



# Long-Term Services and Supports Trust Commission Meeting

*July 23, 2021*

# Meeting Guidelines

## Commission Members

- Please turn on video
- Stay muted unless talking
- Encourage active participation
- Raise hand to speak if necessary
- Participate in polls

## Observers

- Please keep video off
- Please mute audio
- Please observe, but don't interact with meeting
- Sign up in Q&A if you wish to provide public comment

**Welcome & Call to Order**

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# Meeting Goals

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- Receive update on outreach activities
- Provide input and approve
  - Draft charter for Supplemental Private LTC Insurance workgroup
  - Draft charter for Benefit Eligibility workgroup
- Decide what recommendation topics the Commission will include in the January 2022 report to the Legislature
- Receive update from the Risk Management Framework workgroup and provide input
- Set agenda for September Commission meeting

# Consent Agenda

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- 5/25/2021 Commission meeting minutes

# Old Business

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Outreach Activities

# Outreach Activities – Update

- **RCW 50B.04.020 requires:** DSHS shall (3)(f) Prepare and distribute written or electronic materials to qualified individuals, eligible beneficiaries, and the public as deemed necessary by the commission to inform them of program design and updates.
- **SHB 1323 requires:** By October 1, 2021, ESD and DSHS shall jointly conduct outreach to provide employers with educational materials to ensure employees are aware of the program and that the premium assessments will begin on January 1, 2022. In conducting the outreach, ESD and DSHS shall provide on a public website information that explains the program and premium assessment in an easy to understand format. Outreach information must be available in English and other primary languages as defined in RCW 74.04.025.

# Communications & Outreach Activities (DSHS)

- **Website** launched in April 2021: [wacaresfund.wa.gov](https://wacaresfund.wa.gov)
- **Weekly live webinars** for consumers to get information and ask questions
- **Webinars** with community organizations, employers, unions, SHRM chapters
- **One-page flyer** summarizes how program works, what to consider
- **FAQs** available on website, developed collaboratively with ESD
- Deep qualitative **customer research** to create:
  - Personas that represent customers and their perspectives on the program
  - WA Cares Fund brand identity, including logos, taglines, & messaging
- Statewide **public awareness campaign** September 2021 through March 2022



# Live Webinars for Washingtonians

## Reaching Employees

- Live webinars held every week through the summer
- Virtual sessions allow us to reach audiences across
- Attendees can ask questions and receive answers in real time
- Advertised in ESD Employer Newsletter

## Reaching More People

- ALTSA is developing distribution and contact sheets to offer live webinar opportunities to associations and organizations

# Responding to Customer Inquiries

## Direct Customer Support

- Washingtonians can and are emailing the WA Cares Fund team
  - Email inquiries range between 200-500 each week
- A call center with a 1-800 number is being established for the public
  - Five full time employees will be managing the call center
- ALTSA and ESD will partner to ensure that email and phone responses are consistent and accurate across agencies.

## Question Themes

- I am close to retirement. Will I be able to vest?
- I plan to move out of state. Will I be able to use my benefits?
- I live in Idaho/Oregon and commute to work in Washington. Why do I have to contribute if I can't claim?



# Earned Media



## Current – Media Interviews

- All requested media interviews have been and will continue to be accepted in order to help us reach our desired communication objectives.
- Media interviews with outlets such as KOMO (TV), KIRO (TV) and The News Tribune (Print) have been conducted to reach viewers and readers.

## Future – Earned Media Strategy

- Provide op-eds and press releases
- Contact media outlets and reporters to inquire about interview opportunities

# Messaging Matters

- **Share key information** about how the program works, including cost of the of program and when people will begin contributing.
- **Educate and protect consumers** so they are making informed decisions.
- **Raise awareness** about the need to plan for long-term care and how the WA Cares Fund provides a **solution to a risk** all of us face.
- Highlight how **pooling risk makes care affordable for all**.
- Highlight greater **affordability of modest premiums over a career vs. paying when you need care, typically on a fixed income**.
- **Reduce fear and concern** by explaining vesting, eligibility, and benefits and being available for support and questions.

