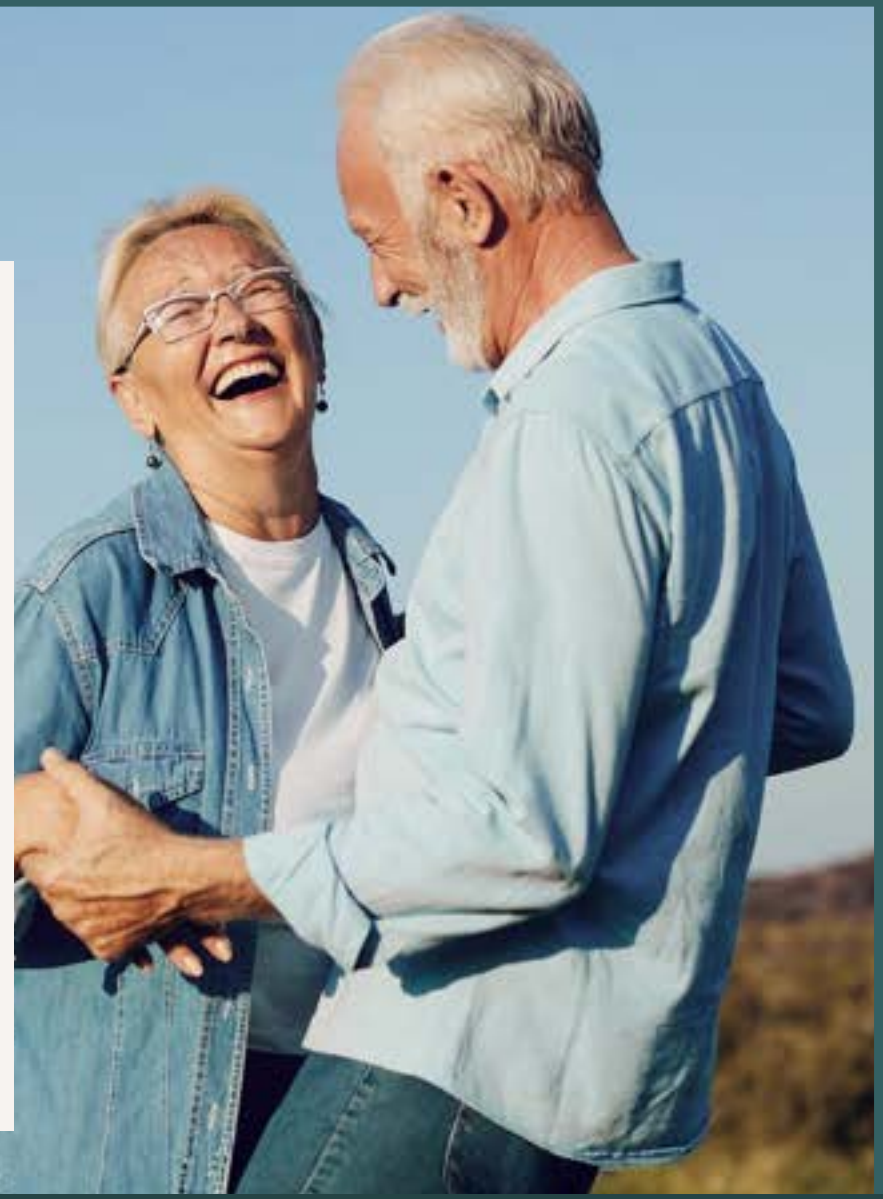
Employment Security Department Washington State

