



POLICY BRIEF

Strengthening a safety net requires reforms to long-term care through Medicaid

By Elizabeth New,
Director, Center for Health Care, Center for Worker Rights
October 2025

Key Takeaways

1. Washington state is aging, and an increasing number of people are applying for Medicaid long-term care (LTC) earlier. This will lead to longer durations of use and escalating costs.
2. LTC costs consumed 20% of \$29.2 billion in Medicaid spending in Washington state in fiscal year 2022.
3. Medicaid enrollees who used long-term services and supports comprised 6% of total enrollment but 37% of federal and state spending.
4. The WA Cares Fund is unlikely to substantially help reduce Medicaid LTC demand. Given a lifetime benefit of \$36,500, high LTC costs and irresponsible state messaging, program recipients will often exhaust the benefit and then seek Medicaid.
5. Medicaid is the primary payer for LTC nationally, financing more than half (61%) of the total spending. This reliance on taxpayers is concerning as the population ages and program eligibility remains broadly accessible.
6. Eligibility rules let people rearrange assets to appear poor and qualify for taxpayer-funded long-term care, even when they have nearly \$1.1 million in home equity.
7. Estate recovery helps repay taxpayers after a recipient's death, supporting program integrity and sustainability, yet Washington recovered only 0.34% of \$5 billion in fiscal year 2025.
8. To deter gaming and preserve aid for those truly in need, lawmakers should push Congress to extend the five-year asset look-back period to 20 years.
9. Medicaid needs to be a safety net — not an inheritance-preservation vehicle — protecting resources for vulnerable Washingtonians.



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Introduction

Washingtonians are living longer.¹ More people are — and will end up — using long-term-care services² to help them with activities of daily life.³

Some people need financial help with long-term care, which state and federal taxpayers generously provide through Medicaid. Other people finance long-term care with private resources and have no need for taxpayer dependency. Many others have savings and investments that could be used for long-term care but instead have taxpayers pay for their long-term care, while protecting money and assets to pass onto their heirs. Inadequate eligibility requirements and low pursuit of estate-recovery measures make this easier to do.

Medicaid is the primary payer of long-term care (LTC) services in the nation and Washington state, and LTC funding makes up 20% of Washington state Medicaid spending.⁴ Keeping up with the financial demands to come from an increased number of people relying on taxpayers for long-term care requires changes to eligibility requirements⁵ and estate recovery measures⁶ attached to the safety net.

1 Washington state Department of Health, “Health of Washington State, Mortality and Life Expectancy,” Updated Aug. 26, 2013, <https://doh.wa.gov/sites/default/files/legacy/Documents/1500/GHS-MLE2013.pdf>, and, Peterson Center on Healthcare KFF Health System Tracker, “How does U.S. Life Expectancy compare to other countries,” Jan. 31, 2025, https://www.healthsystemtracker.org/chart-collection/u-s-life-expectancy-compare-countries/?utm_source=chatgpt.com#Life%20expectancy%20at%20birth,%20in%20years,%201980-2023.

2 Priya Chidambaram and Alice Burns, KFF, “10 Things About Long-Term Services and Supports,” Figure 10, July 8, 2024, <https://www.kff.org/medicaid/10-things-about-long-term-services-and-supports-ltss/>.

3 Edemekong, P. F., Bomgaars, D. L., Sukumaran, S., & Schoo, C., “Activities of daily living,” StatPearls - NCBI Bookshelf, p. 1, May 4, 2025, <https://www.ncbi.nlm.nih.gov/books/NBK470404/#:~:text=Activities%20of%20daily%20living%20are,from%201%20position%20to%20another>.

4 KFF fact sheet, “Medicaid in Washington,” May 2025, <https://files.kff.org/attachment/fact-sheet-medicaid-state-WA>.

5 American Council on Aging, “Washington Medicaid Income & Asset Limits for Nursing Homes & In-Home Long Term Care,” July 1, 2025, <https://www.medicaidplanningassistance.org/medicaid-eligibility-washington/#:~:text=family%20as%20inheritance-,Medical%20%2F%20Functional%20Need%20Requirements,criteria%20specific%20to%20that%20benefit>.