# Communications & Outreach Activities (ESD)

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## Communications Strategy & Website Update

- Review high-level communications goals
- Progress and achievements
- Deliverables underway
- Refined web content
  - Employer information
  - Employer toolkit
  - Self-employed opt-in
  - Exemptions
  - Learn More (FAQs)


# Our communications goals

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- Educate employers to adopt new wage reporting standards taking effect Jan. 1, 2022.
- Highlight benefits for self-employed individuals.
- Educate employers and workers about exemptions—who qualifies and how.


# Our progress to date

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- March
    - Finalized comprehensive communications plan
  - April
    - Published [wacaresfund.wa.gov](http://wacaresfund.wa.gov)
    - Presented communications plan to LTSS Oversight Committee and LTSS Commission
  - May
    - Published Employer Toolkit
    - Completed FAQs (for internal teams to reference)
    - Launched bi-monthly Employer Newsletter
  - June
    - Overhauled and refined web content
    - Overhauled FAQs for web publication
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# Deliverables underway

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- July
    - Publish FAQ webpage
    - Promote public webinars
    - Translate all web content (beginning with Spanish, Russian)
  - August
    - Publicize establishment of WA Cares call center
    - Send informational mailers to all Washington employers
    - Expand Employer Newsletter audience
    - Implement official branding
  - September
    - Promote employer webinars
- 



# Refined Web Content – Employer information

## WA Cares Fund

Home

About the WA Cares Fund

Why WA Cares?

WA Cares Benefits

Earning Your Benefits

Applying for Benefits

Self-Employed Opt-In

Exemptions

Employer Information

Join Our Mailing List

Learn More

Contact Us



Knowing there's money set aside for care in the future gives your employees peace of mind today. The WA Cares Fund makes affordable long-term care coverage available to all Washington workers.

## Employer responsibilities

### Collecting premiums

As a Washington employer, you are required to report your employees' wages and hours and pay premiums every quarter—unless you had no payroll expenses during that quarter. Beginning Jan. 1, 2022, you'll collect premiums from your employees the same way you do now for Paid Leave. Employers won't pay any share of these contributions for their employees.

**No payroll? No report.** You do not have to file a report for quarters where your employees had no hours worked or wages.

**Need more info on reporting?** Check out this [helpful info](#) from Paid Family and Medical Leave. WA Cares reporting will be fully integrated for your convenience.



# Refined Web Content – Employer toolkit

## WA Cares Fund

- Home
- About the WA Cares Fund
- Why WA Cares?
- WA Cares Benefits
- Earning Your Benefits
- Applying for Benefits
- Self-Employed Opt-In
- Exemptions
- Employer Information
- Join Our Mailing List
- Learn More
- Contact Us



## We've got your back

There's plenty to know about WA Cares, and we're committed to making your experience as easy as possible with helpful info and resources.

### WA Cares Outreach Implementation Timeline



# Refined Web Content – Self-employed opt-in

## WA Cares Fund

[Home](#)

[About the WA Cares Fund](#)

[Why WA Cares?](#)

[WA Cares Benefits](#)

[Earning Your Benefits](#)

[Applying for Benefits](#)

[Self-Employed Opt-In](#)

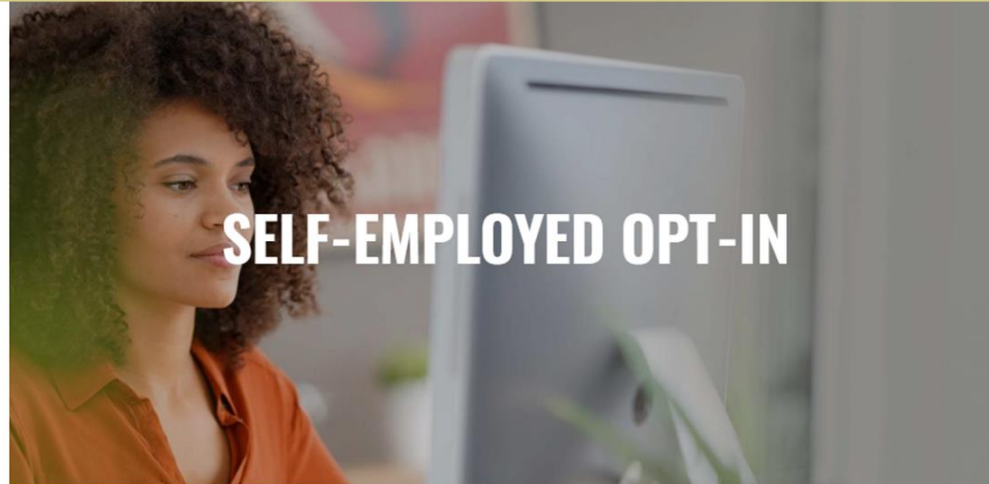
[Exemptions](#)

