



LTSS Trust Commission Investment Strategy Subcommittee Meeting

November 14, 2024



Meeting Guidelines

Commission Members

- Please turn on video
- Stay muted unless talking
- Encourage active participation
- Raise hand to speak if necessary

Audience Members

- Opportunity to provide public comment later in the meeting

**WELCOME &
CALL TO ORDER**

Meeting Goals

- Approve Consent Agenda
- Receive Finance Update
- Receive Update on Investment Performance Cadence
- Receive Update from Cross-Agency Accounting Workgroup
- Elect a new Chair for 2025

Approve Consent Agenda

- 7/31/2024 Investment Strategy Subcommittee Meeting Minutes

WA Cares Fund Program Refresh

Ben Veghte, DSHS

WA Cares Fund Program Refresh

Program timeline

2014

Research on policy options for long-term care

2019

Legislature passes LTSS Trust Act & governor signs into law

2021

Legislature improves coverage for adults with disabilities that onset prior to age 18

2022

Legislature adds pathway to partial benefits for near-retirees; establishes voluntary exemptions for certain groups

2023

July 1
Workers begin contributing

2024

Legislature makes benefits portable

2026

July 1
Benefits become available for qualified, eligible individuals

WA Cares Fund Program Refresh

Key program details per current statute (RCW 50B.04):

- **Premium rate** - \$0.58 cents for every \$100 earned
- **Lifetime benefit maximum** –\$36,500, adjusted annually up to inflation, paid directly to providers
- **Three pathways to qualified individual status**
 - Contribute 10 years without interruption of five or more consecutive years
 - Contribute 3 of the last 6 years from the date of application for benefits
 - For near-retirees (born before 1968): contribute at least one year, earning one-tenth of the lifetime benefit amount for each year contributed

A person must work 500 hours during a year to receive credit for a qualifying year

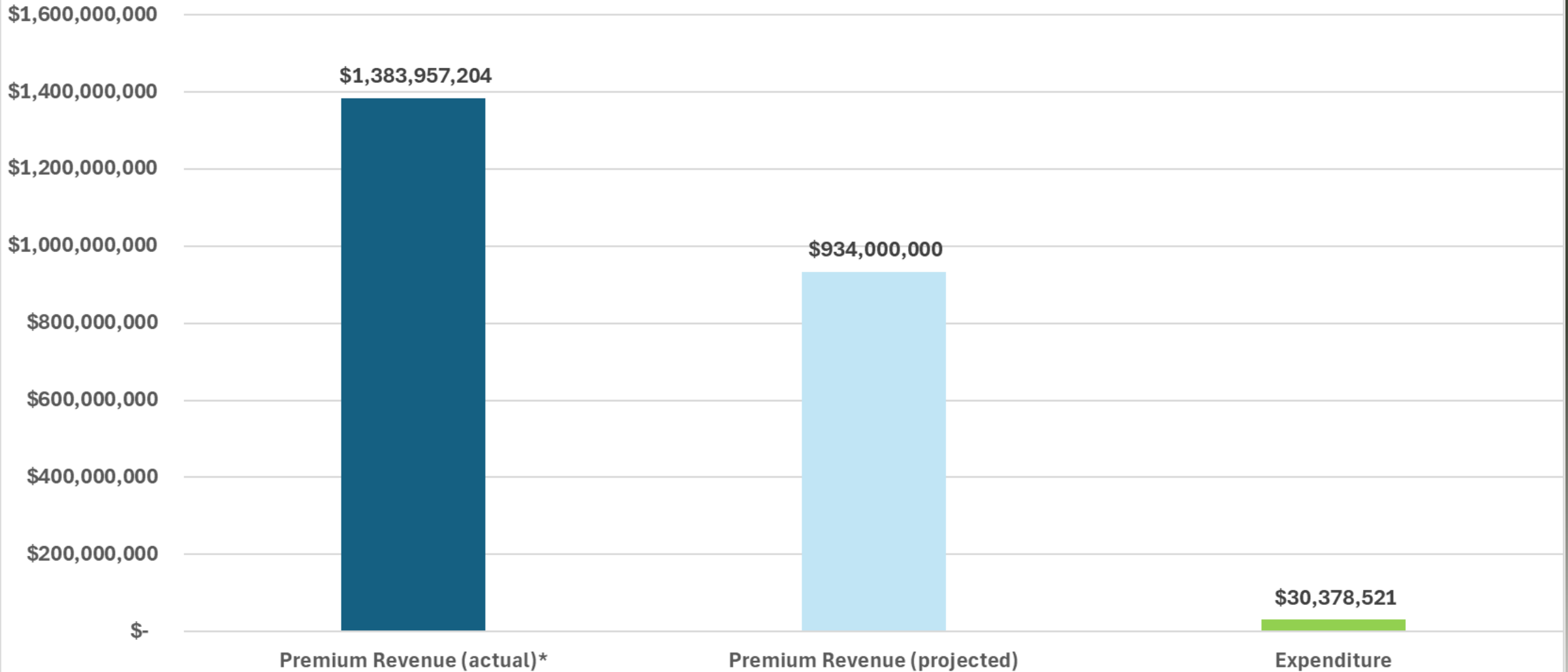
- **Eligible beneficiary**
 - A qualified individual who requires assistance with at least 3 activities of daily living (i.e., bathing, eating, ambulation, medication management, toilet use, transfer, etc.)
 - You can take your benefit with you if you leave the state

