

LTSS Trust Agency Administrative Expenses Report

RCW 50B.04.030



Authored by:
LTSS Trust Commission

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LTSS Trust Agency Administrative Expenses

Executive Summary

Statutory Requirement

Per [Chapter 50B.04.030 \(5\) RCW](#), the Long-Term Services and Supports Trust Commission shall monitor agency administrative expenses over time. The Commission must annually report to the Governor and the fiscal committees of the Legislature on agency spending for administrative expenses and anticipated administrative expenses as the program shifts into different phases of implementation and operation.

Background

The Long-Term Services and Supports Trust Act was created through the passage of SSHB 1087 in April of 2019 and is now known as WA Cares Fund. The Department of Social and Health Services (DSHS), the Office of the State Actuary (OSA), the Employment Security Department (ESD), and the Health Care Authority (HCA) each have distinct responsibilities in the implementation and administration of the WA Cares Fund program. DSHS, OSA, ESD and HCA will collaborate to realize program efficiencies and minimize administrative expenses.

The LTSS Trust Commission Agency Administrative Expenses Report, due to the Legislature on November 15, 2024, provides information on the DSHS, OSA, ESD and HCA administrative expenses for the State Fiscal Year (SFY) 2024 and the anticipated administrative expenses for the agencies in the 2023-25 biennium.

During the startup phase, the WA Cares Fund is making strategic investments to meet requirements identified in RCW 50B. These include technology development, staffing for program design and policy development, and customer care.

[RCW 50B.04.030\(5\)](#) requires that the November 15, 2027 Agency Administrative Expenses Report include recommendations for a method of calculating future agency administrative expenses to limit administrative expenses while providing sufficient funds to adequately operate the WA Cares Fund program.

The Secretary of the Department of Social and Health Services, the Commissioner of the Employment Security Department, and the Director of the Health Care Authority may advise the Commission on the reports prepared but must recuse themselves from the Commission's process for review, approval, and submission to the Legislature.

WA Cares Fund Funding

Per Chapter [50B.04.100 RCW](#), expenditures from the LTSS Trust account may be used for the administrative activities of the Department of Social and Health Services, the Employment Security Department, and the Health Care Authority. The account is subject to the allotment procedures under chapter [43.88 RCW](#). An appropriation is required for administrative expenses.

The LTSS Trust account has been established and the Employment Security Department deposits premiums collected from employees into the account. Employers started collecting premiums from their employees and self-employed individuals began electing coverage in July 2023. The general fund loan that funded administrative expenses prior to the commencement of premium collection has been repaid with interest.

2023-25 Biennium WA Cares Fund Budget Appropriations by Fiscal Year

The budget appropriations for the 2023-25 Biennium by Fiscal Year 2024 and 2025 are shown in Table 1. These figures include one-time costs for program startup, including expenditures for a Benefit Application Management System, Customer Relationship Management Systems, a Provider Search Tool, and costs related to a ProviderOne change request.

Agency	Funding Source	FY24	FY25	Total Appropriations
DSHS	LTSS Trust	\$14,376,000	\$38,025,000	\$52,401,000
DSHS for OSA ¹	LTSS Trust	\$780,000	\$ 520,000	\$ 1,300,000
ESD	LTSS Trust	\$ 23,236,500	\$22,204,500	\$45,441,000
HCA ²	LTSS Trust	\$ 0	\$ 0	\$ 0
Total		\$38,392,500	\$60,749,500	\$99,142,000

¹OSA costs will be charged back to DSHS through an Interlocal Agreement between the two agencies. Hence the total DSHS appropriation is \$53,701,000.

²Costs related to a ProviderOne change request payable during this biennium are included in the DSHS appropriation for the full biennium.

Table 1: 2023-25 WA Cares Fund Biennium Budget Appropriations by Agency

State Fiscal Year 2024 Administrative Expenses by Agency

The total WA Cares Fund administrative expenses for SFY 2024 were \$30,378,521. Table 2 shows the SFY 2024 administrative expenses by agency and Figure 1 shows expenses by object.

