

LTSS Trust Commission Recommendations Report

RCW 50B.04.030 (4)

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Long-Term Services and Supports Trust Commission

Date:
January 1, 2025

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Executive Summary

Enacted in 2019, the Long-Term Services and Supports (LTSS) Trust Program (chapter 50B.04 RCW), now called WA Cares Fund, is a contributory long-term service and supports insurance program that provides a maximum lifetime benefit of \$36,500 (adjusted annually up to inflation) for all qualified, eligible Washingtonians.

It is financed by an employee premium of 0.58% of wages, the maximum rate which can be assessed according to the statute. Individuals who have met work and contribution requirements of 10 years with no more than a 5-year interruption (or 3 out of the last 6 years at the time of application) and who need assistance with three or more activities of daily living may claim full WA Cares Fund benefits from approved providers. Individuals born before 1968 also have the opportunity to earn partial WA Cares Fund benefits, namely 10 percent of the maximum lifetime benefit for each year they contribute.

WA Cares Fund is a multi-agency program administered collaboratively by the Department of Social and Health Services (DSHS), the Employment Security Department (ESD), and the Health Care Authority (HCA). The Office of the State Actuary performs actuarial valuations and makes recommendations to maintain trust solvency. The WA Cares Fund is overseen by the 21-member LTSS Trust Commission (see [Appendix A](#) for a list of Commission Members).

On July 1, 2023, premium assessments began for covered workers and self-employed individuals began electing coverage. On July 1, 2026, DSHS will begin paying benefits on behalf of eligible beneficiaries.

Based on latest actuarial analysis (from October 2022), under most scenarios evaluated, including the base plan scenario, the program's premium assessment of 0.58% (\$0.58 per \$100 of wages, or about \$24/month for the median covered earner making \$50,100/year) is projected to keep the WA Cares Fund solvent over the entire 75-year projection period (through June 30, 2098). There were scenarios identified that, without corrective action, could lead the program to have insufficient revenue to provide for full program benefits over the entire projection period. (For more information on program solvency, see [Appendix B](#); for the Commission's "WA Cares Fund Risk Management Framework," see [Appendix C](#)). The WA Cares Fund is projected to result in Medicaid cost avoidance for both the state general fund and the federal government as a result of delaying or diverting people from Medicaid long-term services and supports (see [Appendix D](#)). This also means that fewer Washingtonians will need to spend down their life savings to qualify for Medicaid long-term care due to WA Cares Fund. WA Cares Fund is also projected to result in a reduction in Medicare utilization and expenditure.

Per RCW 50B.04.030, the LTSS Trust Commission is charged with proposing recommendations to the Legislature or the appropriate Executive Agency on specific aspects of the program. The Commission's recommendations and decisions are guided by the joint goals of maintaining benefit adequacy and long-term solvency.

The Commission considered two main policy issues this year:

1. Minimum qualifications for registering WA Cares Fund providers;
2. Maximum allowable rates that WA Cares may pay providers

For each of the topics above, the LTSS Trust Commission researched policy options, impacts, and administrative feasibility and developed policy recommendations.

In addition to the recommendations outlined in this year's report, the Commission made a set of recommendations in its [January 2023 Recommendations Report](#). Seven recommendations from that report have not yet been enacted and still stand (see [Appendix E](#) for full recommendation text):

- Provide everyone who has a lifetime exemption a one-time limited opportunity to permanently join the WA Cares Fund until June 30, 2028, five years after the start of premium collection.
- Amend RCW 50B.04.080 to sunset a collective bargaining agreement exception. Adopt premium accountability measures for the WA Cares Fund to allow ESD to collect assess and collect penalties and interest from employers that don't report wages.
- ESD will require quarterly wage reports from individuals who are self-employed and elect coverage under the WA Cares Fund. At the end of each taxable year, elected coverage participants verify income that was reported to appropriately apply accurate premium assessment and "true up" any misreported income and to amend WAC 192- 915-015 to require this.
- Provide WA Cares Fund administering agencies authority to pay benefits early for a small group of beneficiaries before July 1, 2026 to pilot the program prior to launch.
- Replace existing RCW 50B.04.050(1)(a) pathway language with the simpler formulation: "A total of ten years".
- Credit any savings achieved through a shared savings waiver from Centers for Medicare and Medicaid Services (CMS) to the WA Cares Fund
- Create the statutory framework for a private long-term care insurance product that is supplemental to the WA Cares Fund.

The Commission also made two recommendations in its [January 2024 Recommendations Report](#) that have not yet been enacted and still stand:

- Modify the exemption process for temporary non-immigrant visa holders working in Washington state. Exempt wages earned by non-immigrant visa holders from premium collection, with the ability to voluntarily participate if they so choose.
- Allow for a conditional voluntary exemption to be requested by active-duty service people who are engaged in off-duty civilian employment.

January 1, 2025 Commission Recommendations

1) Minimum Provider Qualifications

LEGISLATIVE REQUIREMENT

Under [RCW 50B.040.020](#)(3), the Department of Social and Health Services (DSHS) is required to:

- (b) Approve long-term services and supports eligible for payment as approved services under the program, as informed by the commission;
- (c) Register long-term services and supports providers that meet minimum qualifications;
- (d) Discontinue the registration of long-term services and supports providers that: (i) Fail to meet the minimum qualifications applicable in law to the approved service that they provide; or (ii) violate the operational standards of the program;
- (e) Disburse payments of benefits to registered long-term services and supports providers, utilizing and leveraging existing payment systems for the provision of approved services to eligible beneficiaries under RCW 50B.04.070;

The definition of "long-term services and supports provider" under [RCW 50B.04.010](#)(11) establishes provider minimum qualifications as those "qualifications applicable in law to the approved service they provide, including a qualified or certified home care aide, licensed assisted living facility, licensed adult family home, licensed nursing home, licensed in-home services agency, adult day services program, vendor, instructor, qualified family member, or other entities as registered by the department of social and health services."

POLICY ISSUE

DSHS will manage the network of providers that may be paid by WA Care Fund with a goal of achieving an adequate number of quality providers to serve beneficiaries beginning in 2026. DSHS currently manages the Medicaid long-term services and supports network in partnership with the state's thirteen Area Agencies on Aging. These partnerships will be leveraged to recruit and maintain adequate providers and ensure oversight and quality within the network. Beneficiaries will be able to find local WA Cares Providers through an online registry.

The Commission's recommendations on minimum provider qualifications create a framework for DSHS to execute agency rules that set provider qualifications. Stakeholders will be engaged through the rule-making process. Additional feedback will be considered by DSHS and addressed in agency rules. DSHS will also continue to work with tribal governments to ensure providers operated by the tribes may become registered to provide approved services.

COMMISSION RECOMMENDATIONS ON MINIMUM PROVIDER QUALIFICATIONS

Group 1: Providers That Offer Direct Assistance with Activities of Daily Living

Adult Family Home Services:

An Adult Family Home is a home-like residential setting licensed under chapter 70.128 RCW where two to eight adults live and receive personal care, special care, room, and board. Services may include help with activities of daily living such as help with dressing, eating, and personal hygiene to support self-care; transportation to medical appointments and community activities; specialty care for dementia (also known as memory care), mental illness, or developmental disabilities; other nonmedical services; and nursing services when provided by appropriately credentialed staff or when appropriately delegated. Adult Family Homes may also provide adult day services and respite care for individuals who receive in-home care from family caregivers.

Recommended by the Commission:

1. Hold a valid state issued Adult Family Home license or comparable credential issued by a Tribal government.
2. Pass a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC.
3. Conduct a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC for employees, volunteers, and subcontractors who may have unsupervised access to vulnerable adults. Complete a name and date of birth background check every two years thereafter.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Comply with all applicable federal, state, county, and city laws, regulations, rules, codes, and ordinances.

Assisted Living Facility Services:

An Assisted Living Facility is a residential setting licensed under chapter 18.20 RCW where seven or more adults live and receive basic services for their safety and well-being. Services may include domiciliary care; help with activities of daily living; transportation; specialty care for dementia (also known as memory care), mental illness, or developmental disability; other nonmedical services; and nursing services when provided by appropriately credentialed staff or when appropriately delegated. Assisted Living Facilities may also provide respite care for other non-residents who are receiving care from family caregivers in their homes.

Recommended by the Commission:

1. Hold a valid state issued Assisted Living Facility license or comparable credential issued by a Tribal government.
2. Pass a DSHS name and date of birth background and fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC.
3. Conduct a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC for employees,

volunteers, and subcontractors who may have unsupervised access to vulnerable adults. Complete a name and date of birth background check every two years thereafter.

4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Comply with all applicable federal, state, county, and city laws, regulations, rules, codes, and ordinances.

In-Home Personal Care – Home Care Agency:

A Home Care Agency is an in-home service agency licensed under chapter 70.127 RCW that provides nonmedical personal care to individuals who are ill, disabled, or vulnerable so they can remain in their residence. Personal care may include help with activities of daily living such as dressing, eating, and personal hygiene to support self-care; homemaker help with household tasks, such as housekeeping, shopping, meal planning and preparation; transportation; respite care support provided to the family caregivers; other nonmedical services; and appropriately delegated nursing services.

