

Washington
Paid Family & Medical Leave



Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting

May 19, 2022



Agenda Introductions & approve minutes

Program & trust fund update

Current priorities

Workgroup updates

Agenda items for June meeting

Open comment & adjourn

Meeting structure

- Only Advisory Committee and the presenters will be unmuted during the meeting, until open comment.
- Public to hold all feedback until the open comment period.
- Comments and questions in the chat will not be reviewed as part of the meeting structure, rather:
 - Open comments will be taken at the end of the meeting.
 - Please frame your questions as a comment.
 - “Raise your hand” if you have a comment.
 - The meeting host will unmute individual line to allow for the open comment.

Introductions

- Advisory Committee
- Justin DeFour
- Caitlyn Jekel

(Note: We will use the Zoom feature to identify who is on the phone rather than announcing during meeting)

Approve minutes

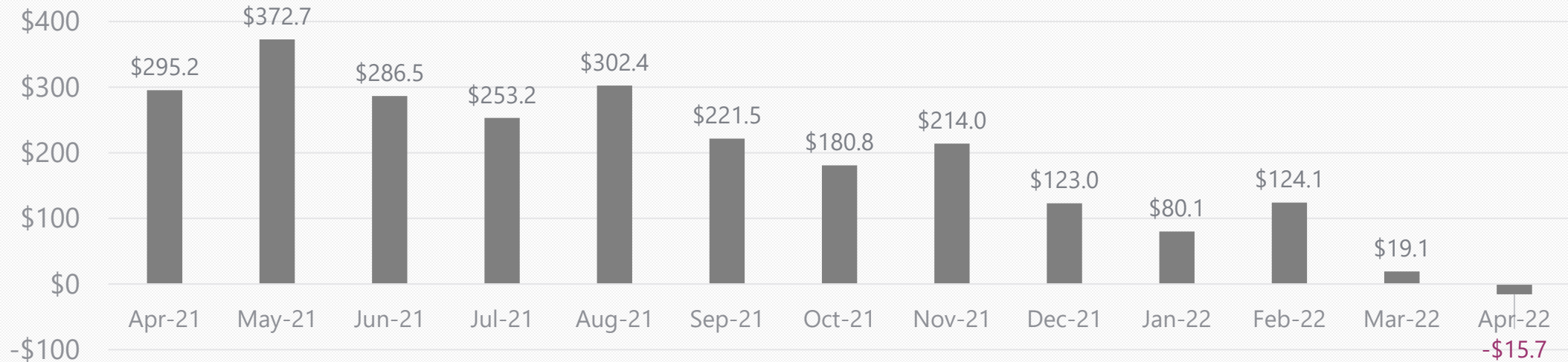
- April

Program update

Steve Zawoysky, Leave & Care Treasury Manager

Rebecca Grady, Research & Data Manager

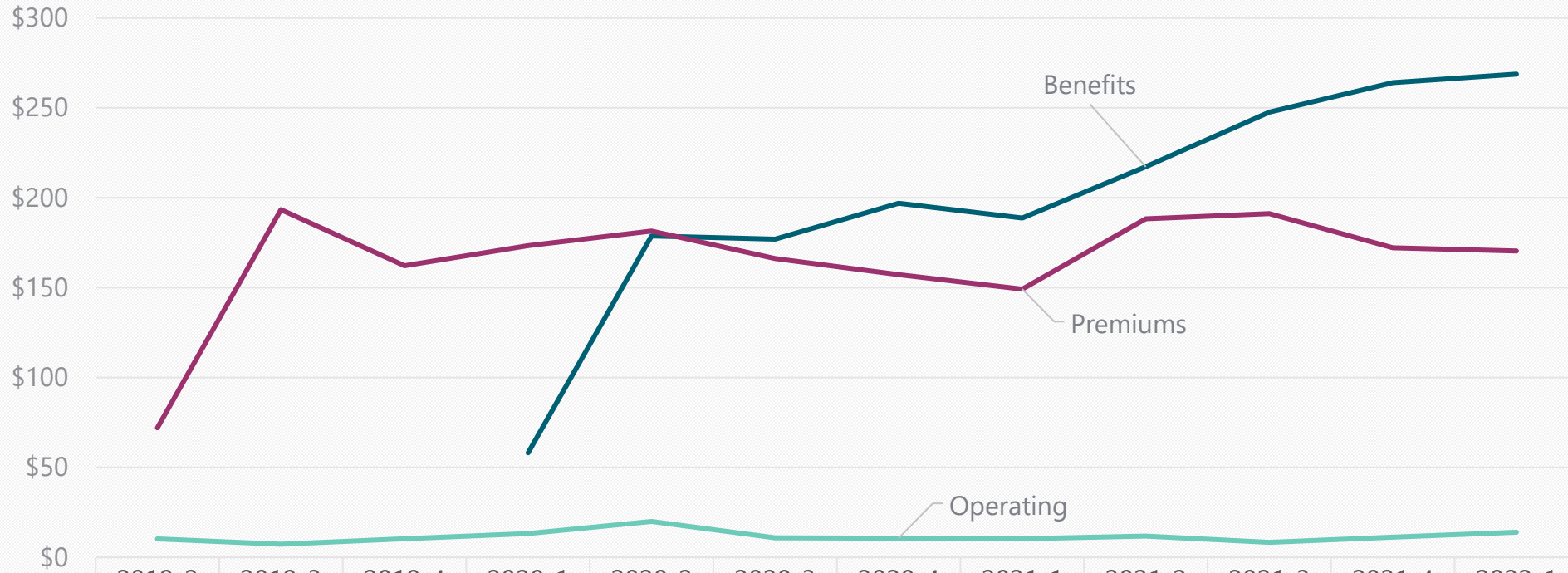
Monthly ending fund balance (millions)



