



WA Cares Fund Washington's Long-Term Services and Supports Trust Program

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What You Need to Know about WA Cares Fund

- Why do we need a new approach to long-term care?
- What is WA Cares Fund?
- Why is WA Cares good for Washington?
- How does WA Cares support Washington families?
- How does WA Cares work?
- Administration and oversight
- Q&A

We All Have Concerns About Aging



- **Barb:** My mother is in her 80s and keeps falling at home. Now she's broken her arm. She lives alone and there is no family in town to help.
- **Shevonne:** I don't want to be a burden to my adult children, they have their own kids to care for. But I am having trouble getting in and out of the tub and I'm afraid I'm going to fall.

We All Have Concerns about Aging

- **Naomi:** I'm afraid my dad's dementia is getting worse. He put plastic ware on the stove and nearly burned down his kitchen. He refuses to move to a facility or hire help.
- **Ruben:** My grandfather could really use medication reminders to keep on top of his insulin doses before he ends up in a crisis, and nutritious meal delivery to keep his blood pressure low.



The Need for Care Can Come Unexpectedly



Calvin: I work in customer service. I was in an accident and lost the use of my legs. I've spent most of my savings on medical bills. I'm worried about how I will pay for care to help me get ready for work in the morning and when I get home at night. I need help every day with things like getting dressed. My sister was helping me but she has a job and it puts a great deal of stress on her.

Long Term Care Can Overwhelm a Family's Finances

- **Hakeem:** I turned 50 last year and after caring for my mom, I realized I need long-term care insurance but can't afford it. It would cost me \$2700/year.
- **Lillian:** I worked all my life and retired at 70. My stroke a few years ago makes it nearly impossible to dress, but I don't have \$110,000 for assisted living. I can't believe Medicare doesn't cover this.



The LTSS Trust is a step toward resolving these concerns for Washingtonians.

Family Caregivers Need Support

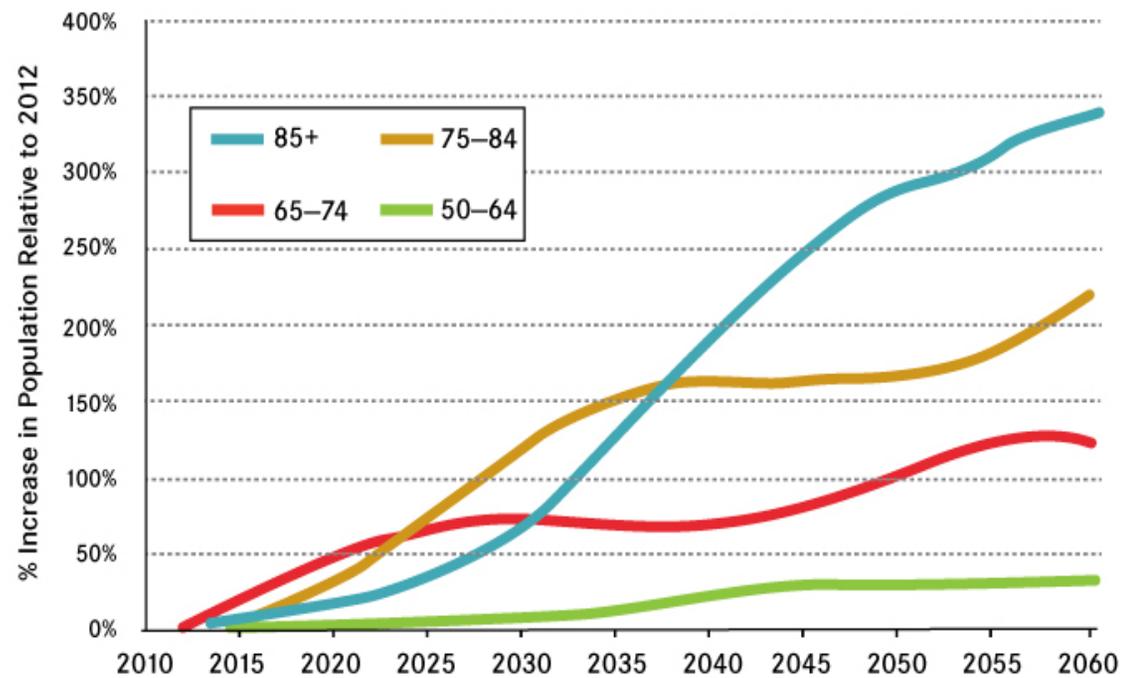
- “There are only four kinds of people in the world: those who **have been** caregivers, those who **are** caregivers, those who **will be** caregivers and those who **will need** caregivers.”
- “Caregiving is hard, even on the good days when it brings joy and fulfillment. It requires dedication, determination, and time.”