[Employer Information](#)

[Join Our Mailing List](#)

[Learn More](#)

[Contact Us](#)



## Self-employed? Sign yourself up for benefits!

If you're self-employed, you can choose to opt in and protect yourself with the same affordable benefits available to other Washington workers.

## Get the benefits of opting in

### Affordability

If you're a self-employed earner, WA Cares is your key to long-term care coverage. Your contribution is just as low as traditional workers. You'll pay the current premium rate, which is 0.58 percent, of:

- Your net earnings.
- Gross wages, if any, paid to you from your business entity.

That's about \$300 per year for the average Washington worker, much less than most private insurance.



# Refined Web Content – Exemptions

## WA Cares Fund

[Home](#)

[About the WA Cares Fund](#)

[Why WA Cares?](#)

[WA Cares Benefits](#)

[Earning Your Benefits](#)

[Applying for Benefits](#)

[Self-Employed Opt-In](#)

[Exemptions](#)

[Employer Information](#)

[Join Our Mailing List](#)

[Learn More](#)

[Contact Us](#)



## How to know if an exemption is right for you

### Already have a long-term care plan?

Workers who hold existing long-term care insurance or purchase a new private policy before November 1, 2021 can apply for an exemption from WA Cares coverage. If approved, your exemption will mean that you aren't required to pay premiums and will be permanently excluded from WA Care benefits.

**Keep in mind, if your exemption application is approved, you'll be permanently disqualified from WA Cares.** This means you may never re-enroll and you'll be prohibited from getting WA Cares benefits, even if you need them.

### Your choice is permanent

Not sure if you want to give up your WA Cares benefits? Here are some things to consider:

- You only pay WA Cares Fund premiums while you're working—not after retirement. Private long-term





# Refined Web Content – Learn more

## WA Cares Fund

[Home](#)

[About the WA Cares Fund](#)

[Why WA Cares?](#)

[WA Cares Benefits](#)

[Earning Your Benefits](#)

[Applying for Benefits](#)

[Self-Employed Opt-In](#)

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[Learn More](#)

[Contact Us](#)



## Live webinars

Join a live webinar to learn more about the WA Cares Fund and get your questions answered. **Pre-registration** to attend is **not required**.

You may join any of the webinars by accessing the links listed below and entering the following meeting information:

- **Meeting ID:** 815 0646 1779
- **Passcode:** 547656

**July 2021**

**August 2021**



# Old Business

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Workgroup Charters

# Charter: Supplemental Private LTCI Workgroup (1/2)

- 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
- Workgroup Timeline and Scope:
  - Fall 2021 to summer 2022
  - Recommendations shared with Commission in summer 2022 for consideration in January 2023 Report to the Legislature

# Charter: Supplemental Private LTCI Workgroup (2/2)

- Membership:
  - Chair of the LTSS Trust Commission (or designee), who will serve as Chair of the Workgroup;
  - Washington State Insurance Commissioner or designee;
  - Director of the Health Care Authority or designee;
  - five other members of the LTSS Trust Commission;
  - five representatives from private long-term care insurance carriers currently selling policies in Washington State;
  - two consumer protection advocates with expertise in long-term care insurance.
- Procedure:
  - The workgroup will strive for consensus in all its recommendations.
  - Where consensus cannot be achieved, a recommendation may be approved by a vote of two-thirds of the workgroup members.