6 Washington state Health Care Authority, “Estate Recovery,” April 9, 2024, <https://www.hca.wa.gov/free-or-low-cost-health-care/i-help-others-apply-and-access-apple-health/estate-recovery>.

Background

Demographics, duration of LTC use

The graying population using long-term services and supports (LTSS) in Washington state is expected to grow and has been joined by a younger cohort that is expected to use services longer. This has followed the state's allowance and growth of Medicaid LTC to include home- and community-based services. LTSS spending has been historically weighted toward institutional care, but states, including Washington, have increased LTC options for Medicaid clients in recent decades.

The shift is good news in that researchers find Medicaid per person annual spending is substantially higher for enrollees who used institutional care than for enrollees who used home- and community-based services.⁷ That's true, too, for Washington state. In May 2025, KFF, a leading health policy organization, showed institutional costs are higher for LTC clients in the state, with \$56,534 spent per enrollee compared to \$42,307 spent on enrollees receiving home care.⁸

While home- or community-based services have been less expensive than institutional care, cost increases in this category and a growing number of enrollees could make this shift a financial detraction. Medicaid LTC is no longer just nursing home care for the elderly. The safety-net program increasingly supports younger, older adults. That shift has budget implications (longer duration of care) and brings up questions about sustainability and tax burden.

Most clients start receiving long-term services and support through Medicaid in Washington state at age 65 or older, but the proportion of clients starting services between 55 and 74 has increased from 30% to 39% between 2002-2005 and 2015. The share of clients who began services at age 75 and older decreased 10%. That's according to a 2018 report to the Washington state Department of Health and Human Service's Aging and Long-Term Support Administration. (The proportion of clients entering Medicaid LTC at 54 and younger remained relatively stable over time.) Earlier entry into the program suggests longer duration of use for the entire population. Further, many who start in home-based care still end up in a nursing home over time.⁹

A 2002-2005 cohort of recipients showed that among adults 25 and older, clients who started Medicaid LTC services when 85 and older averaged 30 months of use. People aged 75 to 84 used LTSS for an average of 41 months. Those aged 65 to 74 had the longest average use at 53 months, followed closely by those in the 55-to-64 age group at 51 months.¹⁰

7 Priya Chidambaram and Alice Burns, KFF, "10 Things About Long-Term Services and Supports," Figure 4, July 8, 2024, <https://www.kff.org/medicaid/10-things-about-long-term-services-and-supports-ltss/>.

8 See Footnote 4.

9 Jingping Xing, David Mancuso, Barbara E.M. Felver, MES, MPA, Report to Washington state's Department of Social and Human Services' Aging and Long-Term Support Administration, "The Changing Patterns of Long-Term Services and Supports Use in Washington State," March 2018, <https://www.dshs.wa.gov/sites/default/files/rda/reports/research-8-34.pdf?utm>.

10 See Footnote 9.

A substantial percentage of clients already uses LTSS for an extended period. Among that 2002-2005 cohort analyzed, 27% used LTSS more than 60 months. When looking at the 2014-2015 LTSS service population, a different measurement was communicated. Still long-term use was similarly significant. The report said that more than half (58%) of the 2014-2015 LTSS service population used LTSS services for more than 36 months over a period of measurement extending back to 2001.¹¹

The majority of LTSS clients in Washington state continues to be female, slightly decreasing from 64% in 2002-2005 to 62% in 2015.¹² This is similar to gender use of LTC services nationally and a reason why LTC insurance has been more expensive historically for women than men,¹³ much like auto insurance rates are higher for men than women because of historical accident data.¹⁴

