

**LTSS Trust Commission
Meeting Minutes**

Meeting Date	11/10/2021	Time	8:00 to 11:00
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Attendees

✓	Senator Karen Keiser	✓	Representative Paul Harris	✓	Senator Judy Warnick
✓	Representative Frank Chopp	✓	Representative Nicole Macri	✓	Senator Steve Conway
✓	Senator Curtis King	✓	Representative Drew MacEwen	✓	Bill Moss (Chair) Assistant Secretary, ALTA, DSHS
✓	ESD Commissioner Cami Feek	✓	Taylor Linke Director, Division of Medicaid Eligibility & Community Support, HCA	✓	Madeline Foutch, Representative of a union representing LTC workers
	Vacant, Individual receiving Long-Term Services and Supports	✓	Ruth Egger, Individual receiving Long-Term Services and Supports Designee	✓	Andrew Nicholas, Worker who will likely be paying the premium
	Vacant, Representative of an organization of employers whose members collect the premium	✓	John Ficker, Adult Family Home Providers Representative	✓	Dan Murphy, Area Agencies on Aging Representative
	Peter Nazzal, Home Care Association Representative	✓	Michael Tucker, Representative of an organization representing retired persons	✓	Lauri St. Ours, Representative of an association representing SNF/ALF providers

Guest Speakers

✓	Ben Veghte, DSHS	✓	Matt Smith, State Actuary	✓	Lisa Kissler, ESD
✓	Allyson Tucker, SIB	✓	Chris Hanak, SIB		

Topic	Minutes
Welcome and call to order	<ul style="list-style-type: none"> Commission members in attendance indicated above. Bill Moss reviewed the meeting goals.
Consent Agenda • Minutes from 9/23/2021	<ul style="list-style-type: none"> There was a motion to approve the minutes from the 9-23-2021 meeting. The motion was seconded. A voice vote was taken, and the motion was passed.
Old Business • Agency Administrative Expenses Report	<ul style="list-style-type: none"> Bill asked if there were any questions about the report. Dan Murphy moved that the Agency Administrative Expenses Report be approved. Ruth Egger seconded the motion. A voice vote was taken, and the motion was approved unanimously. Rep. Harris volunteered to submit the report. ACTION ITEM: Commission staff will provide Rep. Harris with the report, draft email, and email addresses.
Old Business • Risk Management Framework	<ul style="list-style-type: none"> Matt Smith provided a recap of the process for developing the Risk Management Framework and a summary of the final framework. Senator Conway moved that the Risk Management Framework be approved. Lauri St. Ours seconded the motion. A voice vote was taken, and the motion was approved unanimously.



Topic	Minutes
<p>Old Business</p> <ul style="list-style-type: none"> Exemption Applications 	<ul style="list-style-type: none"> Lisa Kissler provided an update on the number of exemption applications. As of November 8th, <ul style="list-style-type: none"> 358,751 applications have been submitted 181,634 applications have been approved 2,026 applications are incomplete 183,660 total applications have been processed 51.2% of applications received have been processed, <ul style="list-style-type: none"> Lisa shared that as of this morning over 53% have been processed ESD has seen a drop in the number of applications submitted starting last week. ESD is encouraging people to get their applications in by December 1st if they want to be sure they have enough time to inform their employer and don't have to pay premiums starting January 1st. Per the current law, people who have an approved exemption will not be able to access the benefits in the future, they are permanently exempted. Number of applications received so far is about 10% of the workforce. ACTION ITEM: At the December Commission meeting, OSA will provide information about the actuarial impact based on exemption application data from ESD.

