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HOUSE BILL 1286

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State of Washington

64th Legislature

2015 Regular Session

By Representatives Tharinger, Harris, Jinkins, Johnson, Caldier, G. Hunt, Wylie, McBride, Kilduff, Takko, and Peterson

Read first time 01/16/15. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to a study regarding the funding of long-term  
2 services and supports; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature makes the following  
5 findings:

6 (1) By 2030, nearly twenty percent or one out of every five  
7 people in our state will be age sixty-five or older and by 2060 the  
8 population of people who are age eighty-five or older in our state  
9 will more than triple. This will affect every area of state  
10 government;

11 (2) There is a need for increased focus and planning to support  
12 the growing number of seniors and people with disabilities in  
13 Washington state. Planning is necessary across a broad range of  
14 policy areas including health, long-term services and supports,  
15 housing, transportation, financial security, and protections for  
16 vulnerable adults;

17 (3) To address the growing demand for long-term services and  
18 supports, Washington state must do more to prepare for the future,  
19 leverage private resources, support families so they can take care of  
20 their loved ones without having to resort to medicaid, and help  
21 people plan for potential future costs;

1 (4) In the past few decades, a number of initiatives have been  
2 undertaken to reform Washington's system of supports for seniors to  
3 emphasize home and community-based options. These efforts have saved  
4 millions of dollars by preventing expensive institutional placements;  
5 and

6 (5) Washington must begin planning for the future long-term  
7 services and supports needs of its residents by taking steps to grow  
8 its workforce, resources, and quality long-term services and  
9 supports, and identify alternative long-term care financing options  
10 to help families and reduce the rate of growth in medicaid.

11 NEW SECTION. **Sec. 2.** (1) The department of social and health  
12 services shall contract for an independent feasibility study and  
13 actuarial modeling of public and private options for leveraging  
14 private resources to help individuals prepare for long-term services  
15 and supports needs. The study must model two options:

16 (a) A long-term care benefit paid for and open to workers, funded  
17 through a payroll deduction that would provide a one-to-three year,  
18 capped-dollar long-term care insurance benefit, the maximum length  
19 and amount of which will be determined by actuarial analysis; and

20 (b) A public-private reinsurance or risk-sharing model, with the  
21 purpose of providing a stable and ongoing source of reimbursement to  
22 insurers for a portion of their catastrophic long-term services and  
23 supports losses in order to provide additional insurance capacity for  
24 the state. The entity would operate as a public-private partnership  
25 supporting the private sectors role as the primary risk bearer.

26 (2) The report must include an evaluation of each option based  
27 on:

28 (a) The expected costs and benefits for participants;

29 (b) The total anticipated number of participants;

30 (c) The projected savings to the state medicaid program, if any;

31 (d) And legal and financial risks to the state.

32 (3) The joint legislative executive committee on aging and  
33 disability shall provide oversight and direction for this analysis  
34 and shall convene interested stakeholders to provide input on the  
35 study design.

36 (4) The feasibility study and actuarial analysis must be  
37 completed and submitted to the department of social and health  
38 services by December 20, 2016. The department shall submit a report,  
39 including the director's findings and recommendations based on the

1 feasibility study and actuarial analysis, to the legislature no later  
2 than January 15, 2017. An interim report must be submitted to the  
3 department of social and health services on July 1, 2016.

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