Recommended by the Commission:

1. Hold a valid Home Care Agency license issued by the Department of Health under chapter 70.127 RCW for a minimum of three consecutive years.
2. Pass a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC.
3. Conduct a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC for employees, volunteers, and subcontractors who may have unsupervised access to vulnerable adults. Complete a name and date of birth background check every two years thereafter.
4. Comply with all applicable federal, state, county, and city laws, regulations, rules, codes, and ordinances.
5. Have at least three years' experience as a licensed Home Care Agency.
6. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
7. Confirm that all employees and volunteers who use vehicles to transport clients have personal automobile insurance and current driver's licenses.
8. No history of multiple cases of lost litigation related to service provision to medically frail or functionally disabled persons.
9. Have no significant licensing deficiencies during the three-year period prior to registration.
10. Obtain an independent financial audit by a licensed Certified Public Accountant covering the two-year period prior to registration with no findings that show inadequate administrative and accounting procedures and controls.
11. Use electronic visit verification to document in-home visits.
12. Establish employee conflict of interest policy guidelines, procedures, and safeguards.

In-Home Personal Care – Individual Providers:

A caregiving option for receiving in-home personal care is to hire an Individual Provider (IP). IPs are employed by Washington's Consumer Directed Employer (CDE) agency, and co-managed by the beneficiary. An IP may be someone unrelated or unknown to the beneficiary, or they could be a family member or otherwise known to the beneficiary, such as a friend or neighbor who agrees to be hired by the CDE and provide the care needed. IPs can provide the following types of services:

- Personal care support with Activities of Daily Living (ADLs), such as assistance with dressing, eating, bathing and medication management;
- Instrumental Activities of Daily Living (IADLs), or homemaking services, such as assistance with cleaning, shopping, meal preparation, and transportation;
- Respite care to the family caregiver.

Excluded Services:

- Performing tasks outside of the scope of work for an Individual Provider
- Tasks that directly benefit anyone other than the beneficiary
- Participating in any employment/job related activities of the beneficiary

Recommended by the Commission:

1. Be 18 years of age or older, be eligible to work in the United States, and pass a criminal background check.
2. Complete the CDE's hiring process, including a 5-hour Safety and Orientation online training for all provider types.
3. Once hired you will be an Individual Provider and considered a Long-Term Care Worker, therefore you must adhere to all related state rules.
4. Within 120 days from your date of hire, you must complete the following level of training required under RCW 74.39A.074, RCW 74.39A.076, and RCW 18.88B.041.

Nursing Home Services:

A Nursing Home is a facility licensed under chapter 18.51 RCW that provides convalescent or chronic care for three or more patients who are not able to independently care for themselves for a period of more than 24 consecutive hours. Convalescent or chronic care may include administering medicines; preparing special diets; giving bedside nursing care; applying dressings and bandages; carrying out treatment prescribed by a licensed health care provider; dementia care (also known as memory care); and respite care for non-residents who are receiving care from family caregivers in their home.

Recommended by the Commission:

1. Hold a valid state issued Nursing Home license or comparable credential issued by a Tribal government.
2. Pass a DSHS name and date of birth background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC.

3. Conduct a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC for employees, volunteers, and subcontractors who may have unsupervised access to vulnerable adults. Complete a name and date of birth background check every two years thereafter.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Comply with all applicable federal, state, county, and city laws, regulations, rules, codes, and ordinances.

Group 2: Core Services for In-Home Care

Adaptive Equipment and Technology:

Adaptive Equipment and Technology are assistive devices and items that would increase, maintain, or improve a beneficiary's ability to perform the activities of daily living (ADL) such as, but not limited to eating, bathing, toileting, walking, or to perceive control or communicate within their living environment.

Typical Adaptive Equipment and Technology services will include but are not limited to mobility aides, Cognitive and sensory aides, and fine and gross motor aides. Assistive technology is any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities or health related issue.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Any retail vendor with a Washington state business license and NPI number (Medical Provider only), the contractor must be a legal business entity and legitimately engaged.
6. A beneficiary may purchase WCF covered items from a retail or online store of their choice and be reimbursed by a Financial Management Services (FMS) vendor contracted by DSHS if

beneficiary submits receipt to FMS vendor for covered purchased items. The provider does not need to meet the general provider qualifications.

Environmental Modifications:

Environmental Modification services provide needed changes such as ramps, stair lifts, and widened doorways for a beneficiary in the home to increase, improve or maintain a beneficiary's health, welfare, safety, and independence.

Typical environmental modification services include but not limited to grab bars, ramps, widening doors, and bathroom remodels for safety and accessibility.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Providers are required to meet either of the following qualifications
 - a. General contractor and/or specialty contractor registered with L&I, licensed, bonded, and insured and meet the requirements of [chapter 18.27 RCW](#), or,
 - b. Non-Profit 501(c)(3) organization that is bonded and insured that offers environmental modifications or minor home repairs.
6. Certain environmental modification supplies may be purchased for self-installation such as grab bars or modular ramps that do not require professional installation. A beneficiary may purchase these items from a retail or online store of their choice and be reimbursed by a Financial Management Services (FMS) vendor contracted by DSHS if beneficiary submits receipt to FMS vendor for covered purchased items. The provider does not need to meet the general provider qualifications.

Home Delivered Meals:

Home delivered meals provides nutritionally balanced meals delivered to the beneficiary's home.

Typical Home Delivered Meal services include, but are not limited to, box meals, pre-packaged meals, hot meals delivered to a beneficiary home.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Meets standards of Food Service in [chapter 246-215 WAC](#).

Personal Emergency Response System:

Personal Emergency Response System (PERS) is a service to secure help in an emergency through an electronic device that is either connected to the beneficiary's phone or operates using GSM cellular signals and is programmed to signal a response center that is staffed by trained professionals who will immediately summon help for the beneficiary.

Typical Personal Emergency Response System services will include but not limited to Basic PERS, GPS, Med reminder and fall detector and wellness checks, via phone or in-person.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. The equipment is approved by the Federal Communications Commission and meets the Underwriters Laboratories, Inc. (UL) or ETL (Intertek) standard for home health care signaling equipment and completed DSHS background check for owner/contract signer.

Group 3: Core Services for In-Home Care, Community Access, and Family Support

Adult Day Services:

Adult Day Health centers provide supervised daytime programs including skilled nursing and rehabilitative therapy services, which included PT/OT, to beneficiaries who need assistance throughout the day.

Adult Day Care centers provide supervised daytime programs to support families by providing care and meaningful activities to beneficiaries who need assistance or supervision throughout the day.

Typical Adult Day services will include but are not limited to for ADH; skilled nursing and rehabilitative therapy and for ADC; supervised day programs, respite, and meaningful activities.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Meets requirements of WAC [388-71-0702](#) through [388-71-0776](#)

Eligible Relative Care:

A beneficiary's relative, including a spouse or registered domestic partner, may be hired as a caregiver to provide In-Home Personal Care services to the beneficiary. Services provided under Eligible Relative Care:

- Personal care support with Activities of Daily Living (ADLs), such as assistance with dressing, eating, bathing and medication management;
- Instrumental Activities of Daily Living (IADLs), or homemaking, such as assistance with household tasks, cleaning, shopping, meal preparation, and transportation.

Excluded Services:

- Performing tasks outside of the scope of a Long-Term Care Worker;
- Tasks that directly benefit anyone other than the beneficiary;
- Participating in any employment/job related activities of the beneficiary.

Recommended by the Commission:

1. Be a relative of the beneficiary, be 18 years of age or older, be eligible to work in the United States, and pass a criminal background check.
2. Complete a 5hr Safety & Orientation online training.
3. Within 120 days from your date of hire, you must complete the following level of training required under RCW 74.39A.074, RCW 74.39A.076, and RCW 18.88B.041.

Respite for Family Caregivers – Adult Day Services:

Respite Care is a short-term specialty service offered by Adult Day Service providers that allows family caregivers time for self-care.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Meets requirements of WAC [388-71-0702](#) through [388-71-0776](#).

Respite for Family Caregivers - Home Care Agency:

Respite Care is a short-term specialty service offered by in-home care providers that allows family caregivers time for self-care. Respite Care may be provided in a beneficiary's home by a Home Care Agency.

Recommended by the Commission:

1. Hold a valid Home Care Agency license issued by the Department of Health under chapter 70.127 RCW for a minimum of three consecutive years.
2. Pass a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC.
3. Conduct a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC for employees, volunteers, and subcontractors who may have unsupervised access to vulnerable adults. Complete a name and date of birth background check every two years thereafter.
4. Comply with all applicable federal, state, county, and city laws, regulations, rules, codes, and ordinances.