Medicaid spending and LTSS' portion of the Medicaid budget

Washington state's total Medicaid spending in fiscal year 2022 was \$29.2 billion, with 69% of that total shouldered by the federal government, according to the previously referenced May 2025 KFF state fact sheet.¹⁵ A state report further points out that federal funds pay for roughly 50% of most traditional Medicaid programs, which includes Medicaid LTC and adults 65 and over, and 90% of the Medicaid expansion population of low-income adults not eligible for traditional Medicaid. This means the state does not get as high a percentage for the Medicaid population (LTSS) that this brief concerns.¹⁶

Of the total Washington state Medicaid budget, KFF says, LTC funding made up 20%.¹⁷ And while people 65-plus were just 7% of enrollees, they made up 17% of total spending, more than doubling their presence in Medicaid.¹⁸ (Funding for LTC is not just for the elderly. It includes persons with disabilities.)¹⁹

When it comes to LTC use as a proportion of the overall Medicaid budget, a 2023 KFF report said people who used long-term services and supports "comprised 6% of Medicaid enrollment but 37% of federal and state Medicaid spending,

11 See Footnote 9.

12 See Footnote 9.

13 American Association for Long-Term Care Insurance, "Who is likely to need paid long-term care," webpage accessed on Sept. 25, 2025, <https://www.aaltci.org/long-term-care-need/#:~:text=WOMEN%20HAVE%20MORE%20LONG%2DTERM,years%20of%20care%20is%2026%25>.

14 John Dillmore, U.S. News and World Reports, "Best cheap car insurance for new drivers," Updated Sept. 4, 2025, <https://www.usnews.com/insurance/auto/best-cheap-car-insurance-new-drivers>.

15 See Footnote 4.

16 Washington State Health Care Authority, "Medicaid in Washington State," September 2025, <https://www.hca.wa.gov/assets/program/medicaid-in-washington-state.pdf>.

17 See Footnote 4.

18 See Footnote 4.

19 See Footnote 4.

reflecting the generally high cost of LTSS and more extensive health needs that lead to higher use of other health care services and drugs.”²⁰

Medicaid heavily relied upon as payer of LTSS

The government is the primary payer for long-term services and supports nationwide. In 2023, Medicaid paid 61% of the \$459 billion spent on LTC in the United States, most of which went to home care.²¹ The Washington state Department of Social and Health Services’ spending since 2015 has nearly tripled, in part driven by number of people using long-term care.²² “Washingtonians are just getting older,” DSHS Director of Central Budget Dan Winkley told The Center Square. “The population is a bigger part of the agency’s expenditures.”²³

Current policies, policy analysis, solutions

Part of the reason so many people use Medicaid for their LTC services is because eligibility requirements make it easy to qualify. Estate recovery for taxpayer help with long-term services and supports also has been underutilized, adding to the problem. Finally, the ability of WA Cares to help the state’s Medicaid LTC budget, which it was created in part to do, remains uncertain. These policies will be discussed below.

Estate recovery

Federal law has required Medicaid estate recovery since 1993, when the Omnibus Budget Reconciliation Act (OBRA ’93) added language to the Social Security Act mandating states recoup the cost of long-term-care services paid on behalf of Medicaid beneficiaries age 55 and older.²⁴ (An estate includes all real property — land or buildings — and all other property — mobile homes, vehicles,

