Long-term Care Trust Act

Affordable and Accessible Long-term Care for Washington

Long-Term Care Trust Act establishes a responsible long-term care insurance program to provide high-quality and flexible long-term care coverage for Washington employees.

- The program provides 365 days-worth of coverage, which can be used consecutively or non-consecutively.
- Vested employees receive $100 per day benefit units reimbursed to care providers.
- The benefit would cover the complete cost of one year of long-term care for the average Washington long-term care consumer.¹
- The benefit coverage is financed by a 0.49% (half of one percent) payroll deduction on all workers (an average of $23.30/ month²).
- Coverage is open to all vested employees over the age of 18.
- Vesting period is three of the last six years, or ten years total.
- Non-eligible employees can opt-in to the program and gain coverage.
- A public-private commission will oversee implementation and administration.
- Individuals can opt-out without impacting the fiscal stability of the program.

Long-Term Care Trust Act would relieve strains on the State budget by proactively financing long-term care coverage to provide an alternative to Medicaid.

- Savings of $1.4 billion per biennium by 2040 to the State Budget, due to an estimated 18% of Medicaid caseload being served in entirety by Long-Term Care insurance.³
- Washington spends $2.1 billion annually on Medicaid funded long-term service and supports. This spending is projected to increase by at least 91% by 2040 to $8.02 billion per biennium.⁴
- This relief would help to protect other budget priorities including education and spending.

Broad coalition supports the Long-Term Trust Act including:

- AARP
- Alzheimer’s Association
- Caring Across Generations
- Washington Health Care Association
- SEIU 775
- Washington Association of Area Agencies on Aging (W4A)
- Senior Citizens’ Lobby
- LeadingAge Washington
- Long-term Care Ombudsman Program.
- A full list of all endorsing organizations is available at http://responsiblefuture.org/about/

2016 Bipartisan House Bill Sponsors

Majority of voters in Washington support the LTC Trust Act.
A recent statewide poll found that 62% of likely voters support the LTC Trust Act.
Long-Term Care coverage would ease the financial burden of long-term care on Washington’s seniors and working families.

- Most Washingtonians over 65 will need long-term care support in their lifetime.\(^5\)
- Prevents or significantly delays seniors from spending down their life’s savings into poverty in order to access Medicaid long-term care coverage.
- Long-term care is prohibitively expensive with the average lifetime cost estimated at $260,000\(^6\). Median retirement savings for people over 65 is just $148,000\(^7\).
- Medicare does not cover long-term care services.
- Nationally, family caregivers spend an average of 20 percent of their income on out-of-pocket costs related to caregiving, or an average of $6,954 annually; this bill could ease some of that burden.\(^8\)

Long-Term Care insurance coverage would benefit Washington’s economy, working caregivers, employers, and businesses.

- The program would increase workforce and business productivity by reducing the number of family caregivers who must take time-off work or quit paid employment entirely.
- An estimated $300,000 is lost in income and benefits for the average family member who leaves the workforce to provide long-term service and supports. This disparity is even larger for women, who will lose an average of $324,044.\(^9\)
- Although changes to the long-term care workforce are not explicitly included in the legislation, investing in high-quality long-term care could lead to improved job quality and wages, therefore bolstering job recruitment and retention.

Long-Term Care Trust Act would prioritize consumer choice and the flexibility that care recipients and caregiving families need.

- Coverage can be used on services by any certified provider or choice of setting – including in-home care aides, adult family homes, assisted living, or skilled nursing facilities.
- The 365 days of coverage can be used consecutively or non-consecutively.

Long-Term Care Trust Act was developed from a non-partisan analysis of the best solutions to make long-term care more affordable and accessible.

- The legislative funded Milliman study analyzed two policy reforms to help make long-term care more accessible and affordable: a public benefit trust similar to Social Security, paid into by all workers; and a public private solution to help stabilize the existing private insurance market.
- Milliman found the public benefit would have significant and broad impact on both family and state budgets.
- They also found that attempts to revive the private market would not change the number of insured seniors without large state subsidies and risk-sharing.
Citations

6 Ibid