Agency	Funding Source	FY24 Expenditures
DSHS	LTSS Trust	\$13,757,683
DSHS for OSA	LTSS Trust	\$744,747
ESD	LTSS Trust	\$15,876,091
HCA	LTSS Trust	\$0
Total		\$30,378,521

Table 2: Fiscal Year 2024 Administrative Expenses by Agency

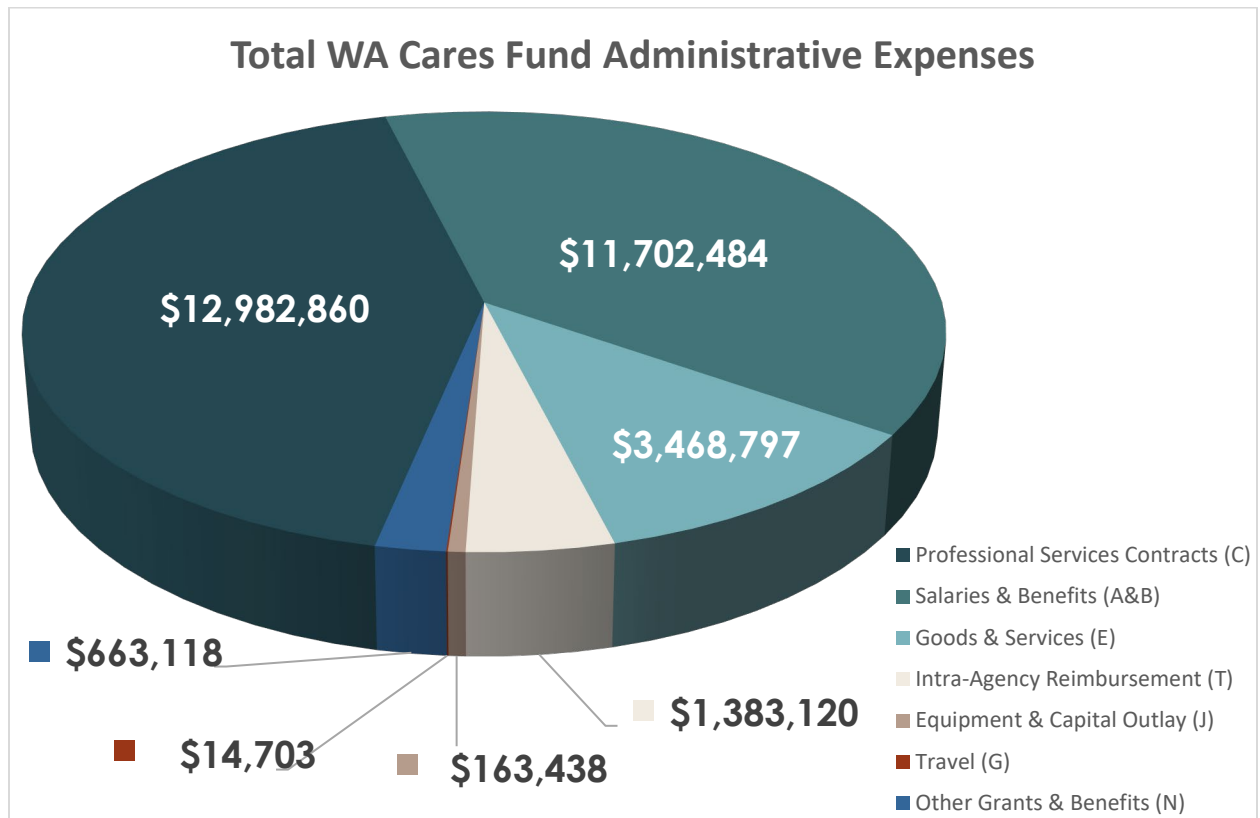


Figure 1: Fiscal Year 2024 WA Cares Fund Administrative Expenses by Object

DSHS and OSA

The total DSHS WA Cares Fund administrative expenses for the SFY 2024 were \$14,502,430. Figure 2 shows DSHS expenses by object (**OSA expenses are part of Object C**).