20 [Priya Chidambaram](https://www.kff.org/medicaid/how-many-people-use-medicaid-long-term-services-and-supports-and-how-much-does-medicaid-spend-on-those-people/#:~:text=Medicaid%20Enrollees%20Who%20Used%20LTSS%20Had%20High%20Per%2DEnrollee%20Spending&text=Files%2C%202020%20PNG-,People%20who%20used%20Medicaid%20LTSS%20comprised%206%25%20of%20Medicaid%20enrollment,services%20and%20drugs%20as%20well.) and [Alice Burns](https://www.kff.org/medicaid/how-many-people-use-medicaid-long-term-services-and-supports-and-how-much-does-medicaid-spend-on-those-people/#:~:text=Medicaid%20Enrollees%20Who%20Used%20LTSS%20Had%20High%20Per%2DEnrollee%20Spending&text=Files%2C%202020%20PNG-,People%20who%20used%20Medicaid%20LTSS%20comprised%206%25%20of%20Medicaid%20enrollment,services%20and%20drugs%20as%20well.), KFF, “Medicaid Long-Term Services and Supports and How Much Does Medicaid Spend on Those People?” Figure 5, Aug. 14, 2023, <https://www.kff.org/medicaid/how-many-people-use-medicaid-long-term-services-and-supports-and-how-much-does-medicaid-spend-on-those-people/#:~:text=Medicaid%20Enrollees%20Who%20Used%20LTSS%20Had%20High%20Per%2DEnrollee%20Spending&text=Files%2C%202020%20PNG-,People%20who%20used%20Medicaid%20LTSS%20comprised%206%25%20of%20Medicaid%20enrollment,services%20and%20drugs%20as%20well.>

21 See Footnote 7, KFF, “Medicaid 101,” Figure 9, May 28, 2024, <https://www.kff.org/medicaid/health-policy-101-medicaid/?entry=table-of-contents-how-much-does-medicaid-spending-vary-across-enrollee-groups-and-states> and Kirsten J. Colello and Isobel Sorenson, Congress.gov, Aug. 28, 2025, “Who pays for long-term services and supports?” <https://www.congress.gov/crs-product/IF10343#:~:text=Medicaid%20is%20the%20largest%20single,45.6%25%20of%20all%20LTSS%20expenditures.>

22 T.J. Martinelli, The Center Square, “Fiscal Fallout: Long-term care spending driver of Washington DSHS swelling budget,” July 21, 2025, https://www.thecentersquare.com/washington/article_bb21f8a4-c9c2-4bd0-8e4f-a1e76e308bc4.html.

23 See Footnote 22.

24 U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, “Medicaid Estate Recovery,” March 31, 2005, <https://aspe.hhs.gov/reports/medicaid-estate-recovery-0.>

savings, other assets — an individual owned or had an interest in when the individual died, according to the Washington state Health Care Authority.)²⁵

Recovery only occurs when a person who received help is no longer living and no longer needs his or her estate for living. Estate recovery is exempted while a surviving spouse, minor or disabled child still needs the LTC recipient's residence. It can also be exempted by a hardship waiver.²⁶

Federal estate recovery law allows states to waive recovery when doing so would not be cost-effective.²⁷

Policy analysis of estate recovery

Estate recovery is a needed program integrity tool to help ensure people who have resources that could be used to pay for LTSS do. It can also deter people from entering Medicaid LTC in the first place, knowing that receiving taxpayer-provided services will not ultimately be free.

While federal law sets the floor, states have broad discretion over how aggressively to implement estate recovery. And states are not aggressive. The policy is not working as it should.

A study by the U.S. Department of Health and Human Services focused on nursing home spending and shows that most states recovered less than 1% of their Medicaid nursing home spending in 2004. Arizona recovered a much higher amount of 10.4%. Washington state made it into the top 10 with the best outcomes with just 1.8% of nursing home expenditures recovered.²⁸

In Fiscal Year 2025, the Washington State Department of Social and Health Services tells me the state recovered just 0.34% of more than \$5 billion spent in Washington state for Medicaid long-term-care services. The state could not say how many estates were pursued. DSHS wrote in an email, "Our system does not have a way to pull the percentage of LTC recipients' estates that are pursued/brought in recouped funds." The U.S. Department of Health and Human Services report concluded, "Data about the size and numbers of estates affected are exceedingly thin. Given the small amounts recovered compared to total Medicaid spending, it is reasonable to surmise that Medicaid estate recovery is a relatively infrequent occurrence."²⁹

25 The Washington state Health Care Authority, "Estate Recovery," website accessed Sept. 30, 2025, <https://www.hca.wa.gov/free-or-low-cost-health-care/i-help-others-apply-and-access-apple-health/estate-recovery>.