Washington State Health Care Authority

LTSS Trust Commission Meeting

WA CARES FUND

October 28, 2026

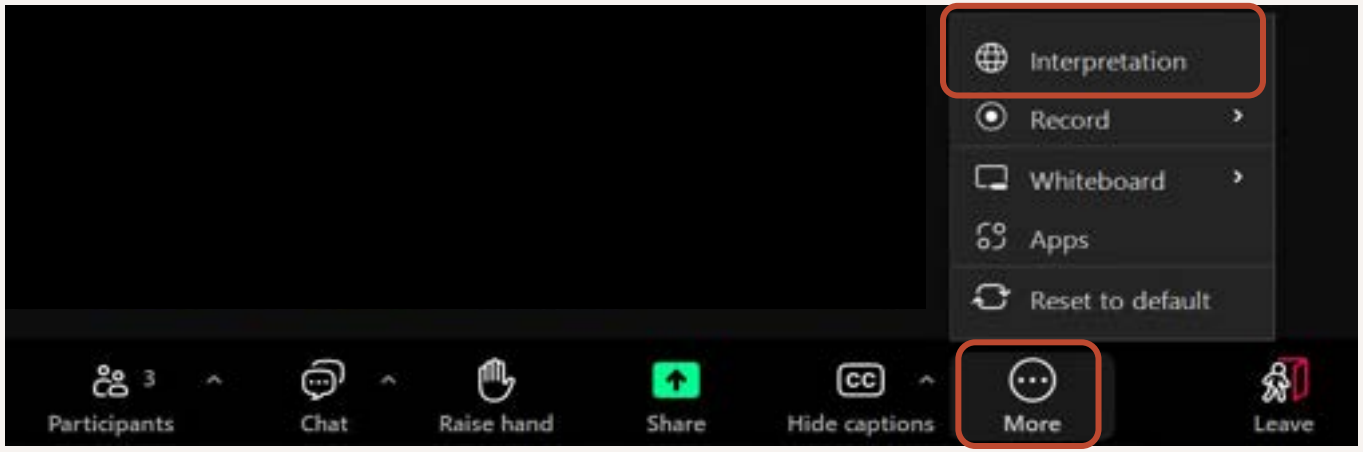


Get slides and materials at wacaresfund.wa.gov/commission

Language Interpretation – Zoom Setup

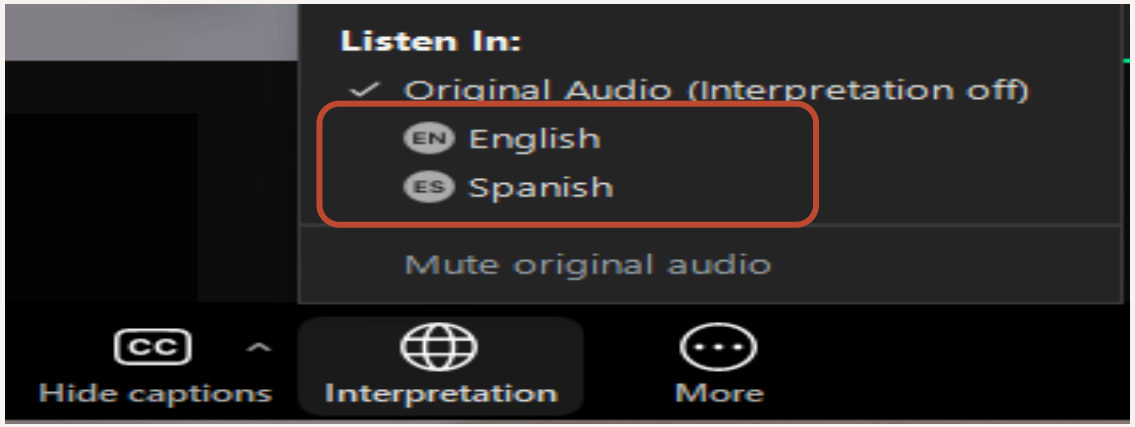
Step 1:

- Select “More”
- Click on “Interpretation”



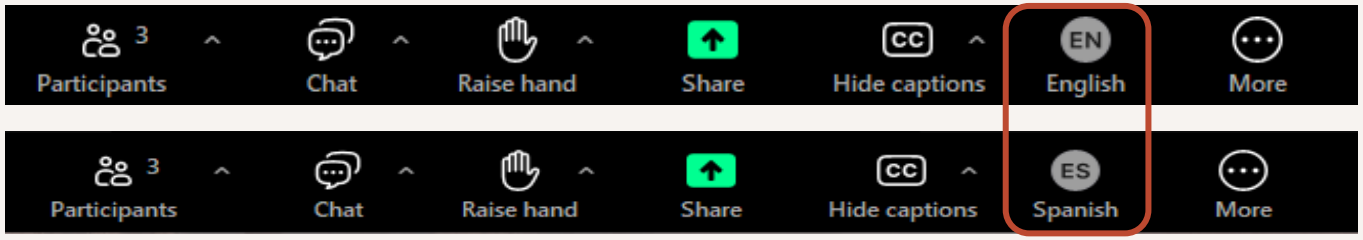
Step 2:

- Select the language you would like to listen in



Step 3:

- Verify this is the correct language



Meeting Guidelines

Commission Members

- Please turn on your 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
- Approve Agency Administrative Expenses Report
- Receive Program Update
- Receive Actuarial Update
- Vote on Proposed Technical Fixes in RCW 50B.04
- Vote on Program Integrity Review Workgroup Recommendations
- Report Out Late Career Workers Moving to Washington and Portability for Washington Workers Living Out of State Workgroup
- Review Draft Commission Recommendations Report

Approve Consent Agenda

- 09/30/2026 Commission Meeting Minutes

Approve Agency Administrative Expenses Report

Andrea Meewes Sanchez, DSHS

Porsche Everson, Facilitator

Background

- The Commission is required to report annually to the Governor and the fiscal committees of the Legislature on agency administrative expenses and anticipated administrative expenses.

- The LTSS Trust Commission Agency Administrative Expenses Report, due to the Legislature on November 15, 2026, provides information on the DSHS, ESD, HCA, and OSA administrative expenses for State Fiscal Year (SFY) 2026 as well as the anticipated administrative expenses for the agencies in SFY 2027.

