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| **Meeting Minutes** | | | |
| **Meeting Date** | 08/04/2020 | **Time** | 2:00 to 5:00 |

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| **Attendees** | | | | | |
| **Commission Members** | | | | | |
| ✓ | Senator Karen Keiser | ✓ | Representative Paul Harris | ✓ | Senator Judy Warnick |
| ✓ | Representative Frank Chopp | ✓ | Representative Nicole Macri | ✓ | Senator Steve Conway |
| ✓ | Senator Curtis King | ✓ | Representative Drew MacEwen | ✓ | DSHS Secretary Cheryl Strange |
| ✓ | HCA Director Sue Birch | ✓ | ESD Commissioner Suzi Levine | ✓ | Madeline Foutch, Representative of a union representing LTC workers |
|  | TBD, Individual receiving Long-Term Services and Supports | ✓ | Ruth Egger, Individual receiving Long-Term Services and Supports Designee | ✓ | Andrew Nicholas, Worker who will likely be paying the premium |
| ✓ | Sarai Childs, Representative of an organization of employers whose members collect the premium | ✓ | John Ficker, Adult Family Home Providers Representative | ✓ | Dan Murphy, Area Agencies on Aging Representative |
| ✓ | Peter Nazzal, Home Care Association Representative | ✓ | Michael Tucker, Representative of an organization representing retired persons | ✓ | Lauri St. Ours, Representative of an association representing SNF/ALF providers |
| ✓ | Bill Moss (Chair)  Assistant Secretary, ALTSA, DSHS | ✓ | Taylor Linke  Director, Division of Medicaid Eligibility & Community Support, HCA | ✓ | John Mattes  Operations Manager, Paid Family Medical Leave, ESD |
| **Guest Speakers** | | | | | |
| ✓ | Luke Masselink  State Actuary | ✓ | Ben Veghte  Director, LTSS Trust, ALTSA | ✓ | Chris Giese  Millman |
| ✓ | Annie Gunnlaugsson  Milliman | ✓ | Janette Benham  ESD |  |  |

| **Topic** | **Minutes** |
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| *Introductions* | See above. |
| Consent Agenda  Minutes from 4/30/2020 | There was a motion to approve the minutes from the April 30th meeting. The move was seconded. A voice vote was taken and the motion was passed. |
| Unfinished Business   1. Foundational Principles 2. Charter 3. Bylaws | **Foundational Principles:** Additional feedback was received on the draft Foundational Principles in the meeting discussion and in the Zoom chat:   * Care people receive is culturally appropriate * Add something to the principle “Be strong stewards of worker contributions” about maintaining the stability and financial soundness of the Trust to make sure it’s a sustainable model going forward * Promote strong and stable long-term services and supports workforce and provider network that delivers the high-quality care to meet increased demand for services and support * Ensure racial and gender equity for the delivery of the benefits and outreach to the community about the program and the collection of funds * Like entrepreneurial change   Poll results, Foundational Principles are:   * 73% Is substantially complete and ready for approval * 27% Needs additional work * 0% Not sure   **Bylaws:** Additional feedback was received on the draft bylaws in the meeting discussion   * Statute dictates who is on the Commission. There are two positions for individuals receiving long‑term services and supports or their designees or representatives of consumers receiving LTSS under the program. So the designee can be family caregiver.   + There was a motion to recommend to the Governor’s office that an unpaid family caregiver fill the second position for client representatives. The move was seconded. A voice vote was taken and the motion was passed. * May want to include tribal representative in the future and this would require a legislative change. There are ongoing discussions to figure out how tribes want to participate and information will be brought to the Commission. * Include procedure on how decisions are made and that they should be informed and based on actuarial information. Reflect how we go about making a recommendation to the Legislature or how we go about making a recommendation to the Pension Funding Council on the premium rate. How we'll proceed in our decision‑making and how we make recommendations to the various bodies that we work with. Senator Conway shared that the pension committee bylaws offer a lot of guidance in terms of trying to figure out a way to have community input in decisions that have important actuarial issues involved. * Article VI, Section 5, #4 “The Commission and its members may not lobby in support or opposition to legislative proposals, but the Commission may provide information to appropriate parties about proposed legislation and its potential effect on the Long-Term Services and Supports Trust Program.” Please provide clarity, is that as Commission members, ourselves, or outside of the Commission space?   Poll results Bylaws are:   * 76% Is substantially complete and ready for approval * 14% Needs additional work * 10% Not sure   **Charter:** No feedback was received on the draft charter prior to the meeting and no additional feedback was received in the meeting. The charter will be presented for approval at the next Commission meeting on 9/30/2020. |
| New Business  **Reports**   1. Administrative Expenses Report, first report due 11/15/2020 2. Commission Reports, first report due 1/1/2021 | Formats for the two reports were shared. Commission members indicated they are okay with the formats. |
| New Business  **Actuarial Analysis**   1. OSA Overview 2. LTC Opt-Out option and Self-employed Opt-In option 3. Review draft actuarial analysis Part 1 4. Implications and next steps | The Commission would like to see:   * The impact of no elimination period in the actuarial analysis. * On a percentage basis, how much over the 75-year look came from contributions versus investment income. * More detail on the assumptions used in the actuarial modeling. * What return rate did Milliman estimate for the equity market versus the treasury market. What are the two return rates and how did Milliman get there. * What they used for the benchmark for people who opt-out, and the detail around the assumptions.   A suggestion was made for the Commission to consider ways to discourage opt-out particularly by high-income earners. Consider recommending a cap on wages so people won’t opt out. |
| New Business  **Coverage for individuals who become disabled before the age of 18** | The stakeholder engagement would include checking with advocacy groups and having stakeholder meetings, including a cross section of families and individuals receiving services, in addition the Disabilities council, DRW, the Arc of WA, etc., also providers in order to get as robust of feedback as possible. A suggestion was made for the stakeholder engagement to include an advisory committee that represents business and labor, giving the Commission a wider view from the payroll end of things.  A proposal was made for staff to gather input from stakeholders and help form some options for recommendations for the Commission to consider. Commission members indicated they are okay with the process.  Commission members were polled “I would like to be on the Coverage < 18 workgroup”. Staff will reach out to those who are interested.  Yes: 28%  No: 39%  Maybe: 33% |
| New Business  **Requirements to be a qualified individual** | Commission members were polled “I would like to be on the Qualified Individuals workgroup”. Staff will reach out to those who are interested.  Yes: 47%  No: 20%  Maybe: 33%  **From the chat notes:** Senator Keiser asked that staff revisit the legislative record on qualified individual question – she recalls the 3 years within the last 6 years as a transition start up concession for older workers. |
| New Business  **Investment Strategy Subcommittee** | The first meeting will be scheduled in September. |
| Public Comment | One person provided public comment. |
| Set Agenda for September meeting | Additional agenda items:   * Ask Milliman to   + Report on a percentage basis, how much over the 75-year look came from contributions versus investment income.   + Provide what return rate they estimated for the equity market versus the treasury market and how did Milliman get there.   + Provide what was used for the benchmark for people who opt-out, and the detail around the assumptions. * Consider ways of discouraging opt-out and hence adverse selection, including a cap on wages.   Ben confirmed that the 0 elimination period versus a 45-day elimination period will be in the report Milliman delivers in October.  It was noted that a statement was written by a Committee in support of ESJR 8212 for the voter’s pamphlet. Maddie said she would try to find the language and send it. |