26 See Footnote 24.

27 Medicaid and CHIP Payment and Access Commission (MACPAC), "Medicaid Estate Recovery: Improving Policy and Promoting Equity," 2021, retrieved from <https://www.macpac.gov/wp-content/uploads/2021/03/Chapter-3-Medicaid-Estate-Recovery-Improving-Policy-and-Promoting-Equity.pdf>.

28 U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, "Medicaid Estate Recovery Collections," Aug. 31, 2005, <https://aspe.hhs.gov/reports/medicaid-estate-recovery-collections-0>.

29 See Footnote 28.

More estate recovery in Washington state is key. Estate recovery allows individuals to receive help when they need it, paying back taxpayers for some or all of that help after death. Estate recovery could help sustain the program. In Washington state, where housing is expensive, many recipients of taxpayer-funded LTC have a considerable asset that could be used for their long-term-care costs after death.

Critics rightly note that people with sizeable wealth often legally shield assets from Medicaid estate recovery so the assets can be used for their benefit or passed onto heirs. This can leave the burden of estate recovery to fall primarily on those of modest means, which is unacceptable and less impactful for Medicaid savings. This is one of the reasons estate recovery needs to be partnered with eligibility reforms that keep people with means away from the safety net to begin with. One of those eligibility rules, a look-back period, is extremely important for program integrity and requires Congressional action.

Eligibility requirements

Qualifying for long-term care paid for by other taxpayers requires age or disability and having financial and medical needs.

A nursing facility level of care is not required, people can also qualify with a functional need for help with the key activities of daily living (known as ADLs). Those include bathing, dressing, eating, toileting, managing continence and mobility.³⁰ A person's assets and income are considered, but as legal experts state, "Navigating the eligibility requirements for Medicaid coverage can be quite complex, which is why it is strongly recommended that you hire an elder law attorney. An elder law attorney will be able to help you understand if you are eligible for Medicaid and can help you with the application process."³¹ A whole camp of financial advisers and attorneys help people with means figure out how to get around asset and income limits.

Countable assets include stocks, bonds, cash, bank accounts, 401ks, investments and real estate where you do not reside. Non-countable assets in Washington state include personal belongings, automobiles, household furnishings, irrevocable burial trusts and a primary home.³² Homes are often the most significant contribution to the value of estates among Medicaid recipients, with real estate "accounting for about one-quarter of estate recovery collections in some states to virtually the entire amount collected by others."³³

30 See Footnote 3.

31 Legacy Law of Washington, "What are the eligibility requirements for Medicaid coverage for long-term care in Washington state?" Oct. 7, 2024, <https://legacylawofwashington.com/what-are-the-eligibility-requirements-for-medicaid-coverage-for-long-term-care-in-washington-state/#:~:text=To%20qualify%20for%20a%20Medicaid,being%20a%20United%20States%20citizen.>

32 See Footnote 27.

33 See Footnote 27.

Policy analysis of eligibility requirements

Eligibility rules aren't protecting this resource for the needy. Income is worked in such a way that practically any amount of wealth can be reconfigured to secure Medicaid LTC eligibility.

High assets also do not interfere with eligibility for Medicaid LTC. Most large assets seniors own, including primary homes, are exempt. And in Washington state, the requirements are even more generous than the federal minimum standards.

For example, Washington state permits a primary residence with up to \$1,097,000 in home equity to be excluded from eligibility determinations, much higher than the federal minimum threshold that many states adopt.³⁴ This means that a Washington state resident with nearly \$1.1 million in equity and modest income could qualify for Medicaid long-term care coverage while preserving that wealth for heirs. Lack of estate recovery efforts helps make this so. (A new federal law will limit home equity to \$1 million, effective Jan. 1, 2028.)³⁵

The state's broad coverage of home- and community-based services and a "spend down" process by which individuals can reduce their income or assets in order to meet financial eligibility requirements also results in people with ample resources qualifying. In practical terms, "spending down" often means reducing countable resources (e.g., cash savings, investments) below state asset limits by putting money in uncountable directions.