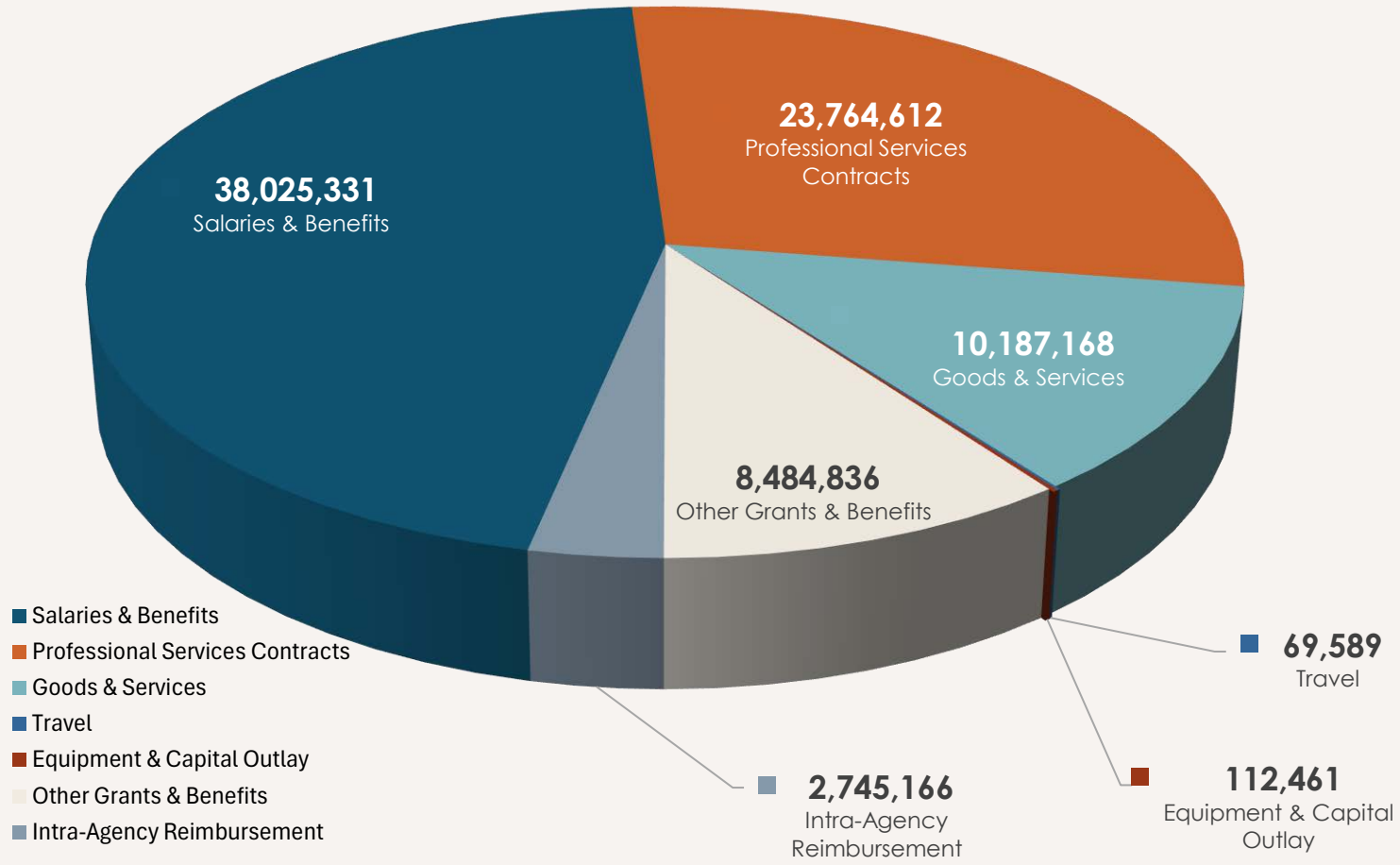
2025-27 Appropriations and SFY 2026 Administrative Expenses

Table 1: 2025-27 WA Cares Fund Biennium Budget Appropriations by Agency				
Agency	**Funding Source**	**FY26**	**FY27**	**Total Appropriations**
DSHS	LTSS Trust	$71,686,000	$157,730,000	$229,416,000
DSHS for OSA	LTSS Trust	$245,000	$1,205,000	$1,450,000
ESD	LTSS Trust	$17,415,262	$32,398,738	$49,814,000
HCA	LTSS Trust	$3,956,000	$6,186,000	$10,142,000
Total		**$95,128,986**	**$187,322,015**	**$292,593,001**

Table 2: SFY 2026 Administrative Expenses by Agency		
Agency	**Funding Source**	**FY26 Expenditures**
DSHS	LTSS Trust	$62,760,795
DSHS for OSA	LTSS Trust	$244,941
ESD	LTSS Trust	$17,415,262
HCA	LTSS Trust	$2,968,165
Total		**$83,389,163**

Agency Administrative Expenses

Figure 1: Total WA Cares Fund Administrative Expenses by Expenditure Category (Table 2)



Agency Administrative Expenses Report

- Approve Agency Administrative Expenses Report
- Identify a volunteer to submit the report

WA Cares Fund Program Refresh

Morgan Wilson, DSHS

Families need a better way to pay for care

- WA Cares moves cost to years when your income is higher
- Public insurance model covering all workers keeps contribution rate low

Contribute at a low rate
during working years

Contributions end
after retirement

Access benefits
when you need care

How it works

Automatically contribute

Contribute **0.58% of your paycheck** during your working years

Qualify for benefits

Apply to access benefits if you've met contribution and care needs requirements. **Benefits become available in July 2026.**

Use your benefits

Choose how to use your **$36,500 lifetime benefit amount** (grows with inflation) on covered services

Contribution requirement

Meet requirements for one of three pathways to qualify

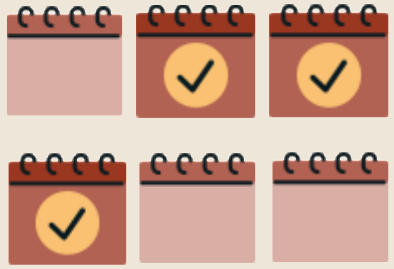
FULL BENEFIT AMOUNT

Permanent

Permanent access if contributed for **10+ years** at any point in career

Temporary

Temporary access if contributed at least **3 of last 6 years** at time you apply for benefits



PRO-RATED AMOUNT

Transition

if born before 1968

Permanent access to **10% of full benefit amount for each year** contributed

For example: 2 years earns 20% of full benefit amount

Care needs requirement

- Need help with **3+ activities of daily living**
- Will continue to need help for **at least 90 days**

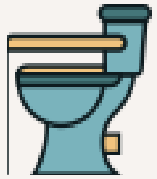
Transferring

Medication management

Bed mobility

Bathing

Mobility



Toileting

Eating

Use your benefits for any covered services

Up to **$36,500** in services and supports from WA Cares providers

To help you stay at home
In-home care (individual provider or home care agency)
Home safety evaluations
Home modifications
Home-delivered meals
Transportation
Adaptive equipment and technology
Personal emergency response systems
Housework and yardwork