# Charter: Benefit Eligibility Workgroup (1/2)

**Workgroup Purpose:** The LTSS Trust Commission Benefit Eligibility Workgroup was established by the Commission in May 2021 to explore policy options that would address four policy challenges:

- Near Retirees  
People nearing full retirement are unlikely to permanently vest. Those who retire before 2025 will have paid in for nearly three years without achieving even temporary vesting, while those who retire between 2025 and 2031 will have paid in 3-9 years without achieving permanent vesting.
- Border-state residents commuting to work in WA  
Under current statute, people who live in Idaho or Oregon but work for a Washington employer pay premiums, but cannot receive benefits unless they move to (“reside in”) Washington when they have a long-term care need. This impacts approximately 150,000 people who will begin paying premiums in 2022 and will affect many more in the decades to come.
- People Who Leave the State  
A significant share of the workforce leave the state either during their working years or after retirement. Some may have paid in less than 10 years and left before they could permanently vest, others will have vested and will be unable to claim benefits when they need LTC. (Per the current statute, only people who reside in Washington when they need care can utilize WA Cares Fund benefits, and the state does in-person assessments and utilizes a state-based provider network.)
- Non-Immigrant Visa Holders
  - Foreign workers who have to return to their respective countries when their work visas expire will also be required to pay in, but they cannot receive benefits because they cannot remain in Washington long-term.

# Charter: Benefit Eligibility Workgroup (2/2)

- Workgroup Timeline and Scope:
  - Meet 2 – 3 times between July and September 2021
  - Present options at the September LTSS Trust Commission meeting.
  - The Commission will decide which options to include in their January 2022 Recommendations Report to the Legislature.
  - Recommendations will include any proposed changes to RCW 50B.04.
  - Changes to the program wouldn't be effective until sometime after the 2022 legislative session, even though premium payments begin in January 2022.
- Membership:
  - Volunteers from the Commission



# Break



# Old Business

## Continued

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2022 Commission Recommendations;  
Risk Management Framework Update

# 2022 Commission Recommendations

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## 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 workgroup recommendation(s)



