



## IMPACT REPORT

# More Than 3 Million Washingtonians Soon Building WA Cares Benefits

The long-term care coverage crisis impacts the vast majority of working Washingtonians.

**Most of us - 70% - will need help with meals, moving around, or using the bathroom at some point in our lives.<sup>1</sup>**

When we need help with daily living, almost all (77%) of us want to stay at home with assistance from a home care aide or family member.<sup>2</sup>

Long-term care is not just for seniors. Right now, 40% of us needing long-term care are under 65.<sup>3</sup>

Finding the means to pay for that care is extremely challenging, putting enormous pressure on families and taxpayer-funded Medicaid.

Poll after poll shows the public wants the government to solve the long-term care coverage crisis.<sup>4</sup>

WA Cares is a new state-directed fund that will help us cover up to \$36,500 (or more, indexed to inflation) of our long-term care costs. WA Cares gives us the choice of staying in our homes by paying an aide or family member to help us.



**“We never thought we’d need WA Cares. We were wrong.”**

**- DANI, ASOTIN**

At just 32, Dani was partially paralyzed during a routine medical procedure.

**She’s not alone.**

Right now, 40% of us needing long-term care are working age (under 65).

But our private health insurance won’t cover home care or nursing home costs.

Starting in 2026, if we have earned WA Cares benefits and have a stroke, serious injury, or other disabling event, we have full access to WA Cares funds.

# We have few long-term care options in WA

Health insurance, disability insurance, workers compensation, and Medicare will not cover our home care or nursing home stays.

Our currently available long-term care solutions present significant barriers to most of us.

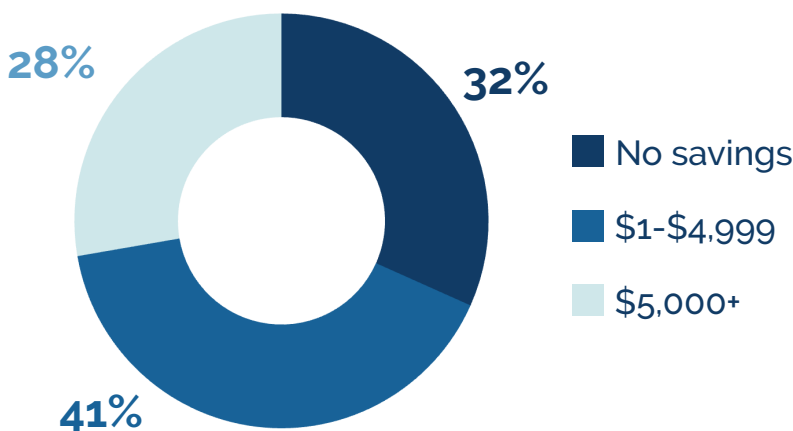
## MEDICAID REQUIRES NEAR BANKRUPTCY

Medicaid requires people spend through most of their savings and assets - down to \$2,000 or less - before Medicaid will cover home care or nursing home stays.<sup>5</sup>

## PRIVATE INSURANCE EXPENSIVE, UNRELIABLE

Private long-term care insurance raises premiums with age, charges women more than men, denies coverage to those with pre-existing conditions, and remains less accessible to historically marginalized communities.<sup>6,7</sup>

## MOST AMERICANS HAVE LESS THAN \$5000 IN SAVINGS



Adapted from Fortunly, percents rounded

"If my mother had that \$36,500, she could have spent the last year of her life in her own home where she wanted to be.

I'm glad I'll be able to tap into my WA Cares benefits to pay for a wheelchair ramp and someone to help with meals when I need it."

- JAY, NORTH BEND

## FAMILY SAVINGS NONEXISTENT

Today, the median American savings account contains less than \$5,300.<sup>8</sup> Additionally, women- and Black, Indigenous, and people of color (BIPOC)-led households have less access to savings mechanisms,<sup>9</sup> leading to lower savings and retirement balances and leaving less of a buffer when it is time for long-term care.