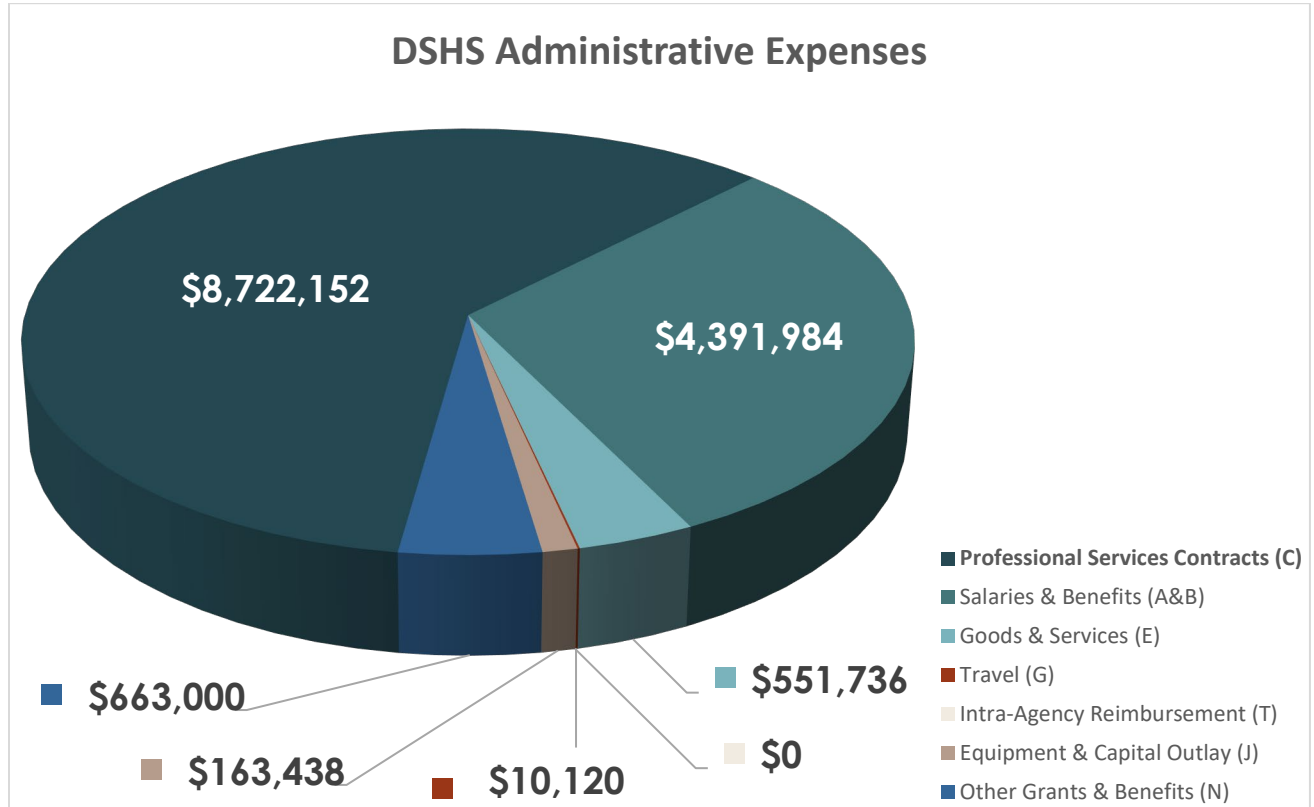


Figure 2: 2024 Fiscal Year DSHS WA Cares Fund Administrative Expenses by Object

DSHS and OSA WA Cares Fund implementation activities for SFY 2024 included:

DSHS

- Engaged with Salesforce on the first phase of WA Cares software release to implement a lite version of the Customer Relationship Management system used by the Benefits and Customer Care team
- Continued engagement with a user-experience design firm, The Holding Company, to help develop the WA Cares Fund user experience
- Developed a concept paper and continued discussions with the federal Centers for Medicare and Medicaid Services (CMS) on a potential 1115 Medicaid Waiver