While intended to help people with high medical costs qualify, "spend-down" provisions are also used strategically to qualify individuals who may not be truly impoverished — especially when combined with asset transfers or trusts.

These eligibility structures make it easier for individuals with means to access Medicaid long-term care, contributing to a policy environment in which asset reclassification and eligibility planning are both commonplace and legally permitted. And as Stephen Moses, a longtime advocate of estate recovery from Washington state and the president of the Center for Long-Term Care Reform,³⁶ points out in *Long-Term Care the Solution*, "Most Americans possess enough wealth to fund their average LTC needs."³⁷ He argues well that the infusion of more private dollars in long-term care service and supports could help government budgets and the overall quality of long-term care, while protecting LTC for those in need.

34 MedicaidLongTermCare.org, "Impact of Home Ownership on Medicaid Eligibility Considering Marital Status & Medicaid Type," accessed on Oct. 7 at <https://www.medicaidlongtermcare.org/basics/home-ownership-impact-eligibility/#:~:text=In%20most%20states%20in%202025,has%20used%20the%20Sibling%20Exemption>.

35 Hall Booth Smith, P.C. Attorneys at Law, "Major Medicaid Reforms Under the Big, Beautiful Bill: What Long-Term Care Providers Need to Know," July 28, 2025, <https://hallboothsmith.com/medicaid-reforms-big-beautiful-bill/#:~:text=Uniform%20Home%20Equity%20Cap%20for,benefits%20due%20to%20excess%20resources>.

36 The Center for Long-Term Care Reform, website accessed Sept. 20, 2025, <https://www.centerltc.com/>.

37 Stephen Moses, Paragon Health Institute, "Long-Term Care: The Solution," <https://paragoninstitute.org/wp-content/uploads/2023/10/long-term-care-the-solution.pdf>.

Look-back period

A look-back period of five years is set in federal law and was instituted to prevent individuals from transferring or sheltering assets shortly before applying for Medicaid LTC, but in practice, the five-year period can be easily navigated. There is no shortage of financial planning services built around the look-back period.

Policy analysis of the look-back period

One of the main strategies used by people of means to qualify for LTSS through Medicaid is navigating the federally mandated five-year look-back period for asset transfers related to long-term care.

The current limit undermines the program's integrity by allowing individuals with substantial means to too-easily qualify with asset transfers when they know substantial LTC needs are on the horizon. Medicaid is not an inheritance-preservation program, but it is being used as such. It should be a last-resort lifeline. And people who save and invest to meet this life need should not be penalized with a higher state tax burden.

Moses concludes that the look-back period should be expanded from five years to 20 years. Washington Policy Center agrees.³⁸

“As all real property transfers are recorded and often automated now,” Moses writes, “checking for a look-back of 20 years is no more difficult than the current five-year look-back requirement.” Moses adds, “People would be much less likely to initiate asset transfers to qualify 20 years ahead of a potential LTC need as they routinely do five years ahead. In other words, this rule would be self-enforcing and not generally require enforcement 20 years later at the point of Medicaid application.”³⁹

This provision is set by federal statute, so a modification would require congressional action.⁴⁰

The WA Cares Fund

The WA Cares Fund,⁴¹ which was created in part to alleviate costs in this part of the Medicaid budget, might not be the answer lawmakers were expecting. The program exacts 58 cents of every \$100 a worker makes during his or her working years. Some workers will qualify for a lifetime benefit that can be used to pay for some long-term-care services that have state approval, if they need long-term care

38 See Footnote 37.

39 See Footnote 37.

40 CMS.gov, “Important Facts for State Policy Makers Deficit Reduction Act,” website accessed Oct. 15, 2025, <https://www.cms.gov/regulations-and-guidance/legislation/deficitreductionact/downloads/toabackgrounder.pdf?utm>.

