



A Long-Term Care
Fund for Everyone

Ben Veghte, Ph.D.

WA Cares Fund Director, DSHS



Kristen Maki

WA Cares Fund Community
Relations & Outreach Program
Manager, DSHS

Washington State
Health Care Authority



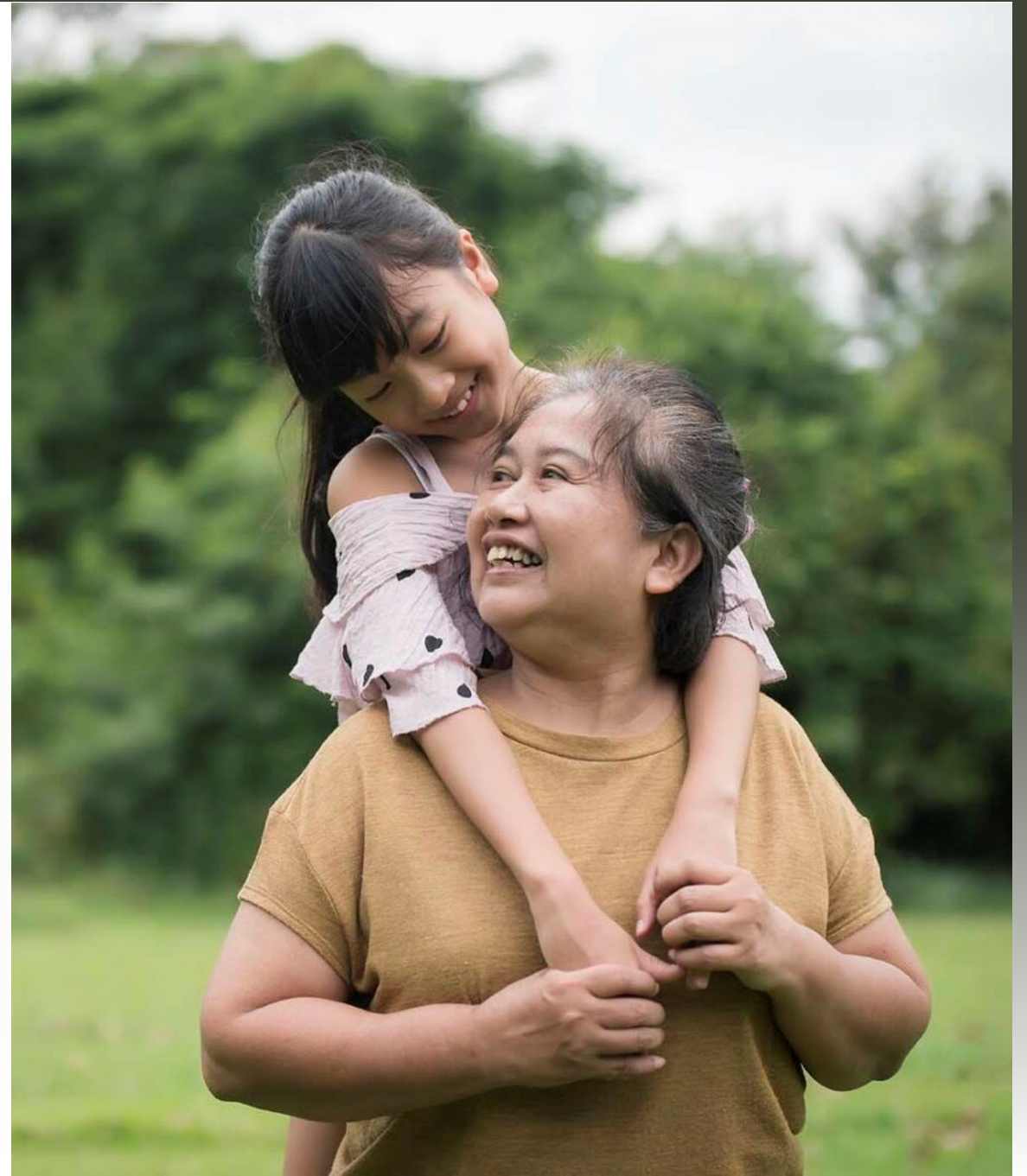
What you need to know about WA Cares Fund

The way we pay for long-term care today isn't working

- Impact on people who need care
- Impact on family caregivers
- Impact on workers and the economy

How WA Cares Fund works

- Contributing to WA Cares
- Qualifying for coverage
- Benefits for near-retirees
- Role of employers



The basics of long-term care

- **Help with activities of daily living**

like bathing, eating, dressing & taking medication

- **Broad range of services**

in a variety of settings, including your home

- **Predictable**

70% of us will need it

- **Expensive**

\$33,000 per year for 20 hours of home care per week



- **Not medical care**

- **Not covered by health insurance or Medicare**

- **Not covered by Medicaid**

until savings are spent down to \$2,000

- **Unaffordable for most WA seniors**

Median household income: \$56,000/year
Half have no 401(k) or pension income



Caregiving in Washington



KD

KD lives with her mother-in-law Kathleen, who has multiple sclerosis and needs in-home care to help with her daily activities.