May 7 fund balance was \$174.5 million

- Fund decreased to a deficit balance on April 7.
- Returned to a positive balance May 2 with the receipt of Q1 2022 premium payments.
- ESSB 5693 provides up to \$350 million coverage for a trust fund deficit on June 30, 2023.

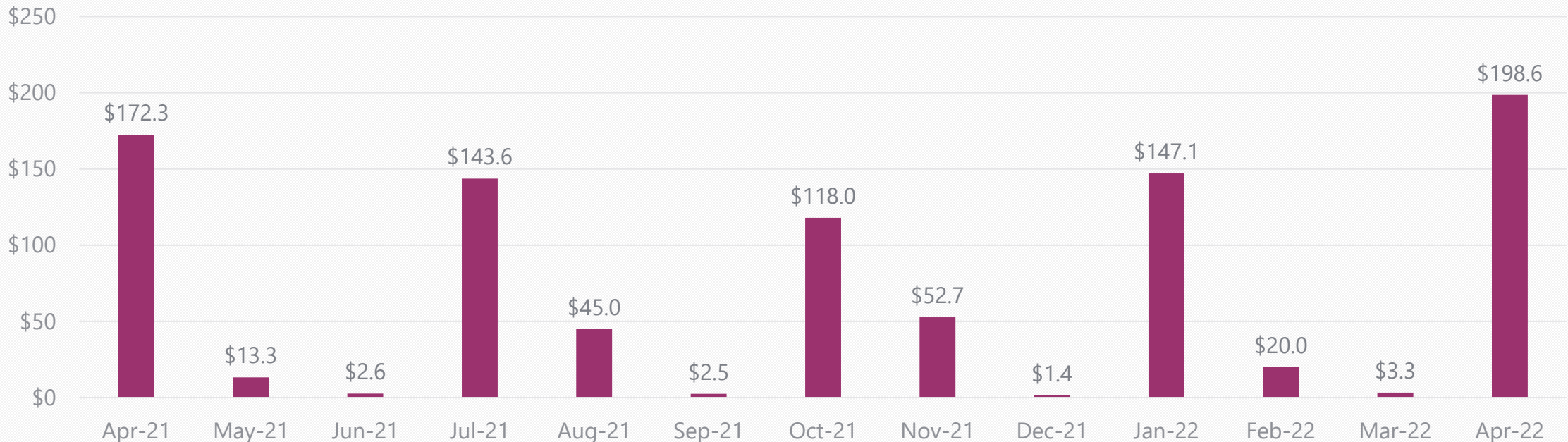
Premiums, benefits, operating expenses, and fund balance by quarter (millions)



