

# Securing Health and Wealth in Later Life

Exploring Relevant Policy Domains –  
Tax Policy and Population Health

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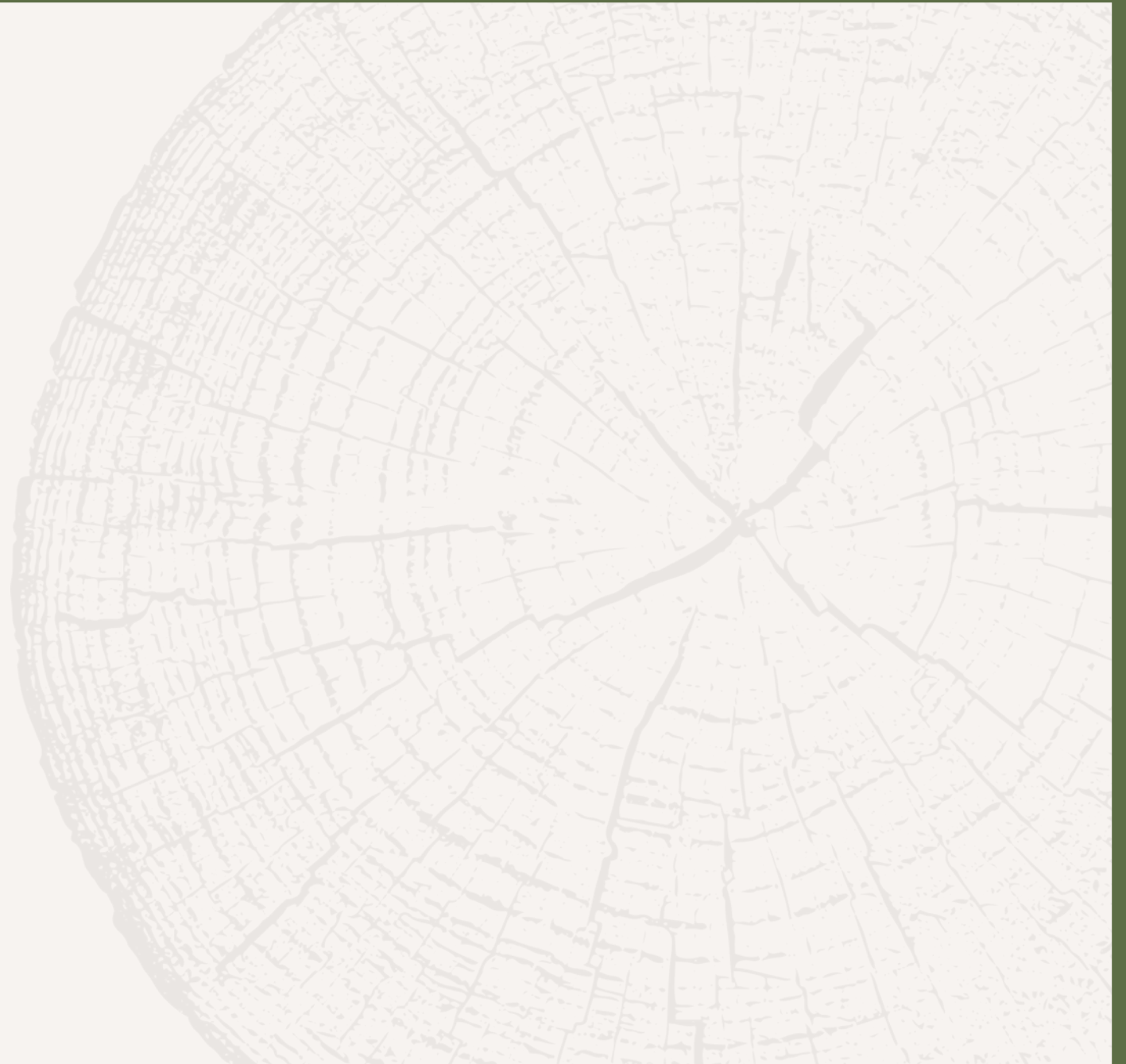
The National Academies of Sciences,  
Engineering, and Medicine



