LTSS Trust Commission Agency Administrative Expenses Report

RCW 50B.04.030

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LTSS Trust Commission

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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 Year (SFY) 2026 and the anticipated administrative expenses for the agencies in the 2025-27 biennium.

During the startup phase, the WA Cares Fund made 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 fiscal year 2026, the WA Cares program agencies completed their activities to prepare for the pilot and statewide launch on time and as designated in statute.

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.

2025-27 Biennium WA Cares Fund Budget Appropriations by Fiscal Year

The budget appropriations for the 2025-27 Biennium by Fiscal Year 2026 and 2027 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. These figures also include costs associated with operating the program for Provider Registration Launch, Pilot Launch, Annual Statements launch, and Statewide Application Launch.

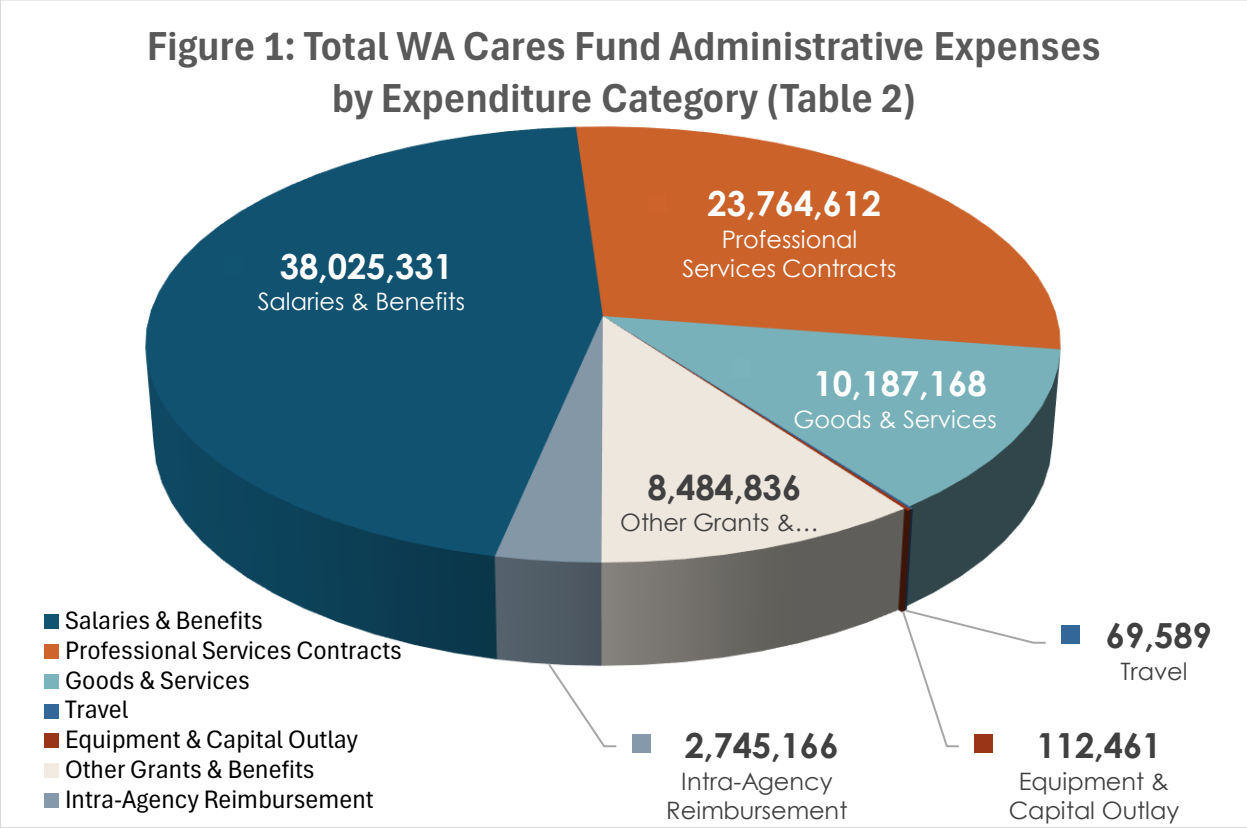
Table 1: 2025-27 WA Cares Fund Biennium Budget Appropriations by Agency

