



Trends and Innovations in Long-Term Care Insurance Coverage and Financing

National Council of Insurance Legislators

July 19, 2025

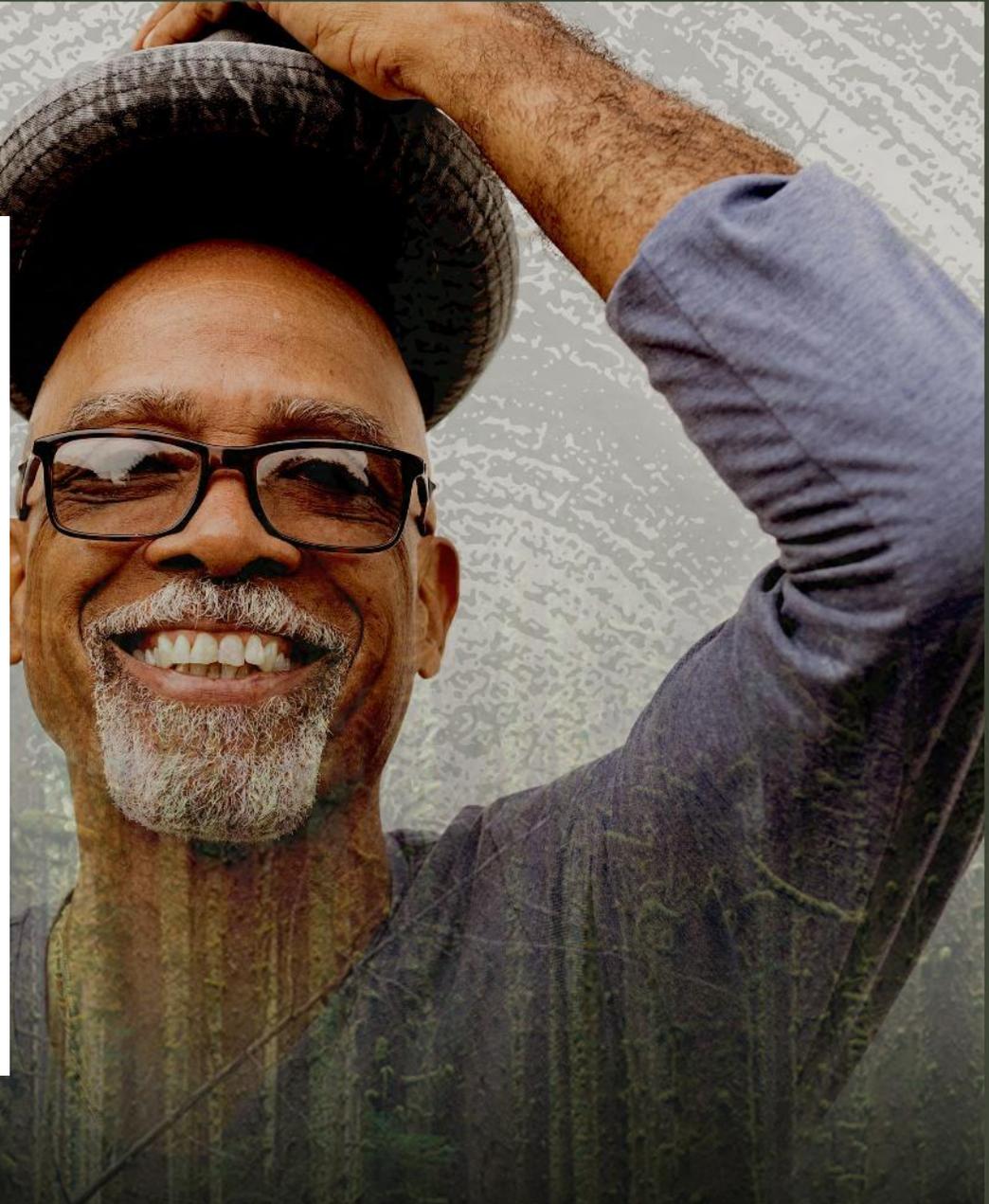
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Department of Social and Health Services



Washington State
Health Care Authority



We all have care stories in our families



Sun-Hee and Yunhee

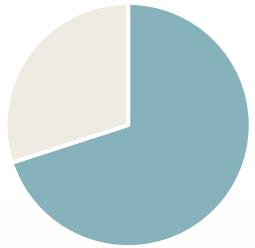
Sun-Hee and Yunhee are sisters and nurses living in the Puget Sound area and caring for their mom, who is experiencing cognitive decline.

