



Washington state to establish employee-funded long-term care

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Washington will launch a state-run long-term services and supports (LTSS) trust program in 2025, under legislation ([2019 Ch. 363, HB 1087](#)) enacted last year. Starting Jan. 1, 2022, employers in the state will have to collect 0.58% of wages through payroll deduction and remit these employee premium contributions to the state. Employees with other long-term care (LTC) insurance can waive participation.

Implementation and administration

Several departments will work together to develop, implement and administer the program. The [Health Care Authority](#) will track the use of lifetime benefits and eligibility and carry out other functions. The [Department of Social and Health Services](#) (DSHS) will determine beneficiary eligibility, approve long-term services and supports, and disperse benefits. The [Employment Security Department](#) (ESD) will collect employee premiums and monitor compliance, while the [Office of the Actuary](#) will be responsible for auditing the program. In addition, a new [Long-Term Services and Supports Trust Commission](#) will propose recommendations for eligibility criteria and qualifications for long-term service and support providers. The commission also will establish payment maximums.

Premiums

Beginning Jan. 1, 2022, the ESD will assess a premium rate of 0.58% of an employee's wages. Employers will have to collect the premiums through payroll deductions from employees in Washington and remit the amount collected to the ESD. The ESD will determine the manner and intervals for collecting and remitting premiums. For employees covered by a collective-bargaining agreement in existence Oct. 19, 2017, the law does not apply until the agreement expires or is reopened or renegotiated.

Eligibility and benefits

Starting Jan. 1, 2025, approved services will be available so eligible beneficiaries can have benefits paid to registered LTSS providers. Benefit eligibility will extend to individuals who have paid LTSS premiums for the equivalent of either (i) 10 years without an interruption of five or more consecutive years or (ii) three years within the last six years. Employees must have worked at least 500 hours per year.

Benefits will be payable for a range of services that include adult day care, professional services, family support, assisted living, nursing homes and more. The lifetime maximum benefit will be set at \$36,500. The DSHS will reimburse eligible services on a given date using a “benefit unit” of up to \$100, which will be annually adjusted to reflect changes in the Washington consumer price index.

Employer impact

Until the state provides more detail in proposed regulations or other regulatory guidance, it’s unclear how the state program will coordinate with any LTC benefit offered through an employer plan or as a voluntary benefit. Employers with Washington employees will want to monitor developments on the state’s websites and discuss implications with long-term care vendors. Employers that don’t offer LTC benefits will need to prepare for the required payroll deductions in 2022.

Related resources

- [2019 Ch. 363, HB 1087](#) (Washington State Legislature, May 16, 2019)
- [Health Care Authority](#)
- [Department of Social and Health Services](#)
- [Employment Security Department](#)
- [Long-Term Services and Supports Trust Commission](#)

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