

By Representative Sullivan

HB 1732 - H COMM AMD

By Committee on Appropriations

1 On page 3, line 25, after "July 1," strike "2026" and insert
2 "2025"

3
4 On page 4, after line 7, insert the following:

5 "**Sec. 2.** RCW 50B.04.030 and 2021 c 113 s 3 are each amended to
6 read as follows:

7 (1) The long-term services and supports trust commission is
8 established. The commission's recommendations and decisions must be
9 guided by the joint goals of maintaining benefit adequacy and
10 maintaining fund solvency and sustainability.

11 (2) The commission includes:

12 (a) Two members from each of the two largest caucuses of the
13 house of representatives, appointed by the speaker of the house of
14 representatives;

15 (b) Two members from each of the two largest caucuses of the
16 senate, appointed by the president of the senate;

17 (c) The commissioner of the employment security department, or
18 the commissioner's designee;

19 (d) The secretary of the department of social and health
20 services, or the secretary's designee;

21 (e) The director of the health care authority, or the director's
22 designee, who shall serve as a nonvoting member;

23 (f) One representative of the organization representing the area
24 agencies on aging;

25 (g) One representative of a home care association that
26 represents caregivers who provide services to private pay and
27 medicaid clients;

1 (h) One representative of a union representing long-term care
2 workers;

3 (i) One representative of an organization representing retired
4 persons;

5 (j) One representative of an association representing skilled
6 nursing facilities and assisted living providers;

7 (k) One representative of an association representing adult
8 family home providers;

9 (l) Two individuals receiving long-term services and supports,
10 or their designees, or representatives of consumers receiving long-
11 term services and supports under the program;

12 (m) One member who is a worker who is, or will likely be, paying
13 the premium established in RCW 50B.04.080 and who is not employed by
14 a long-term services and supports provider; and

15 (n) One representative of an organization of employers whose
16 members collect, or will likely be collecting, the premium
17 established in RCW 50B.04.080.

18 (3)(a) Other than the legislators and agency heads identified in
19 subsection (2) of this section, members of the commission are
20 appointed by the governor for terms of two years, except that the
21 governor shall appoint the initial members identified in subsection
22 (2)(f) through (n) of this section to staggered terms not to exceed
23 four years.

24 (b) The secretary of the department of social and health
25 services, or the secretary's designee, shall serve as chair of the
26 commission. Meetings of the commission are at the call of the chair.
27 A majority of the voting members of the commission shall constitute
28 a quorum for any votes of the commission. Approval of sixty percent
29 of those voting members of the commission who are in attendance is
30 required for the passage of any vote.

31 (c) Members of the commission and the subcommittee established
32 in subsection (6) of this section must be compensated in accordance
33 with RCW 43.03.250 and must be reimbursed for their travel expenses
34

1 while on official business in accordance with RCW 43.03.050 and
2 43.03.060.

3 (4) Beginning January 1, 2021, the commission shall propose
4 recommendations to the appropriate executive agency or the
5 legislature regarding:

6 (a) The establishment of criteria for determining that an
7 individual has met the requirements to be a qualified individual as
8 established in RCW 50B.04.050 or an eligible beneficiary as
9 established in RCW 50B.04.060;

10 (b) The establishment of criteria for minimum qualifications for
11 the registration of long-term services and supports providers who
12 provide approved services to eligible beneficiaries;

13 (c) The establishment of payment maximums for approved services
14 consistent with actuarial soundness which shall not be lower than
15 medicaid payments for comparable services. A service or supply may
16 be limited by dollar amount, duration, or number of visits. The
17 commission shall engage affected stakeholders to develop this
18 recommendation;

19 (d) Changes to rules or policies to improve the operation of the
20 program;

21 (e) Providing a recommendation to the council for the annual
22 adjustment of the benefit unit in accordance with RCW 50B.04.010 and
23 50B.04.040;

24 (f) A refund of premiums for a deceased qualified individual
25 with a dependent who is an individual with a developmental
26 disability who is dependent for support from a qualified individual.
27 The qualified individual must not have been determined to be an
28 eligible beneficiary by the department of social and health
29 services. The refund shall be deposited into an individual trust
30 account within the developmental disabilities endowment trust fund
31 for the benefit of the dependent with a developmental disability.
32 The commission shall consider:

33 (i) The value of the refund to be one hundred percent of the
34 current value of the qualified individual's lifetime premium

1 payments at the time that certification of death of the qualified
2 individual is submitted, less any administrative process fees; and