41 WA Cares Fund, website accessed Sept. 15, <https://wacaresfund.wa.gov/>.

and if they have paid in long enough, typically 10 years, with at least 500 hours in each of those years.⁴²

Policy analysis of the WA Cares Fund

WA Cares and its impact on Medicaid LTC use in Washington state will need to be studied after eligible workers start receiving benefits from the fund. While most W2 workers in Washington state started paying a payroll tax to finance WA Cares in 2023, payouts don't begin until 2026 and only for a limited number of workers.⁴³

The lifetime benefit attached to the WA Cares Fund is “up to \$36,500”⁴⁴ (plus inflation after 2027).⁴⁵ Experts say that will not be enough for the long-term-care needs of people who have them.⁴⁶

Genworth, an American financial services company and industry leader in tracking aging and cost trends, found increases between 3% and 10% across various LTC facility types in its 2024 survey. This continued an upward trend seen the past several years.⁴⁷

For 2026, when WA Cares benefits start for some workers who meet eligibility criteria,⁴⁸ the company estimates in its decades-old Cost of Care Survey that on the low end of LTC services in the state, the annual median cost of 20 hours a week will be more than \$46,000, and a private room in a nursing home could run more than \$176,000 a year.⁴⁹ That contradicts the claim on WA Cares' website that its benefit of \$36,500 “could cover around 20 hours per week of home care for about a year.”⁵⁰

Tax collection for WA Cares should be discontinued. Individuals who will and won't need long-term care one day would be better off keeping more of their money to use, save and invest in ways that bring a better return on investment. In some cases, the wages taken from workers for the WA Cares Fund will be given over to

42 WA Cares Fund, “Applying for benefits,” webpage accessed Oct. 13, 2025, <https://wacaresfund.wa.gov/apply>.

43 WA Cares Fund, “Covered benefits,” webpage accessed Sept. 25, 2025, <https://wacaresfund.wa.gov/benefits>.

44 See Footnote 43.

45 Elizabeth New (Hovde), Washington Policy Center, “WA Cares' benefit isn't keeping up with the cost of care,” May 28, 2025, <https://www.washingtonpolicy.org/publications/detail/wa-cares-benefit-isnt-keeping-up-the-cost-of-care>.

46 See Footnote 45.

47 Genworth press release, “Genworth and CareScout Release Cost of Care Survey Results for 2024,” March 4, 2025, [https://investor.genworth.com/news-events/press-releases/detail/982/genworth-and-carescout-release-cost-of-care-survey-results#:~:text=The%202024%20survey%20found%20the,home%20increased%209%25%20to%20\\$127%2C750](https://investor.genworth.com/news-events/press-releases/detail/982/genworth-and-carescout-release-cost-of-care-survey-results#:~:text=The%202024%20survey%20found%20the,home%20increased%209%25%20to%20$127%2C750).

48 WA Cares Fund, “Applying for benefits,” webpage accessed Sept. 25, 2025, <https://wacaresfund.wa.gov/benefits>.

49 Genworth-CareScout, Cost of Care calculator, <https://www.carescout.com/cost-of-care>.

50 WA Cares Fund, “4 reasons for self-employed workers to opt in,” webpage accessed Sept. 25, 2025, <https://wacaresfund.wa.gov/news/4-reasons-self-employed-workers-opt#:~:text=You%20can%20also%20use%20your,all%20the%20care%20they%20need>.

people with no need for government dependency.⁵¹ Also, low- and medium-income workers who need their wages today likely would have qualified for Medicaid's LTC safety net in the future.

At the least, state messaging about personal responsibility and a need for long-term-care savings, even with WA Cares, must be adopted.

