

Washington Cares Fund

A Long-Term Services & Support Trust

An overview of the new
Washington State Long-Term Care Program &
what it means for Washington Education Association members



<http://www.wacaresfund.wa.gov/>

Why Long-Term Care?



- Covers costs that are not covered by medical insurance – daily living support & services when disabled long-term
- Long-term care is expensive and often requires spending down savings to qualify for Medicaid
- 7 out of 10 adults will find themselves in need of long-term care
- Our population is aging – puts a greater burden on those who are caregivers
- In 2019, legislation passed to create a trust to provide long-term care benefits for Washington residents who pay into the fund during their working years

How is Long Term Care different than Long Term Disability?

Long Term Care (LTC)

Pays for Services and support

- ⦿ Assists with cost of care and services not covered by medical insurance or Medicare
- ⦿ Kicks in when the beneficiary is unable to perform functions of daily living:
bathing and grooming, using the toilet, dressing, preparing food/feeding oneself, walking or moving from one position to another.
- ⦿ Benefit provided when the beneficiary is severely disabled

Long Term Disability (LTD)

Pays for lost income due to disability

- ⦿ It pays for a portion of your lost income if you are unable to work due to an injury or illness.
- ⦿ Provides benefit while the beneficiary is still in their working years.
- ⦿ Disability is defined by ability to perform essential functions of job duties.

How does WA Cares compare to Private Insurance?

Washington Cares – LTSS

- Requires no certificate of insurability
- No matter your age or health status you qualify for WA Cares, and the rate is the same
- Lifetime \$36,500 maximum benefit
- Benefit Increases with inflation
- Only pay premiums when working, not during unpaid leave, between jobs or after retirement
- Once you've met the 10-year vesting, the benefit will be available, even if it's after you retire
- Currently only available for use while a WA resident

Private Long-Term Care – LTC Insurance

- Most require certificate of insurability
- Most plans have premiums that are higher the older you are when entering the plan
- Benefit maximum can vary greatly
- Plan premiums may be higher with benefit growth
- Most require continued payment of premiums when working or not, including time in retirement
- May be able to coordinate with life insurance policies or provide a death benefit
- Portable and able to use in all locations

Considerations when Deciding



- How much longer will you be working?
- Where do you plan to retire?
- What is the stability of the rates being considered through a private LTC plan?
- Can the plan be cancelled by the insurance company or is renewal guaranteed?
- Can you meet the medical evidence of insurability?
- What level of care do you want to have insurance provide?

Know what is included in a plan, how long you must pay premiums, what it takes to qualify, read the fine print.

How will WA Cares Work?

Funding

- WA Employees pay into the trust beginning January 1, 2022
- Worker contribution through payroll deduction of \$0.58 per \$100 or 0.58%
 - This is the maximum allowed under statute – would require legislative action to increase.
 - Typical WA earner making \$52,075 will contribute approximately \$302/year or \$25.17/month
- Only pay into the fund while working not once retired or if on unpaid leave/non-work status

[RCW 50B.04.080](#) and [RCW 50B.04.085](#)

Benefits Provided

- Beginning January 2025 those **eligible** may receive benefits
- Covers services and supports for Washington residents
 - Examples: professional care, adaptive equipment, training and support for family members who provide care, transportation, personal emergency response system, etc.
- Maximum Lifetime benefit \$36,500
 - This amount will be adjusted for inflation over time
- No Monthly or Daily maximum

<http://www.wacaresfund.wa.gov/wa-cares-benefits/>

Eligibility

- Pay premiums into the fund for at least 10 years without a break of 5 or more years within those 10 years¹
or
- Pay premiums into the fund for 3 of last 6 years prior to applying for benefit¹
and
- Must need assistance with at least 3 daily living activities

¹To count as a year, employee must work at least 500 hours

<http://www.wacaresfund.wa.gov/earning-your-benefits/>

Opting-Out of Washington Cares

- Opting Out is Permanent! Even with job changes
- Must apply and be approved for exemption
- Must purchase a private long-term care insurance plan or dedicated LTC rider before November 1, 2021
- May apply for the exemption between October 1, 2021 and December 31, 2022
- If you opt out, you may NEVER opt back in!



Additional Resources for information about Long Term-Care

Washington Cares website will have the latest information and updates as the state rolls out this plan:
<http://www.wacaresfund.wa.gov/>

Washington Cares One Pager about the Fund:

<https://www.dshs.wa.gov/sites/default/files/ALISA/ltss/documents/LTSS%20Trust%20Act%20One-Pager.pdf>

Articles about private plans and the challenges they have faced in recent years:

How private plans have seen significant rate increases in recent years (2019)

<https://www.cnbc.com/2019/09/08/how-to-deal-with-double-digit-rate-hikes-on-long-term-care-insurance.html>

Information on the decrease in insurers and unstable pricing:

<https://prospect.org/familycare/the-collapse-of-long-term-care-insurance/>

NEA Member Benefits has LTC Insurance with plans that have a variety of options and designs:

<https://www.neamb.com/products/nea-long-term-care-program>