– Rosalynn Carter, Founder of the Rosalynn Carter Institute for Caregivers



Why Does Washington Need a New Approach to Long-Term Care?

- LTSS needs are growing as Washingtonians age and families are less able to meet their needs.



Source: Washington State Department of Social and Health Services, Research and Data Analysis Division

WA Cares Fund Will Protect State Budget

Washington's budget for LTC in the current 2019-2021 biennium:

\$6.4 billion

LTC spending as a percentage of the state budget:

6.3%

- These costs and their impact on the state budget would have doubled in roughly two decades, along with the increase in our aging population, without a policy intervention.

Why Families Need a New Approach to Long-Term Care

Diane

My dad needs help since his stroke 2 years ago. My mom took care of him until she passed away. I have a full time job and take care of my grandchildren regularly. I found out LTC is not covered by Medicare so we paid privately for some help for a while. Dad will have to spend down his life savings to \$2,000 to qualify for Medicaid. I'm not sure how I'm going to meet the time and financial needs of my dad, my grandchildren and myself.



Long-Term Care is predictable and expensive

- 70% of those turning 65 today will need long-term care
- Annual cost of home care: \$33k to \$66k (20-40 hours/week)

Most Seniors can't afford long-term care

- Among Washington seniors:
 - Median household income: \$56,000
 - Half have no 401(k) or pension income

What is WA Cares Fund?

- A universal long-term care program enacted in Washington State
- An earned benefit – only those who contribute are eligible
- Self-funded from worker contributions, reducing the need to raise taxes to pay for Medicaid LTSS costs associated with the coming age wave
- Affordable contributions across our careers is a more efficient and effective way to pay for long-term care
- Lifetime maximum benefit of \$36,500
- Contributions begin 1/1/2022; Benefits begin 1/1/2025
- Workers contribute 0.58% of their wages



WA Cares Fund: A Smarter, More Affordable Way to Support Families with Long-Term Care

Old Way

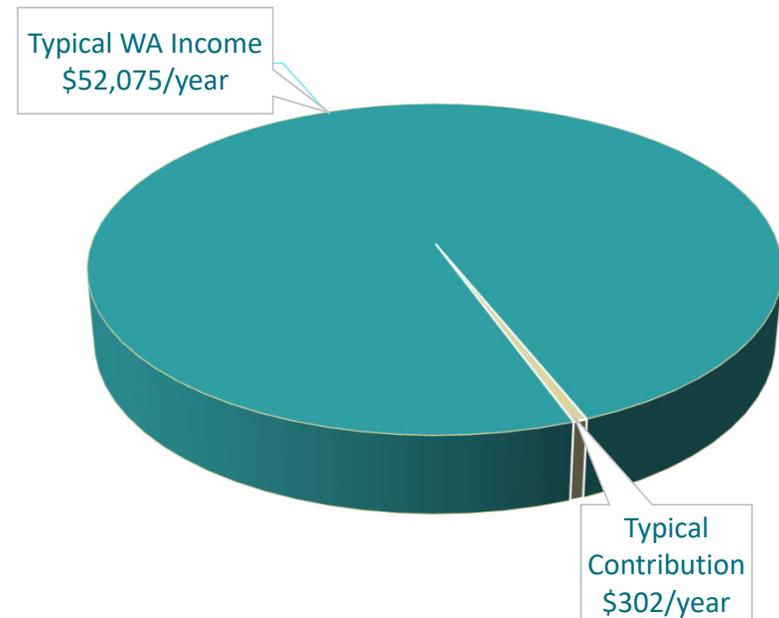
- LTC insurance is unaffordable for most
- Fear of not being able to remain in our home as we age
- Anxiety around financial and family burdens of one day needing LTC
- Deplete life savings and ultimately rely on Medicaid

New Way

- **Affordable** LTC insurance for all
- **Peace of mind** that care will be available
- Allows families to **focus on care, not money**, when care needs arise
- We **choose** whatever mix of family and professional care supports meets our preferences and needs

How WA Cares Works

- Every employee contributes a little over a half a percent (0.58%) of wages.
- Premiums go into dedicated Trust Fund that can be used only for this program.
- If you have private LTC insurance, you can:
 - Keep it and use it to supplement the WA Cares \$36,500 benefit; or
 - Apply to permanently withdraw from WA Cares 10/1/2021 thru 12/31/2022



How WA Cares Works

What do employers need to know?

- Employers collect premiums from employee wages beginning January 1, 2022.
- Workers contribute to WA Cares; employers do not.
- Employers report wages and remit employee premiums to ESD.
- If an employee has LTC insurance and does not want additional coverage through WA Cares, they can apply to opt out through ESD. Employers do not process opt-out applications.
- Employers collect premiums from all workers except those who have provided confirmation from ESD certifying exemption from WA Cares coverage.
- Self-employed earners may opt in to WA Cares through ESD.



