

## BENEFIT PORTABILITY

### Recommendation

- **Allow anyone who leaves the state after making at least three years of qualifying contributions to the WA Cares Fund to elect portable benefits coverage** by continuing to contribute premiums as long as they are working. Premiums will be based on their actual wages (or in the case of self-employment, net profit).
- **Require workers who elect portable coverage to report their wages, pay premiums regularly, and provide documentation of their wages.** If they report no wages, the lack of wages earned must be verified.
- **Include program integrity mechanisms to ensure out-of-state voluntary program participants contribute accurately.** The Employment Security Department (ESD) and the Department of Social and Health Services (DSHS) will develop ways to support participants in accurately reporting their wages.
- **Once a worker participating in portable coverage turns 67,** continue requiring them to contribute on any wages earned, but no longer require them to provide documentation of their wages.
- **Make portable benefits available to out-of-state workers starting in 2030.**
- **Offset the costs of making benefits portable with the following measures:**
  - Incorporate a 90-day forward certification of need for in-state benefit applicants and adopt a HIPAA-style benefit threshold for out-of-state applicants (see Benefit Eligibility section below for details).
  - Give the State Investment Board authority to invest Trust assets in diversified portfolio, including equities. This would require a ballot initiative to amend the state constitution.
  - Increase required number of hours worked to earn a qualifying year from 500 to 1000.

### Impact

Without portable benefits, many contributing workers would not be eligible for benefits when they need care.

## BENEFIT ELIGIBILITY

### Recommendation

- **Use Washington's Medicaid-style long-term care benefit threshold and incorporate a 90-day forward certification of need into eligibility criteria for in-state residents.** This certification would preserve WA Cares benefits for true long-term care needs. This is neither an elimination period (as in private insurance, where beneficiaries need to pay out of pocket before coverage applies) nor a waiting period.
- **Adopt a HIPAA-style benefit threshold for out-of-state residents.** HIPAA is the standard benefit eligibility threshold required for tax-qualified private long-term care insurance policies nationwide. This would reduce administrative costs by leveraging the threshold which most assessors outside of Washington use.

### Impact

Required for DSHS to begin rulemaking and develop the assessment tool and helps offset costs of portability.

## EMPLOYER REPORTING CONSISTENCY AND PREMIUM REPORTING ACCOUNTABILITY

### Recommendation

- **Amend RCW 50B.04.080(3) to sunset the collective bargaining agreement exception effective December 31, 2023** to ensure consistency in reporting between Paid Family and Medical Leave (PFML) and WA Cares.
- **Adopt for WA Cares the premium accountability measures contained in the PFML statute** as described in RCW 50A.45. This would allow ESD to assess and collect penalties and interest from employers that do not report wages and remit premiums to the WA Cares Fund.

### Impact

ESD needs enforcement authority to ensure program integrity, which is critical to WA Cares Fund solvency.

## PILOT PROJECT IN EARLY 2026 FOR BENEFIT IMPLEMENTATION

### Recommendation

- **Provide WA Cares administering agencies with statutory authority to pay WA Cares benefits earlier than July 1, 2026** (but no earlier than January 1, 2026) for a small group of eligible individuals.

### Impact

Required to give agencies authority to fully pilot the program, including authorization and payment of services and addressing lessons learned prior to going fully live in July 2026.

## SUPPLEMENTAL PRIVATE LONG-TERM CARE INSURANCE

### Recommendation

- **Establish a statutory framework for a private long-term care insurance market supplementing WA Cares.**

### Impact

Required to incentivize marketing and sale of private insurance coverage that seamlessly supplements WA Cares. This will increase affordability of private plans and increase coverage for those who choose to purchase additional insurance.

## PROVIDE OPTION FOR INDIVIDUALS TO RESCIND PRIVATE LONG-TERM CARE INSURANCE EXEMPTIONS

### Recommendation

- **Provide everyone who has a lifetime private long-term care insurance exemption a one-time limited opportunity to permanently join WA Cares** until June 30, 2028, five years after the start of premiums.

### Impact

WA Cares has received more than 11,000 inquiries from customers seeking to rescind WA Cares exemptions, mainly due to private insurance premium increases or the availability of partial benefits for near-retirees.

## SIMPLIFYING THE TEN-YEAR CONTRIBUTION REQUIREMENT

### Recommendation

- **Replace RCW 50B.04.050(1)(a) pathway language with the simpler formulation: “A total of ten years”.**

### Impact

Required to give administering agencies sufficient time to incorporate this simplified qualification pathway algorithm into IT systems and to give workers easy-to-understand information about how to qualify for benefits.

## CREDITING SAVINGS FROM MEDICAID AND MEDICARE COST AVOIDANCE TO WA CARES FUND

### Recommendation

- **Credit any costs avoided through a potential shared savings waiver with the federal government to the WA Cares Fund**, since these avoided costs result directly from WA Cares expenditures.

### Impact

This would ensure that any shared savings are used to benefit those who have paid into the Trust. Discussions between the state and the Centers for Medicare and Medicaid Services for a shared savings waiver for WA Cares have already begun, making this recommendation somewhat time sensitive.

## EXEMPTIONS FOR HOLDERS OF TEMPORARY NON-IMMIGRANT WORK VISAS

### Recommendation

- **Automatically exempt non-immigrant visa holders from WA Cares** and allow them to opt into the program.

### Impact

Needed to reduce significant administrative burden currently faced by impacted workers, employers, and ESD.

## EXEMPTIONS FOR CIVILIAN EMPLOYMENT OF ACTIVE-DUTY SERVICE MEMBERS

### Recommendation

- **Allow active-duty service members with off-duty civilian employment to request a conditional exemption.**

### Impact

Would align off-duty civilian employment with treatment of federal wages from military service (automatically exempt) and wages earned by military spouses/domestic partners (eligible for voluntary exemption).