***Action Items***

| **ID** | **Meeting Date** | **Action Item** | **Owner** | **Due Date** | **Comments/Updates** | **Status** | **Completion Date** |
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| 8 | 08/04/20 | Update Foundational Principles with input from meeting | Jacqui/Ben | 08/31/20 | ​**2020-08-04:** Commission members provided feedback at the Commission meeting.  The Foundational Principles need to be updated with their input. | New |  |
| 9 | 08/04/20 | Update bylaws with input from meeting | Jacqui/Ben | 08/31/20 | ​**2020-08-04:** Commission members provided feedback at the Commission meeting.  The bylaws need to be updated with their input. | New |  |
| 10 | 08/04/20 | Finalize Commission Charter | Jacqui | 08/31/20 | ​**2020-08-04:** Commission members had no additional feedback on the charter at the Commission meeting.  The charter needs to be prepared for approval at the 9/30/2020 Commission meeting. | New |  |
| 11 | 08/04/20 | Send Milliman list of Commission Requests | Ben | 08/31/20 | ​**2020-08-04:** After the Milliman presentation at the Commission meeting, Commission members asked for some additional information from Milliman.  Ben will share with Milliman and have them provide information for the 9/30/2020 Commission meeting.   * The impact of no elimination period in the actuarial analysis (this will be in the final report delivered by Milliman in October). * On a percentage basis, how much over the 75-year look came from contributions versus investment income. * More detail on the assumptions used in the actuarial modeling. * What return rate did Milliman estimate for the equity market versus the treasury market.  What are the two return rates and how did Milliman get there. * What they used for the benchmark for people who opt-out, and the detail around the assumptions. | New |  |
| 12 | 08/04/20 | Include Commission members in work group discussing coverage for individuals who became disabled before age 18 | Andrea | 08/31/20 | **​2020-08-04:**  Several Commission members indicated they are interested in participating in the workgroup looking at whether or not to include coverage for individuals who become disabled before the age of 18.  Andrea will include them in the work group.  The Commission wants to include an advisory committee that represents business and labor in the work group. | New |  |
| 13 | 08/04/20 | Include Commission members in work group discussing requirements to be a qualified individual | Andrea | 08/31/20 | ​**2020-08-04:**  Several Commission members indicated they are interested in participating in the work group looking at the requirements to be a qualified individual.  Andrea will include them in the work group.  Senator Keiser asked that staff revisit the legislative record on qualified individual question – she recalls the 3 years within the last 6 years as a transition start up concession for older workers. | New |  |
| 14 | 08/04/20 | Schedule the first Investment Strategy Subcommittee meeting | Ben/Crystal | 08/31/20 | **​2020-08-04:**  Commission staff will schedule the first Investment Strategy Subcommittee meeting in September. | New |  |
| 15 | 08/04/20 | Reach out to person providing public comment | Ben/Andrea/Bea | 08/31/20 | **​2020-08-04:** Daniel O from the Washington Department of Veteran's affairs asked the Commission if anyone is interested in a think tank or task force to solve a problem where people with TBI are falling through the cracks.  Daniel needs to be put in contact with people from ALTSA who are working on less-restrictive settings and serving people with loss of cognitive function, TBI or dementia.  Daniel can be reached atdanielo@dva.wa.gov. | New |  |
| 16 | 08/04/20 | Add items to the September 30th agenda | Ben | 08/31/20 | ​**2020-08-04:** Commission members requested the following items be added to the September meeting agenda:   * Ask Milliman to   + Report on a percentage basis, how much over the 75-year look came from contributions versus investment income.   + Provide what return rate they estimated for the equity market versus the treasury market and how did Milliman get there.   + Provide what was used for the benchmark for people who opt-out, and the detail around the assumptions. * A cap on wages to limit adverse selection so people won't opt out. | New |  |
| 17 | 08/04/20 | Voter pamphlet language in favor of ESJR 8212 | Ben | 08/31/20 | ​**2020-08-04:** Maddie Foutch will see if she can provide the language that will appear in the voter's pamphlet in support of ESJR 8212. | New |  |