Washington State  
Health Care Authority

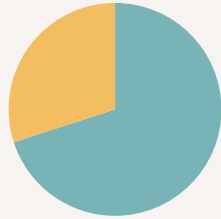


# Origin





# Policy challenge: LTC is a predictable, universal risk that compromises health and wealth in later life



**70% of us**  
will need long-term care\*

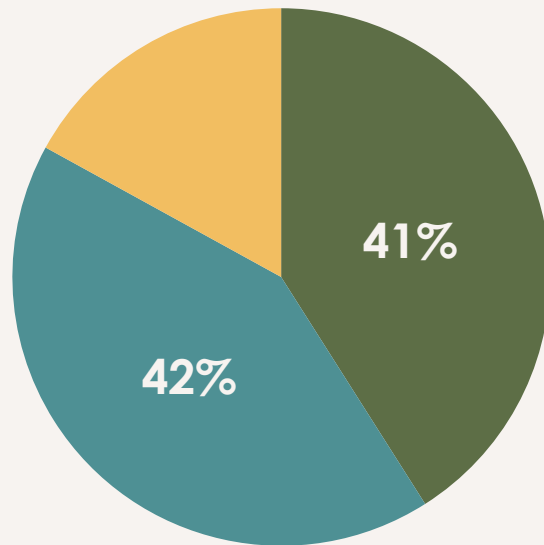
**Not covered**  
by health insurance or Medicare

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

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

\*WA Cares Fund estimates

# Most of us aren't prepared for this risk



In Washington, 83% won't be able to afford to pay for LTC in retirement

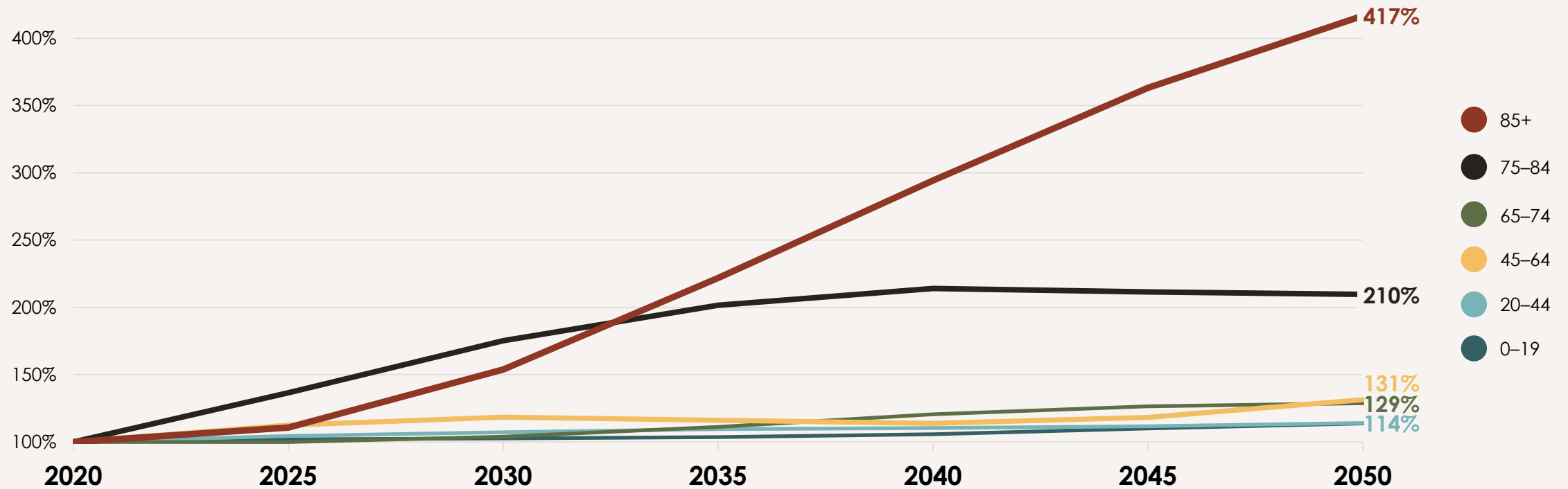
- ← **41%** have no pension or 401 (k)/IRA savings.
- ← **42%** have no pension and only enough 401 (k)/IRA savings to replace <10% of their pre-retirement income.<sup>†</sup>

