

# I-2124: Fiscal Impact Facts

Updated 7-5-24

I-2124 concerns WA Cares, a state long term care insurance program covering 3.9 million Washingtonians. I-2124 was intentionally crafted to sound innocuous, and [some repeat](#) proponents' claims that it "*wouldn't* kill" benefits for millions of working Washingtonians.

But independent long-term care finance experts predict I-2124 would bankrupt the benefits fund. I-2124 will cause premiums to rise, push more people out of the program, and quickly collapse Washington's long-term care benefits fund in a "death spiral."

If passed, I-2124 will put nearly 4 million Washingtonians at the mercy of private insurance companies which routinely jack up premiums and [charge women up to 70% more](#) than men. Even insurance industry representatives, whose industry would benefit, admit I-2124 would effectively repeal the program.

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## Quotes from experts confirming I-2124 will kill Washington's long-term care benefit program

"Effectively killing... collapse financially...unsustainable...demolish...kills"

[Howard Gleckman](#), Senior Fellow, Tax Policy Center, Urban-Brookings

"If adopted, Initiative 2124 would make participation in the Washington Cares program voluntary, **effectively killing it.**"  
[Forbes: Voters To Decide On Washington's Public Long-Term Care Insurance Program](#)

Office of Financial Management, [Fiscal Impact Statement](#) July 2, 2024

... the Long-Term Services and Supports Trust Account could **become insolvent as early as state fiscal year 2027.**"

[Bonnie Burns](#), California Health Advocates, national expert on [long term care financing and consumer advocate](#)

"If Washington's program is made voluntary through passage of Initiative 2124, the program **will collapse financially**, taking away the support for many Washingtonians who will likely need care someday."

[Jamala Arland](#), Executive Vice President,  
U.S. Life Insurance, Genworth Financial

"If WA Cares is made voluntary, it will **kill the program.**" [Insurance News Net: Long-term care insurance: Public v. Private – What's working](#)

[Marc Cohen](#), Co-Director of the  
LeadingAge LTSS Center at UMass  
Boston and MIT CoLab

"[I-2124] would undermine the program's financial stability, making it unworkable. And Washington state might have to start over." [The Conversation: US long-term care costs are sky-high, but Washington state's new way to help pay for them could be nixed](#)

[Steve Cain](#), Director, LTCI (Long Term  
Care Insurance) Partners

"If voters decide to make it voluntary, [I-2124] will, in all likelihood, **make WA Cares unsustainable** if enough people lapse their policies or go out of WA Cares." [Insurance News Net: Long-term care insurance: Public v. Private – What's working](#)

Misha Werschkul, Executive Director,  
[Washington State Budget and Policy Center](#)

"[Analysis from the State Actuary](#) makes clear that **Initiative 2124 would demolish the Washington Cares program.** Initiative 2124 is a lose-lose-lose: fewer Washingtonians having access to quality long-term care services, higher premium costs for those that remain in the program, and serious long-term solvency issues and collapse of the program as a whole."

Jesse Slome, Director, [American Association for Long-Term Care Insurance](#)

"If the initiative passes, I believe this **will basically end the WA Cares program** by making it financially unfeasible for the State." [Insurance News Net: Washington Voters Pivotal to Long-Term Care Insurance Future](#)

[Dr. Richard G. Frank](#), Director, Brookings  
Schaeffer Initiative for Health Policy

"...actuarial estimates suggest that if Washington's program becomes voluntary and participation rates fell to 50% (compared

to 91% of men and 74% of women under mandatory coverage) **premiums would be roughly double the 2022 premium rate** ....the WA Cares Fund provides a constructive step toward easing the bite of needing long-term care and support by making it affordable to many more older adults. That protection will only be realized if the mandatory provision of the program is retained.” [Seattle Times: Keep long-term care insurance mandatory in WA](#)

Washington State Representative [Nicole Macri](#)

“Essentially, it’s framed as a choice, but it **really kills the program**, because like any other social insurance program like Medicare or Social Security, it depends on a broad, extremely broad, base of contributors in order for everybody to be eligible for a benefit.” [Seattle Times: WA Cares, if it survives, could benefit people who retire elsewhere](#)

[WA Office of the State Actuary](#)

“As [noted by Milliman](#), [I-2124] could lead to an “**insurance rate [premium rate] spiral**” if the cap on the program’s premium rate under current law (0.58 percent) were increased.” [Actuarial Analysis Feb 13 2024](#)

[WA State Department of Social and Health Services](#), WA Cares

“WA Cares Fund relies upon the participation of most Washington workers to keep premiums relatively low, provide guaranteed benefits and maintain long-term solvency. Milliman, a worldwide provider of actuarial services, conducted an analysis of the financial impact of voluntary participation on the WA Cares Fund for the LTSS Trust Commission. According to the [Milliman] [analysis](#), making the program voluntary without making additional changes to benefit eligibility could lead to a rise in premium

rates, and could **likely make the program unsustainable.**" [DSHS WA Cares](#)

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Five different scenarios looked at in an Actuarial Fiscal Note prepared by the Washington Office of State Actuary all led to insolvency and elimination of the benefit by 2027 under I-2124. [Actuarial Analysis Feb 13 2024](#)

Percent Retained Premiums*	Percent Retained Short-Term Expenditures	FY of Insolvency
35%	100%	2027
29%	90%	2027
22%	80%	2027
15%	70%	2027
9%	60%	2027

*\*After June 30, 2024; 100% prior.*

Reporters can learn more about I-2124 at <https://www.noon2124.org/>