**Before WA Cares, most of us would have needed to spend down our retirement funds and assets, including signing over our homes, to qualify for home care or other long-term care through Medicaid.**



## WA POLL RESULTS

80%

think WA Cares coverage of all pre-existing conditions is important



76%

say that the ability to pay a family caregiver is an important WA Cares benefit



73%

say that equal premiums for men and women is an important WA Cares feature








## WA Cares fills critical care coverage gaps

WA Cares addresses these gaps by providing \$36,500 of benefits, adjusted for inflation, to any working Washingtonian, regardless of gender, race, age, or pre-existing conditions.

We only contribute to the WA Cares Fund while we're working. As soon as we retire, we stop contributing. Similarly, if we become unemployed or leave the workforce to care for a child or other loved one, our contributions stop and we stay in the program.

WA Cares covers a broader range of needs than private long-term care insurance currently on the market.

### WA Cares covers:

-  home care
-  family caregiving
-  medical equipment
-  home modifications, and
-  residential facilities.

**WA Cares will pay for an estimated 1,058 hours of home care**, whether that comes from a family member or a professional provider.<sup>10</sup>

WA Cares enables us to stay home when we want to. And most of us want to stay in place as we age or face difficult circumstances. **77% of American adults over 40 would prefer care at home compared to a long-term care facility.**<sup>11</sup>

# 3 Million WA Workers Fully Vested by 2033

## TOTAL BENEFITS

2026	\$36,500
2030	\$40,289
2035	\$45,584
2040	\$51,574
2045	\$58,351
2050	\$66,019

Table assumes 2.5% annual inflation adjustment

79% of Washington adults between the ages of 20-64 are part of the labor force<sup>13</sup> and the vast majority (87%) of those are on track to receive WA Cares benefits.<sup>14</sup>

In just ten years, more than 3 million Washington workers will be fully vested in WA Cares,<sup>15</sup> qualifying to receive \$36,500 when we need it. This benefit amount will grow with inflation.

WA Cares premiums are small - just \$0.58 per \$100 for Washington workers. Workers will automatically begin paying into the WA Cares Fund in July 2023 through payroll deductions.

In 2026, after contributing to WA Cares for just three years, we will be eligible for help if we experience a disabling event like a serious car crash or stroke.

## How much will a 50 year old making \$75,000/year pay for long-term care coverage?

	WA CARES	MOST PRIVATE INSURANCE
<b>MONTHLY PREMIUMS</b>	\$36.50/month, only while working	\$167/month on average now, payments balloon with age
<b>LIFETIME PREMIUMS</b>	\$6,570, if retiring at 65	\$70,140, if long-term care is needed at 85
<b>ENROLLMENT</b>	Automatic, no medical exam	Application, medical exams
<b>PRE-EXISTING CONDITIONS</b>	Everything is covered, no exceptions	No coverage
<b>BENEFITS</b>	\$36,500 guaranteed, wide array of benefits	3-month waiting period, strict limits on types of benefits
<b>MISSED PREMIUM/ UNEMPLOYMENT</b>	No penalties	Coverage canceled, no refund
<b>PREMIUMS FOR WOMEN</b>	No extra costs	Pay up to twice as much as men

## DANI, ASOTIN

"I was partially paralyzed in a routine medical procedure.

Like most families, we don't have enough to pay for a home care aide if I ever need one.

**Now thanks to WA Cares, we have more options.**

We both put in a little from our paychecks now, and WA Cares will pay for a home care aide when we need one.

So **Sam can keep working**, knowing I'm well cared for at home."



## WA Cares Offers 3 Flexible Vesting Options

By working just an average of **10 hours per week**, we have three ways to access WA Cares benefits when we need them:

### STANDARD

We fully vest in WA Cares after contributing for 10 years or more. Then, we have lifetime access to WA Cares benefits anytime we need them.

### EMERGENCY

After a disabling event such as an accident or stroke, we can access full WA Cares emergency benefits as soon as 2026. We just need to have contributed 3 of the last 6 years.