<sup>\*</sup>U.S. Census Bureau (2024)

<sup>†</sup>Washington State Department of Commerce (2017)

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

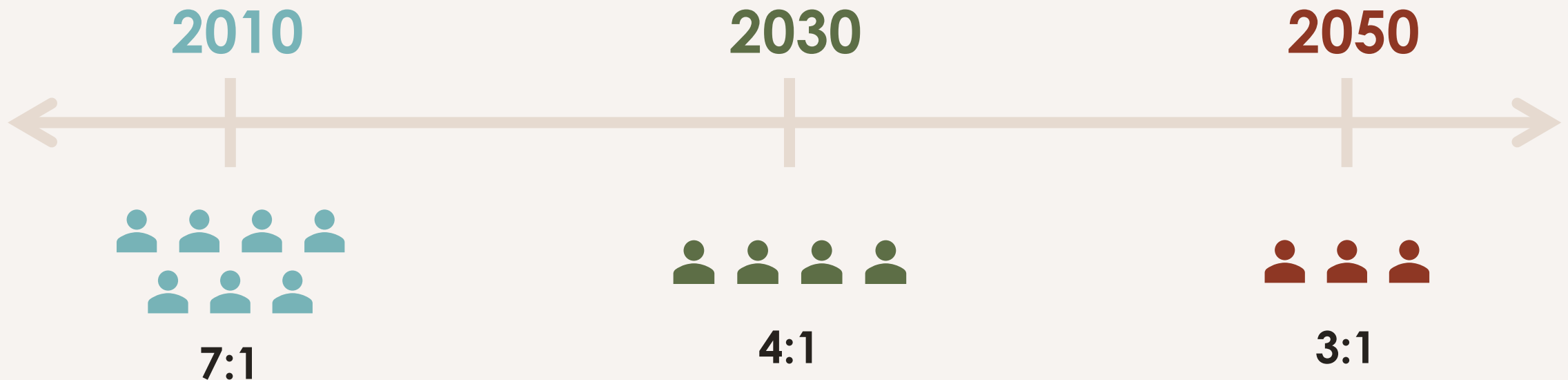
Growth in Washington state population by age range relative to 2020 population



\*Washington State Office of Financial Management Statewide Population Forecast (accessed April 2024)