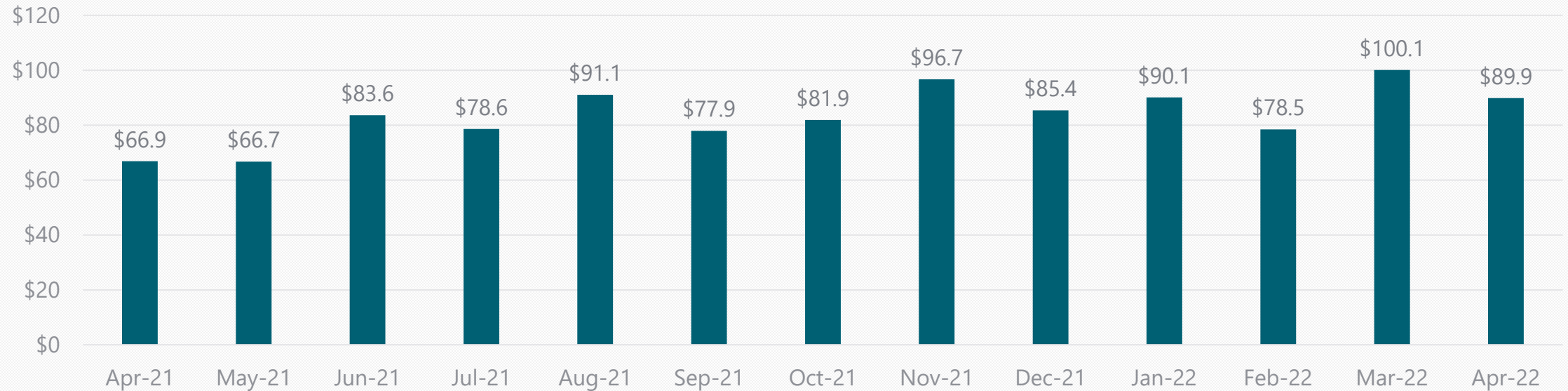
	2019-2	2019-3	2019-4	2020-1	2020-2	2020-3	2020-4	2021-1	2021-2	2021-3	2021-4	2022-1
Benefits				\$58.1	\$178.7	\$177.0	\$196.9	\$188.7	\$217.2	\$247.6	\$264.0	\$268.7
Premiums	\$72.0	\$193.4	\$162.2	\$173.3	\$181.4	\$166.2	\$157.2	\$149.2	\$188.3	\$191.2	\$172.1	\$170.4
Operating	\$10.2	\$7.3	\$10.3	\$13.2	\$19.9	\$10.8	\$10.6	\$10.3	\$11.8	\$8.3	\$11.2	\$13.9
Fund Balance	\$26.8	\$209.8	\$372.1	\$467.2	\$454.2	\$426.8	\$376.4	\$326.6	\$286.5	\$221.5	\$123.0	\$19.1

Monthly premiums remitted (millions)

- Premiums assessed for each quarter are remitted in the following quarter.
- Premium rate changes are first realized in April of following year.
- Cyclical pattern within quarters – most premium transactions occur at end of reporting months.
- Cyclical pattern through year of lower quarterly assessments as more wages fall over taxable cap.
- \$198.6 million premiums remitted in April 2022, 15% higher than last April.