Topic	Minutes
<p>Old Business</p> <ul style="list-style-type: none"> • Commission Recommendations 	<ul style="list-style-type: none"> • Ben Veghte reviewed the coverage gaps that were explored in the Commission's Benefit Eligibility Workgroup over the late summer and presented to the commission the September meeting. He also shared additional issues that came up in the wake of that meeting in feedback from the public. <ul style="list-style-type: none"> ○ Near retirees <ul style="list-style-type: none"> ▪ 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 <ul style="list-style-type: none"> ▪ 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. ○ Temporary workers with non-immigrant visas <ul style="list-style-type: none"> ▪ Temporary 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. ○ People who leave the state <ul style="list-style-type: none"> ▪ Some workers 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. ○ Constitutional amendment <ul style="list-style-type: none"> ▪ Joint Resolution to propose an amendment to the State Constitution concerning the investment of LTSS Trust funds ○ Veterans rated as 70%-100% service-connected disabled <ul style="list-style-type: none"> ▪ Veterans rated by the VA as 70% to 100% service-connected disabled have access to nursing home care through the VA. The Employment Security Department has determined that individuals who are rated by the VA as 70% to 100% service-connected disabled can qualify for an exemption under the current law. This exemption is only available temporarily, so veterans who are rated 70%-100% service-connected disabled November 1, 2021 or later are currently not eligible for this exemption. ○ Military spouses <ul style="list-style-type: none"> ▪ In order to remain with their active-duty military spouse, military spouses are essentially obliged to leave the state after three years. This would leave many military spouses unable to use benefits or vest permanently on the ten-year path. ○ Exemption recertifications <ul style="list-style-type: none"> ▪ Applicants are only required to attest to having long-term care (LTC) insurance purchased prior to November 1, 2021 to receive approval for an exemption from WA Cares participation. Individuals may not be truthful on their application for exemption. Individuals can cancel or fail to maintain their LTC insurance policy at any time after receiving approval for their exemption.

Topic	Minutes
<p>Old Business Commission Recommendations, continued</p>	<ul style="list-style-type: none"> • Several Commission members indicated they are not ready to make specific recommendations to the legislature about how to address these issues but would like to recommend that the legislature look at each of these issues and work out potential solutions through the legislative process. • The Risk Management Framework the Commission adopted includes providing secure and meaningful benefits at the lowest expected cost now and in the future. The Commission should ask the legislature to hold that as a core goal and address some of the core issues in the next session. • Senator King made a motion to draft the Commission recommendation report as an outline of the areas the Commission believes need to be addressed by the legislature, present that for approval in the December meeting, and then let the legislature further develop policy options to address the issues. • Senator Warnick seconded the motion. • Senator King made a motion to amend the original motion to allow Commission staff to identify those items that have more of an immediate impact versus those that impact payouts in 2025 and include information that the Commission workgroup worked on to develop policy options. • Senator Warnick seconded the amendment to the original motion. • A voice vote was taken, and the motion with the amendment was approved unanimously. • There were some questions about what benefits are available to veterans and members of the national guard. • ACTION ITEM: Commission staff will put together a one-pager on the veterans policy option and do more research on what benefits are available to the national guard.
<p>Old Business</p> <ul style="list-style-type: none"> • WA Cares Fund Investment Plan 	<ul style="list-style-type: none"> • Allyson Tucker provided an update on the WA Cares Fund investment profile of the program and the timeline. • The WA Cares Fund premiums will be invested in a new WSIB customized fixed income fund. • Next steps <ul style="list-style-type: none"> ○ December: WA Cares Fund education session will be provided to the WSIB Board ○ March: Investment Strategy Subcommittee provides feedback to WSIB on investment recommendation and policy ○ April: WSIB invests initial premiums in cash ○ April: WSIB Board considers WA Cares Fund investment recommendation and policy for approval ○ April: WSIB implements new investment strategy
<p>New Business</p> <ul style="list-style-type: none"> • 2022 Commission Meeting Schedule 	<ul style="list-style-type: none"> • Ben presented the schedule for Commission meetings in 2022 <ul style="list-style-type: none"> ○ April 18th ○ June 1st ○ September 13th ○ November 10th ○ December 9th • After today's meeting Commission staff will be sending out meeting invitations. • ACTION ITEM: Commission members let Ben or his administrative assistant, Juli Christoffersen, know, by November 19th if they have conflicts with any of the 2022 meeting dates.
<p>New Business</p> <ul style="list-style-type: none"> • Agency supplemental budget requests 	<ul style="list-style-type: none"> • Ben and Matt provided information about two supplemental decision packages submitted by DSHS.
<p>Public Comment</p>	<ul style="list-style-type: none"> • Several people provided public comment during the meeting. The Appendix below includes all public comments made during the meeting.