5. Have at least three years' experience as a licensed Home Care Agency.
6. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
7. Confirm that all employees and volunteers who use vehicles to transport clients have personal automobile insurance and current driver's licenses.
8. No history of multiple cases of lost litigation related to service provision to medically frail or functionally disabled persons.
9. Have no significant licensing deficiencies during the three-year period prior to registration.
10. Obtain an independent financial audit by a licensed Certified Public Accountant covering the two-year period prior to registration with no findings that show inadequate administrative and accounting procedures and controls.
11. Use an electronic visit verification system to document in-home visits.
12. Establish employee conflict of interest policy guidelines, procedures, and safeguards.

Respite for Family Caregivers – Individual Providers:

Respite services will be used to relieve a paid or unpaid family caregiver who is caring for a beneficiary. Its purpose is to provide reprieve to the primary caregiver for a couple of hours up to a couple of weeks, if needed. A beneficiary may choose from a fully trained and credentialed, Standard Provider IP, or a Respite Provider IP, employed by the Consumer Directed Employer. The IP would provide in-home personal care services, ADLs and IADLs, to the beneficiary, as directed by the beneficiary.

Excluded services include:

- Performing tasks outside of the scope of a Long-Term Care Worker;
- Tasks that directly benefit anyone other than the beneficiary;
- Participating in any employment/job related activities of the beneficiary.

Recommended by the Commission:

1. Be 18 years of age or older, be eligible to work in the United States, and pass a criminal background check.
2. Complete the CDE's hiring process, including a 5hr Safety & Orientation online training for all provider types.
3. Once hired, Individual Providers are considered a Long-Term Care Worker, therefore must adhere to all related state rules.
4. Within 120 days from your date of hire, you must complete the following level of training required under RCW 74.39A.074, RCW 74.39A.076, and RCW 18.88B.041.

Respite for Family Caregivers - Residential Care Settings:

Respite Care is a short-term specialty service offered by residential providers that allows family caregivers time for self-care. Respite Care may be provided by an Adult Family Home, Assisted Living

Facility, or Nursing Home. Respite Care provided in a licensed residential care setting can only be provided to non-resident beneficiaries.

Recommended by the Commission:

1. Hold a valid state issued an Adult Family Home, Assisted Living Facility, Nursing Home, or Home Care Agency license.
2. Pass a DSHS name and date of birth background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC. Adult Family Home and Assisted Living Facility providers must also pass a fingerprint background check.
3. Conduct a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC for employees, volunteers, and subcontractors who may have unsupervised access to vulnerable adults. Complete a name and date of birth background check every two years thereafter.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Comply with all applicable federal, state, county, and city laws, regulations, rules, codes, and ordinances.

Transportation:

Transportation services are to support beneficiaries transporting to and from the grocery store, medical appointments, social services, and recreational activities.

Typical Transportation services include but not limited to trip or mileage reimbursement, bus passes, taxi scripts and ferry tickets.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Transportation companies are required to meet standards described in the Washington Utilities and Transportation Commission (WUTC) rules for passenger transportation companies under [chapter 480-30 WAC](#) or private, nonprofit transportation providers under [chapter 480-31 WAC](#).

6. A beneficiary may turn in receipts for an approved transportation purchase, including transportation provided by a family member, friend, or neighbor, and be reimbursed by a Financial Management Services (FMS) vendor contracted by DSHS if beneficiary submits documentation to FMS vendor for covered purchase.
 - a. For reimbursement of transportation provided by a family member, friend, or neighbor, the driver must be 18 years or older, have a valid Washington state driver's license, and auto insurance. The driver does not need to meet the general provider qualifications.

Group 4: Wraparound Services

Care Transition Coordination:

Care transition coordination is a time-limited service that complements primary care. Care transition coordination is designed to ensure proper coordination, timely follow-up care, and healthcare continuity with the goal of avoiding preventable poor outcomes as beneficiaries return home from an acute care setting like a hospital or skilled nursing facility (such as readmission).

Typical care transition coordinators have a minimum of a bachelor's degree in nursing, gerontology, healthcare, social work, or a related field. WCF anticipates most providers will be health homes, home health agencies, medical social workers, and non-profit agencies.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Contractors for Care Transition Coordination must meet at least one of the following qualifications:
 - a. Solo practitioner or sole proprietor providing or specializing in care transition coordination services.
 - b. Agencies providing or specializing in care transition coordination, including:
 - i. Governmental agencies;
 - ii. Non-profit 501(c)(3) organizations.
 - c. Contracted Health Home Care Coordination Organizations (CCO) associated with a Health Home Lead Entity that employs individuals with the applicable license, credential, or certification.

- d. Any evidence-based program (EBP) provider that is licensed and credentialed for Care Transition Coordination. Fidelity to EBP must be verified at the time of contracting.

Dementia Supports:

Dementia Supports offers non-medical, community-based services to beneficiaries and their caregivers to improve care for the beneficiary by:

- Helping develop a behavior support plan for the beneficiary; and
- Providing legal consultation for beneficiaries seeking powers of attorney or other decision-making supports.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Contractors for Dementia Supports must meet at least one of the following qualifications:
 - A. Mental Health Professional including:
 - i. Behavioral Health Agency ([chapter 71.24 RCW](#) and [chapter 246-341 WAC](#))
 - ii. Per [chapter 18.19 RCW](#) and [chapter 246-810 WAC](#):
 - Agency affiliated counselor;
 - Certified Advisor;
 - Certified Counselor;
 - Hypnotherapist;
 - Agency Affiliated Counselor.
 - iii. Per [chapter 18.380 RCW](#) and [chapter 246-805 WAC](#)
 - Licensed Behavior Analyst (includes Assistant);
 - Certified Behavior Technician.
 - iv. Per [chapter 18.225 RCW](#) and [chapter 246-809 WAC](#)
 - Marriage and Family Therapist (includes Associate);
 - Mental Health Counselor (includes Associate);
 - Licensed Advanced Social Worker (includes Associate);
 - Licensed Independent Social Worker (includes Associate).
 - v. Per [chapter 18.83 RCW](#) and [chapter 246-924 WAC](#): Psychologist
 - B. Legal Professional ([chapter 2.44 RCW](#) and Washington State Bar Association: Admission and Practice Rules)

Education and Consultation:

Through this service, beneficiaries, and caregivers (including paid and unpaid family members) receive non-medical education, consultation, behavior management and training regarding the beneficiary's diagnoses and chronic health issues aimed at supporting the beneficiary to better manage their activities of daily living and their health and wellness.

Education and consultation services can also include evidence-based programs (EBPs) including but not limited to:

- Chronic Disease Self- Management Education Programs (CSDMP)/ Tomando Control de su Salud (Spanish CDSMP);
- Stay Active & Independent for Life (SAIL; a strength, balance, and fitness program for adults 65 and older);
- Otago (fall reduction exercise program);
- A Matter of Balance (program to reduce fear of falling with exercises to increase strength and balance);
- Aging Mastery (helps older adults take key steps to improve their well-being, add stability to their lives, and strengthen their involvement in the community).

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. The Contractor must meet the following qualifications for the education and training provided and the Contractor and any employees of the Contractor must maintain all necessary license, registration and certification as required by law. Applicable licensing laws include but are not limited to the following:
 - a. Registered Nurse (RN) licensed under [RCW 18.79](#) and [chapter 246-840 WAC](#);
 - b. Licensed Practical Nurse under [RCW 18.79](#) and [chapter 246-840 WAC](#);
 - c. Certified Dietician/Nutritionist under [RCW 18.138](#);
 - d. Physical Therapist (PT) licensed under [RCW 18.74](#);
 - e. Occupational Therapist (OT) licensed under [RCW 18.59](#);
 - f. Home Health Services under [RCW 70.127](#) and [WAC 246-335](#);
 - g. Home Care Agency under [RCW 70.127](#) and [WAC 246-335](#);
 - h. Community College as higher education institution conducting programs under [RCW 28B.50](#);

- i. Community Mental Health Agency – licensed under [WAC 388-865](#);
- j. Pharmacist – Licensed under [RCW 18.64](#);
- k. Evidence-Based Trainers meeting these qualifications: certification in an evidence-based training program;
- l. Centers for Independent Living;
- m. Board-Certified Music Therapist (MT-BC) with active credential;
- n. Recreation Therapist ([chapter 18.230 RCW](#) and [WAC 246-927](#));
- o. Contracted Health Home Care Coordination Organizations (CCO) associated with a Health Home Lead Entity that employs individuals with the applicable license, credential, or certification;
- p. Learning Management System such as (but not limited to) [CareLearn Washington](#).

Home Safety Evaluation:

Home Safety Evaluation offers the assessment of a beneficiary's home (rented or owned) by a professional therapist to identify and reduce or eliminate potential hazards to help minimize injury and improve accessibility while in the home.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Contractors for Home Safety Evaluations must meet at least one of the following qualifications:
 - A. A licensed Home Health Agency that meets the requirements of [chapter 246-335 WAC](#) and [chapter 70.127 RCW](#);
 - B. A licensed occupational therapist meeting the requirements of [chapter 18.59 RCW](#) and [chapter 246-847 WAC](#) (solo practitioner or agency);
 - C. Any licensed physical therapist meeting the requirements of [chapter 18.74 RCW](#) and [chapter 246-915 WAC](#) (solo practitioner or agency).

