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?

<table>
<thead>
<tr>
<th>Washington Cares – LTSS</th>
<th>Private Long-Term Care – LTC Insurance</th>
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</thead>
<tbody>
<tr>
<td>Requires no certificate of insurability</td>
<td>Most require certificate of insurability</td>
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<tr>
<td>No matter your age or health status you qualify for WA Cares, and the rate is the same</td>
<td>Most plans have premiums that are higher the older you are when entering the plan</td>
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<tr>
<td>Lifetime $36,500 maximum benefit</td>
<td>Benefit maximum can vary greatly</td>
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<tr>
<td>Benefit Increases with inflation</td>
<td>Plan premiums may be higher with benefit growth</td>
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<tr>
<td>Only pay premiums when working, not during unpaid leave, between jobs or after retirement</td>
<td>Most require continued payment of premiums when working or not, including time in retirement</td>
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<tr>
<td>Once you’ve met the 10-year vesting, the benefit will be available, even if it’s after you retire</td>
<td>May be able to coordinate with life insurance policies or provide a death benefit</td>
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<tr>
<td>Currently only available for use while a WA resident</td>
<td>Portable and able to use in all locations</td>
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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 years
- Pay premiums into the fund for 3 of last 6 years prior to applying for benefit
- 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-benefit/
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/


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


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