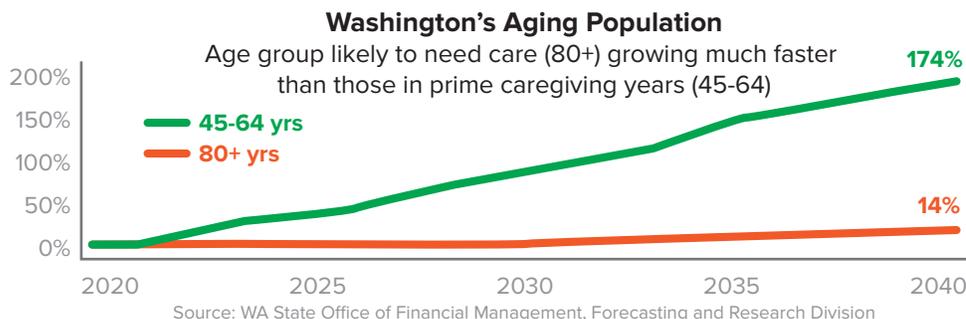


# WASHINGTON STATE Long-Term Services and Supports Trust Act

## The Challenge



### 7 in 10 of Us Will Need Long-Term Care as We Age

Families are becoming less able to meet the needs of older adults. The ratio of potential caregivers to older adults will decline from 7:1 in 2019 to 3:1 in 2040.

#### 7 Caregivers for 1 Older Adult (2019)



#### 3 Caregivers for 1 Older Adult (2040)



### Long-Term Care is Expensive:

- **\$33k to \$66k** annually for 20 to 40 hours/week of home care
- **\$69k to \$131k** annually for facility care

### Most Seniors Can't Afford Long-Term Care:

- **\$56k is the median income** of Washington seniors.
- **Half have no 401(k)** or pension income

**Without the Trust, people must spend down their savings** to qualify for Medicaid long-term services and supports (LTSS).

### Projected State Budget Spending on Medicaid LTSS Without the Trust:



## The LTSS Trust

Governor Inslee signs the bill into law.

2019

Working Washingtonians begin paying premiums.

2022

Benefits begin for qualified beneficiaries.

2025

### Like Social Security:

- LTSS Trust is affordable insurance to protect us all against a risk most of us will face.
- We pay in while working and receive benefits when we need them.
- Contributions can only be used for Trust benefits.

## 0.58% of Wages

A typical Washington earner making \$52,075 annually will contribute \$302 a year, or \$25.17 a month.

**If you are self-employed, you can opt into the Trust.**

## The Benefits

### The benefit can be used for a range of services and supports, such as:

- Professional in-home care, nursing home stays and other long-term care
- Adaptive equipment and assistive technology
- Home accessibility modifications
- Support for family members who are providing care
- Home-delivered meals
- Rides to the doctor

### To receive the benefit, you must have contributed:

- At least 10 years without a break of 5 or more years
- 3 of the past 6 years and have a need for assistance with activities of daily living.

**\$36.5K**

Each person is entitled to a lifetime benefit of \$36,500 to pay for long-term services and supports.

**\$3.7B**

By reducing the burden on the state's Medicaid system, the Long-Term Services and Supports Trust Act will save taxpayers \$3.7 billion by 2052.

# What you need to know

## To Qualify

- The individual must need assistance with 3 out of 10 activities of daily living (ADLs). The ADLs mandated by the program include:<sup>1</sup>\* Bathing \* Eating \* Toileting \* Dressing \* Transferring \* Ambulation/mobility \* Body care\* Personal hygiene \* Medication management \* Cognitive Impairment
- The individual must be living as a resident of Washington at the time of claim
- The benefits can be used for a range of services and support. Must be residing in Washington state to receive benefits – even if vested in the program.
  - Professional in-home care, nursing home stays and other long-term care
  - Adaptive equipment and assistive technology
  - Home accessibility modifications
  - Support for family members who are providing care
  - Home-delivered meals
  - Rides to the doctor

## Opting out of the program

- An employee who attests they have “long-term care insurance” purchased prior to Nov. 1, 2021 has the option to apply for an exemption from the premium tax. Note that once the employee is approved and determined to be exempt, they may not later apply to become a qualified individual or eligible beneficiary, and will be permanently ineligible for coverage under the program.
  - The employment security department will accept applications for the exemption from employees who can attest to having LTC insurance prior to Nov. 1, 2021. (Policy needs to be issued prior to October 31, 2021)
  - Applications for the exemption will be taken only from October 1, 2021 through December 31, 2022.
  - Employees must be aged 18 and older to apply for the exemption
  - The tax is assessed through payroll deductions; therefore, it is the responsibility of the employee to provide written notification and a copy of the letter/certificate approving their exemption to all current and future employers.
  - If you've opted out you are not able to opt back in.

## Definition of private long-term care insurance includes the following:

- Qualified long-term care insurance contracts
- Long-term care riders on life insurance and annuities
- Qualified group long-term care contracts
- Qualified individual long-term care contracts

## Mosaic is Ready to Help You

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<sup>1</sup> <https://www.agingwashington.org/media/dynamic/files/142-2019-long-term-care-trust-act-factsheet.pdf>. Please note these ADLs are specific to the state of Washington and are not applicable for federal purposes

<https://www.agingwashington.org/media/dynamic/files/142-2019-long-term-care-trust-act-factsheet.pdf>

<http://www.wacaresfund.wa.gov/about-the-wa-cares-fund/>