Memory Care:

Memory Care is a specialty service provided to beneficiaries with dementia in residential care settings. Specialty training for dementia care must be completed prior to providing Memory Care services to residents. Adult Family Home resident managers, entity representatives and caregivers; and Assisted Living Facility administrators, their designees, and caregivers must complete specialty training under chapter 388-112A WAC.

Recommended by the Commission:

1. Hold a valid state issued Adult Family Home, Assisted Living Facility, or Nursing Home license.
2. Pass a DSHS name and date of birth background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC. Adult Family Home and Assisted Living Facility providers must also pass a fingerprint background check.
3. Conduct a DSHS name and date of birth background check and a fingerprint background check pursuant to RCW 43.43.830 through 43.43.845 and chapter 388-113 WAC for employees, volunteers, and subcontractors who may have unsupervised access to vulnerable adults. Complete a name and date of birth background check every two years thereafter.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. Comply with all applicable federal, state, county, and city laws, regulations, rules, codes, and ordinances.

Professional Services:

- Skilled Nursing: a service that is intended for short-term, intermittent treatment of acute conditions or exacerbation of a chronic condition. Skilled nursing is used for treatment of chronic, stable, long-term conditions that cannot be delegated or self-directed.
- Nurse delegation: allows an RN to delegate specific skilled nursing tasks to nursing assistants or home care aides for eligible clients who have a skilled nursing task need. Tasks that can be delegated include, but are not limited to:
 - Oral medication and administration;
 - Topical medication administration;
 - Nasal sprays;
 - Eye drops;
 - Gastrostomy tube feedings (including med administration);
 - Wound care (simple, non-complex) as determined by the delegating nurse;
 - Blood glucose monitoring;
 - Insulin or non-insulin injectables for the treatment of diabetes;
 - Non-sterile tracheal and oral suctioning.

Note other tasks may be determined appropriate by the delegating nurse. Tasks that are prohibited by RCW and WAC from being delegated are:

- Administration of medications by injection (by intramuscular, intradermal, subcutaneous, intraosseous, intravenous, or otherwise) with exception of insulin injections;

- Sterile procedures;
- Central line maintenance;
- Anything that requires nursing judgement.
- Private Duty Nursing (PDN): a program that provides in-home skilled nursing care to individuals who would otherwise be served in a medical institution. Individuals using PDN services are dependent on a technology modality, including mechanical ventilation, complex respiratory support, tracheostomy, intravenous (IV) or parenteral administration of medications, or IV administration of nutritional substances. The purpose of PDN is to:
 - Provide community-based alternatives to institutional care for clients who have complex medical needs and require skilled nursing care on a continuous and daily basis that can be provided safely outside of an institution;
 - Support client families, who must assume a portion of the client's care.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. The Professional Services contractor must comply with all requirements for the specific professional service they are licensed, credentialed, and/or certified to provider, including any of the following:
 - a. Nursing services ([RCW 18.79](#) and chapter [246-840 WAC](#)):
 - i. Licensed Practical Nurse (LPN);
 - ii. Registered Nurse (RN).
6. Providers include, but are not limited to:
 - a. Solo practitioners or sole proprietor nurses;
 - b. Home Health Agencies licensed under chapter 70.127 RCW;
 - c. Contracted Health Home Care Coordination Organizations (CCO) associated with a Health Home Lead Entity that employs nurses with the applicable license, credential, or certification.

Services that Assist Paid and Unpaid Family Members – Housework and Errands:

Housework and Errands services supports beneficiaries to remain in the community by assisting with the health and safety of the beneficiary who may no longer be able to perform such duties. This service can be used to eliminate the burden of these tasks typically left to family members or risk

institutionalization of the beneficiary. This service should not be used by beneficiaries who are already receiving any kind of in-home personal care as IADLs are included in that service.

Housework may include:

- Cleaning kitchens and bathrooms;
- Sweeping, vacuuming, and mopping floors;
- Dusting;
- Assistance with laundry onsite or at a laundry mat (washing, drying, and folding clothes);
- Changing bedding and making the bed;
- Cleaning ovens and refrigerators;
- Washing interior windows and walls of areas of the home used by the beneficiary;
- Keeping walkways free of clutter or hazard;
- Removing extreme clutter and garbage that may be causing health and safety issues;
- Sweeping & mopping behind and under major appliances such as refrigerators, dryers, washing machines, etc.

Errands may include:

- Grocery shopping;
- Local essential trips such as banking, going to the pharmacy, post office.

Excluded tasks include:

- Personal care tasks (bathing, grooming, dressing, etc.);
- Yard work and exterior house cleaning or maintenance;
- Home repairs;
- Any task that requires skills not usual to performing household chores;
- Errands outside of a reasonable distance from the beneficiary's residence, or trips that are non-essential;
- Providing service to anyone in the household other than the beneficiary;
- Packing, rearranging furniture unless to support safe walkways through the home.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.

4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.
5. One year of operating legally in the State of Washington as a business.
6. Must be able to comply with OSHA's standards for use of cleaning agents.

Services that Assist Paid and Unpaid Family Members – Yardwork and Snow Removal:

Yardwork and Snow Removal services are available to beneficiaries who may need this support to remain in the community. The purpose will be to allow safe egress/entry into the home; reduce potential fire danger; assist the beneficiary to comply with local city/county codes, or other local requirements, such as a Homeowner's Association, or to address violations to remain in their choice of setting.

- Yardwork consists of maintaining the property where the beneficiary resides;
- Trimming bushes, grass, low hanging branches away from home and main walkways to ensure safe egress and reduce fire hazard;
- Raking leaves;
- Mowing lawn;
- Watering plants/bushes;
- Weeding;
- Cleanup and removal of debris associated with yardwork.

Excluded is:

- General yard work such as planting flowers, shrubs, and trees for esthetic purposes;
- Landscaping projects;
- Maintenance of indoor plants;
- Maintenance of a vegetable garden.

Snow Removal consists of removing snow and ice from sidewalks, driveways, entryways, etc. to provide safe egress and entry to the home for the beneficiary.

Recommended by the Commission:

1. Contractors must meet all Washington state laws to do business in the state (and city/county requirements, if applicable). This includes having all required business license(s), endorsement(s), credential and/or certification to provide the service.
2. The agency owner/contract signatory must pass a DSHS criminal history background check.
3. All employees, volunteers, and subcontractors who may have unsupervised contact with vulnerable adults must have passed a criminal history background check, which must be conducted by the contractor every two years and kept in personnel or subcontractor files. The criminal history background check must at least include Washington State Patrol criminal conviction records.
4. Hold a properly executed DSHS WA Cares provider contract, which includes insurance requirements.

5. One year of operating legally in the State of Washington as a business.

2) Provider Payment Maximums

LEGISLATIVE REQUIREMENT

Under [RCW 50B.040.020](#)(3), the Department of Social and Health Services (DSHS) is required to:

- (b) Approve long-term services and supports eligible for payment as approved services under the program, as informed by the commission;
- (c) Register long-term services and supports providers that meet minimum qualifications;
- (d) Discontinue the registration of long-term services and supports providers that: (i) Fail to meet the minimum qualifications applicable in law to the approved service that they provide; or (ii) violate the operational standards of the program;
- (e) Disburse payments of benefits to registered long-term services and supports providers, utilizing and leveraging existing payment systems for the provision of approved services to eligible beneficiaries under RCW [50B.04.070](#).

Under [RCW 50B.040.030](#)(4)(c), the Commission shall propose recommendations on the establishment of payment maximums for approved services consistent with actuarial soundness which shall not be lower than Medicaid payments for comparable services. A service or supply may be limited by dollar amount, duration, or number of visits. The commission shall engage affected stakeholders to develop this recommendation.

POLICY ISSUE

DSHS will manage the network of providers that may be paid by WA Care Fund with a goal of achieving an adequate number of quality providers to service beneficiaries beginning in 2026.

The Commission's recommendations on maximum rates create a framework for DSHS to execute agency rules and contracts that set rates and expectations for approved services. Stakeholders will be engaged through the rule-making process. Additional feedback will be considered by DSHS and addressed in agency rules and contracts. DSHS will also continue to work with tribal governments to ensure providers operated by the tribes may become registered to provide approved services.

To inform this recommendation, DSHS engaged Milliman to conduct a rates study and an economist to brief the Commission workgroup on market impacts. Milliman analyzed existing payment rates in the public and private sectors, sought feedback through provider briefings, and discussed results in open forums hosted by DSHS. Milliman will provide DSHS with information on inflation adjustment methodology in 2025. The Commission workgroup considered the following issues:

- o Maximum rates as payment in full
- o Beneficiary protection from being overcharged
- o Ability for the beneficiary to negotiate rates
- o Ensuring adequate supply of providers
- o Incentives for rural areas or other barriers to access

The Commission's recommendations on provider payment maximums will inform DSHS' development of

agency rules and provider contracts. DSHS will continue to conduct stakeholder engagement.