Both sisters have stepped away from their careers to spend more time caring for their mom. They cook her Korean food and help her take her medication, grocery shop, clean her apartment, and keep a daily routine.



“ There's nothing I wouldn't do for her. She was there for us when we were growing up. She sacrificed for us, and I want to do that for her.

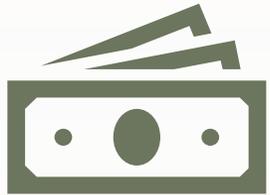
Long-term care is predictable and expensive



70% of us
will need long-term care



not covered
by health insurance or Medicare



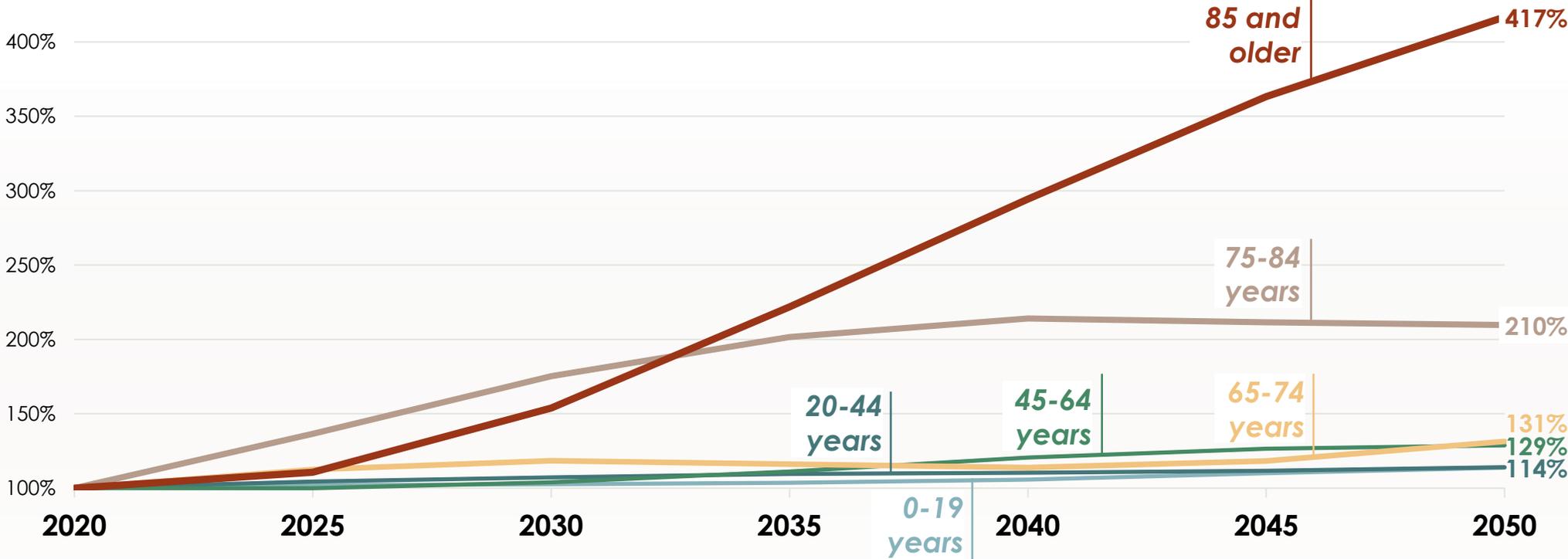
\$23,400/six months
of 20 hours of home care per
week