To support your family caregiver
Paid care from a loved one
Respite care in your home or a facility
Education and consultation
Dementia and behavioral supports
Care transition coordination

In your community
Adult family home
Adult day services

In a facility
Assisted living
Nursing home
Memory care services

Program Update

Andrea Meewes Sanchez, DSHS

Alena Tourtellotte, DSHS

Follow-up Action Items from September LTSS Trust Commission Meeting

Reaching applicants through employers

Monthly ESD employer newsletter

200,000 subscribers

Regular updates on WA Cares and other programs like Paid Family and Medical Leave

Quarterly partner roundtables

160 business & HR invitees

Virtual meetings with wide range of organizations to share latest updates

WA Cares Basics for Employers

116 attendees

At September public webinar, and more webinars on this topic scheduled regularly

Employer-related events

Regular presentations

DSHS and ESD attend and present at a variety of events together

Direct outreach

1:1 communication

Targets include chambers of commerce, Society for Human Resource Management chapters and large employers

LinkedIn and other social media

30% growth in engagement

across all platforms from Aug. 16 to Sept. 15

Data and Outcomes

Data as of 10/26/26

Program Counts

7,668
WA Cares Account Users

886
Applicants

519
Met Contribution Requirement

366
Did Not Meet Contribution Requirement

Note: Some results may still be pending

268
Approved for Benefits

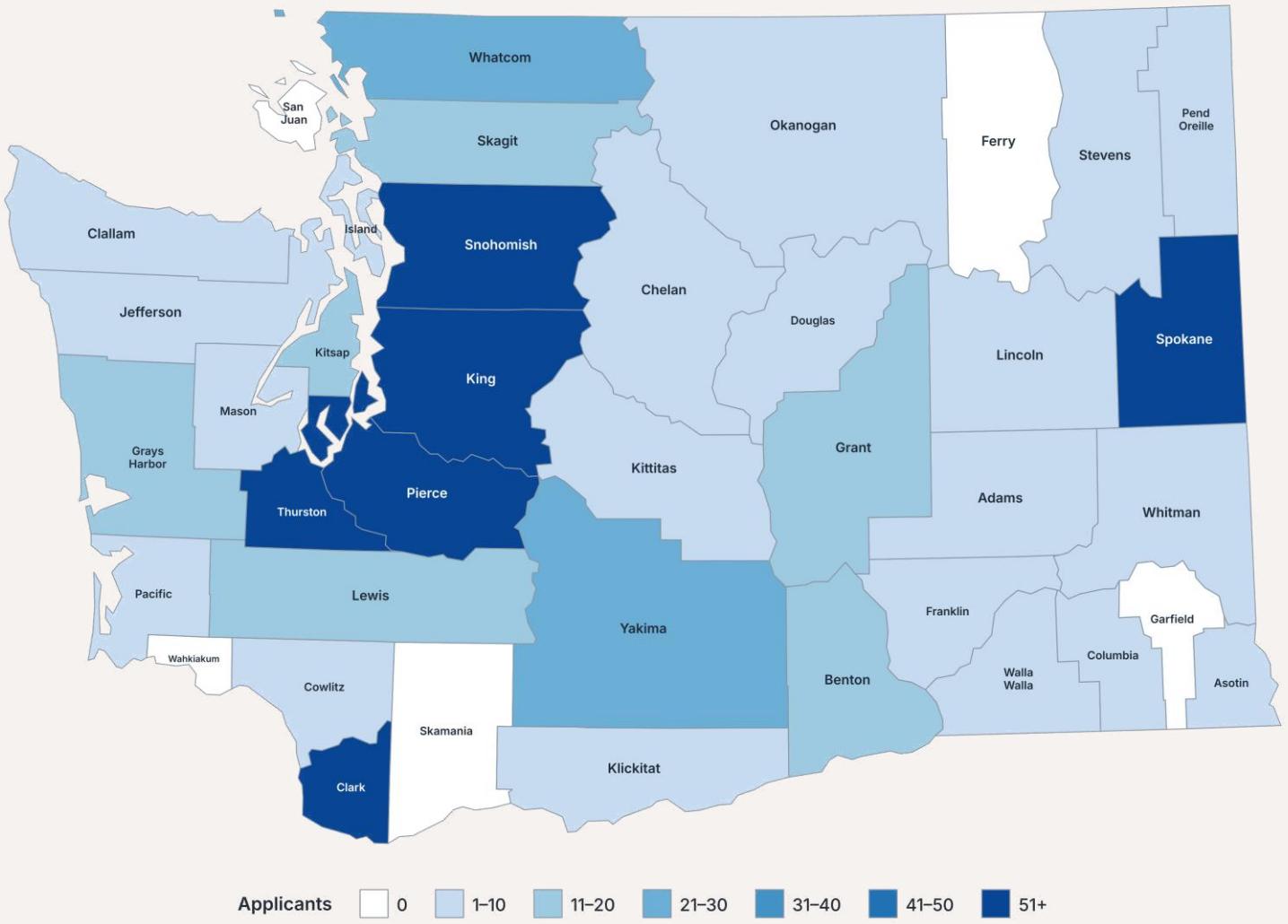
32
Applications Pending

8
Not Approved for Benefits

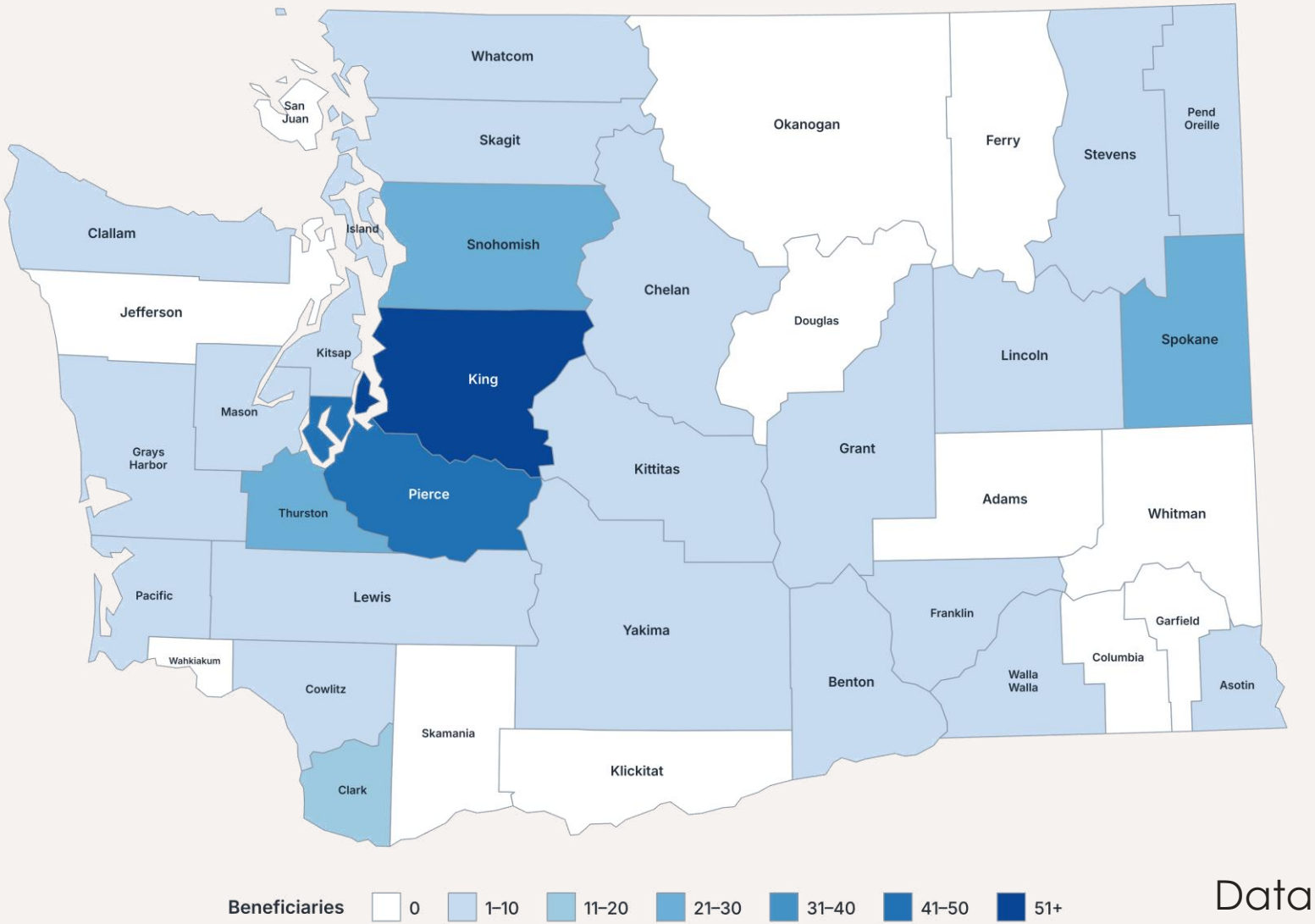
211
Applications Withdrawn

Data as of 10/26/26

Applicants by County



Beneficiaries Approved for Benefits by County



Data as of 10/26/26

Actuarial Update

Matt Smith, OSA

Actuarial Update

Presentation to:
LTSS Trust Commission

Matthew M. Smith, State Actuary