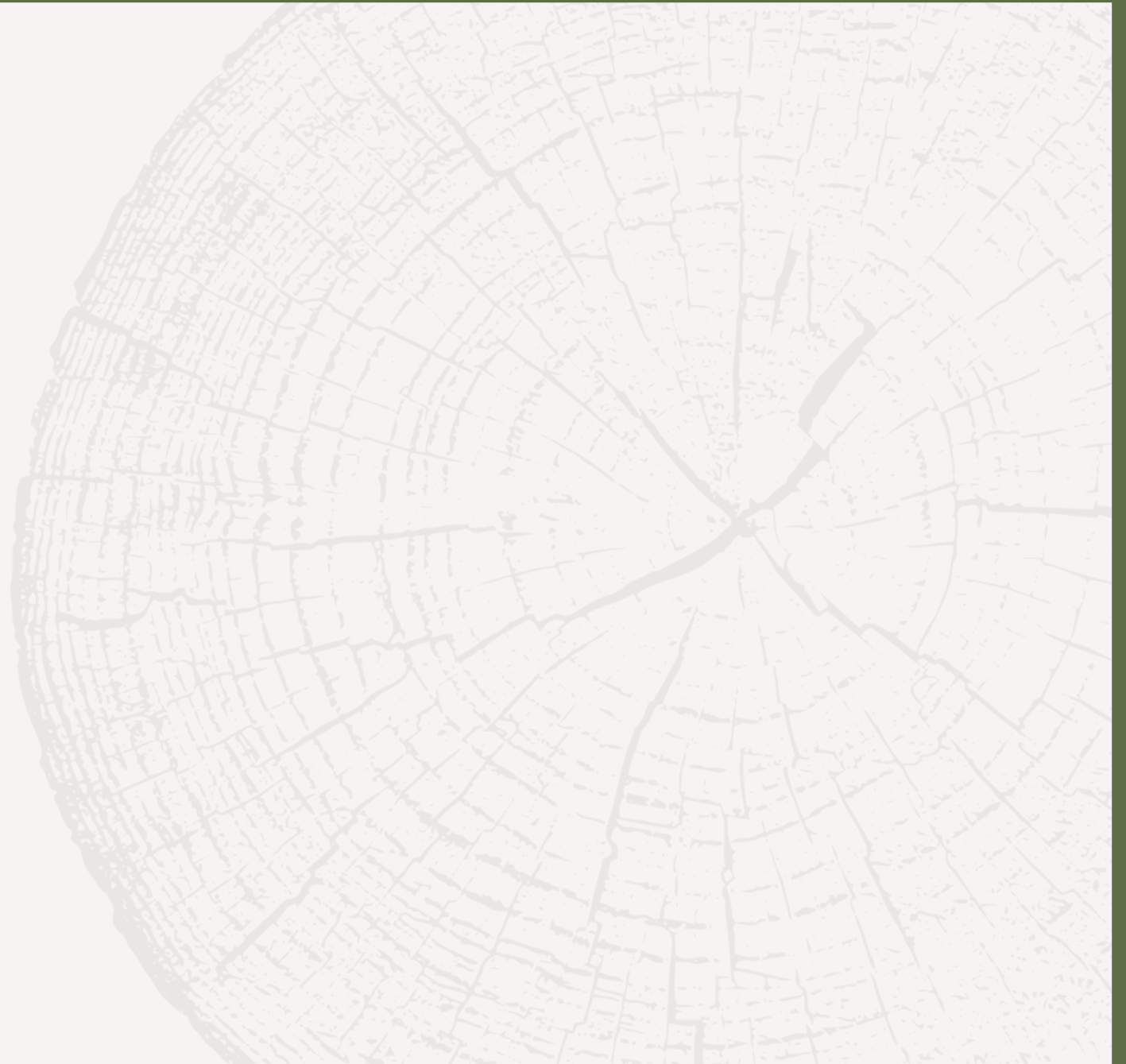
# Families can't meet the need

Number of potential family caregivers for each person likely to need care



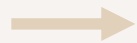


# Intent



# Families need a better way to pay for care

- WA Cares moves cost to years when your income is higher
- Public insurance model covering all workers keeps contribution rate low