Topic	Minutes
Set Agenda for next meeting, December 10th	<ul style="list-style-type: none"> Bill reviewed the list of agenda items so far for the December 10th Commission meeting. <ul style="list-style-type: none"> A suggestion was made to include a briefing on legal issues during the December meeting. Commission members can submit any additional agenda items to Ben or his team.
Wrap Up	<ul style="list-style-type: none"> Action items are captured in the table below The meeting adjourned at 10:18.

Action Items

ID	Meeting Date	Action Item	Owner	Due Date	Comments/Updates	Status	Completion Date
45	11/10/21	Provide Rep. Harris with the Agency Administrative Expenses Report	Jacqui Boydston	11/12/21	<p>2021-11-12: Jacqui provided Rep. Harris with the report, a draft email and email addresses. Rep. Harris delivered the report on November 12th.</p> <p>2021-11-10: Rep. Harris volunteered to submit the Agency Administrative Expenses Report. Commission staff will provide Rep. Harris with the report, draft email, and email addresses.</p>	Complete	11/12/21
46	11/10/21	Provide actuarial impact based on exemption data from ESD	Matt Smith	12/10/21	2021-11-10: At the December Commission meeting, OSA will provide information about the actuarial impact based on exemption application data from ESD.	New	
47	11/10/21	Provide information about the veterans policy option	Ben Veghte	12/10/21	2021-11-10: Commission staff will put together a one-pager on the veterans policy option and do more research on what benefits are available to the national guard.	New	
48	11/10/21	Let Ben or Juli know if there are conflicts with any of the 2022 Commission meeting dates	Commission Members	11/19/21	<p>2021-11-10: Commission members let Ben or his administrative assistant, Juli Christoffersen, know, by November 19th, if they have conflicts with any of the 2022 meeting dates.</p> <ul style="list-style-type: none"> April 18th 1:00 to 4:00 June 1st 1:00 to 4:00 September 13th 1:00 to 4:00 November 10th 8:30 to 11:30 December 9th 1:00 to 4:00 (if needed) 	New	