How WA Cares Works

Vesting and eligibility

To meet vesting criteria, you must have earned your WA Cares benefit by working and contributing:

- At least ten years at any point in your life without a break of five or more years, or
- Three of the last six years;
- And at least 500 hours per year during those years.

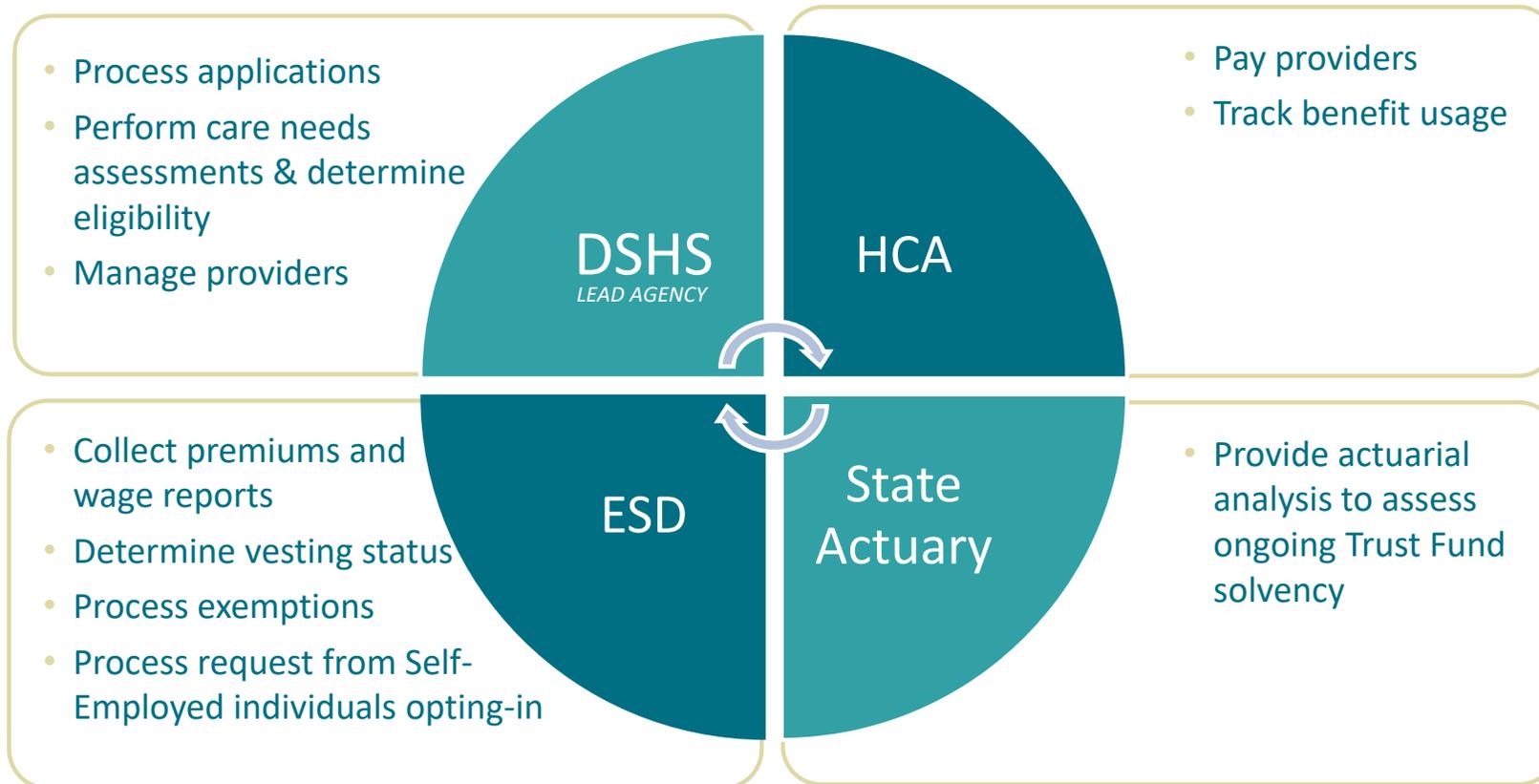
To be eligible for benefits, you must require assistance with at least three activities of daily living.

The Benefit is Flexible

- You can spend up to \$36,500 on a combination of services and supports.
- The benefit is flexible and you choose how you want to use it.
- You can hire a home-care aide, pay a family member, make home modifications, etc.



Cross-Agency Responsibilities



Thank You

To learn more, please visit:

- **WA Cares Fund**
wacaresfund.wa.gov

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Questions & Answers