COMMISSION RECOMMENDATIONS ON PROVIDER PAYMENT MAXIMUMS

The Commission recommends that WA Cares Fund pay usual and customary rates for approved services up to a maximum rate. The Commission prioritized the following issues in their recommendations:

- Incentivizing new provider participation
- Flexibility in choice for consumers to select either low or high-cost providers
- Allowing for rate differences by geography

DSHS will also consider fraud mitigation, providing beneficiaries with materials for making informed decisions in selecting providers, inflation adjustments to rates and exceptions to the maximum rate for extraordinary circumstances. The ProviderOne payment system will prevent payment beyond the maximum. To mitigate fraud, the department will conduct a risk assessment, monitor claims, and conduct contract monitoring as appropriate.

Group 1: Providers Offer Direct Assistance with Activities of Daily Living

Adult Family Home

Recommended by the Commission:

1. Beneficiaries will be provided WA Cares educational materials that assist them in asking questions to make an informed choice in selecting providers as individuals may use other fund sources following WA Cares benefit.
2. WA Cares will pay usual and customary rates up to \$455 per day for services included in the WA Cares Fund contract. Rates should be inflation adjusted on a regular basis.
 - a. Providers will be required to charge the usual and customary rate up to the maximum rate based on acuity identified in the negotiated care plan.
 - b. Providers cannot charge the maximum rate without justification in the provider's negotiated care plan. The Department of Social and Health Services will monitor to this expectation.
3. Rates should be adjusted to reflect regional differences.
4. Rates are payment in full for standard services consistent with resident assessment including, for example:
 - a. Room (shared or private)
 - b. Meals
 - c. Laundry
 - d. Supervision
 - e. Direct personal care
 - f. Medication assistance
 - g. Memory Care
5. Non-typical services consistent with the resident assessment may be approved to exceed the maximum rate under an exception request for WA Cares Fund or could be paid privately above the maximum rate.

6. Disclosure of charges form must be provided to each resident prior to or upon admission and on request as required under [WAC 388-76-10532](#), which will support the beneficiary in making an informed decision when choosing an AFH.
7. The adult family home is required to fully disclose the home's policy on accepting Medicaid or other public funds as a payment source under [WAC 388-76-10522](#), which will support the beneficiary in understanding the requirements for transitioning to other funds when they choose the AFH.
8. Fraud mitigation:
 - a. All registered providers are subject to a provider-specific risk assessment and regular contract monitoring to ensure the provider is complying with all requirements in the WA Cares Fund contract Statement of Work.
 - b. The ProviderOne payment system will not allow payment beyond the maximum rate allowable. If an exception is approved, the payment rate will be adjusted accordingly.

Assisted Living Facility

Recommended by the Commission:

1. Beneficiaries will be provided with WA Cares educational materials that assist them in questions to make an informed choice in selecting providers as individuals may use other fund sources following WA Cares benefit.
2. WA Cares will pay usual and customary rates up to \$540 per day for services included in the WA Cares Fund contract. Rates should be inflation adjusted on a regular basis.
 - a. Providers will be required to charge the usual and customary rate up to the maximum rate based on acuity identified in the providers negotiated service agreement.
 - b. Providers may not charge the maximum rate without justification in the negotiated service agreement. The Department of Social and Health Services will monitor to this expectation.
3. Rates should be adjusted to reflect regional differences.
4. Rates are payment in full for standard services consistent with resident assessment including, for example:
 - a. Room (shared or private)
 - b. Meals
 - c. Laundry
 - d. Housekeeping
 - e. Supervision
 - f. Direct personal care
 - g. Intermittent nursing services
 - h. Mental illness and developmental disabilities specialties care
5. Non-typical services consistent with resident assessment that may be approved to exceed the maximum rate under an exception request for WA Cares Fund or could be paid privately above the maximum rate include, for example:
 - a. Move-in fees; and

- b. Dementia specialty care
- 6. Disclosure of services form must be provided to each resident prior to or upon admission and on request as required under [WAC 388-78A-2710](#), which will support the beneficiary in making an informed decision when choosing an ALF.
- 7. Assisted living facilities are required to fully disclose the facility's policy on accepting Medicaid as a payment source under [WAC 388-78A-2710](#), which will support the beneficiary in understanding the requirements for transitioning to Medicaid when choosing an ALF.
- 8. Fraud mitigation:
 - a. All registered providers are subject to a provider-specific risk assessment and regular contract monitoring to ensure the provider is complying with all requirements in the WA Cares Fund contract Statement of Work.
 - b. The ProviderOne payment system will not allow payment beyond the maximum rate allowable. If an exception is approved, the payment rate will be adjusted accordingly.

In-Home Personal Care (Including Respite for Family Caregivers)

Recommended by the Commission:

- 1. Beneficiaries will be provided with WA Cares educational materials that assist them in questions to make an informed choice in selecting providers.
- 2. WA Cares will pay up to a maximum of \$45 per hour for in-home personal care or respite services.
- 3. Rates should be adjusted to reflect regional differences.
- 4. Rates should be informed by the Medicaid rates for home care and should be inflation adjusted on a regular basis.
- 5. DSHS should develop wage/compensation pass through requirements to incentivize long-term care worker participation and mitigate worker shortages.
- 6. Services included in this rate are ADLs, IADLs, and nurse delegation for Home Care Agencies per a plan of care developed by or with input from the beneficiary and within the scope of the long-term care worker's standard of practice.
- 7. Provider must fully disclose what the services a caregiver may provide under the provider license or contract.
- 8. Fraud mitigation:
 - a. In-home caregivers are required to track service hours, which is typically done electronically or telephonically.
 - b. The beneficiary or their delegate is responsible for ensuring the caregiver is doing the work being asked of them, and reporting concerns or dismissal of the caregiver to the appropriate authority.
 - c. The ProviderOne payment system will not allow payment beyond the maximum rate allowable.

Nursing Home

Recommended by the Commission:

1. Beneficiaries will be provided with WA Cares educational materials that assist them in asking questions to make an informed choice in selecting providers as individuals may use other fund sources following WA Cares benefit.
2. WA Cares will pay usual and customary rates up to \$535 per day for services included in the WA Cares Fund contract. Rates should be inflation adjusted on a regular basis.
 - a. Providers will be required to charge the usual and customary rate up to the maximum rate based on acuity identified in the providers resident assessment.
 - b. Providers may not charge the maximum rate without justification in the resident assessment. The Department of Social and Health Services will monitor to this expectation.
3. Rates will be adjusted to reflect regional differences.
4. Rates are payment in full for standard services consistent with resident assessment and plan of care including, for example:
 - a. Room and board (shared or private)
 - b. Direct personal care
 - c. Meals consistent with requirements in WAC 388-91-1120
 - d. Nursing services
 - e. Activities programs
 - f. Memory care
5. Non-typical services consistent with resident assessment that may be approved to exceed the maximum rate under an exception request for WA Cares Fund or could be paid privately above the maximum rate include, for example:
 - a. Dialysis services
 - b. Exceptional care services
 - c. Outpatient services
 - d. Specialized habilitative and rehabilitative services consistent with requirements in WAC 388-97-1280
6. Notice of rights and services must be provided before or at time of admission, or when the resident becomes eligible for Medicaid including disclosure of items, services, and activities the nursing home will offer as required under [WAC 388-97-0300](#)
7. Fraud mitigation:
 - a. All registered providers are subject to a provider-specific risk assessment and regular contract monitoring to ensure the provider is complying with all requirements in the WA Cares Fund contract Statement of Work.
 - b. The ProviderOne payment system will not allow payment beyond the maximum rate allowable. If an exception is approved, the payment rate will be adjusted accordingly.

Group 2: Core Services to In-Home Care

Adaptive Equipment and Technology

Recommended by the Commission:

1. WA Cares will pay usual and customary rates up to \$15,000 for adaptive equipment and technology. Requests to exceed the payment maximum may be considered by the department.
2. Usual and customary rates for services vary significantly by type:

Description	Rate Range (2024)
Bathroom equipment	\$15 - \$1,000
Incontinence supplies	\$10 - \$250
Mobility aids	\$100 - \$5,000
Hospital beds	\$2,500 - \$15,000
Pressure relieving equipment	\$50 - \$300
Compression garments	\$25 - \$500

3. The ProviderOne payment system will prevent payment beyond the maximum. To mitigate fraud, the department will conduct a risk assessment, monitor claims, and conduct contract monitoring as appropriate.