October 28, 2026

Actuarial Analysis of Work Group Recommendations

- To support recommendations concerning Late Career Workers Moving to Washington and Portability for Washington State Workers Living Out of State.
- Workgroup received actuarial analysis to assess the viability of changes to program benefit provisions and the potential impacts to program solvency.
- Analysis not intended for setting or revising the premium assessment.
- In July of 2025, the Office of the State Actuary (OSA) recommended to the Pension Funding Council (PFC) to maintain the current premium rate of 0.58% during Phase 1 of the Risk Management Framework.
- OSA will make their next recommendation to the PFC in July 2027.

Next Actuarial Valuation

- Actuarial analysis and recommendations are based, in part, on point-in-time actuarial measurements.
- The next actuarial valuation expected late in 2027. Among other items, it will include updated data and assumptions reflecting:
  - Premium and claims experience.
  - Relevant law changes.
  - The program's new investment policy.

“Learning Phase” of Risk Management Framework

- What have we learned thus far?
  - Actual, **initial** reported covered wages, covered population, collected premiums, definition of covered wages, short-term wage growth, and actual premium exemptions, etc.
- What will we learn with emerging claims experience?
  - Who is **initially** benefit eligible, aware of the program, needs financial assistance now, and who will ultimately act to apply for initial benefits.
- With this learning, we will review and update assumptions that were selected without direct historical experience for this first-of-its-kind program.

December Actuarial Update

- Brief refresher on the 2024 actuarial valuation report (AVR).
- More information on the anticipated updates for the 2027 AVR.
- Review of emerging experience including initial claims experience.