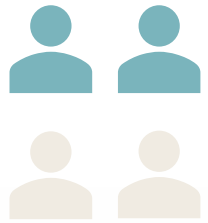
Although KD is grateful that Kathleen lives and receives care in the home, she says the expenses and demands of managing care can take a toll.



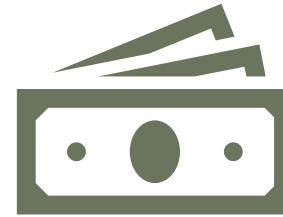
“ The last thing you want people thinking about in their golden years is money.

WA Cares is a really unique program – to know that as you get older, you’re still cared for and you’re still valuable.

Family caregiving isn't free



Almost half
of family caregivers report a
related financial setback



\$303,880
average lost wages and
benefits for caregivers 50+
who leave workforce early



25%
Average amount of their
own income caregivers
spend on related expenses



2 in 3
working caregivers say a
program that pays
caregivers would help

Impacts on the labor force and workers

Job openings in WA grew from **165,000** in 2020 to **224,000** in 2021 while number of available workers stagnated

AMONG WORKING CAREGIVERS

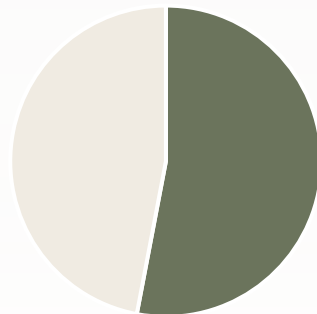
61%

report caregiving responsibilities impacted their job



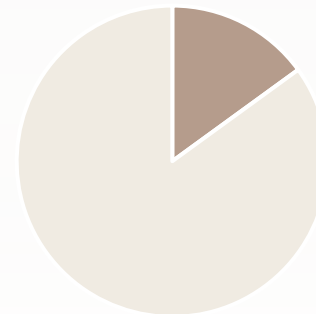
53%

Went in late, left early, took time off to provide care



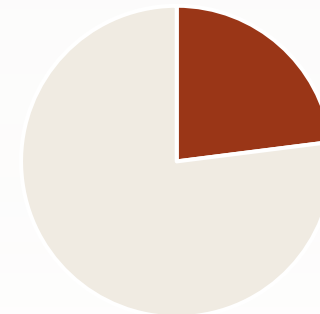
15%

Went from full-time work to part-time or reduced hours



23%

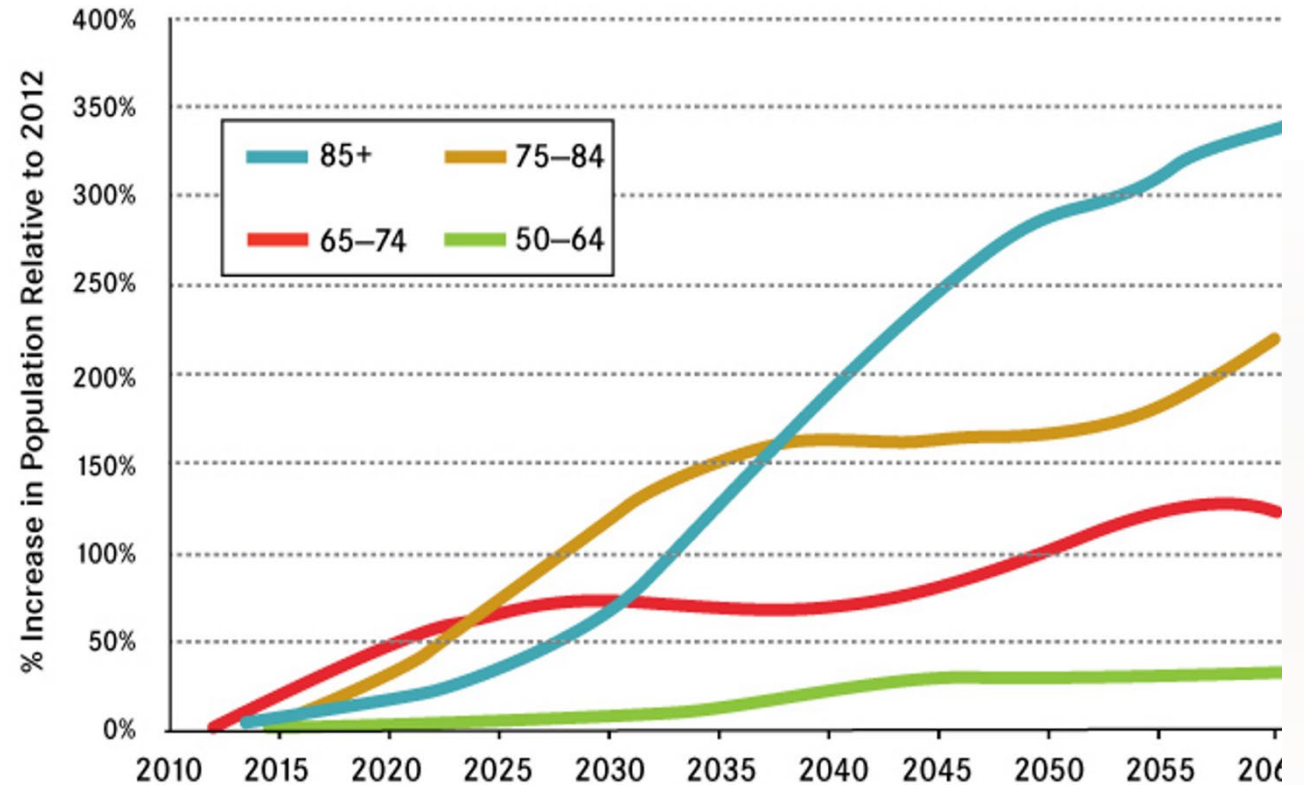
report their health has worsened since taking on the role



Why Washington needed a new approach to long-term care

As Washingtonians age, long-term care needs are growing and families are less able to meet them

Caregiver support ratio is declining from 7:1 in 2010 to 3:1 in 2050



Source: Washington State Department of Social and Health Services, Research and Data Analysis Division