3 (ii) The criteria for determining whether the individual is
4 developmentally disabled. The determination shall not be based on
5 whether or not the individual with a developmental disability is
6 receiving services under Title 71A RCW, or another state or local
7 program;

8 (g) Assisting the state actuary with the preparation of regular
9 actuarial reports on the solvency and financial status of the
10 program and advising the legislature on actions necessary to
11 maintain trust solvency. The commission shall provide the office of
12 the state actuary with all actuarial reports for review. The office
13 of the state actuary shall provide any recommendations to the
14 commission and the legislature on actions necessary to maintain
15 trust solvency;

16 (h) For the January 1, 2021, report only, recommendations on
17 whether and how to extend coverage to individuals who became
18 disabled before the age of eighteen, including the impact on the
19 financial status and solvency of the trust. The commission shall
20 engage affected stakeholders to develop this recommendation; and

21 (i) For the January 1, 2021, report only, the commission shall
22 consult with the office of the state actuary on the development of
23 an actuarial report of the projected solvency and financial status
24 of the program. The office of the state actuary shall provide any
25 recommendations to the commission and the legislature on actions
26 necessary to achieve trust solvency.

27 (5) The commission shall monitor agency administrative expenses
28 over time. Beginning November 15, 2020, the commission must annually
29 report to the governor and the fiscal committees of the legislature
30 on agency spending for administrative expenses and anticipated
31 administrative expenses as the program shifts into different phases
32 of implementation and operation. The November 15, (~~2025~~) 2027,
33 report must include recommendations for a method of calculating
34 future agency administrative expenses to limit administrative

1 expenses while providing sufficient funds to adequately operate the
2 program. The agency heads identified in subsection (2) of this
3 section may advise the commission on the reports prepared under this
4 subsection, but must recuse themselves from the commission's process
5 for review, approval, and submission to the legislature.

6 (6) The commission shall establish an investment strategy
7 subcommittee consisting of the members identified in subsection (2)
8 (a) through (d) of this section as voting members of the
9 subcommittee. In addition, four members appointed by the governor
10 who are considered experienced and qualified in the field of
11 investment shall serve as nonvoting members. The subcommittee shall
12 provide guidance and advice to the state investment board on
13 investment strategies for the account, including seeking counsel and
14 advice on the types of investments that are constitutionally
15 permitted.

16 (7) The commission shall work with insurers to develop long-term
17 care insurance products that supplement the program's benefit."

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19 Renumber the remaining sections consecutively and correct any
20 internal references accordingly.

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22 On page 4, line 28, after "50B.04.060" insert "benefits will not
23 be available until July 1, 2026, and"

24
25 On page 5, beginning on line 20, beginning with "The" strike all
26 material through "2026." on line 22

27
28 On page 6, at the beginning of line 8, strike "2024" and insert
29 "~~((2024))~~ 2026"

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31 On page 8, after line 9, insert the following:
32 "**Sec. 6.** RCW 50B.04.140 and 2019 c 363 s 15 are each amended to
33 read as follows:

1 Beginning December 1, (~~2026~~) 2028, and annually thereafter,
2 and in compliance with RCW 43.01.036, the commission must report to
3 the legislature on the program, including:

4 (1) Projected and actual program participation;

5 (2) Adequacy of premium rates;

6 (3) Fund balances;

7 (4) Benefits paid;

8 (5) Demographic information on program participants, including
9 age, gender, race, ethnicity, geographic distribution by county,
10 legislative district, and employment sector; and

11 (6) The extent to which the operation of the program has
12 resulted in savings to the medicaid program by avoiding costs that
13 would have otherwise been the responsibility of the state."
14

15 Renumber the remaining sections consecutively and correct any
16 internal references accordingly.

17

18 Correct the title.
19

EFFECT: Advances the Office of the State Actuary's actuarial
audit and valuation of the Long-Term Services and Supports Trust
Program (Trust Program) from July 1, 2026 to July 1, 2025.

Specifies that for persons born before January 1, 1968, benefits
will not be available until July 1, 2026.

Eliminates the prohibition on the Department of Social and Health
Services accepting applications for eligible beneficiary
determinations under the Trust Program prior to July 1, 2026.

Delays the Pension Funding Council's premium rate adjustment
authority from January 1, 2024, until January 1, 2026.

Delays the Long-Term Services and Supports Trust Commission's (Trust
Commission) annual reporting from December 1, 2026, until December
1, 2028. Delays the Trust Commission's reporting on a method for
calculating future agency administrative expenses from November 15,
2025, until November 15, 2027.

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