### PARTIAL

If we stop working before 2033, we can access pro-rated WA Cares benefits.\* For example, someone retiring in 2027 can access 40% of the benefit amount.

\*Available to people born before 1/1/1968 who work an average of 10 hours/week and contribute for one year or more.



## WA Cares benefits our communities

### 630,000 NEAR RETIREES

WA Cares is available to all workers who pay into the fund, even those near retirement. WA Cares benefits scale with the amount of time worked. About **630,250 WA workers are 55-64** and could retire soon.<sup>16</sup>

### 870,000 PART-TIME WORKERS

Part-time workers, including seniors, can work just 10 hours/week on average to qualify for WA Cares benefits. Approximately **870,415 Washingtonians currently work part-time** (34 hours or less per week).<sup>17</sup>

### 1.8 MILLION BIPOC WORKERS

More than **1.8 million Washington workers are Black, Indigenous, or people of color.**<sup>18</sup> BIPOC workers are more likely to become unpaid caregivers, and also less likely to have access to savings mechanisms or assets to pay for the assistance that will eventually be needed at home.

### 208,000 GIG/FREELANCE WORKERS

Contractors, freelancers and gig workers can also participate in WA Cares, paying a small amount (just \$0.58 for each \$100 earned) each year to qualify. About **208,386 workers in Washington are currently independent contractors.**<sup>19</sup>



**VICKI, VANCOUVER**

**"I've always been a caregiver.** First as a single mom raising three boys. Then as a home care aide to people with cancer, Alzheimers, and disabilities.

Now I'm getting close to retirement.

I have aggressive arthritis, and even walking up stairs is tough. Someday I'll need help with daily tasks, like grocery shopping, bathing, and moving around the house.

WA Cares can pay a home care aide to help me, replace my stairs with a ramp, and more - up to \$36,500."

## INJURED WORKERS

Washington workers leave the workforce each year due to illness or injury, but Labor & Industry benefits do not cover long-term care. Even if they are injured on the job, WA Cares will help after a disabling event. All WA workers will be eligible for WA Cares after contributing for just 3 years in case of a life-changing event or illness.

## 860,000 UNPAID CAREGIVERS

An estimated 860,000 unpaid family caregivers provide assistance to loved ones in Washington.<sup>20</sup> This unpaid work takes labor and money out of the economy. More than half of these unpaid caregivers have provided care for at least 2 years.

**One in four workers have left the workforce for caregiving responsibilities.**<sup>21</sup> Most often, family caregivers are women and/or people of color.

Nearly 8 in 10 caregivers report paying an average \$7,242 a year for out-of-pocket expenses related to looking after their loved ones. Unpaid caregiving further depletes family resources; **caregivers say they spend 26% of their own money on caregiving activities.**<sup>22</sup>

WA Cares will enable us to pay our family members for their time caring for us. WA Cares will also allow us to hire help so our family members don't have to leave their jobs.

## LINDA, MARYSVILLE

"My husband and I have had four care-dependent family members live with us.

None of our loved ones had resources to pay someone to help with their daily personal needs.

Our family took shifts caregiving while continuing to work to pay our bills. It wears you out mentally, physically and financially.

Long-term care is a safety net no different from unemployment insurance -- we hope we never need it, but glad it's there if we do.

**WA Cares will cover respite care, in-home caregiving or time in a skilled nursing center, so you don't have to sell everything you own."**





## NINA, SEATTLE

"My husband and I are retired professors who bought private long-term care policies over 20 years ago. Now Joseph is gravely ill.

**They've denied or delayed our benefits at every turn.**

They limit home care aides to no more than 4 hours a day. We feel overwhelmed, angry, and powerless.

If we miss even one payment our policy will be permanently canceled, and all of our money will disappear.

**I wish a reliable, affordable, public program like WA Cares had been around when Joe and I were still working."**

A retired couple aged 65 will pay \$5-7,000/year in private insurance premiums.

**With WA Cares, they will pay nothing after retiring.**

## WA Cares is a safety net for the pitfalls of private insurance

While private long-term care insurance is an option for a few people, it is not the solution for Washington.