For several years, communication from the state about the program has included advertisements telling Washingtonians they can have "peace of mind" about future long-term care because WA Cares exists.⁵² Counting on WA Cares is unrealistic, however, and ensuring Washingtonians that they can have "peace of mind" about LTC is short-sighted.

While the WA Cares Fund is generating significant revenue and investment returns,⁵³ it remains unclear whether the program will meaningfully reduce Medicaid LTC costs for Washington state. The \$36,500 benefit will delay but not eliminate Medicaid dependency, particularly for those with prolonged or intensive care needs.

Meanwhile, the program adds its own administrative, labor, marketing and system maintenance costs. The state has wasted considerable money building a program that harms the wages of Washingtonians, upended the private long-term-care-insurance market in Washington state and duplicates the efforts of a long-standing safety net.

Conclusion

A recent economic forecast shows lawmakers will be short of revenue to cover spending the Legislature has obligated state taxpayers to,⁵⁴ despite the largest tax increase in state history earlier this year.⁵⁵ Saving money while protecting valuable safety nets for people in need should be at the top of the savings list for budget writers in the upcoming 2026 session and beyond.

51 Elizabeth New (Hovde), Washington Policy Center, "Harming workers one payroll tax at a time: WA Cares wants wages a caregiver needs to keep caregiving, July 28, 2025, <https://www.washingtonpolicy.org/publications/detail/harming-workers-one-payroll-tax-at-a-time-wa-cares-wants-wages-a-caregiver-needs-to-keep-caregiving>.

52 Elizabeth New (Hovde), Washington Policy Center, "Promoting WA Care is unnecessary, questionable," April 25, 2024, <https://www.washingtonpolicy.org/publications/detail/promoting-wa-cares-is-unnecessary-questionable>.

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Lawmakers can better protect Medicaid LTC resources for the vulnerable and contain program costs for taxpayers by pursuing estate recovery more aggressively and reforming eligibility rules for the safety net. Current policy is insufficient.

Also, messaging about LTC and WA Cares needs to change and promote personal responsibility. It should discourage the financial gamesmanship that allows recipients to take advantage of other taxpayers and inform potential recipients about robust estate recovery efforts.

Limiting Medicaid LTC to people in need is not punitive or unjust. The real injustice lies in allowing people with means to use a taxpayer-provided safety net they do not need.

** See more LTC policy history, bipartisan efforts to rein in LTC spending and ideas for reform that go beyond the estate recovery and eligibility considerations discussed in this paper in these extra resources.⁵⁶*

56 Stephen Moses, Paragon Health Institute, “Long-term care: The problem,” <https://paragoninstitute.org/medicaid/long-term-care-problem/>, and, “Long-Term Care: The Solution,” <https://paragoninstitute.org/wp-content/uploads/2023/10/long-term-care-the-solution.pdf>, and “Medicaid’s \$100+ Billion Leak,” <https://paragoninstitute.org/paragon-prognosis/medicaids-100-billion-leak/>.

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About the Author

Elizabeth New grew up in Seattle's Ballard neighborhood and graduated with a Bachelor of Arts degree in journalism and political science from Western Washington University. That's where her newspaper career began, writing political opinion columns for The Bellingham Herald.

After graduation, Elizabeth became the communications director for the Washington Family Council, crafting legislative testimony, press releases and articles on various state policies. She was recruited away by The Columbian newspaper in Southwest Washington, serving a decade as an editorial board member and columnist, winning several Society of Professional Journalists awards. Elizabeth enjoyed another 10 years as a political columnist for The Oregonian.

A firm believer in free-market principles as the best path to prosperity and individual opportunity, Elizabeth has built her career advocating for policies that promote economic freedom and limited government. She also has experience as an adjunct professor at Washington State University Vancouver.

Her volunteer work has included prison outreach, public school involvement, writing for her neighborhood association and participating in community cleanups. She lives in Vancouver, Washington.