Environmental Modifications

Recommended by the Commission:

1. WA Cares will pay usual and customary rates up to \$40,000 for environmental modifications. Requests to exceed the payment maximum may be considered by the department.
2. Usual and customary rates for services vary significantly by type:

Description	Rate Range (2024)
Accessible bathrooms & bedrooms	\$100 - \$35,000
Accessible lighting	\$20 - \$6,000
Automatic door openers	\$400 - \$6,000
Ceiling track lifts	\$1,500 - \$8,000
Door and hallway widening	\$300 - \$40,000
Emergency exits	\$2,600 - \$5,600
Grab bars	\$85 - \$500
Ramps	\$1,000 - \$5,000
Low-pile carpet and smooth flooring	\$100 - \$10,000
Stairlift and porch lifts	\$1,500 - \$6,000

3. The ProviderOne payment system will prevent payment beyond the maximum. To mitigate fraud, the department will conduct a risk assessment, monitor claims, and conduct contract monitoring as appropriate.

Home Delivered Meals

Recommended by the Commission:

1. WA Cares will pay usual and customary rates up to \$16 per meal. Requests to exceed the payment maximum may be considered by the department.
2. Usual and customary rates vary based on delivery type:

Description	Rate range (2024)
Face-to-face delivery	\$8 - \$9
Mail delivery	\$8.50 - \$16

3. The ProviderOne payment system will prevent payment beyond the maximum. To mitigate fraud, the department will conduct a risk assessment, monitor claims, and conduct contract monitoring as appropriate.

Personal Emergency Response System

Recommended by the Commission:

1. WA Cares will pay usual and customary rates up to \$100 for installation and up to \$83 per month for monthly services, which includes flexibility to accommodate multiple add on services. Requests to exceed the payment maximum may be considered by the department.
2. Usual and customary rates for services vary by type:

Description	Rate Range (2024)
Installation	\$0 - \$99
Monthly service	\$19 - \$40
Add on services	\$10 - \$43

3. The ProviderOne payment system will prevent payment beyond the maximum. To mitigate fraud, the department will conduct a risk assessment, monitor claims, and conduct contract monitoring as appropriate.

Group 3: Core Services to In-Home Care, Community Access, and Family Support

Adult Day Services (Including Respite for Family Caregivers)

Recommended by the Commission:

1. WA Cares will pay usual and customary rates up to \$325 per day for adult day services, including respite. Usual and customary rates ranged from \$75 to \$325 per day in 2024. The maximum rate reflects a full (8 hour) day offering adult day health skilled nursing and rehab therapy. Requests to exceed the payment maximum may be considered by the department.
2. Rates will be adjusted to reflect regional differences and the type of service provided in the following categories.
 - a. ADH (skilled nursing and rehabilitative therapy)
 - b. ADC (supervised day programs, respite, and meaningful activities)
 - c. ADC Respite (short term break for family/caregivers)
3. The ProviderOne payment system will prevent payment beyond the maximum. To mitigate fraud, the department will conduct a risk assessment, monitor claims, and conduct contract monitoring as appropriate.

Transportation

Recommended by the Commission:

1. In order to reduce actuarial risk, WA Cares will pay up to \$400 per month for transportation services. This includes any combination of the following:
 - a. \$0.67 (or the current standard IRS mileage rate) per mile up to 220 miles per month for friends and family mileage reimbursement. Limits are imposed to reduce actuarial risk.
 - b. Usual and customary per trip costs which may include, but are not limited to: costs associated with wait time, hospital discharge, vehicle type to accommodate specific needs, after hours and mileage.
 - c. Requests to exceed the payment maximum may be considered by the department.
2. Usual and customary rates vary by type of vendor and geography. Rates will be adjusted to reflect regional differences.

Description	Rate Range (2024)
Non-emergency medical transportation	\$35 - \$50 pick up plus \$3 - \$5 per mile, additional costs for wait time, hospital discharge, vehicle type, after hours, etc.
Ride-share transportation	Average price of a 6-mile rideshare: All WA: \$25-\$28 Seattle \$35-\$38

3. WA Cares will not cover:
 - a. Plane tickets
 - b. Ambulance rides covered by insurance
 - c. Transportation for leisure activities
 - d. Parking fees for non-medical appointments

4. The ProviderOne payment system will prevent payment beyond the maximum. To mitigate fraud, the department will conduct a risk assessment, monitor claims, and conduct contract monitoring as appropriate.

Respite for Family Caregivers – Residential Care Settings

Recommended by the Commission:

1. Beneficiaries will be provided with WA Cares educational materials that assist them in asking the right questions to make an informed choice in selecting providers as individuals may use other fund sources following their WA Care benefit.
2. WA Cares will pay usual and customary rates up to:
 - a. AFH: \$455 per day
 - b. ALF: \$540 per day
 - c. NH: \$535 per day
3. Providers will be required to charge the usual and customary rate up to the maximum rate based on acuity identified in a care needs assessment. Rates should be inflation adjusted on a regular basis.
4. Providers cannot charge the maximum rate without justification in the negotiated service agreement or similar care plan, and the department will monitor to this expectation.
5. Rates should be adjusted to reflect regional differences.
6. Rates are payment in full for standard services consistent with the beneficiary's care needs assessment or plan of care and applicable licensing requirements.
 - a. AFH: Personal care services or special care services as defined in WAC 388-76-1000;
 - b. ALF: Services needed to maintain or improve the individual's health and functional status during their stay as described in the negotiated service agreement under WAC 388-78A-2208;
 - c. NH: Services needed to maintain or improve the individual's health and functional status during their stay or care in the nursing home consistent with the beneficiary's plan of care under WAC 388-97-1880.
7. Non-typical services consistent with the care needs assessment may be approved to exceed the maximum rate under an exception request for WA Cares Fund or could be paid privately above the maximum rate.
8. Fraud mitigation:
 - a. All registered providers are subject to a provider-specific risk assessment and regular contract monitoring to ensure the provider is complying with all requirements in the WA Cares Fund contract Statement of Work.
 - b. The ProviderOne payment system will not allow payment beyond the maximum rate allowable. If an exception is approved, the payment rate will be adjusted accordingly.

Appendix A: Long-Term Services and Supports Trust Commission Members

Senator Karen Keiser (D)
Representative Paul Harris (R)
Senator Judy Warnick (R)
Representative Frank Chopp (D)
Representative Nicole Macri (D)
Senator Steve Conway (D)
Senator Curtis King (R)
Representative Bryan Sandlin (R)
Secretary Jilma Meneses Department of Social and Health Services
Commissioner Cami Feek Employment Security Department
Taylor Linke Health Care Authority
Madeleine Foutch Representative of a union representing long-term care workers
Ruth Egger Individual receiving LTSS (or designee or representative of consumers receiving LTSS)
Silvia Gonzalez Worker who is paying the premium (or will likely be paying the premium)
Rachel Smith Representative of an organization of employers whose members collect the premium (or will likely be collecting)
John Ficker Adult Family Home providers representative
Laura Cepoi Area Agencies on Aging representative
Peter Nazzal Home Care Association representative
Cathleen MacCaul Representative of an organization representing retired persons
Lauri St. Ours Representative of an association representing skilled nursing facilities and assisted living providers
Mark Stensager Recipient of LTSS (or designee or representative of consumers under the program)

Appendix B: Office of the State Actuary Report on WA Cares Fund Solvency

See [\[Link to 2024 OSA Report when available\]](#)

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Appendix C: WA Cares Fund Risk Management Framework

See [WA Cares Fund Risk Management Framework](#)

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Appendix D: Milliman Actuarial Analysis & Plan Design Change Analyses

Milliman's Plan Design Change Analysis can be found at:
<https://leg.wa.gov/osa/additionalservices/Pages/WACaresFund.aspx>

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Appendix E: LTSS Trust Commission Recommendations Not Yet Enacted

Rescinding WA Cares Lifetime Exemption

Provide everyone who has a lifetime exemption a one-time limited opportunity to permanently join WA Cares Fund until June 30, 2028, five years after the start of premium collection.

Employer Report and Consistency and Premium Reporting Accountability

To support consistency in combined employer reporting for Paid Family and Medical Leave and WA Cares Fund, the Commission recommends an amendment to RCW 50B.04.080 (3) to sunset the following collective bargaining agreement exception effective December 31, 2023:

- (3) Nothing in this chapter requires any party to a collective bargaining agreement in existence on October 19, 2017, to reopen negotiations of the agreement or to apply any of the responsibilities under this chapter unless and until the existing agreement is reopened or renegotiated by the parties or expires.

Adopt for the WA Cares Fund the premium accountability measures contained in the PFML statute, namely PFML authority in Chapter 50A.45 RCW. This would allow ESD to assess and collect penalties and interest from employers that do not report wages and remit premiums for WA Cares Fund. It is imperative that ESD have enforcement authority to ensure that employers with Washington workers are required to collect premiums, report hours and wages, and pay premiums to ESD in order to comply with the law. Employer compliance is critical to short and long-term solvency of the WA Cares Fund.