Monthly benefits paid

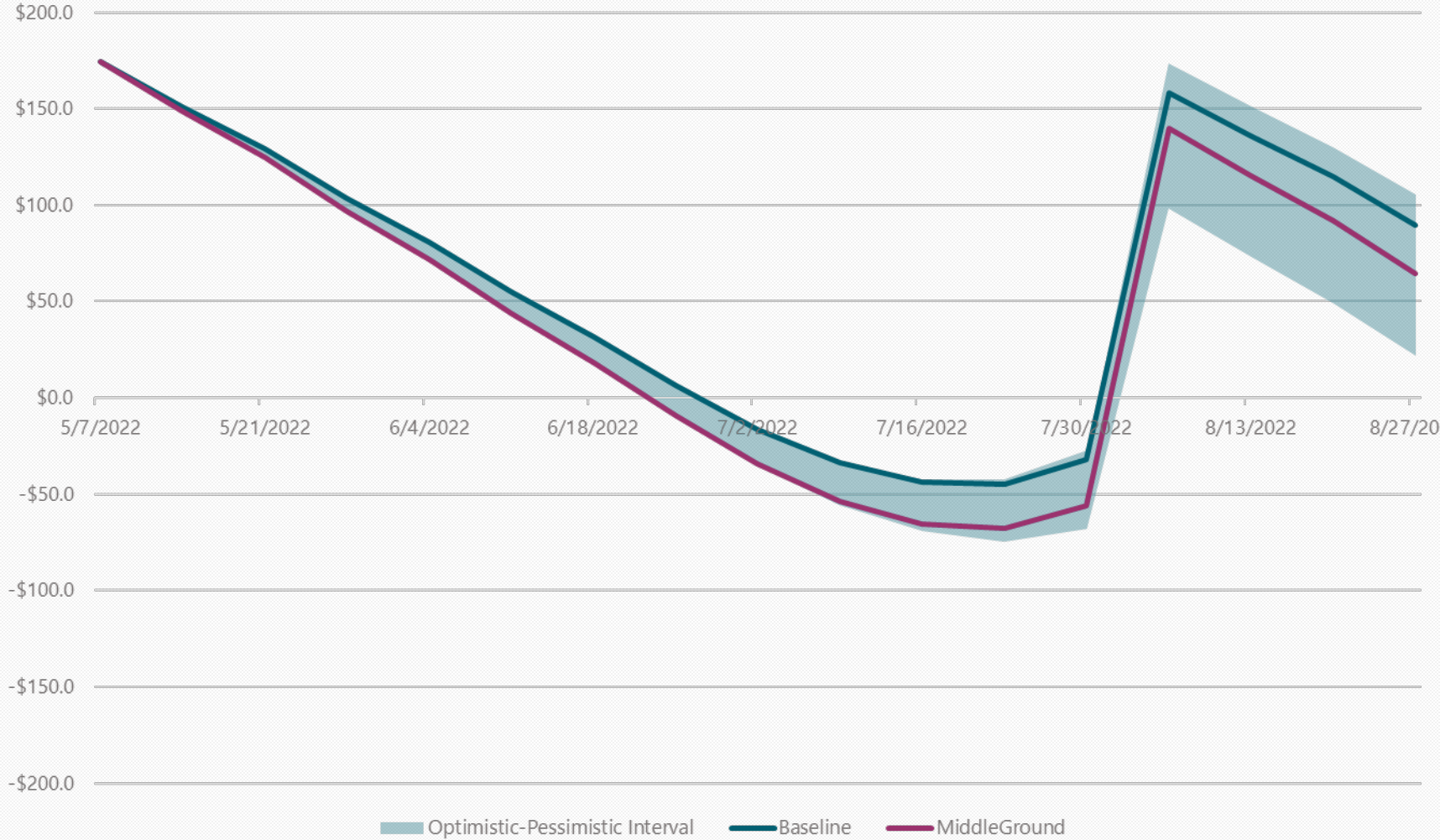


- April 2022, \$89.9 million – similar to last 3-month avg ~ \$89.6 million
 - 10% lower than last month
 - 34% higher than April of last year
- \$358.6 million benefits paid thus far in 2022
 - 40% higher than Jan-Apr 2021
- Revised 2022 annual benefits upward ~ \$1.187 billion
 - Up from \$1.09 billion

Fiscal projections

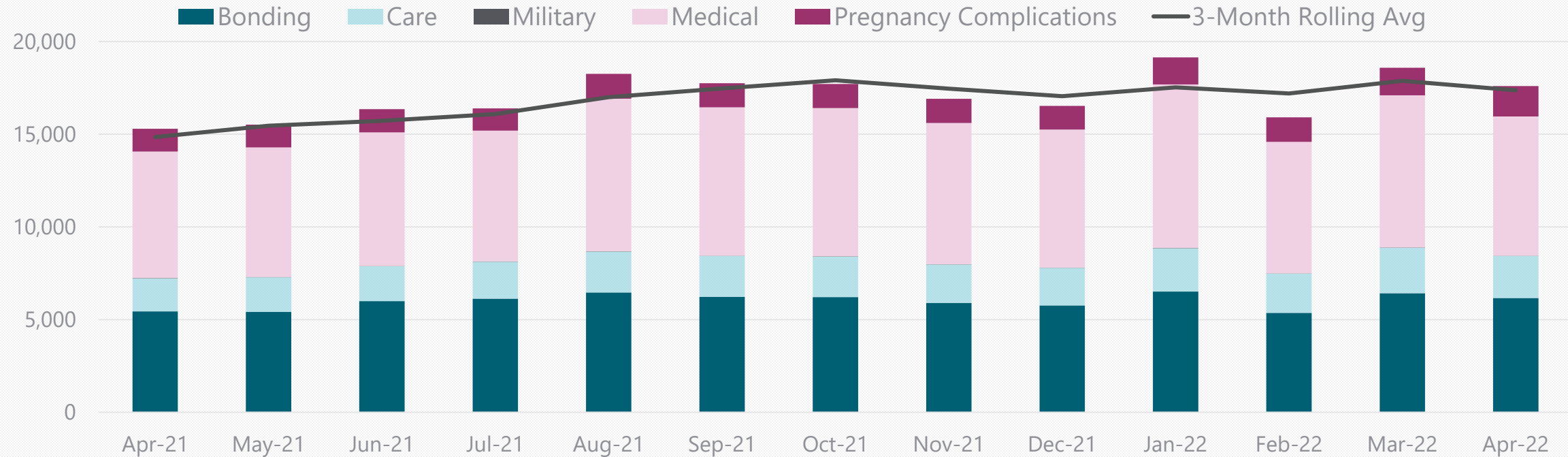
Trust Fund Weekly Cash Flow Projections
Historical data through week ending 5-7-22