**Contribute at a low rate**  
during working years

**Contributions end**  
after retirement

**Access benefits**  
when you need care



# Affordable contributions across your career

\$40,000 annual salary	
Per month	\$19
Over 30 years	\$6,960

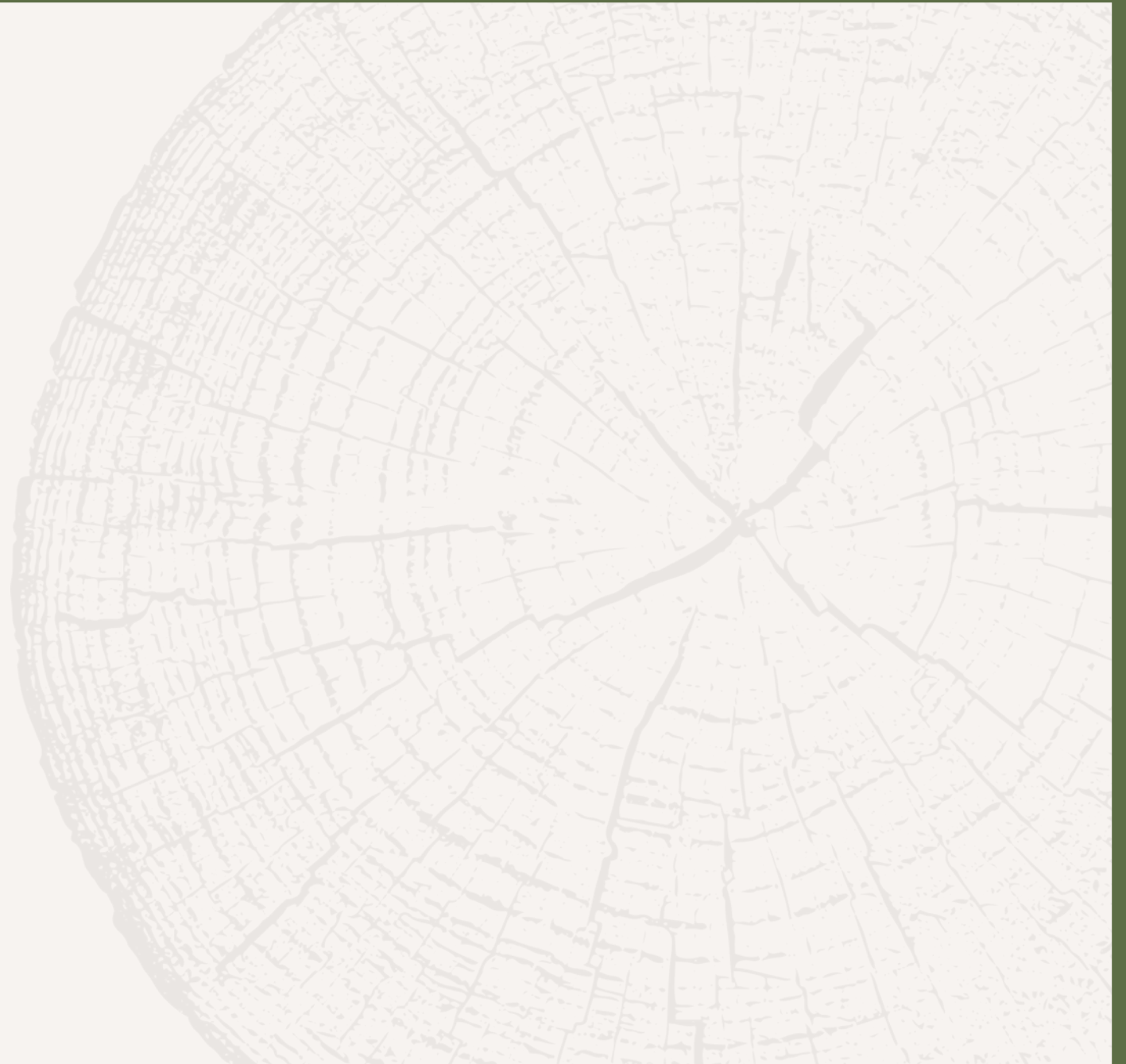
TYPICAL WA WORKER	
\$59,000 annual salary*	
Per month	\$29
Over 30 years	\$10,260

\$80,000 annual salary	
Per month	\$39
Over 30 years	\$13,920

To earn benefits that start at **\$36,500** and grow over time

\*Washington State Employment Security Department data

# Effects



# Leveraging WA Cares to create a more affordable supplemental private LTCI market

- Statutory framework for supplemental private LTC insurance enacted in 2025
- Public-private partnership like Medicare + Medicare Supplemental
- Policies kick in seamlessly after WA Cares benefits exhausted
- Likely more affordable than current private LTC insurance
- Additional consumer protections