- Continued operating the WA Cares Fund Benefits and Customer Care Center to respond to public inquiries about the program
- Continued strategic planning, organizational development, and project management activities to ensure successful launch
- Conducted tailored public outreach and developed and engaged community members in roundtable discussions to build knowledge about the program
- Began rulemaking activities for policy development on eligibility and provider network
- Expanded language translation to the WA Cares Fund website
- Staffed and facilitated Commission meetings, Commission Workgroups, and Investment Strategy Subcommittee meetings
- Exercised cross-agency program governance to ensure continued coordination across administering agencies

OSA

- Began work on next actuarial valuation of the WA Cares Fund program, with expected completion in FY 2025
- Supported the Commission, DSHS, and relevant workgroups reviewing WA Cares Fund, providing consulting and actuarial analysis, as needed
 - Including contingency planning workgroup efforts and Medicaid savings analysis
- Supported the legislative process, including actuarial analysis
- Published actuarial trust solvency report and updated the frequently asked questions documents of WA Cares Fund program
- Continued strategic planning efforts to ensure valuable, efficient delivery of actuarial services for the WA Cares Fund program

ESD

The total ESD WA Cares Fund administrative expenses for the Fiscal Year 2024 was \$15,876,091. Figure 3 shows ESD expenses by object.

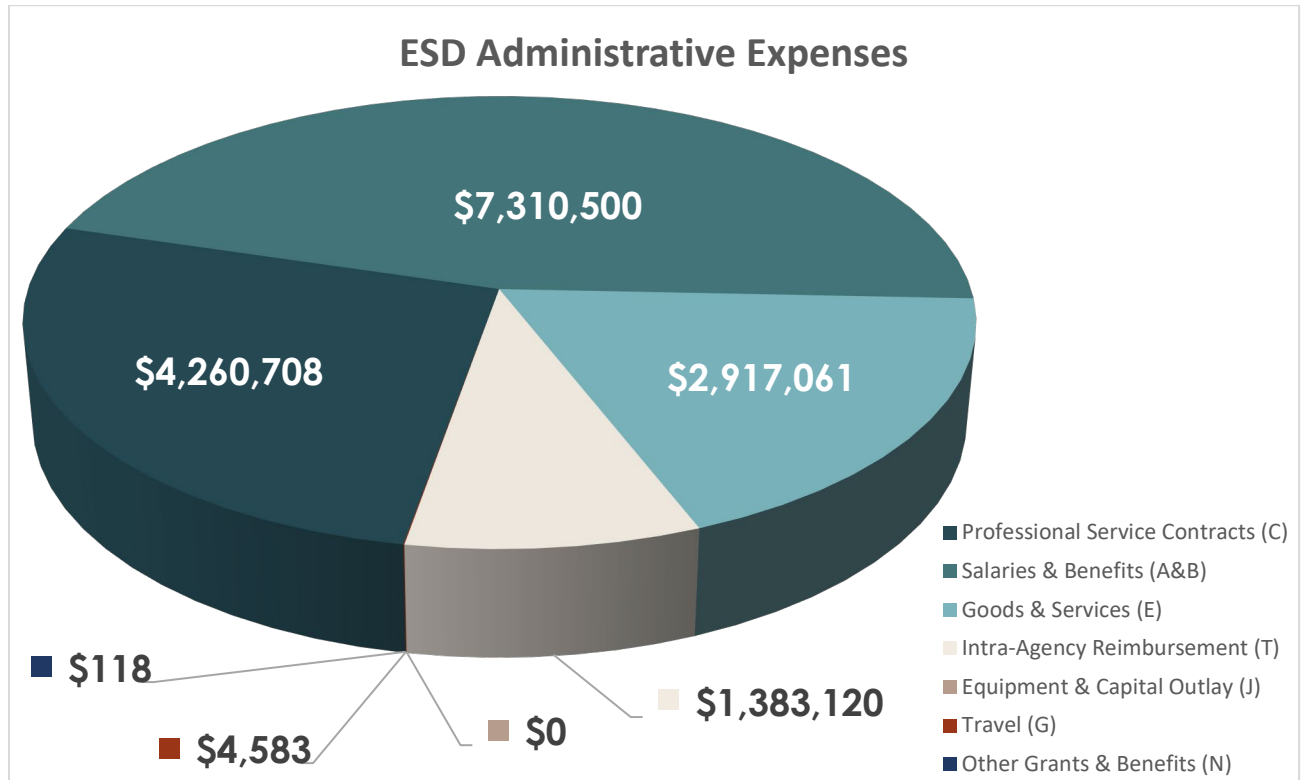


Figure 3: Fiscal Years 2024 ESD WA Cares Fund Administrative Expenses by Object

ESD

- Platform work to extend Paid Leave system to support the WA Cares Fund service
- Implementation of Employee Exemptions, Wage Reporting, Premium Collection, and Self-Employed Elective Coverage, including change management
- Implementing mandates from the 2024 legislative session
- Rules and policy work for Employee Exemptions, Wage Reporting, Premium Collection, and Self-Employed Elective Coverage, and Qualified Individual Status
- QA vendor activities and other contracts
- Training and staff onboarding planning for Employee Exemptions, Wage Reporting, Premium Collection, and Self-Employed Elective Coverage

- Communications and outreach activities for WA Cares Fund, including Employee Exemptions, Wage Reporting, Premium Collection, and Self-Employed Elective Coverage
- Investment Plan, Project Charter, and Project Plan approved by OCIO