Rates	2021	2022	Projected 2023
Premium Rate	0.4%	0.6%	0.8% - 0.9%
Calculated Rate	0.4%	0.6%	0.6%
Solvency Surcharge	-	-	0.2% - 0.3%
Family-Medical Split			
Family	33%	52%	51%
Medical	66%	48%	49%



Technical notes: This projection does not adjust for unreconciled premiums (graph presented at January 2022 Ways & Means did), nor does it assume a required minimum balance of one average week's worth of benefit payments when assessing cash deficit.

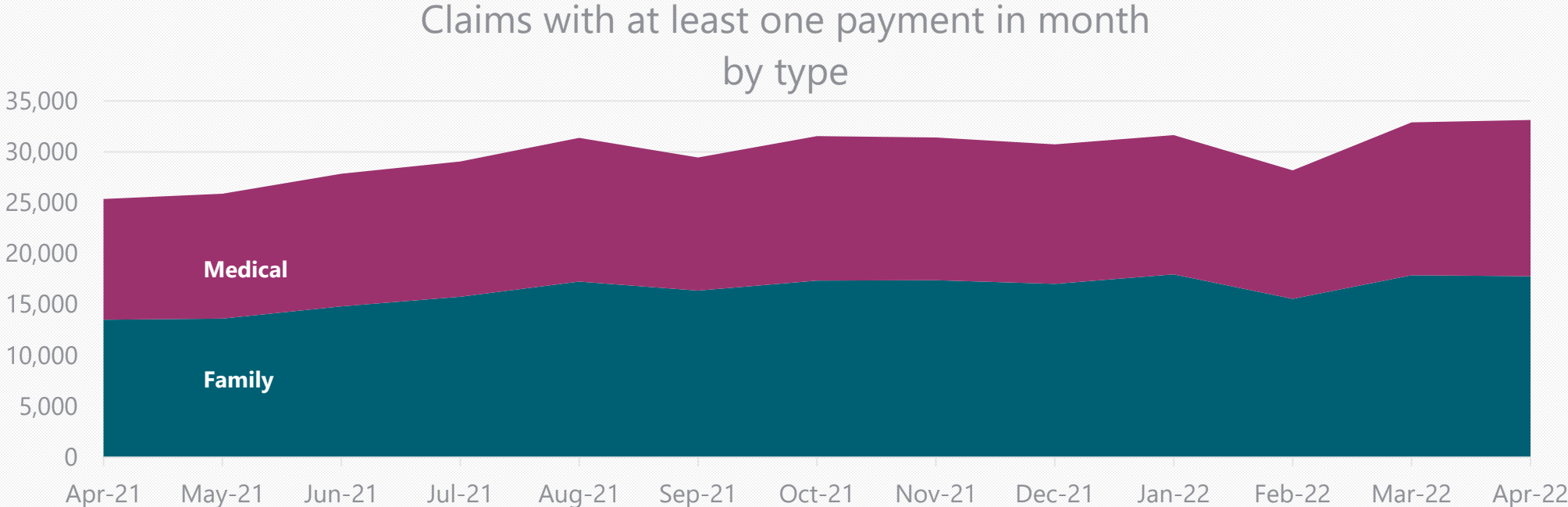
Claim applications submitted by type



- April 2022, we received 17,858 applications
 - 5% less than last month
 - 15% more than April of last year
- Three-month rolling average continues to be relatively stable since August 2021 at ~17K claim applications submitted

Approval rate and monthly claims with payment(s)