Thank You

For questions, please contact

The Office of the State Actuary

360-786-6140

State.Actuary@leg.wa.gov

Matthew M. Smith, State Actuary

O:\LTSS\2026\CommissionMtgMaterials\Oct.28\Actuarial.Update.pptx

Vote on Proposed Technical Fixes in RCW 50B.04

Andrea Meewes Sanchez, DSHS

Benefit Unit Definition

- The WA Cares Fund benefit is referred to as a $36,500 benefit to the public, in our technical systems, and to staff.
- Aligning the statute with how the WA Cares team is currently operationalizing the definition would simplify and eliminate confusion. There are no actuarial impacts to changing this definition to align with the cash value of the benefit.

Vote on Benefit Unit Definition

Proposed recommendations requiring changes to RCW 50B.04:

- The definition of “benefit unit” be changed from “up to $100” to the full cash value of the benefit, $36,500, beginning in 2026 subject to inflation. There are no actuarial impacts to changing this definition to align with the cash value of the benefit.

Exemption Update

- DSHS and ESD identified a gap in exemption language for people receiving benefits.
- This is a minor technical fix that ESD is also pursuing rulemaking on. Supportive legislative changes would be encouraged to align.

Vote on Exemption Update

Proposed recommendations requiring changes to RCW 50B.04:

- Update the statute to bar individuals from applying for an exemption after they have used any portion of their WA Cares benefit by adding additional language following the exemption categories in RCW 50B.04.055 indicating an individual who has used any of the benefit is not eligible for an exemption.

Program Integrity Review Workgroup

Andrea Meewes Sanchez, DSHS

Mark Stensager, Commission member

Background

Workgroup Purpose

- Establish recommendations to support DSHS's efforts in ensuring program integrity by protecting the program from fraud or misuse of funds.
- The workgroup evaluated scenarios, statutory authorities, and gaps, and developed response options to enhance program integrity.

Vote on Workgroup Recommendations

Proposed Recommendation:

Provide Investigative Authority to DSHS

- Give the DSHS Office of Fraud and Accountability (OFA) authority to investigate fraud through a statute change in RCW 50B.04.

Establish Response Options

- Provide DSHS with response options as tools to address this such as:
  - **Criminal prosecution** – When there is sufficient evidence of criminal fraud
  - **Repayment of fraudulent claim** – Authority for OFA to collect overpayments
  - **Penalties & Interest** – Proportional monetary fines, escalation with additional convictions, plus interest
  - **Termination of benefits** – Only in escalating cases of repeat offences
  - **Redetermining eligibility** – Limited to cases where a person would not have been eligible for benefits, but for fraud

Late Career Workers Moving to Washington and Portability for Washington Workers Living Out of State Workgroup

Andrea Meewes Sanchez, DSHS

Cathleen MacCaul, Commission Member

Laura Cepoi, Commission Member

Annie Gunnlaugsson, Milliman

Workgroup Background

Workgroup Purpose

Review viable options for the Long-Term Services and Supports Trust Commission's recommendations on the development of a potential pathway for individuals that move to or start working in Washington and are within 10 years of retirement.

Portability Gap Identified and Addressed

An additional gap was identified with individuals who reside out-of-state, but whose work is considered localized in Washington and are required to pay premium assessments, unless they have received an exemption. The Workgroup also addressed this population.

Late Career Workers Moving to Washington Background

Program Qualification Gap

Individuals who begin working in Washington at age 55 or older, within 10 years of retirement, are only eligible for the temporary (3 of the last 6 years) benefit pathway if the individual is not born before 1968. These individuals will be paying premium assessments but do not have a pathway to earning permanent access to benefits.

Impacted Population

- Approximately 1% of the total Washington workforce is made up of individuals age 55 or older who moved into the state in the last year. This is equal to approximately 3.5% of the Washington workforce age 55 or older.

Proposed Workgroup Recommendation

Recommended Option: Expanding pro-rated partial benefits

- Extending the partial benefit rule (established under current law, RCW 50B.04.050, for workers born before 1968) to anyone who moves to or starts working in Washington at age 55 or older. Under this structure, this population would accrue 10 percent of the maximum lifetime benefit ($36,500) for each year they contribute premiums.

Timing of recommendation:

- Statute changes recommended in 2027 with implementation in coordination with ESD as soon as administratively feasible.

Portability for Washington Workers Living Out of State Workgroup Background

Program Qualification Gap

Individuals who reside out-of-state, but whose work is considered localized in Washington, are required to pay premium assessments, unless they apply for an out-of-state exemption. Under current law, this population is excluded from portable benefits (to be launched in 2030) and can only become eligible for benefits by relocating to Washington.

Impacted Population

- An estimated 110,000 non-Washington residents working in-state are impacted by this issue and expected to remain at a relatively consistent number over time.

Proposed Workgroup Recommendation

Recommended Option: Extending eligibility for benefits

- Making this population eligible for WA Cares benefits while maintaining their option to apply for an exemption. This requires a change in RCW to allow this group that resides out-of-state, but has not relocated, to elect portable coverage and receive benefits when they become available in 2030.

Timing of recommendation:

- Statute changes recommended in 2027 with implementation in coordination with ESD as soon as administratively feasible.

October 2026
LTSS Trust Commission Meeting

Chris Giese, FSA, MAAA

Annie Gunnlaugsson, FSA, MAAA

Evan Pollock, FSA, MAAA

OCTOBER 28, 2026

Milliman
Solutions for a world at risk™

Combined Actuarial Analysis of Recommendations

Late Career Workers Moving to Washington and Washington Workers Living Out of State Workgroup

Milliman

Background

- The following estimates were prepared to assist in evaluating the viability of selecting benefit features for WA Cares Fund. Any estimates around required program revenue are for feasibility purposes only and are not intended, and should not be used, for setting the program premium assessment.