Self-Employment Income Reporting

The Commission makes recommendations to ESD for the following rule amendments and policy changes:

As ESD does for PFML, ESD will require quarterly wage reports from individuals who are self-employed and elect coverage under the WA Cares Fund. The department will assess premiums each quarter based on reported wages. It is recommended that at the end of each taxable year, elected covered participants verify income that was reported to appropriately apply accurate premium assessment and “true up” any misreported income and to amend WAC 192- 915-015 to require this. The Commission recommends accomplishing this by aligning annual net profit, to which WA Cares premium is applied, with Line 2 of an individual's federal Schedule SE and requiring annual uploading of Schedule SE.

Communicate with those who elect coverage that they will be expected to report net income quarterly and true up annually on the basis of their Schedule SE.

Pilot Project in Early 2026 for Benefit Implementation

The Commission recommends the legislature provide the WA Cares Fund administering agencies with statutory authority to pay WA Cares benefits earlier than July 1, 2026 (but no earlier than January 1, 2026) for a small group of eligible individuals. Statutory authority for the agencies to engage in rulemaking to allow a

pilot launch of WA Cares Fund services and payments prior to July 1, 2026 would offer flexibility for agencies to design a pilot launch. This would allow the agencies to use their production systems and processes with a smaller group of beneficiaries and fix any problems that are uncovered prior to going fully live in July 2026.

Simplifying the Ten-Year Contribution Requirement

Replace existing RCW 50B.04.050(1)(a) pathway language with the simpler formulation: “A total of ten years”.

Crediting Savings from Medicaid and Medicare Cost Avoidance to WA Cares Fund

The Commission recommends that any savings achieved through a potential shared savings waiver with the federal government should be credited to the WA Cares Fund since these savings result directly from WA Cares Fund expenditures. Since WA Cares expenditures are funded by WA Cares premiums, savings resulting from WA Cares expenditures should be used to maintain or lower WA Cares premiums for Washington workers. Crediting any such potential savings to the WA Cares Fund would also provide a more accurate and holistic picture of the net public-finance impact of the WA Cares Fund. The legislature could implement this recommendation by adding the following language to RCW 50B.04:

- If Washington is successful in obtaining a waiver from the Centers for Medicare and Medicaid that results in shared savings because of WA Cares Fund spending, the amount of shared savings must be deposited into the WA Cares Fund Trust Fund.

Supplemental Private Long-Term Care Insurance Workgroup Final Report

The Commission's recommendations on the structuring of the Supplemental Private Long-Term Care Insurance (SPLTCI) market focus on six areas: consumer protection, the venue for filing policies, the benefit trigger and elimination period, transition issues for near-retiree cohorts, continuity of covered care settings and providers, and coordination of benefits between WA Cares and SPLTCI policies.

Consumer Protection

Recommendations:

- **Develop a consumer guide for people seeking SPLTCI coverage to help them make informed choices.** The SPLTCI market is a new type of long-term care insurance product and consumers will need guidance and support to help them understand what is and is not covered by SPLTCI policies, what consumers will be required to pay in terms of premiums and out-of-pocket payments, etc.
- **Direct and fund the Office of the Insurance Commissioner to expand the Statewide Health Insurance Benefits Advisors (SHIBA) program to educate SPLTCI consumers, with a focus on the middle-income market.** It is within the scope of the national State Health Insurance Assistance Program (SHIP), which funds the SHIBA program, to support information, counseling, and assistance

activities related to long-term care insurance. The Commission recommends leveraging SHIBA to provide such consumer education.

- **For adequate consumer protection in policies marketed and sold as extending WA Cares, a new section of statute in Title 48 should be created to regulate policies that can be marketed and sold as supplemental to WA Cares.** The regulation should apply to SPLTCI products only and not disrupt the current long-term care insurance market. It should, however, be sufficiently detailed and thorough to give consumers adequate information to protect them as they make decisions about purchasing a product that entails a substantial long-term financial commitment. Everything known about SPLTCI policies should be disclosed up front so that consumers are not surprised later. This revised or new statute or section of statute should include the following provisions:

- **Disclosures**

- Disclosure of potential gaps in coverage or discontinuities of care between WA Cares Fund and SPLTCI
- Disclosure that premiums may go up over time and under what conditions
- Disclosure that individual circumstances can change over time (like job loss), and what if any options would be available to them if those events occur
- Disclosure that if rates do go up and the consumer cannot afford the increase, the consumer has options such as a reduction in benefits, non- forfeiture of premiums, etc.
- Disclosure that premiums continue after retirement
- Disclosure of when premiums stop ("waiver of premiums") in a given SPLTCI policy
- Disclosure that this policy (like all private long-term care insurance policies sold after 11/1/21) does not qualify the policyholder to opt out of WA Cares
- The above disclosures should apply both to SPLTCI policy language and to SPLTCI policy marketing.

- **Requirements**

- If rates do go up and the consumer cannot afford the increase, the consumer has options such as a reduction in benefits, non- forfeiture of premiums, etc.
- SPLTCI policies should be governed by the same suitability and affordability requirements currently in statute under [RCW 48.83.140](#)

- The suitability requirements should include a “best interest” standard, stipulating that an agent or broker shall act in the best interest of the consumer under the circumstances known at the time the recommendation is made, without placing their financial interest ahead of the consumer’s interest.
- Statute should require that Inflation protection for SPLTCI benefit levels be offered at a minimum rate of three percent (and leverage SHIBA to help customers understand inflation protection and suitability) to protect the purchasing power of benefits from being eroded over time.
- SPLTCI policies may be designed with or without partnership protection. This should give flexibility to carriers and consumers by giving rise to a broader range of SPLTCI policy designs and price points.

Venue for Filing SPLTCI Policies

The interstate compact has not developed product standards for SPLTCI policies because this is a new type of product. The compact is unlikely to develop such product standards for SPLTCI policies until multiple states have adopted such uniform standards for public insurance programs that assume significant front-end risk, along the lines of WA Cares. Hence SPLTCI policies would need to be filed in Washington State.

It would reduce barriers to entering the SPLTCI market if carriers could leverage existing compact-approved policies sold nationally and modify them with a rider, for example, only to the extent needed to satisfy the specific SPLTCI statutory requirements. Under current administrative practice (although not prohibited by statute), Washington State does not allow this so-called “mix and match.”

The Workgroup agreed that allowing “mix and match” would be critical to supporting the emergence of a SPLTCI market in Washington State by lowering the time and cost required to develop, price, and support new products. This would increase the likelihood that carriers will enter the SPLTCI market in the first place and could also increase the number of carriers that enter it. The more carriers that enter the SPLTCI market, the more competitive and affordable it will be, which will also benefit consumers.

At the same time, the Commission acknowledges that while “mix and match” is technically allowed under current statute, there are logistical challenges to the Office of the Insurance Commissioner being able to support it. It would not only require additional staff capacity, but also new expertise in the interstate compact regulations. If the legislature were to allow “mix and match,” the Commission recommends limiting this to the SPLTCI market.

Recommendation:

- The Commission recommends that the state endeavor to work through the logistical challenges for allowing “mix and match” to reach the agreed-upon goal of facilitating the development of a vibrant and competitive SPLTCI market.

Benefit Trigger and Elimination Period

The threshold of long-term care need for being eligible for benefits (“benefit trigger”) is generally lower in WA Cares compared to private tax-qualified long-term care insurance (by far the most prevalent type of long-term care insurance). This means that a minority of SPLTCI policyholders are likely to be determined eligible for – and ultimately exhaust – their WA Cares benefits before they are eligible for private supplemental coverage. This potential gap in coverage is largely unavoidable. Private insurers and consumers both value tax-qualified insurance, and hence non-tax-qualified insurance – which could avoid this gap in coverage by using a trigger akin to that in WA Cares – is unlikely to become prevalent. Meanwhile, if the WA Cares trigger were to become as strict as that in private long-term care insurance, many workers who earn WA Cares benefits would end up being eligible for Medicaid long-term care *before* they would be eligible for WA Cares. That would be contrary to the intent of WA Cares, which is to give middle class Washingtonian access to long-term care such that they either don’t need to – or can delay – spending down their life savings to qualify for Medicaid. The market will determine what types of private long-term care insurance coverage are marketed and purchased but tax-qualified coverage is likely to continue to be most prevalent. That said, workers particularly concerned with avoiding a gap in coverage may choose to purchase non-tax-qualified coverage, albeit with a risk of premiums not being tax-deductible and benefits potentially being to some extent taxable.

Another issue is the “elimination period” in SPLTCI policies, a period of time which has to transpire before benefits kick in. An elimination period can be measured either in days (e.g., calendar days, service days, etc.) or as a period of time until a consumer has purchased long-term care up to a specified dollar amount (also termed a deductible), or a combination of the two. A core rationale for the development of a WA Cares supplemental market is that the existence of WA Cares should make it possible for carriers to market and sell a new, more affordable type of long-term care insurance policy: one that takes WA Cares benefits as the deductible. For SPLTCI policies to truly “extend” WA Cares benefits, it is critical that the monetary component of the SPLTCI elimination period (deductible) be identical to, or closely align with, the WA Cares lifetime benefit. If not, a gap in coverage (donut hole) emerges.