WA Cares Fund can help

- Universal long-term care program in Washington state
- Earned benefit – only those who contribute are eligible
- Self-funded from worker contributions
- Only contribute while you're working
- Everyone covered at same rate regardless of pre-existing conditions
- No copays, no deductibles, and you never have to file a claim

Contributions

0.58%

Amount workers contribute from wages



Contributions begin

Benefits

\$36,500

Lifetime maximum benefit
(adjusted annually up to inflation)



Benefits available

Contributing to WA Cares Fund

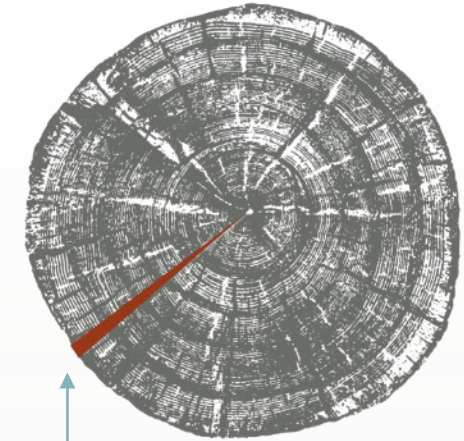
Employees contribute 0.58% of wages

- Premiums go into dedicated trust fund used only for this program
- Federal employees excluded
- Employees of tribes included if tribe opts in
- Self-employed individuals can opt in

Certain workers can apply for an exemption

- Workers who live out of state
- Temporary workers with non-immigrant visa
- Spouses of active-duty military
- Veterans with service-connected disability rating of 70% or greater
- Workers who had private long-term care insurance before Nov. 2021

Typical Income: \$50,091
Typical Contribution: \$291/year



0.58% of each paycheck

Affordable contributions across your career

\$35,000 annual salary	
Each year	\$203
Over 10 years	\$2,030
Over 20 years	\$4,060
Over 30 years	\$6,090

\$50,000 annual salary	
Each year	\$290
Over 10 years	\$2,900
Over 20 years	\$5,800
Over 30 years	\$8,700

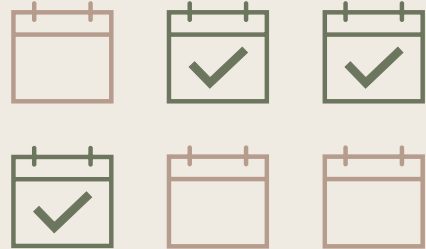
\$75,000 annual salary	
Each year	\$435
Over 10 years	\$4,350
Over 20 years	\$8,700
Over 30 years	\$13,050

\$36,500 benefit amount will be adjusted annually up to inflation.