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**

State Fiscal Year 2026 Administrative Expenses by Agency

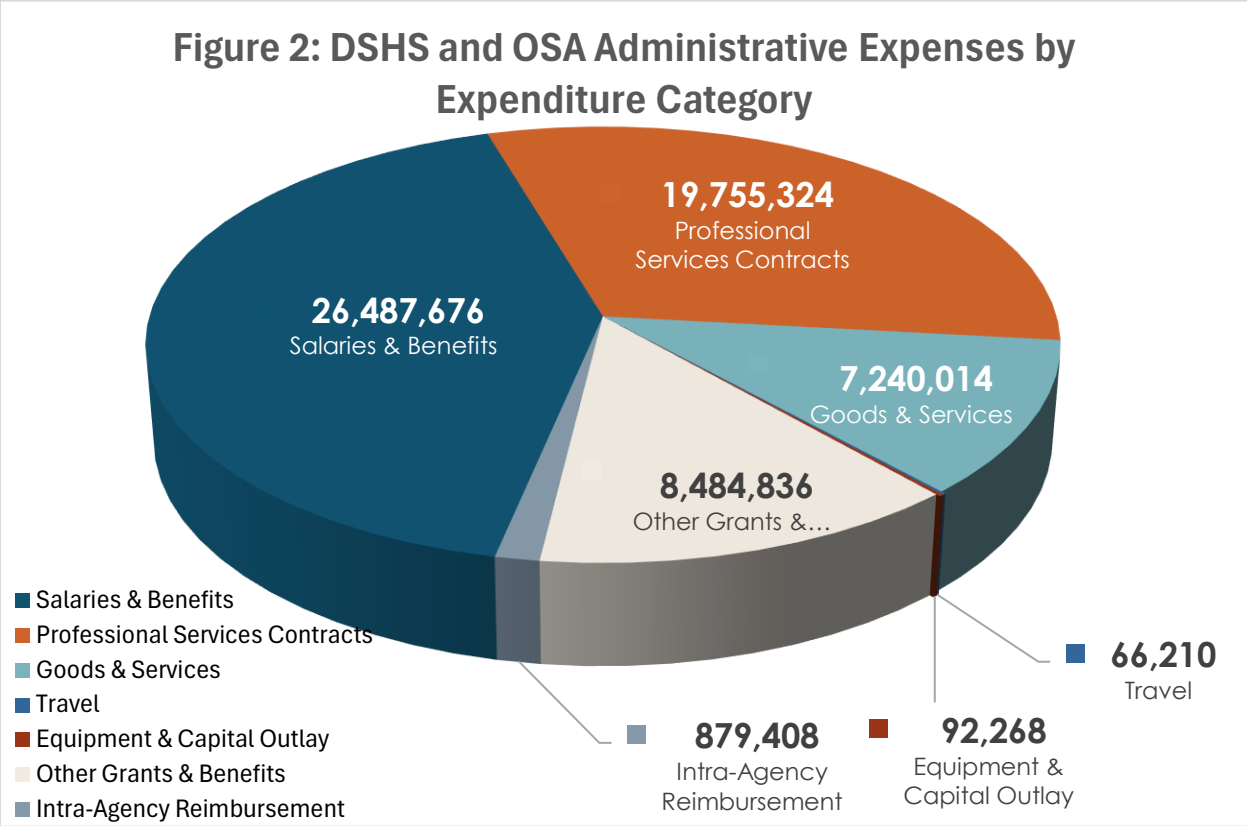
The total WA Cares Fund administrative expenses for the SFY 2026 were $83,389,163. Table 2 shows the SFY 2026 administrative expenses by agency and Figure 1 shows expenses by expenditure category.