Recommendations:

- The SPLTCI deductible (the monetary component of the SPLTCI elimination

period) should be equal to the WA Cares full maximum lifetime benefit (starting at \$36,500) and automatically adjusted for inflation. And the WA Cares annual benefit inflation adjustment should be automatic, rather than an annual discretionary determination by the LTSS Trust Council. Together, these measures will prevent emergence of an elimination-period related donut hole between exhaustion of WA Cares benefits and beginning of SPLTCI benefits. If the WA Cares lifetime benefit is not automatically indexed for inflation, it will be impossible for carriers to ensure that over time their SPLTCI deductible is equal to the WA Cares full lifetime benefit amount which, in turn, is key to SPLTCI policies truly "extending" WA Cares benefits. In other words, without automatic indexation of WA Cares benefits, carriers will have to guess what WA Cares benefit indexation rates will be (as these must be assumed in order to price a policy and must be specified in the insurance contract at time of sale); if WA Cares inflation adjustments turn out to be lower in practice, this will create a gap in coverage (donut hole) for consumers that could become sizable over time. However, from the perspective of the Risk Management Framework, replacing the discretionary determination by the LTSS Trust Council on the annual inflation adjustment with a non-discretionary, automatic adjustment would remove one of the potential response strategies for managing future program solvency.

- Carriers may not require that a client undergo a functional assessment or satisfy a benefit trigger in order to determine that a SPLTCI elimination period has begun or ended. (A carrier may, of course, conduct a functional assessment and apply a benefit trigger for purposes of approving the SPLTCI claim and authorizing SPLTCI benefits.) SPLTCI policies must accept exhaustion of maximum WA Cares benefits (currently \$36,500) by a SPLTCI policyholder – or for WA Cares beneficiaries with partial benefits, exhaustion of WA Cares benefits and utilization of paid care which together total the proposed statutory SPLTCI deductible (currently \$36,500) – as sufficient to satisfy the monetary component (deductible) of the SPLTCI elimination period. (Note: This recommendation assumes the above two recommendations are also adopted, which ensure that the maximum WA Cares lifetime benefit is equal to the monetary component [deductible] of SPLTCI policies. If not, then SPLTCI policies must accept exhaustion of WA Cares benefits by a SPLTCI policyholder as sufficient to satisfy the portion of the SPLTCI elimination period equal to the dollar amount of the person's lifetime benefit.)
- For proof of exhaustion of WA Cares benefits, it will suffice that WA Cares Fund informs the carrier when a client's WA Cares benefits are exhausted.
- SPLTCI policies' elimination period may include, in addition to the monetary component (deductible), a time component such as 3, 6, 9, or 12 months, but not to exceed 12 months. For policies that include both the monetary and time component, a policyholder would satisfy the SPLTCI elimination period after the later of two events: exhausting WA Cares benefits and being on their WA Cares claim for the time period specified in the policy. Allowing a time component in

SPLTCI elimination periods serves two goals. First, it provides more actuarial predictability to carriers as they design and price their SPLTCI policies, increasing their willingness to enter a market that requires them to accept a policyholder exhausting WA Cares benefits as satisfying the monetary component of an SPLTCI elimination period (key to SPLTCI policies truly extending WA Cares benefits). Second, allowing a time component in SPLTCI elimination periods makes it possible for carriers to offer more affordable SPLTCI policy variants because they will be able to rule out that a beneficiary will need to go on claim earlier than the policy's specified time period, reducing the carrier's risk exposure. If carriers can price their SPLTCI policies lower, this will make SPLTCI policies more affordable for middle-income consumers. In sum, allowing a time component in SPLTCI elimination periods will make the emerging SPLTCI market more viable.

In exchange for a significantly lower premium, consumers who choose to purchase a SPLTCI with a time component in the elimination period run the risk of exhausting their WA Cares benefits prior to this time period (after going on WA Cares claim) being reached. If that risk transpires, the SPLTCI policyholder will have to pay out of pocket (donut hole) until their SPLTCI policy begins paying. Consumers will be responsible for making choices in the context of this tradeoff between elimination period duration, premium rate, and donut hole risk.

- The new SPLTCI consumer guide, SHIBA counseling, and disclosures should support consumers in assessing the tradeoffs between various elimination period options and price points and educate consumers about the importance of budgeting their WA Cares benefits carefully to reduce the likelihood and size of a potential donut hole.

Transition Issues for Near Retiree Cohorts

If a worker nearing retirement contributes to WA Cares, for example, for only two years and thereby earns a lifetime benefit of \$7,300 (subject to inflation adjustment over time), and that worker has purchased a SPLTCI policy, the SPLTCI policy will have an elimination period (deductible) of \$36,500. Near-retirees, such as the worker in this example, who choose to purchase an SPLTCI policy will need to pay out of pocket for their long-term care up to an amount equal to the difference between their earned WA Cares benefit and their SPLTCI policy's \$36,500 elimination period (in this example, the worker will need to pay \$29,200 out of pocket).

Recommendations:

- The SPLTCI consumer guide and SHIBA counseling will work to educate near-retirees on the cost and benefits of purchasing SPLTCI policies. A particular focus of materials and counseling aimed at near-retirees will be the potential for a large deductible before the SPLTCI policy begins paying claims, its implications, and strategies for managing this.

- For SPLTCI policies marketed and sold to workers born prior to 1968 (“near-retirees”), the dollar component of the elimination period (deductible) may be \$36,500 or less. This will reduce the size of a potential donut hole between exhaustion of partial “near-retiree” WA Cares benefits and commencement of SPLTCI benefits.

Continuity of Covered Care Settings and Providers

A core goal of the SPLTCI market is to ensure that a person who is transitioning from WA Cares to SPLTCI benefits and is receiving care in a given care setting can continue to receive care in that setting. For example, if a person is in an adult family home, that person should not be forced to move into a different, more expensive care setting due to limitation of care settings in SPLTCI coverage. The biggest continuity of care challenge is for care by family providers. It could be destabilizing for a person receiving paid care from their adult child, for example, to have to “fire” them and hire a professional caregiver simply because they were transitioning from WA Cares to SPLTCI benefits. Not only could such disruptions in continuity of care potentially worsen the health and long-term care trajectory of the person receiving care, they could also oblige the beneficiary to exhaust their insurance benefits more quickly than would otherwise be the case, resulting in them having to spend down their savings and potentially rely on Medicaid sooner than might have otherwise been necessary (or it might not have become necessary at all). Furthermore, some WA Cares beneficiaries might be reluctant to make use of certain care settings or providers approved in WA Cares if there is lack of clarity around whether their SPLTCI policy will allow them to continue to receive care in that care setting or from that provider.

Recommendations:

- Unless there is good-faith reason to believe that a care setting or provider is not suited to meeting the care and safety needs of a beneficiary, SPLTCI policies must allow continuity from WA Cares to SPLTCI coverage of care setting and provider, including family providers, so that SPLTCI “extends” WA Cares benefits without disrupting care. In other words, unless there is good-faith reason to believe that a care setting or provider is not suited to meeting the care and safety needs of a beneficiary, a SPLTCI policy cannot require a policyholder to change the care setting or provider (including family providers) of the care they were receiving under WA Cares. Carriers may audit for fraud, however, i.e., to determine whether care being billed is actually being provided.
- If a carrier determines that a care setting or provider is not suited to meeting the care and safety needs of a beneficiary the carrier may, effective 90 days after the transition from WA Cares to SPLTCI benefits, require a change in care setting or provider. The beneficiary will have a right to appeal this decision through a third-party independent review tracked by the Office of the Insurance Commissioner.

- In their covered care settings and providers, SPLTCI policies must generally include coverage of family providers.

Collaboration in Benefit Administration between WA Cares and SPLTCI Policies

Agreements:

- To support a seamless transition from WA Cares to SPLTCI, a process of reciprocal administrative notification should be developed:
 - When a WA Cares Fund qualified individual applies for WA Cares benefits, WA Cares Fund asks whether the individual has SPLTCI coverage and if yes, requests written consent from the applicant to share this information with the SPLTCI carrier for the purpose of triggering the SPLTCI policy's elimination period as well as any potential care coordination.
 - When a Washingtonian purchases a SPLTCI policy, the carrier requests written consent from policyholder to share this information directly with WA Cares Fund and if this consent is granted, shares that information with WA Cares Fund.
- Only basic demographic information that would allow a person to be identified in each system would be shared, no health information or data on claims would be shared.

As the Commission considers recommendations on other policy questions related to WA Cares Fund, it will consider any potential impact of those policy changes on the SPLTCI market.

Exemptions for Holders of Temporary Non-Immigrant Work Visas

Modify the exemption process for temporary non-immigrant visa holders working in Washington state. Exempt wages earned by non-immigrant visa holders from premium collection, with the ability to voluntarily participate if they so choose.

Exemptions for Civilian Employment of Active-Duty Service Members

Allow for a conditional voluntary exemption to be requested by active-duty service people who are engaged in off-duty civilian employment.