Private long-term care insurance premiums are high and increase with age, making them unaffordable for those who may need them most. **Premiums continue to rise while coverage limits fall over time.**<sup>23</sup> Private long-term care insurance premiums often charge women up to twice the amount as men.

Private long-term care insurance means a waiting period, medical checks, and rising premiums in the midst of extremely difficult circumstances.

Private insurance also limits coverage, often failing to cover much-needed home modifications or paying for family caregivers.

A recent analysis found more than 800 complaints were filed against long term care insurance companies with the WA Office of the Insurance Commissioner in just the past few years. Almost half were for delaying or denying benefits like in-home care and nursing home stays. Another third were for premium hikes as much as 300%.<sup>24</sup>



# 3.1 Million Washingtonians under 65 are likely ineligible for private insurance due to pre-existing conditions

Even those who can afford the premiums may not qualify, as long-term care insurance frequently denies coverage to those with pre-existing conditions.

## Pre-existing conditions are much more common than most assume.

Currently, around **3.1 million Washington residents under the age of 65 have a pre-existing condition** that could disqualify them from private long-term care insurance coverage - or **57% of non-elderly adults**.<sup>25</sup> These common conditions include diabetes, cancer, high blood pressure, lupus, depression, sleep apnea, asthma, and many more.

**More than 30% of us between 60 and 65 will be turned down for private long-term care insurance due to a pre-existing condition.**<sup>26</sup>

A full 20% of people in their 50's, or **197,353 Washingtonians, can expect to be denied coverage** by a long-term care insurance company.<sup>27</sup>

**WA Cares covers all pre-existing conditions.** It is a critical resource for those who cannot qualify for private long-term care insurance as they begin to need assistance with daily tasks.

## ANTHONY, RENTON

"I was a normal 19 year old going to college, playing basketball with friends, enjoying life as a healthy young man. But all of a sudden, I was diagnosed with Lupus, a condition so severe I had to be treated with cytotoxic chemotherapy.

**Private long-term care insurance won't cover my pre-existing condition. But, WA Cares WILL.**

I'm working at a restaurant now, but if I can't cook or care for myself due to my Lupus, WA Cares will pay someone to help me out at home.

**WA Cares will pay for what I need."**





**CHRISTINA, VANCOUVER**

“My mom was a healthy active 63-year-old when she had a debilitating stroke.

I had a great career in tech, so between us we had savings – we thought we’ll be fine.

**I had to leave my career to care for my mom.**

Medicare will only cover one piece of equipment every 5 years.... so what are you supposed to do when you need a hospital bed, a wheelchair and a ramp in your home all at the same time?

We have people dying in their homes without the care they need, people having to leave their good paying jobs to care for loved ones, losing their homes, and going into poverty to get onto Medicaid.

**The WA Cares program is a giant step in the right direction.**

## **WA Cares will create billions of dollars in jobs, economic growth**

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**For every worker helped, WA Cares spending multiplies into \$54,750 in economic benefits** for businesses and communities.<sup>28</sup> A dollar in WA Cares spending on a home repair person, home care provider, or medical supplier generates another \$1.50 in economic benefits for our communities and businesses.

**An estimated 36,000 people receiving WA Cares benefits in 2026 will generate \$1.9 billion in economic growth for communities across the state.**<sup>29</sup>

## **WA Cares benefits will help prevent further labor shortage**

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**An estimated 860,000 unpaid family caregivers provide assistance to loved ones in Washington.**<sup>30</sup> This unpaid work takes labor and money out of the economy and puts significant strain on small- and medium-sized employers.

For caregivers who exit the workforce, the lifetime associated costs are approximately \$300,000 each in lost wages and retirement benefits. The unpaid care that they provide is worth the equivalent of \$470 billion in paid care annually in the U.S. and \$12 billion in Washington State.<sup>31</sup>

# WA Cares will save taxpayers \$3.9 billion over 30 years

**Right now, taxpayer-supported Medicaid is the major payer in Washington for home care and other long-term care services.**

In 2021, 23.2% of Washington's Medicaid spending went to long-term care, more than \$5 billion.<sup>32</sup> That number has increased as our population ages.