**May 2026**

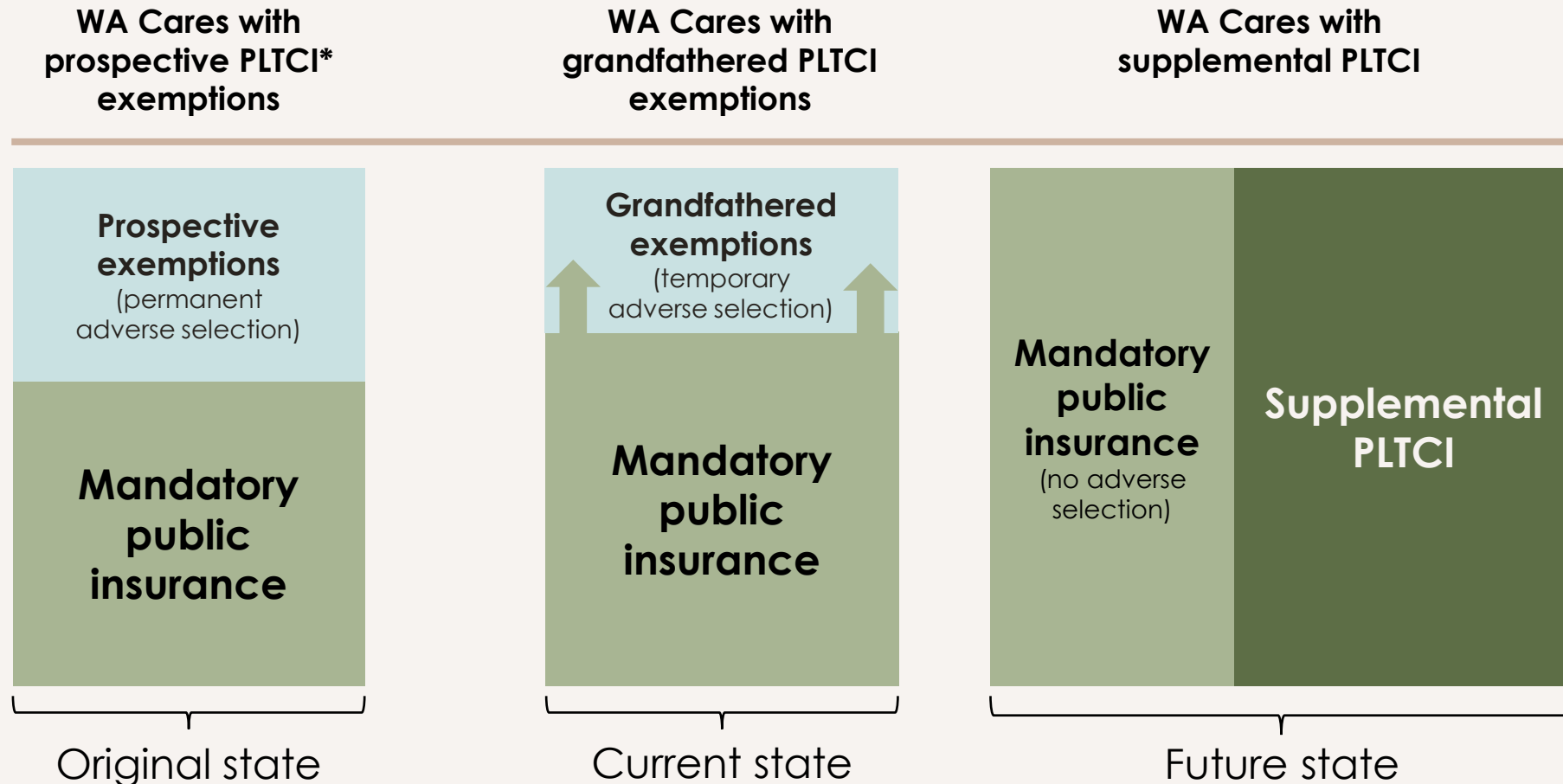
Office of the Insurance Commissioner finalizes rules

**Early 2027**

Policies could become available



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



\*PLTCI = Private Long-Term Care Insurance

# Universal coverage mitigates profound inequities of long-term care system

- For those needing care
- For family caregivers
- For care workforce

# Universal coverage paves way for quantum leap in the quality of the care infrastructure

- Paves way for upstream interventions that support aging in place, reduce LTSS utilization
- Reduces challenges with post-acute care
- Can be leveraged to achieve system-wide investments in housing, social care, etc.
  - Budgetarily, easier to justify investments because savings captured
  - Politically, builds broad constituency for stronger LTC system



A photograph of a dense forest with tall, thin trees and a path leading into the distance. A white rectangular box is overlaid on the image, containing the text "Questions & answers".

# Questions & answers