

# NAVIGATING COMPLIANCE – BREAKING DOWN THE LEGISLATIVE PROCESSES AND TRENDS FOR LONG-TERM CARE

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Washington state set a national precedent by mandating long-term care coverage, signaling a broader legislative trend that other states are already exploring. Forward-thinking employers have a unique opportunity. By proactively offering long-term care benefits now, they can stay ahead of potential state mandates, align with emerging legislative expectations, and demonstrate leadership in employee well-being.

After nearly four years of comprehensive actuarial study, Washington state made history in 2019 as the first in the nation to enact legislation establishing a publicly funded long-term care (LTC) insurance program, known as the WA Cares Fund. This program is funded by a mandatory \$0.58 payroll tax on every \$100 of wages from all W-2 employees in the state.

**Multi-state employers need to stay informed about evolving legislation in states where they have employees. We believe it is crucial for employers to understand the legislative process and how similar initiatives are unfolding in various states.**

WA passed the law in 2019. July 1, 2023, is when employers started collecting the payroll tax.

- **Withhold Premiums** – Deduct 0.58% of employees' wages for the WA Cares Fund.
- **Report and Remit** – Submit employee hours and wages quarterly to the Employment Security Department (ESD) and remit the collected premiums.
- **Track Exemptions** – Maintain records of employees who have opted out due to private LTC insurance purchased before November 1, 2021.

## How a bill becomes law – the School House Rock version

States have a structured process to ensure thorough evaluation and debate before any bill becomes law. To keep it simple, a bill typically becomes law through the following steps:

1. **Introduction** – A legislator sponsors and introduces the bill.
2. **Committee Review** – The bill is assigned to a Committee for study, hearings, and recommendation. If it passes Committee, it goes to the floor for voting. If it

doesn't, the bill dies.

3. **Chamber Votes:** Both the House and Senate must pass the bill in identical form.
4. **Governor's Decision:** The governor can sign the bill into law, veto it, or take no action, in which case it may become law without a signature.

**Multiple states are seriously exploring or have proposed LTC bills similar to Washington (see map).**

- **New York:** Introduced bills (A1499 and S1179) in Jan 2025 to establish a state LTC trust program, with provisions for exemptions for individuals with private coverage.
- **California:** In Dec 2023 CA's Long-Term Care Task Force completed a 2-year actuary study with key recommendations. No legislation has been proposed in the Legislature yet.
- **Minnesota** – MN completed a feasibility study called "Own Your Future," aimed at increasing access to long-term care services and supports (LTSS) for Minnesota's older adult population.
- **Massachusetts** – As of March 2025, Milliman has presented its draft findings, and the final report is anticipated to be released later this year. MA also introduced Senate Docket 1962 (Study Bill Commission) to consider a payroll tax and modeling mandated vs. voluntary options.

Kapnick is here to keep you informed. Contact your Kapnick team to further discuss, attend an upcoming webinar, or request a quote.