**WA Cares will reduce Medicaid's long-term care spending, and is expected to save taxpayers \$470 million a year by 2052 for a total of \$3.9 billion in aggregate savings over 30 years.**<sup>33</sup> Medicare will also see savings as a result of WA Cares, mostly due to offsetting post-acute care spending. The WA Cares Fund is projected to reduce Medicare spending for those

needing in-home care by 21% for adults aged 65 and over, and 25% for adults under 65 years of age.<sup>34</sup>



Most of us will need long-term care at some point in our lives.

WA Cares provides much needed support for working Washingtonians - and peace of mind.

Working adults in Washington will not need to worry about what will happen to them if they face a disabling event, or whether they can afford to spend more time caring for a loved one.

WA Cares will help prevent people from having to run through all of their savings and assets just to qualify for Medicaid.

WA Cares will cover those who private long-term care insurance denies for pre-existing conditions, and does not charge higher premiums for women.

Not only does WA Cares benefit individual Washingtonians, it provides economic benefit to families and entire communities.

**WA CARES IS GOOD  
FOR WASHINGTON.**

## Endnotes

- 1 Administration for Community Living
- 2 AARP 2021 Home & Community Preferences Survey
- 3 WA Long Term Care Options
- 4 AARP Polling
- 5 American Council on Aging Medicaid Planning Assistance
- 6 AARP Polling
- 7 Role of Race and Ethnicity in Private Long-Term Care Insurance Ownership
- 8 Federal Reserve System
- 9 Brookings Institute, America's Racial Wealth Gap In Retirement Savings
- 10 Estimated based on hourly cost of home care from Genworth Cost of Care
- 11 AARP 2021 Home & Community Preferences Survey
- 12 AARP Poll - Long-Term Care in Washington: Opinion about the WA Cares Fund
- 13 US Census Bureau - American Community Survey 2021 Table S2301
- 14 Estimated: working adults in WA (ACS 2021 S2301), excluding WA Cares opt outs
- 15 Estimated: working adults in WA (ACS 2021 S2301), excluding WA Cares opt outs
- 16 US Census Bureau - American Community Survey 2021 Table S2301
- 17 US Census Bureau - American Community Survey 2021 Table S2303
- 18 US Census Bureau - American Community Survey 2021 Table S2301
- 19 US Census Bureau - American Community Survey 2021 Table DP03
- 20 AARP Public Policy Institute
- 21 Pew Research Center
- 22 AARP Family Caregivers Cost Survey
- 23 American Association for Long-term Care Insurance
- 24 WA Long Term Care Options
- 25 Center for American Progress
- 26 American Association for Long-term Care Insurance
- 27 American Association for Long-term Care Insurance
- 28 Milliman Report, Aging Washington Factsheet
- 29 Milliman Report, Aging Washington Factsheet
- 30 AARP Family Caregivers Cost Survey
- 31 AARP Family Caregivers Cost Survey
- 32 Kaiser Family Foundation - Distribution of Medicaid Spending by Service
- 33 Milliman Report, Aging Washington Factsheet
- 34 DSHS Medicare Post-Acute Care Savings: Medicaid-Paid Long-Term Services & Supports

Data Finalized November 2022

## We Care for WA Cares

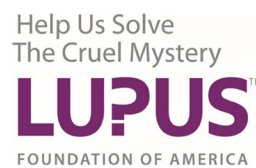
We Care For WA Cares is a coalition of Washington State consumers, workers, health care providers, retirees, and advocacy groups.

Find more information at

[www.wecareforwacares.org](http://www.wecareforwacares.org)



## Coalition Members



National  
Multiple Sclerosis  
Society



WASHINGTON PHYSICIANS  
FOR SOCIAL RESPONSIBILITY



Research & report design:  
Alison Lorelle at Percussion Strategic