- The results in this presentation provide premium assessment estimates for various policy options as requested by DSHS and the Workgroup. Analysis should be revised as needed considering final language included in statute; to the extent the final law varies from the policy option descriptions provided, our analysis may likewise vary.

- For each modeling request, we started with all plan features, methodology, and assumptions consistent with the 2024 Base Scenario in our 2024 Actuarial Valuation Report.

- The 2024 WA Cares Fund Actuarial Valuation provided on December 10, 2024 should be considered in its entirety with these results.

Overview of Actuarial Terms

- **Required Premium Assessment:** premium rate necessary to ensure program solvency for 75-year projection window based on projection of future benefit payments, program expenses, and wages.

Current Law Premium definition ≠ **Required Premium Assessment** definition

- Last time we projected Required Premium Assessment was 2024 Actuarial Valuation Report
  - 2024 “Base Scenario”: 0.57%
  - 2024 “Baseline”: 0.48% to 0.65%

- 0.01% = 1.0 basis points: for example, the current law premium rate of 0.58% is equal to 58 basis points.

- **Impact to Required Premium Assessment:** This metric is not intended for setting or revising the premium assessment, but is intended to be a metric used to assess the viability of changes to program benefit provisions and the potential impacts to program solvency.

Combined Actuarial Impact

- Combined premium assessment impact of policy options for late-career workers moving to Washington and portability for Washington workers living out of state is estimated to be between 0.5 to 1.0 basis point.

Late-Career Workers Moving to Washington
Expanded pro-rated partial benefits
+
Washington Workers Living Out of State
Voluntary benefits for out-of-state workers
=
Required Premium Assessment Impact of 0.005% to 0.010%

- The required premium assessment is not intended for setting or revising the premium assessment, but is intended to be a metric used to assess the viability of changes to program benefit provisions and the potential impacts to program solvency.

Note: 0.005% = 0.5 basis points

Additional Actuarial Considerations

- **Voluntary Features and Adverse Selection**

  When individual choice or a voluntary aspect to participation is introduced into a program, unpredictability related to participation rates and adverse selection can make the evaluation of a program's required premium rates and fund balance challenging.

  It is important to consider the precedent set by policy changes which impact actuarial soundness. For example, converting mandatory program features to voluntary ones or giving more choice to certain groups is likely to increase costs and create additional uncertainty around the program's actuarial soundness.

- **Administrative Expenses**

  For the purposes of this analysis, we did not change our baseline expense assumptions, which we assume to be 3.5% of premiums and 3.5% of claims. It will be important to consider additional administrative costs of the policy options beyond these assumptions as applicable.

Caveats and Limitations

The information provided in this presentation has been prepared for the internal use of the Washington State Office of the State Actuary (OSA) and Washington State Department of Social and Health Services (DSHS), and it should not be distributed, in whole or in part, to any external parties without the prior 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 or create a legal liability to any third party. This communication must be read in its entirety.

The information in this presentation contains actuarial modeling and analysis regarding premiums, claims, and expenses projected for WA Cares Fund. The projections are intended to provide premium assessment estimates to determine the feasibility of various policy options as requested by DSHS. Analysis should be revised as needed considering final language included in statute; to the extent the final law varies from the policy option descriptions provided, our analysis may likewise vary. The information in this presentation may not be appropriate, and should not be used, for other purposes.

Milliman has developed certain models to estimate the values included in this presentation. The intent of the models was to evaluate revenues, expenditures, and headcounts for the WA Cares Fund program over a 75-year horizon. We reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant ASOPs.

In preparing this information, we relied on information provided by OSA, DSHS, SIB, ESD, 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.

Many assumptions were used to construct the estimates in this presentation. Actual results will differ from the estimates in this presentation. Experience should be monitored as it emerges, and corrective actions should be taken when necessary.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Chris Giese, Annie Gunnlaugsson, and Evan Pollock are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses in this report.

Review Draft Commission Recommendations Report

Andrea Meewes Sanchez, DSHS

WA CARES FUND

LTSS Trust Commission Recommendations Report

RCW 50B.04.030 (4)

Authored by:
Long-Term Services and Supports Trust Commission

Date: January 1, 2027

DRAFT

WA CARES FUND

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DRAFT

Draft 2027 Commission Recommendations

1. **Program Integrity**
2. *Late Career Workers Moving to Washington*
3. *Portability for Washington Workers Living out of State*
4. **Benefit Unit Definition** (Technical update to RCW 50.B.04)
5. **Exemption Update** (Technical update to RCW 50.B.04)

1. Program Integrity

Proposed recommendations requiring changes to RCW 50B.04:

- Provide authority to the DSHS Office of Fraud and Accountability (OFA) to investigate fraud in WA Cares.
- Provide DSHS with authority to use a variety of response options as tools to address fraud as appropriate based on the severity of the incident.

2. Late Career Workers Moving to Washington

Proposed recommendations requiring changes to RCW 50B.04:

- Extending the partial benefit rule (established under current law, RCW 50B.04.050, for workers born before 1968) to anyone who moves to or starts working in Washington at age 55 or older.
- Under this structure, this population would accrue 10 percent of the maximum lifetime benefit ($36,500) for each year they contribute premiums.
- Statute changes recommended in 2027 with implementation in coordination with ESD as soon as administratively feasible.