Qualifying for coverage

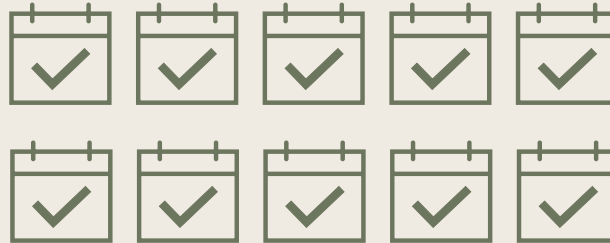
Early access to full benefit

Contributed at least **3 of the last 6 years** at the time you apply for benefits



Lifetime access to full benefit

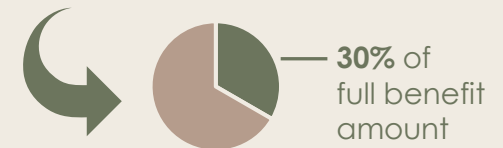
Contributed for a **total of 10 years** without a break of 5+ consecutive years



NEW FOR NEAR-RETIRES

Lifetime access to partial benefit

People born before 1968 earn **10% of benefit amount** for each year worked



To earn benefits, must work at least 500 hours per year (about 10 hours per week)

The benefit is flexible

Up to **\$36,500** for any combination of services and supports, including:



Professional care at home or in a facility



Adaptive equipment & technology like hearing or medication reminder devices



Training & paying family member or friend to be your caregiver



Home-delivered meals



Home safety evaluations & environmental modifications like wheelchair ramps



Support & respite for family caregivers



Transportation

Must need help with **3 activities of daily living** like bathing, dressing, eating, medication management

What employers need to know

Premium collection

- Employers collect premiums from employee wages starting **July 1, 2023**
- Workers contribute to WA Cares; employers do not
- Employers begin quarterly reporting to ESD starting **October 2023**

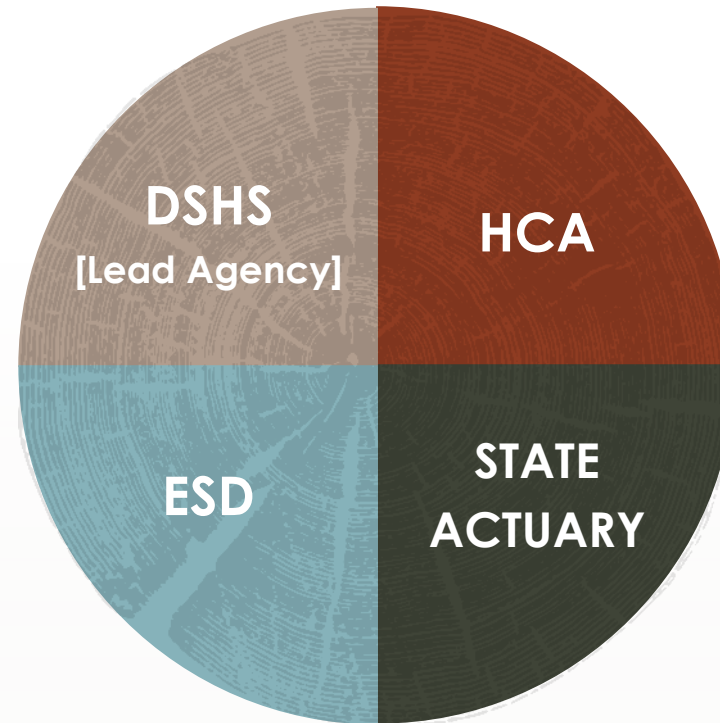
Exemptions

- Exemption applications processed by ESD, not by employers
- Applications for new exemption groups will be accepted by ESD starting **January 1, 2023** and continue ongoing
- Employers collect premiums from all workers except those who have provided confirmation from ESD that they are exempt

Cross-agency responsibilities

- Process applications
- Perform care needs assessments & determine eligibility
- Manage providers

-
- Collect premiums and wage reports
 - Determine whether workers have met contribution requirements
 - Process exemptions
 - Process requests from self-employed individuals opting in



-
- Pay providers
 - Track benefit usage

-
- Provide actuarial analysis to assess ongoing Trust Fund solvency



Thank You

To learn more, please visit:

WA Cares Fund

wacaresfund.wa.gov

General program questions

wacaresfund@dshs.wa.gov

844-CARE4WA

Questions about exemptions

esdgpwacaresexemptions@esd.wa.gov

Questions from employers

paidleave@esd.wa.gov