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**



DSHS and OSA

The total DSHS WA Cares Fund administrative expenses for the SFY 2026 were $63,005,736. 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 SFY 2026 included:

DSHS

- Finalized provider registration materials and began provider recruitment in preparation for an October 1, 2025 launch of provider enrollment.
- Worked with Salesforce to complete configuration and testing of the Benefits Application and Management System (BAMS) and Customer Relationship Management System. These software applications allow beneficiaries to manage their WA Cares application and benefits journey, as well as making the necessary information available to the Benefits and Customer Care team that supports them.
- Worked with Collabrios to complete development and testing of the WA Cares assessment, and its integration with ProviderOne and Benefits Application and Management System.

- Continued engagement with a user-experience design firm, The Holding Company, to complete an accessibility audit as well as user testing with future users of Benefits Application and Management System.

- Launched all systems and services for a six-month pilot in Lewis, Mason, Thurston, and Spokane counties. Activities included providing customer support for new users, processing applications, conducting assessments, approving eligibility, interviewing users for feedback, collecting lessons learned, and making modifications supporting statewide launch.

- Established statewide operations for the WA Cares Fund program to determine eligibility for and ensure timely access to earned WA Cares Fund benefits, costs include staff, training, facilities, and equipment.

- Continued operation of the WA Cares Fund Benefits and Customer Care Center to respond to public inquiries about the program, assist pilot applicants and beneficiaries, support users through account creation and requests for annual statements, and help new benefit applicants.

- Continued strategic planning, organizational development, and project management activities supportive of the pilot and statewide launch.

- Conducted tailored public outreach and developed and engaged community members in roundtable discussions to build knowledge about the program and how to access earned benefits.

- Completed rulemaking activities for policy on eligibility and provider network.

- Implemented Benefits Application and Management System software application in English, Spanish, and Russian languages.

- Staffed and facilitated Commission meetings, Commission Workgroups, and Investment Strategy Subcommittee meetings.

- Received approval via the cross-agency program governance for pilot and statewide launch.

OSA

- Supported the Commission, DSHS, the Pension Funding Council (PFC) and relevant workgroups reviewing WA Cares Fund, providing consulting and actuarial analysis, as needed

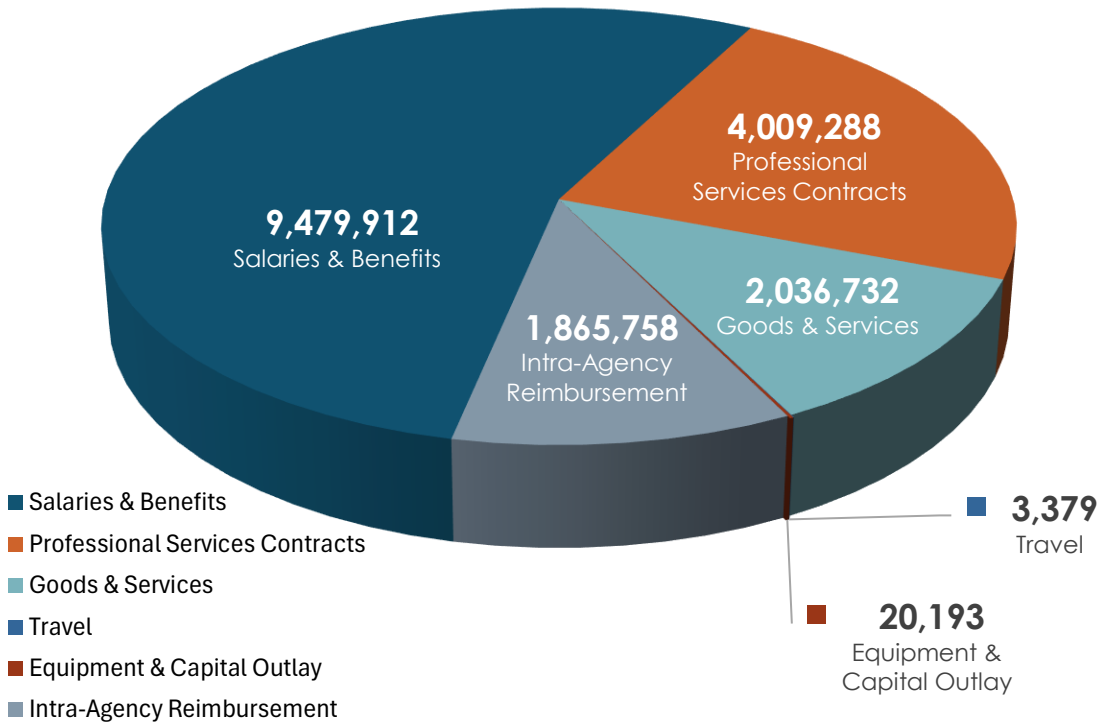
    - Including presenting recommendations to the Pension Funding Council, late career workers moving to Washington workgroup, and providing short-term quarterly benefit projections for DSHS