Only covered by Medicaid
once savings are spent down to
\$2,000

The population of Washingtonians age 85+ will quadruple from 2025 to 2050

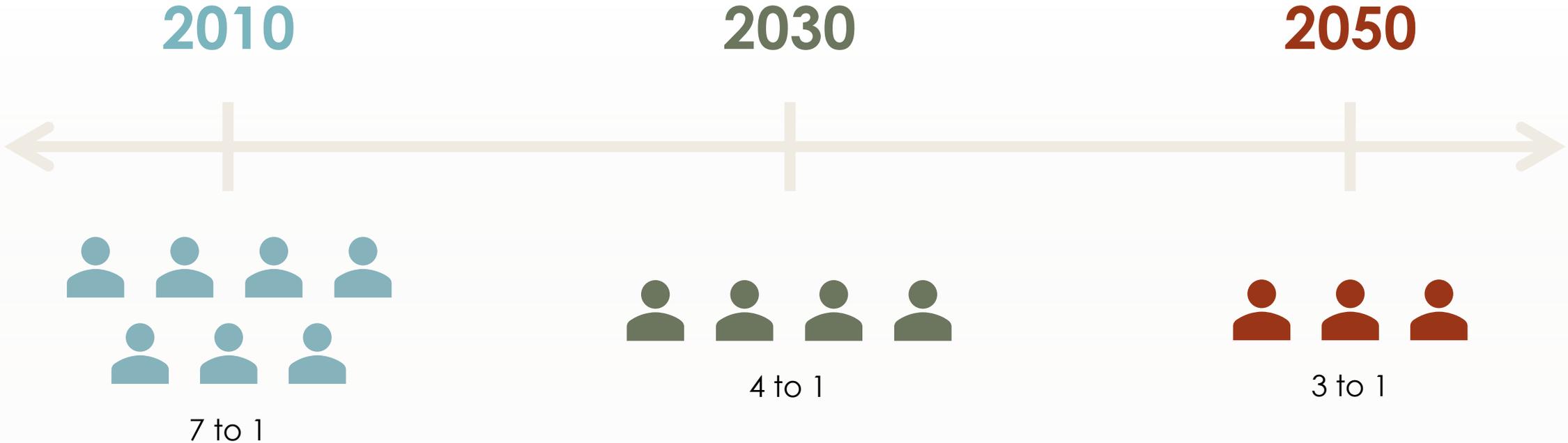
Growth in Washington state population by age range relative to 2020 population



SOURCE: Washington State Office of Financial Management, Statewide Population Forecast, Accessed April 2024

Families are increasingly unable to meet care needs

Number of potential family caregivers for each person who needs care



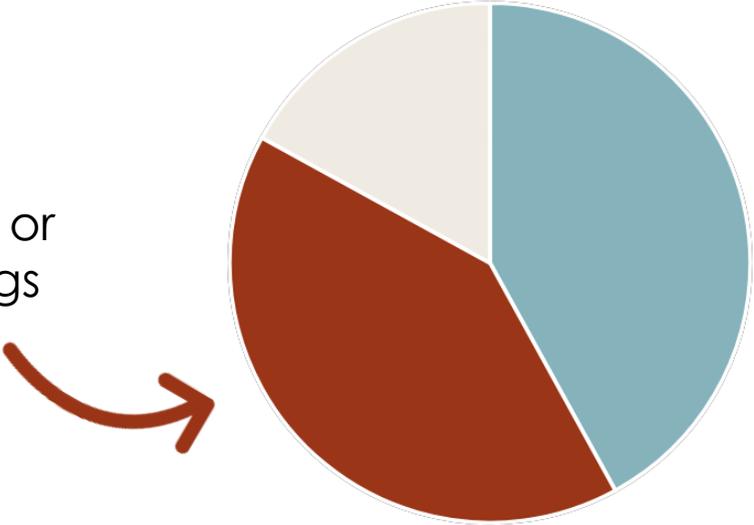
Most don't have a way to pay

\$56,000/year

Median household income for Washington seniors

AMONG WASHINGTON WORKERS AGE 55-64

41%
have no pension or
401 (k)/IRA savings



Another **42%**
have no pension & only
enough 401 (k)/IRA savings
to replace 10% of their
pre-retirement income

We all pay the high costs of long-term care



Without WA Cares, long-term care costs – which we all pay through taxes on goods and services – would have **doubled in roughly two decades**