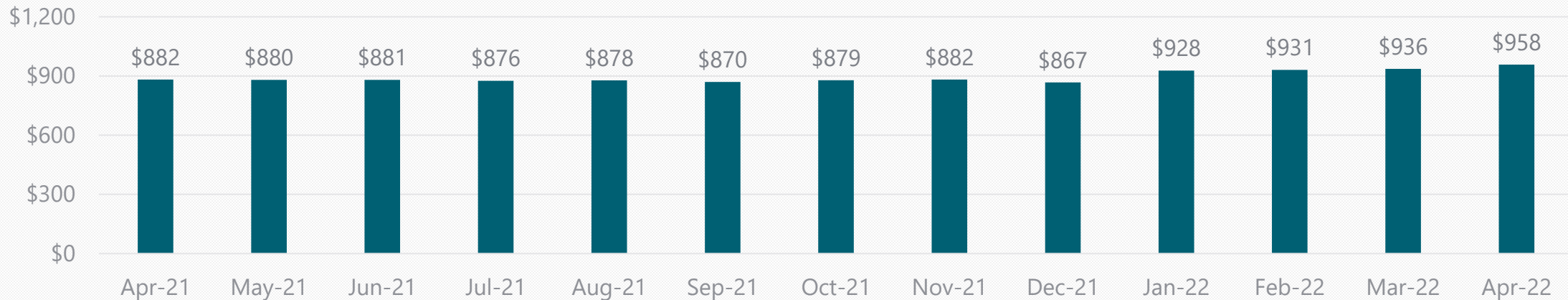
- Percentage of claims approved continues to be relatively stable in past year
 - About 83% approved overall
- Unique leave claims in the last 12 months – 96,346 family and 95,205 medical
- April 2022 total unique leave claims: 33,134.
 - 31% more than April of last year.



Benefit levels and lengths

- \$958 in April 2022 - highest avg weekly benefit to date
 - 2% higher than last month, 9% higher than April of last year.
- 2022 average weekly benefit is expected to stabilize around an average of \$940
 - Statewide average annual wage grew 10% from 2020 to 2021

Technical note: Average weekly benefit amount for approved claims grouped by claim year start month



- Length of leave relatively stable month-over-month
 - 7-8 weeks avg per claim for claims ending in recent months
 - 9-10 weeks avg per claim year for claim years ending in recent months

Time from application submission to first payment

Month	Average weeks	Median weeks
Dec. 2021	4.9	3.6
Jan. 2022	5.2	3.6
Feb. 2022	4.9	3.6
March 2022	4.5	3.4
April 2022	4.0	2.7

Month	Average weeks	Median weeks
April 2021	4.8	3.4
April 2022	4.0	2.7

Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave*
Jan. 2022	83%	54%	12:57
Feb. 2022	84%	77%	08:34
March 2022	78%	85%	04:56
April 2022	80%	85%	04:01

** includes calls for WA Cares Fund*

Since April 2021:

- 16% increase in calls into queue.
- 26% increase in calls answered.
- 38:00 decrease in queue time.

Current program priorities

Matt Buelow, Interim Deputy Director

Current program priorities

Implementation of legislative and other changes

- 2SSB 5649 – Policy, technical, operational, and communications.
- ESHB 2076 – Policy, operational, and communications.
- Waiting week – Policy, technical, operational, and communications.
- Benefit account enhancements – Technical, operational, and communications.

June 9 technical release to include:

Changes to the benefit application

- Adding additional questions for improved usability and implementation of postnatal medical leave, waiting week change, and COVID data collection.

Enhancements to benefit accounts and processes

- Adding conditional logic to weekly claims.
- Making payment history visible to benefit customers.
- Adding automated notifications for document uploads and application status changes.

Updating system rules and calculations

- Remove the waiting week for postnatal medical leave.
- Hours used in a waiting week won't deduct from total bank of hours.

Customer change readiness

Updates to customer-facing content, including:

- Paper benefit application
- Certification of Serious Health Condition forms
- Benefit decision letters
- Website content and FAQs
- Benefit Guide, Parents' Guide, Employer Toolkit, and Voluntary Plan Guide

Providing direct outreach and support to:

- Current benefit customers impacted by the changes
- Community-based organizations
- Healthcare providers
- Help Me Grow partners

Workgroup updates

Workgroup updates

Communications on 5649

- Met Wednesday,
May 18

Communications on 2076

- Met Wednesday,
May 18

Reducing the time from application to payment

- May 25

June meeting

Details

- 9 – 11 a.m., Thursday, June 16, 2022

Agenda

- Topics?

Open comment

Continue the conversation

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