- Supported the WA State Investment Board's investment policy review of the WA Cares Fund trust account
- Continued data sharing discussions clarifying data needs to support actuarial projections
- 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 SFY 2026 were $17,415,262. Figure 3 shows ESD expenses by expenditure category.

Figure 3: ESD Administrative Expenses by Expenditure Category

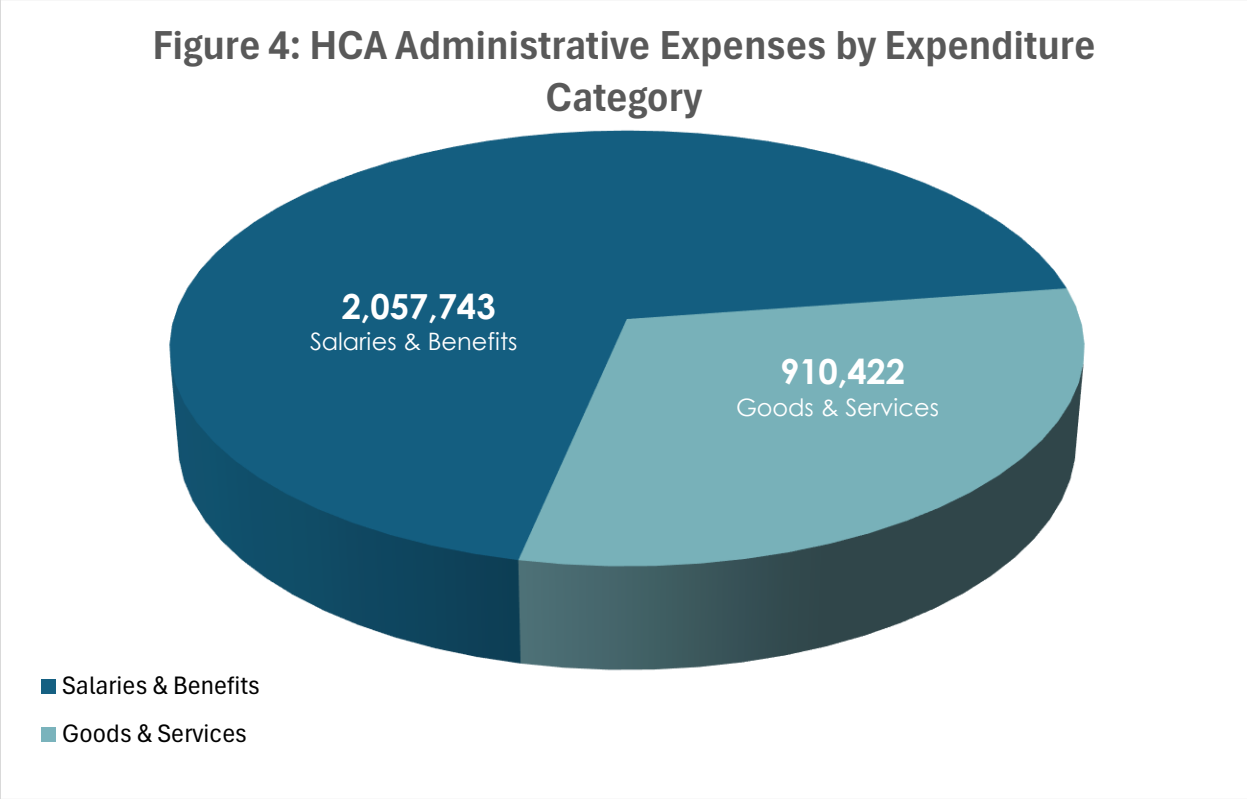


ESD WA Cares Fund implementation activities for the SFY 2026 included:

- Platform work to extend Leave & Care system to support the WA Cares Fund benefit determination service which included robust, scalable API endpoints to handle data ingestion from internal and external systems, automated decision making, and real-time case creation for staff review.
- Implementation of Employee Exemptions, Wage Reporting, Premium Collection, Self-Employed Elective Coverage, Qualified Individual Status, and Annual Statements, and 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, Qualified Individual Status, and Annual Statements.
- Established the structured Qualified Individual Status appeals handling mechanism to process disputes, overrides, or complex re-evaluations.
- QA vendor activities and other contracts.
- Training and staff onboarding planning for Employee Exemptions, Wage Reporting, Premium Collection, Self-Employed Elective Coverage, Qualified Individual Status, and Annual Statements.
- Communications and outreach activities for WA Cares Fund, including Employee Exemptions, Wage Reporting, Premium Collection, Self-Employed Elective Coverage, Qualified Individual Status, and Annual Statements.
- Technology Budget, Project Charter, and Project Management Plan approved by WaTech.
- Updated gate 5, 6 and 7 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, Qualified Individual Status, and Annual Statements.

HCA