- Updated gate 3 Investment Plan, Project Charters, and Project Plan approved by OCIO
- ESD Oversight Committee established governance activities for Wage Reporting, Premium Collection, Self Employed Elective Coverage

HCA

- Completed the development and submission of the formal ProviderOne Change request to support implementation of WA Cares Fund requirements. Reviewed analysis for any potential changes as a result of the implementation schedule changes and delays from legislative session
- Worked with DSHS on business needs and changes needed for ProviderOne, as policy discussions and potential new requirements emerged
- Collaborated with DSHS and ESD on development of refined governance structure
- Evaluated current call center and telephony standards/capabilities in support of ESD and DSHS analysis for future shared customer coordination

State Fiscal Year 2025 Implementation Activities by Agency

Planned WA Cares Fund implementation activities by agency for SFY 2025 are shown in Table 3.

Activity	FY25			
	DSHS	OSA	ESD	HCA
Plan and build WA Cares Fund IT systems	X		X	X
Develop the concept paper and application for the shared savings waiver for Medicaid and Medicare savings	X			X
Coordinate across agencies to respond to public inquiries about WA Cares Fund	X		X	X

Activity	FY25			
	DSHS	OSA	ESD	HCA
Administer premium collection			X	
Administer opt-in option for self-employed people			X	
Administer employee exemptions			X	
Conduct rule and policy writing	X		X	X
Plan and build the provider network	X			
Conduct actuarial analysis and consult as needed		X		
Advance data sharing capabilities between agencies	X	X	X	X
Conduct communication and outreach activities	X		X	
Begin planning for implementation of benefit portability	X		X	X
Identify program outcomes and metrics	X	X	X	X
Develop change champions cross agency workgroup	X		X	X
Continue to staff, plan, and facilitate Commission meetings, Investment Strategy Subcommittee meetings and Commission workgroups	X	X	X	
Work with the Commission to use the Risk Management Framework for the WA Cares Fund	X	X		
Provide staff support to the Commission's annual WA Cares Fund Administrative Expenses Reports to the Governor and Legislature	X	X	X	X
Provide staff support to the Commission's annual LTSS Trust Commission	X	X	X	X

Activity	FY25			
	DSHS	OSA	ESD	HCA
Recommendations Reports to the Legislature and Executive Agencies				

Table 3: Fiscal Year 2025 WA Cares Fund Implementation Activities by Agency