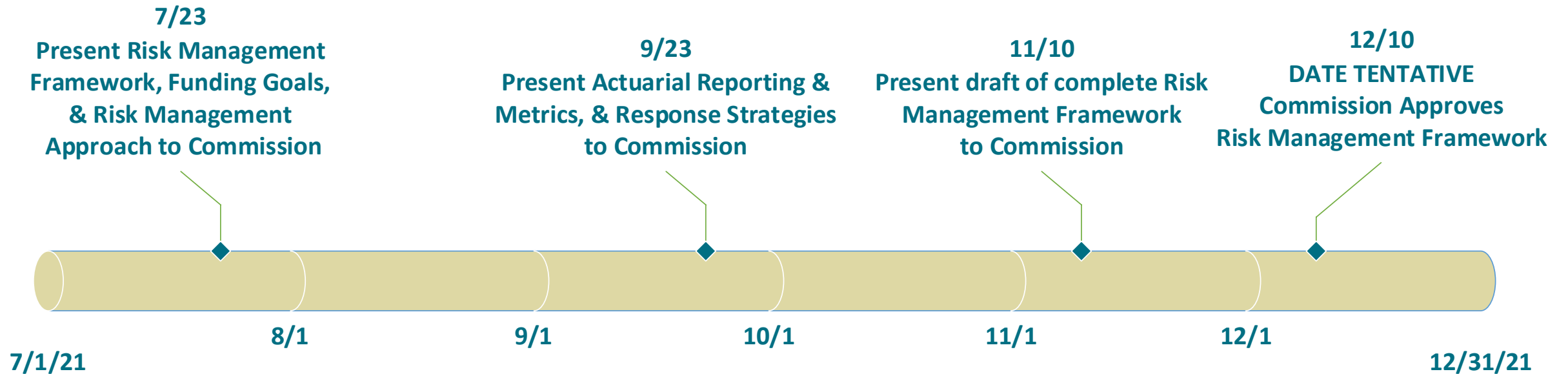
# Risk Management Framework Background

- LTSS Trust Commission established a Risk Management Framework Workgroup at the December 3, 2020 Commission meeting
- Workgroup purpose is to develop a risk management framework to:
  - Clarify WA Cares Fund funding goals and risk management philosophy
  - Identify process for monitoring program in support of the above
  - Provide guidance for when action is needed in support of the above
- The framework will help the Commission assess and recommend responses to future risks to WA Cares Fund program's ability to pay benefits over the long-term
- The workgroup has met twice and will continue to refine the framework
- Today the workgroup is presenting parts of the framework to the Commission for input

# Proposed Risk Management Framework

- Funding goals (desired outcomes for the program)
- Risk management approaches (to support funding goals)
- Risk management reporting and metrics (to support and inform those approaches)
- Response strategies (when your funding goals are not met or are threatened)
  - Strategic response
  - Policy actions
- Coordinate a plan with other entities

# Proposed Risk Management Framework Timeline






# Establishing Funding Goals

- Funding goals represent the desired outcomes for the program
- Workgroup was interested in:
  - Having one or two straightforward goals
  - Including a goal to provide meaningful benefits with lowest possible premiums
  - Modeling a goal after the GET program; singular goal with competing/balancing factors
- Workgroup requested staff bring back examples based on this feedback
- Examples were presented, workgroup customized a funding goal for recommendation to the commission

# Recommended Funding Goal

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“Provide secure and meaningful benefits at the lowest expected cost for beneficiaries now and in the future.”

- Clarifies intent to provide meaningful benefits for all generations; recognizes intergenerational equity
  - Clarifies intent to secure the payment of meaningful benefits
  - Incorporates the element of time
  - Balances costs with benefits
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# Developing a Risk Management Approach

- Supports your funding goals
- Staff presented two approaches on different ends of a spectrum
  - Agile versus Proactive
  - Agile – target (100%) funded status and make changes as necessary to restore full funded status
  - Proactive – target (100+X)% funded status and make changes as necessary to maintain that funded status
- 3 workgroup members indicated an initial preference of a proactive approach
- 1 workgroup member preferred an agile approach
- A hybrid approach can provide a glidepath that starts with an agile approach and transitions to a long-term proactive risk management approach

# Recommended Risk Management Approach – Hybrid Glidepath

## Phase 1

- Monitor emerging experience
- Assess results
- Update projections

## Phase 2

- Develop a plan to reach 100% funded status if below 100% funded status after Phase 1
- Achieve an initial funded status of at least 100%

## Phase 3

- Determine appropriate funded status margin (X%)
- Develop plan to reach (100+X)% if below (100+X)% funded status after Phase 2
- Achieve an initial funded status of at least (100+X)%

- Recommend a working assumption that completion of Phase 1 could occur no sooner than the end of 2026 to allow for credible premium data and initial benefit experience.

# Risk Management Framework Next Steps

- Action required today, provide input on recommended:
  - Risk Management Framework
  - Funding Goal
  - Risk Management Approach
- Feedback will be considered by the workgroup at their August 10<sup>th</sup> meeting
- Workgroup will report out at the September 23<sup>rd</sup> Commission meeting, presentation will include:
  - Revised Funding Goal and Risk Management Approach (if changed) for approval
  - Recommended risk management reporting and metrics (to support and inform the approach)
  - Recommended response strategies (when your funding goals are not met or are threatened)

# New Business

None

# Public Comment

- Please indicate your interest in making a public comment in the Q&A
  - 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](https://wacaresfund.wa.gov)
    - Submit questions to [wacaresfund@dshs.wa.gov](mailto:wacaresfund@dshs.wa.gov)

# Set Agenda for Next Meeting on September 23, 2021

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- Review draft Administrative Expenses Report
- Review Commission recommendations options
- Review Actuarial Report outline
- Update from Risk Management Framework workgroup
- Discuss 2022 Legislative Session



# Wrap-Up

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- Action items review
- Adjourn meeting





**Thank You**