# Long-Term Services and Supports Trust Commission Meeting

*May 25, 2021*

Washington State Department of Social & Health Services
Transforming lives

Employment Security Department
WASHINGTON STATE

Washington State Health Care Authority

# Meeting Guidelines

| Commission Members | Observers |
| --- | --- |
| • Please turn on video<br>• Stay muted unless talking<br>• Encourage active participation<br>• Raise hand to speak if necessary<br>• Participate in polls | • Please keep video off<br>• Please mute audio<br>• Please observe, but don’t interact with meeting<br>• Sign up in Chat tool if you wish to provide public comment |

# Welcome & Call to Order

# Meeting Goals

- Get update on the new program name
- Discuss outcome of 2021 legislation related to the LTSS Trust
- Establish Commission workgroup for supplemental private LTC insurance plans
- Decide whether or not to form a workgroup on benefit eligibility
- Decide what recommendations the Commission will include in the January 2022 report to the Legislature
- Provide an update on the HHS Coalition oversight
- Provide an update on Trust IT solutions

# Consent Agenda

- 12/3/2020 Commission meeting minutes

# Old Business

None

# New Business

Program Name, 2021 Legislative Session Results

# Program Name – WA Cares Fund

- To lay groundwork for public outreach, an accessible/intuitive name was needed
- Trust staff worked with marketing firm that conducted stakeholder interviews and focus groups
- WA Cares Fund emerged as name which best resonated with Washingtonians for this program
- New website: wacaresfund.wa.gov

# 2021 Legislative Session Results

| Bill # | Policy Topic | LTSS Trust Recommendation Enacted | Summary |
|---|---|---|---|
| SHB 1323 | “Vesting” Lookback | Yes | Clarifies that becoming a qualified individual under the “three years within the last six years” requirement is determined from the application of benefits. |
| SHB 1323 | Election of Coverage for Tribes | Yes with revisions | Allows federally recognized Tribes to elect coverage so that tribal employees are covered. Adds the ability for Tribes that have elected coverage to opt out at any time for any reason. (The Commission had not addressed the ability to opt out.) |
| SHB 1323 | Self-Employed Ground Rules | Yes | Adds a three-year window for self-employed workers to opt-in and removes the option to withdraw from coverage at will after they’ve opted in. Adds the ability for ESD to verify premium payment compliance for self-employed workers. |
| SHB 1323 | Coverage for Adults with Disabilities | Yes with revisions | Removes the exclusion from coverage of adults who became disabled prior to the age of 18. (The Commission had recommended this be implemented at a later date, once solvency concerns were addressed.) |

# 2021 Legislative Session Results

| Bill # | Policy Topic | LTSS Trust Recommendation Enacted | Summary |
|---|---|---|---|
| SHB 1323 | Lifetime Opt-Out | Yes with revisions | Clarifies that private LTC policy holders must purchase insurance prior to November 1, 2021 to qualify for an exemption from the LTSS Trust. (The Commission had recommended grandfathering only those with coverage prior to the enactment of the LTSS Trust Act in 2019.) |
| SHB 1323 | Supplemental Private LTC Insurance | Not addressed | Adds a requirement that the LTSS Trust Commission work with insurers to develop LTC products that supplement the program's benefits. |
| SHB 1323 | Employer Outreach | Not addressed | Adds a requirement that ESD will conduct employer outreach in partnership with DSHS by October 1, 2021. |
| SJR 8200 | Fund Investments | No | Would have created a ballot initiative to allow the LTSS Trust Fund to be invested by the Washington State Investment Board in a full range of investments. It was referred to the Senate Ways and Means Committee, where no action was taken. |

# New Business, cont.

Commission Workgroups, 2022 Commission Recommendations

# Commission Workgroup: Private LTC Insurance Coordination

- Supplemental Private LTC Insurance Workgroup
  - Purpose: As required by SHB 1323, the Commission shall work with insurers to develop LTC insurance products that supplement the program's benefit
    - Includes considerations like benefit trigger, elimination period, portability and other policy design elements
  - Proposed timeline and scope:
    - Summer 2021 to summer 2022
    - Recommendations shared with Commission in summer 2022 for consideration in January 2023 Report to the Legislature

# Commission Workgroup: Benefit Eligibility

- Benefit Eligibility Workgroup
  - **Purpose:** Explore potential statute changes that could address constituent concerns and improve the operation of the program with a focus on four areas:
    - **WA Employees Who Live Out of State**: People who live in another state but work for a Washington employer will pay premiums, but will not be eligible for benefits unless they move to (live in) Washington when they have a long-term care need. This impacts approximately 100,000 people who will begin paying premiums in 2022.
    - **Near Retirees**: People nearing retirement now will have difficulty vesting. Those who retire before 2025 will not be able to vest at all. Those who retire between 2025 and 2032 will only have access to benefits if they need care within three years of retirement.
    - **Employees on Work Visas:** Should a person working in WA State on an Employment Authorization Document/Visa/Green card be eligible for opting out?
    - **People Who Move Out of State:** People who pay premiums and vest but move out of state and do not live in Washington at the time they have a LTC need will not be eligible for benefits.
  - **Timeline and scope**: Convene 2-3 times in summer/fall 2021 to bring viable options to LTSS Trust Commission in fall of 2021 with a recommendation to the legislature in January 2022

# Commission Recommendations in January 2022 Report

Potential Topics:

1. Joint Resolution to propose an amendment to the State Constitution in 2022 concerning the investment of LTSS Trust funds
2. Actuarial report on the solvency and financial status of the Trust and actions necessary to maintain Trust solvency
3. Benefit eligibility recommendation(s)
4. Other?