3. Portability for Washington Workers Living out of State

Proposed recommendations requiring changes to RCW 50B.04:

- Make this population, workers living out of state whose work is localized in Washington, eligible for WA Cares benefits while maintaining their option to apply for an exemption.
- This requires a change in RCW to allow this group that resides out-of-state, but has not relocated, to elect portable coverage and receive benefits when they become available in 2030.
- Statute changes recommended in 2027 with implementation in coordination with ESD as soon as administratively feasible.

4. Benefit Unit Definition

Proposed recommendations requiring changes to RCW 50B.04:

- The definition of "benefit unit" be changed from "up to $100" to the full cash value of the benefit, $36,500, beginning in 2026 subject to inflation. There are no actuarial impacts to changing this definition to align with the cash value of the benefit.

5. Exemption Update

Proposed recommendations requiring changes to RCW 50B.04:

- Update the statute to bar individuals from applying for an exemption after they have used any portion of their WA Cares benefit by adding additional language following the exemption categories in RCW 50B.04.055 indicating an individual who has used any of the benefit is not eligible for an exemption.

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

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***9**

Phone callers: Press *9 to raise your electronic hand

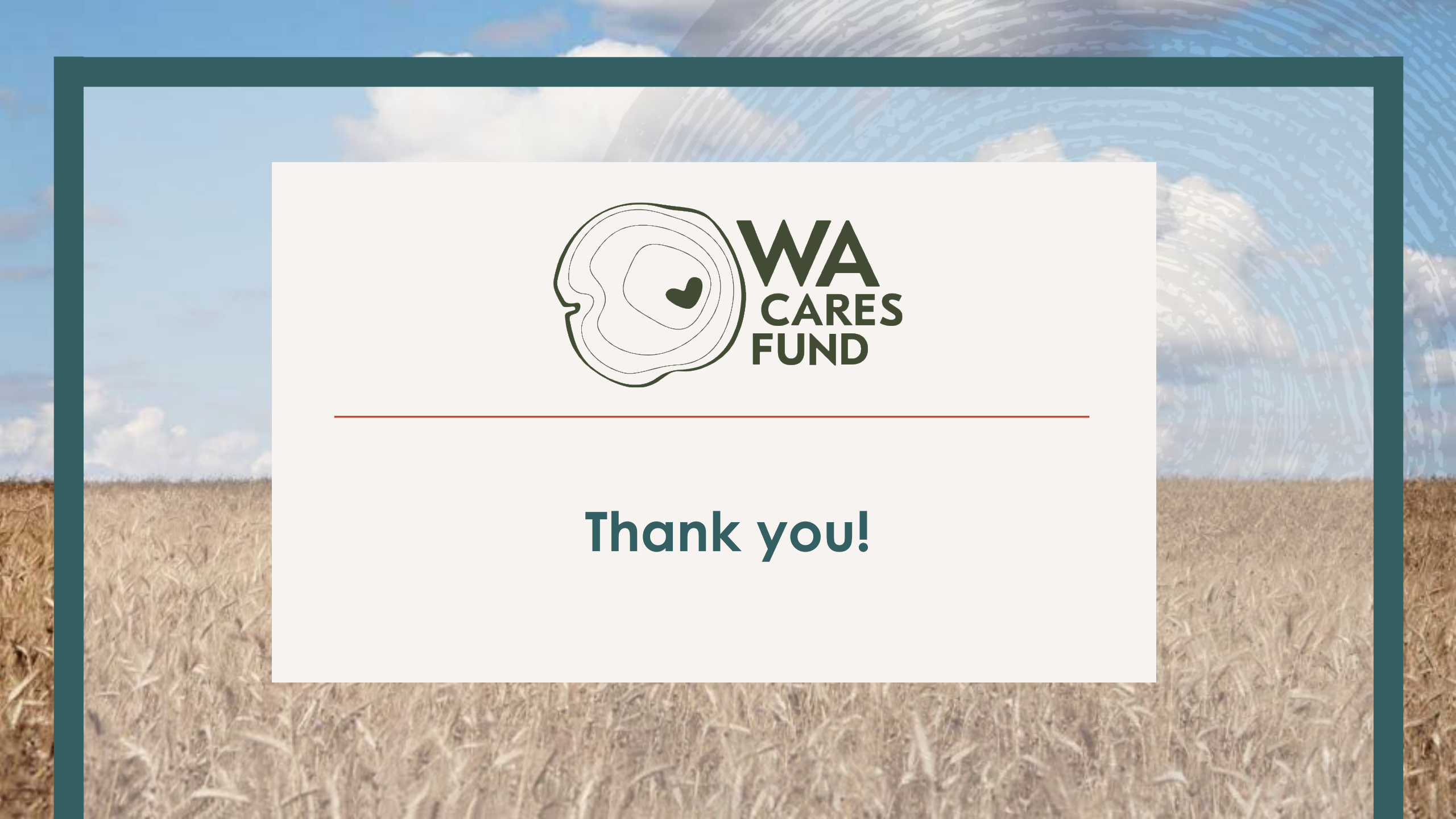
Then, when recognized, press *6 to unmute yourself

Review Agenda for December 9, 2026 Meeting

- Approve 10/28/2026 LTSS Trust Commission meeting minutes
- Report Out and Vote on Late Career Workers Moving to Washington Workgroup
- Receive Program Update
- Receive Actuarial Update
- Receive Finance Update
- Receive Rulemaking Update
- Vote on Commission Recommendations Report
- Review Commission Topics and Workgroups for 2027

Wrap Up

- Action items review
- Adjourn



Thank you!