\$10.4 billion

Washington's budget for long-term care (23-25 biennium)

8.9%

of state budget spent on long-term care (23-25 biennium)

Program timeline



2014

Research on policy options for long-term care

2019

Legislature passes LTSS Trust Act and governor signs into law

2022

Legislature adds pathway to partial benefits for near-retirees, establishes voluntary exemptions for certain groups

2023

July 1
Workers begin contributing

2024

Legislature gives workers the ability to take their benefit out of state

2025

Legislature creates supplemental private insurance market, gives workers with private insurance exemptions window to join WA Cares

2026

July 1
Benefits become available for qualified, eligible individuals

How WA Cares works

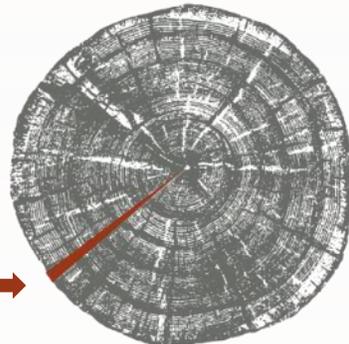
- Earned benefit
- Self-funded by worker contributions
- Works like an insurance program
- Only contribute while you're working
- Everyone covered at same rate regardless of pre-existing conditions
- No copays, no deductibles, and you never have to file a claim

Typical Income:

\$50,091

Typical Contribution:

\$291/year



0.58%

Contributions

0.58%

Amount workers
contribute from wages



Contributions began

Benefits

\$36,500

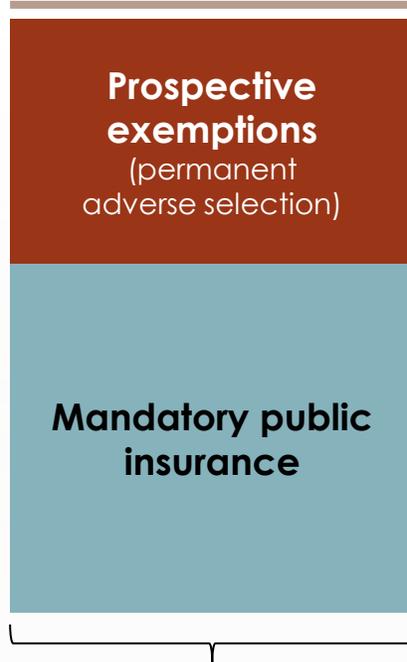
Lifetime maximum benefit
(adjusted annually up to
inflation)



Benefits available

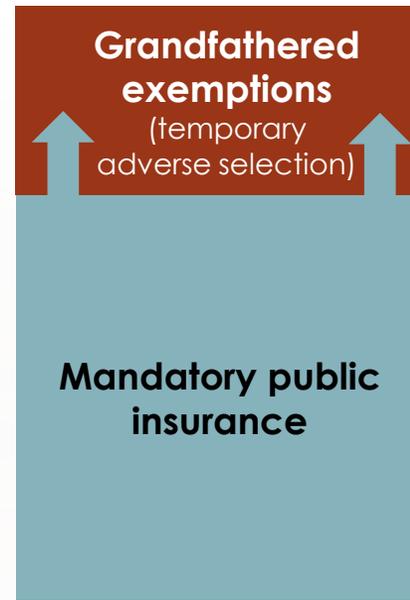
Leveraging WA Cares to create a more affordable supplemental private LTC insurance market

WA Cares with prospective PLTCI* exemptions



Original state

WA Cares with grandfathered PLTCI exemptions



Current state

WA Cares with supplemental PLTCI



Future state

*PLTCI = Private Long-Term Care Insurance

LTSS Trust Commission Recommendations Report

Supplemental Private LTC Insurance (SPLTCI)

Consensus was reached on set of recommendations on the structuring of a SPLTCI market, organized in six areas:

- Consumer protection
- Venue for filing policies
- Benefit trigger and elimination period
- Transition issues for near-retiree cohorts
- Continuity of covered care settings and providers
- Coordination of benefits between WA Cares and SPLTCI policies