Finance Update

Ben Veghte, DSHS

Matt Smith, OSA

WA Cares Fund FY24 Premium Revenue and Expenditure



*Premiums collected for the first four quarters of program operation.

Notes: 1) The administrative expense ratio for FY24 is 2.2% of revenue. 2) Actual revenue in a given year will inevitably vary from long-term, annual projections and may not be indicative of future long-term, annual revenue. Please see Milliman's most recent actuarial study for further information on program projections.

Finance Update: Monitoring Early Experience

Presentation to: LTSS Trust Commission Investment Strategy Subcommittee

Matthew M. Smith, State Actuary



Finance Update: Monitoring Early Experience

- As part of the Risk Management Framework (RMF), Phase 1 is largely focused on data collection, monitoring, and updating actuarial projections
- Actual experience will be used in future actuarial projections
- When comparing actual to assumed data, sustained deviations or significant short-term deviations could have long-term impacts
 - Depending on the source of the deviation, it could take years before there is sufficient credible experience to modify assumptions based on actual experience
 - This is consistent with Phase 1 of the RMF
- In the meantime, OSA and Milliman will be monitoring emerging experience and reporting on any impacts to long-term fund solvency

Questions? Please Contact: The Office of the State Actuary

leg.wa.gov/OSA; state.actuary@leg.wa.gov

360-786-6140, PO Box 40914, Olympia, WA 98504

Matthew Smith

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Thank You



Investment Performance Cadence

Chris Hanak, SIB

Ben Veghte, DSHS

Investment Performance Cadence

- Proposed 2025 ISS Schedule
 - June 25, 2025 from 1:00 pm to 2:30 pm
 - November 12, 2025 1:00 pm to 2:30 pm

Cross-Agency Accounting Workgroup

Rebecca Doane, DSHS

ELECT A NEW ISS CHAIR FOR 2024

PUBLIC COMMENT

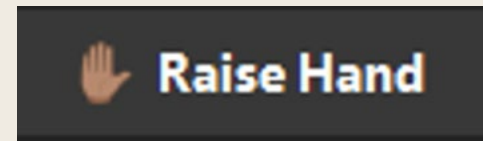
Submit written comments or questions to:
wacaresfund@dshs.wa.gov.

For more information about the program, visit
wacaresfund.wa.gov.

Sign up for Public Comment

Submit written comments or questions to:
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Attendees: click on the Raise Hand icon to sign up for public comment



Phone callers: press *9 to raise your electronic hand.

Then, when recognized, press *6 to unmute yourself

Review Agenda for Next Meeting

- Approve 7/31/2024 Investment Strategy Subcommittee meeting minutes
- Receive Finance Update
- Update from Cross-Agency Accounting Workgroup

Wrap Up

- Action items review
- Adjourn

THANK YOU



WA
CARES
FUND