# Office of the State Actuary Update

## *Presentation to: LTSS Trust Commission*

***Matthew M. Smith, State Actuary***



***May 25, 2021***

# What's Been Done

- Provided actuarial support for SHB 1323 and SJR 8200
- Published *Actuarial Status of the LTSS Trust Program, 2022-2096*
  - https://leg.wa.gov/osa/additionalservices/Documents/LTSS.Webpage.Key.Financial.Metrics.pdf
- Outreach with federal LTC program administrators and actuaries

# What We're Working On

- Supporting Risk Management Workgroup and Investment Strategy Subcommittee discussions
- Contracting with external consultant to build tools in support of OSA's internal investments
- Ongoing discussions with ESD to capture necessary data to support future actuarial modeling and future emerging experience reports

# OSA's 2021 Recommendations to Support Solvency

- Clarify key program parameters
  - These include the private insurance opt-out, self-employed opt-in, benefit eligibility trigger and the elimination period
- Clarify the investment policy through work with the WSIB
- Perform an updated baseline analysis reflecting the prior bullets
- Establish a risk management framework consistent with the program's financial goals
- Establish a funding policy consistent with the above

# OSA's 2022 Recommendations May Look Similar

- At this time, we don't anticipate new recommendations
- Clarity on prior recommendations may extend beyond 2021
- Updated baseline analysis likely to wait until later in 2022
  - Allow adequate time to clarify key program parameters and investment policy
  - Reflect early premium collection experience

*Questions? Please Contact: The Office of the State Actuary*

*leg.wa.gov/OSA; state.actuary@leg.wa.gov*

*360-786-6140, PO Box 40914, Olympia, WA 98504*

*Matt Smith*

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# Thank You

# Break

# New Business, cont.

HHS Coalition update, IT solutions update

# Health and Human Services (HHS) Coalition Update

- What is the HHS Coalition?
  - Collaborative across Washington's Health & Human Services organizations that provides
    - Strategic direction
    - Cross-organizational IT project support
    - Federal funding guidance
  - IT project collaboration results in
    - Better service coordination and public stewardship
    - Improvements to the health and well-being of the people, families, and communities of Washington

# Health and Human Services (HHS) Coalition Update

- Organizations in the HHS Coalition
  - Department of Children, Youth, and Families (DCYF)
  - Department of Health (DOH)
  - Department of Social and Health Services (DSHS)
  - Health Benefit Exchange (HBE)
  - Health Care Authority (HCA)
  - Ex-Officio members that advise on issues around compliance and statewide IT policies and state financial budget and legislative processes:
    - Office of the Chief Information Officer (OCIO)
    - Office of Financial Management (OFM)

# Health and Human Services (HHS) Coalition Update

- DSHS LTSS Trust IT project is under HHS Coalition oversight
- Coalition approves
  - DSHS IT project initiation (approved 4/19/2021)
  - DSHS IT Investment Plan (expected fall 2021)
- DSHS WA Cares Fund team
  - Provides monthly IT project status reports
  - Provides quarterly IT project updates
    - ESD is not a member of the HHS Coalition, but they may attend the quarterly updates

# WA Cares Fund IT Solutions Update - DSHS

- Build WA Cares Fund website
- Build Web portal where beneficiaries can:
  - Apply for the WA Cares Fund benefit
  - Approve services they want to receive from a provider
  - Check their benefit balance
- Create assessment tool to determine functional eligibility
- Implement call center system to provide customer service
- Implement Interactive Voice Response (IVR) system for people to call and access their WA Cares Fund info without needing to talk with a person

# WA Cares Fund IT Solutions Update - ESD

- Migrate the Paid Family Medical Leave (PFML) platform to the cloud
- Extend the PFML platform for employers to report wages and submit premiums, for the self-employed to opt-in, and increase self-service tools
- Build online application for employees to opt out
- Provide unified support for employers
  - Extend existing communication channels
  - Update processes and systems to support LTSS
  - No wrong door for access to information
- Extend and improve existing internal processes
  - Financial tracking and accounting for LTSS
- Define business rules and workflow for determining qualified individuals

# WA Cares Fund IT Solutions Update - HCA

- Use ProviderOne to pay WA Cares Fund providers
- Add the ability in ProviderOne for providers to put a hold on a portion of a beneficiary's benefit for the services they plan to provide
- Track lifetime benefit balance for eligible beneficiaries
- Manage coordination of benefits across WA Cares Fund, private LTC insurance, Medicare, Medicaid, etc.

# Public Comment

- Please indicate your interest in making a public comment in the Chat tool
- Each person has 1 minute to address the Commission
- The Commission receives input, but does not generally respond to comments
- Please unmute and turn on your video when recognized by the Chair or the facilitator

- Questions about the program?
  - Visit wacaresfund.wa.gov
  - Submit questions to wacaresfund.dshs.wa.gov

# Set Agenda for Next Meeting on July 23, 2021

- Paying qualified family members
- Update on employer outreach activities
- Charter for Supplemental Private LTC Insurance workgroup
- Charter for the Benefit Eligibility workgroup
- Update from Risk Management Framework workgroup

# Wrap-Up

- Action items review
- Adjourn meeting

# Thank You