The total HCA WA Cares Fund administrative expenses for the SFY 2026 were $2,968,165. Figure 4 shows HCA expenses by expenditure category.



HCA WA Cares Fund implementation activities for the SFY 2026 included:

- Training and staff onboarding for Provider Customer Service and Claims Processing
- Completed rulemaking activities for policy development on program integrity, coordination of benefits, and administrative hearings.
- Completed modifications to the ProviderOne system to support WA Cares pre-authorizations and payments.
- 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.

State Fiscal Year 2027 Implementation Activities by Agency

Planned WA Cares Fund implementation activities by agency for the SFY 2027 are shown in Table 4.

Activity	FY 2027			
	DSHS	OSA	ESD	HCA
Operate and maintain WA Cares Fund IT systems	X		X	X
Administer operations for statewide benefits	X		X	X
Administer annual program statements	X		X	
Coordinate across agencies to respond to public inquiries about WA Cares Fund	X		X	X
Administer the provider network	X			
Administer premium collection			X	
Administer employee exemptions			X	
Conduct rule and policy writing	X		X	X
Conduct additional actuarial work as needed		X		
Advance data sharing capabilities between agencies	X	X	X	X
Continue planning for implementation of benefit portability	X		X	X
Identify program outcomes and metrics	X	X	X	X
Continue to staff, plan, and facilitate Commission meetings, Investment Strategy Subcommittee meetings, and Commission workgroups	X	X	X	
Work with the Commission to use the Risk Management Framework for the WA Cares Fund		X		
Provide staff support to the Commission's annual WA Cares Fund Administrative Expenses Report to the Governor and Legislature	X	X	X	X

Activity	FY 2027			
	DSHS	OSA	ESD	HCA
Provide staff support to the Commission's annual LTSS Trust Commission Recommendations Report to the Legislature and Executive Agencies	X	X	X	X