Appendix: Public Comment

Public comment provided during the meeting	
Name	Comment
Claude Thau	<p>I'm wondering how long after request for exemption it takes, what expectations should we give people as to how long it's going to take before it gets approved. I got the impression by the middle of December it's going to be down to two-week period of time. But that's somewhat speculative. If there's any more information on that, that would be good.</p> <p>The only comment I would have is that I think in terms of Milliman's assumptions, originally I thought they had probably overstated the possible cost of the fund. Now I think they've understated it. It's not a question of how many exemptions there are, it's a question of that and who they are. So when you combine the two, I'm concerned that there's -- that the cost to the fund is going to exceed their expectations. We'll see what happens when you get more analysis. Thank you for considering me.</p>
Sandra Wood	<p>I'm Sandra Wood, owner of the Benefits Academy. I have assisted Washington state constituents with understanding and selecting benefits for over 30 years. I do believe the Commission should be providing the issues to the legislature and possible policy options and impacts. I also believe the most pressing issue on the list is requiring actual certification for opting out and recertification needs to be part of the law. There are many individuals who feel they could opt out, receive their approval letter and terminate their long-term care plan wrought any ramification. We need to look back to the overarching goal of the program, the rising cost of long-term care was the motivating factor to introduce the WA Cares Fund with the goal being to provide a buffer prior to the centers of Medicare and Medicaid services being tapped into. Without certification and recertification, policies will begin to lapse. Those constituents will not be required to enter back into the WA Cares program this, further inflate the cost to the state for LTC services and this is counter to the original goal of the WA Cares Fund. And the fund is going to have to increase the tax burden to those who are on the fund which are the people who need that program the most and who can least afford to have a tax increase.</p> <p>Thank you.</p>
Kelly Young	<p>Thank you, I appreciate the opportunity to speak today. I have a history of over 30 years of helping clients in Washington and Oregon with long-term care and transition to full financial planning. This -- what's taking place very much reminds me of what happened in the early '90s, when I was working at Premera Blue Cross, and the insurance commissioner at that time helped to change the preexisting medical laws for all insurers. And at that time, we had a mass exodus of insurance companies, and ultimately that was repealed with many expensive lawsuits and time spent on all parties.</p> <p>Fast forward now, we all have the benefit of not having that preexisting condition clause on our medical insurance. The reason why I bring this up is I feel that there's quite a bit of correlation between what took place then and what is happening now. That we do feel that this is a generally -- a need that we all have, how it's executed, the timing of the execution, and the portability are all concerns. Once other states and all states require preexisting conditions to be removed, it then opens the door for a much more powerful change. And that's what I would like to see happen.</p> <p>Employees, we all made decisions based on the information that was provided by the commissioners' brochures and the benefits involved. Those benefits can be changed, however, the exemption cannot be changed, which is not acceptable to require -- to force a permanent exemption whereas benefits can be dramatically reduced. Who knows that home care won't be pulled off? Who knows transportation benefits won't be pulled off? Because of the expense provided by those, and we've seen those through waiver or Medicaid programs or I have personally through other surrounding states.</p> <p>So that is my concern. Thank you.</p>

Public comment provided during the meeting	
Name	Comment
Joel Ferris	<p>Yes, I appreciate the comments the other speakers. I have been a long-term care industry myself, helping people for the last 10 years. And as I look at the cost of care, I live in Spokane, if I live -- look at the cost of care for in-home care right now, it's about \$5900 a month based on the Genworth Financial cost of care, which is the industry standard. Seattle area, \$6600 a month. If you look at what's provided in the state plan, \$36,500 lifetime, \$100 a day, I have a hard time explaining to people what they're getting for their money, and it doesn't cover cognitive issues, apparently, from what I can tell. And requires three activities of daily living to go on claims. So it's at best a weak supplemental the way it's structured right now.</p> <p>That would be my primary concern. As well as the fact that I -- I've addressed this with Andy, the state senate majority leader, that the rollout was poorly done, we as agents didn't really understand until a very last minute, I would say in mid-summer, what the end line was going to be as far as being able to get a waiverable plan in place for this. So we -- a lot of angry people. And I'm trying -- I wish the best, I think there was a lot of good intention on this plan, I'm not saying that it was a bad thing. But I think there needed to be more comments by those in the profession who could help structure maybe a better overall rollout and a better plan. I just don't think it was done adequately. That's my comment.</p>
Elizabeth Hovde	I'm Elizabeth Hovde, the transcript was disabled for a while, and I wanted to make you aware. It does look back on now.
Linda Wright	<p>My name is Linda Wright. Can you hear me okay? My name is Linda Wright, and my husband is Ron Wright, we live in Arlington, Washington.</p> <p>And I'm very passionate about long-term care. And I have a strong reason for it. 15 years ago while I was a school bus driver in Marysville, Washington, my mother-in-law had a debilitating stroke. She was in the hospital and a nursing home for a brief time. And when we were able to move her home. And we then moved up to Arlington to be caregivers and work. And over the 15 years, my mother had to move in with us because she had dementia, my ex-mother-in-law had to move in. And my father-in-law now who is the only one alive, is 90, and during that 15 years, there was no long-term care plans or funding available. We had to hire people recommended off the street, to come in and give us assistance so we wouldn't have to quit our jobs. The nursing homes were far too expensive, and we wanted to keep Shirley in our home and give her care.</p> <p>It's devastating to know that we don't have these programs in place and up and running. I'm an advocate for this program, because had we had it, it would have helped us so much. I at one time had four people over the age of 80 living with us. It was hard, it was a struggle. My mom bought out of her little trailer next to our apartment, and was out all night because she had dementia. She had a heart attack, and we didn't have sufficient capability to have care given in our home.</p> <p>I could lose my job and lose my home, and had there been this program in place, it would have been essential to give us respite to be able to go to work and know there was somebody there to help her. It was a struggle. And this program is fabulous, and can be even made better. It's no different than unemployment. We all pay into it, it's a safety net. We hope we never have to use it. But it's there if we need it. I strongly urge anyone in control of this bill to please continue to move it forward. Our senior citizens deserve the very best, and being with our families in their homes whether they're sick or ill, long-term or short-term, this program, it's just desperately needed for folks like me. And I'm happy to continue speaking publicly anywhere to help. This is critically important. Our seniors deserve the very best. Thank you.</p>
David Preston	<p>Thank you. I appreciate it. I appreciate the intentions of this bill.</p> <p>One thing specifically with the last commenter, I forgot her name, but as a licensed broker of LTC I've been busy for the last six months, trying to place products for clients. One of the issues that I'd like you guys to address with this and that might have addressed her situation, if someone is fully functioning yet has cognitive impairment or advanced dementia like someone I'm close to, but he can function, walk around, so he doesn't fit the other ADLs, under this plan there would be no claim. He has to have three ADLs and cognitive impairment would be one of the three. A claim would not be paid if someone is totally wiped out from dementia, but they could walk around and function and get up and down and eat and take care of themselves. So right now I would say to get a claim on this product, is 50% more difficult than a normal private plan. And private plans as most of you know cover dementia as its own standalone or cognitive impairment as its own standalone trigger for a claim. So I want to leave that out there, maybe you could change the definition of cognitive impairment, let it sit on its own for a claim. Thanks.</p>

