

Washington's First in the Nation Long-Term Care Program Taking Effect

Long-term care can be a serious problem for many older Americans. Seven in ten of us turning 65 today will need it as we age, and it is expensive. Only about 7% of Washington residents have private long-term care insurance to defray the cost. All too often, older adults must spend down their financial resources to qualify for financial assistance through Medicaid.

In 2019, Washington state [enacted](#) the first public long-term services and supports insurance program in the country. WA Cares Fund (WA Cares) is a joint program of the Washington State Health Care Authority, the Washington State Department of Social & Health Services, and the Washington State Department of Employment Security. It makes affordable long-term care insurance coverage available to all Washington employees at a premium rate of .58% of wages. For workers making \$52k a year, the premiums are about \$25 a month. To qualify, an employee must work at least 500 hours each year and pay into the program for ten years without a break of five or more years or have paid for three of the last six years at the time of applying for benefits. In return, they are eligible for a maximum benefit of \$36,500.

Starting on January 1, 2022, employers will start collecting WA Cares payments for all W-2 employees. Employers are required to administer this program for the state. Information for on how to do that is available [here](#). In addition, employers can also help inform their staff by:

- providing the WA Cares [website](#);
- distributing [this](#) one-page flyer that provides background and includes key dates that is also [translated](#) into Chinese, Khmer-Cambodian, Lao, Russian, Spanish, Vietnamese; and
- letting them know of the weekly informational [webinars](#) in August and September that are open to the public.

Employees can opt out of WA Cares, but they must obtain alternative private insurance by October 31, 2021 and apply for an exemption between October 1, 2021 and December 31, 2022. For those choosing to opt out, it is an irrevocable choice. Director of WA Cares Benjamin Veghte says it is an important decision because if they opt for private insurance they may face much higher premiums, an average of \$2,700 a year. "The challenge is if they cannot continue the payments as they get older, they will not only lose their private insurance but will also be ineligible for WA Cares. Lifetime cost versus annual cost are very different," Veghte says.

As an example, the average life expectancy of a 65 year-old is 20 years. For a 50 year-old retiring at 65 and living until 85, they will pay WA Cares premiums until they retire (15 years), for private long term care insurance,

those payments will continue for the remainder of their life (35 years) or until they need long term care, a substantial difference. To earn WA Cares benefits, a person must either pay premiums for at least 10 years without a break of 5 or more years or have contributed 3 out of the past 6 years prior to applying for benefits.

Critics say the current maximum benefit of \$36,500 is inadequate compared to the cost of residential care, but Veghte says the program is intended to help people age in place. WA Cares can pay for adaptive equipment, accessibility modifications, and paying a family member or someone else to provide in-home care. The benefit will not remain at \$36,500, but will be adjusted for inflation. In addition, WA Cares is currently working with long-term care insurers in Washington state to offer additional coverage that would start after the maximum is reached.

While this is a new idea in the United States, it has been around since 1968, when it was adopted in the Netherlands and later in Germany, Japan, and South Korea. Veghte has spent much of his career focused on researching, designing, framing, and implementing innovative public policies. Veghte conducted extensive research on international long-term care programs and published his findings in [*Designing Universal Long-Term Services and Supports Programs: Lessons from Germany and Other Countries*](#).