Public comment provided during the meeting	
Name	Comment
Bob Lockyer	Can you hear me? Thank you so much. I appreciate the opportunity to address the Commission. My question stems from the ability to have an exemption in the future. I mean, someone aged 20 is not even on their radar yet to consider buying insurance. So there needs to be a future opportunity. Maybe annually, maybe every November or something to give younger folks an opportunity to consider it and buy private if they choose. Because I agree with the last caller in that the private insurance has little stronger provisions than what I'm currently seeing on the public contract. Thank you so much for an opportunity.
Linda Wright	I just wanted to share, back in my early 30s, I had purchased a long-term care plan through the foresters, and it was unaffordable back then. They actually wanted us to sign over the title to our homes so that if we needed care in our later years, they would take our home from us. Leaving nothing from for my children. I just feel like this program, even if it starts with only 33,000 a year, it helps people through a crisis, and long-term care plans sometimes are sold by for-profit companies, and insurance -- it doesn't always work out for the public, especially when you're in crisis. And so caring for these elderly family members was critically important to give them the best quality of life, and this is an affordable path to go down to assess what we need and what we -- it gives us a time to make decisions. Because when something like a major stroke hits, it's all hands on deck and nobody knows what to do, or the work it encompasses to keep a loved one at home. So I am -- I hope this plan can be written in a way that's helpful and continues to be helpful, affordable. I'm very leery for-profit companies because they absolutely wanted us to sign over our house as part of the policy that it encompassed. I just wanted to share this. This would help everybody.
Jan Fernandez	Hello. Thank you very much. My name is Jan Fernandez, and the points I would like to bring up are, I would like to request that the OIC or the ESD provide a designation on plans that qualify for opting out using RCW48.83.020 as the framework for this designation process. Second, I would like to request that we allow insurance carriers to provide Washington State with a list of all those enrolled on a designated plan, along with enrollment dates. Third, I would also like to request to allow insurance carriers to also provide notification to Washington State as those enrolled on a designated plan terminate their coverage along with the termination date. And fourth, I would also like to request, to allow individuals to move from one long-term care product or carrier to another as long as the new coverage is also opt-out qualified. And there is no break in coverage between the old policy and the new policy.