Advisory Committee Meeting
May 19, 2022
<table>
<thead>
<tr>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introductions &amp; approve minutes</td>
</tr>
<tr>
<td>Program &amp; trust fund update</td>
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<tr>
<td>Current priorities</td>
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<tr>
<td>Workgroup updates</td>
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<tr>
<td>Agenda items for June meeting</td>
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<tr>
<td>Open comment &amp; adjourn</td>
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</tbody>
</table>
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
• 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.

Technical note: Fund book balance in the Treasury Management System. This is equivalent to the balance shown when logging into a personal bank account.
Premiums, benefits, operating expenses, and fund balance by quarter (millions)

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>$58.1</td>
<td>$178.7</td>
<td>$177.0</td>
<td>$196.9</td>
<td>$188.7</td>
<td>$217.2</td>
<td>$247.6</td>
<td>$264.0</td>
<td>$268.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premiums</td>
<td>$72.0</td>
<td>$193.4</td>
<td>$162.2</td>
<td>$173.3</td>
<td>$181.4</td>
<td>$166.2</td>
<td>$157.2</td>
<td>$149.2</td>
<td>$188.3</td>
<td>$191.2</td>
<td>$172.1</td>
<td>$170.4</td>
</tr>
<tr>
<td>Operating</td>
<td>$10.2</td>
<td>$7.3</td>
<td>$10.3</td>
<td>$13.2</td>
<td>$19.9</td>
<td>$10.8</td>
<td>$10.6</td>
<td>$10.3</td>
<td>$11.8</td>
<td>$8.3</td>
<td>$11.2</td>
<td>$13.9</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>$26.8</td>
<td>$209.8</td>
<td>$372.1</td>
<td>$467.2</td>
<td>$454.2</td>
<td>$426.8</td>
<td>$376.4</td>
<td>$326.6</td>
<td>$286.5</td>
<td>$221.5</td>
<td>$123.0</td>
<td>$19.1</td>
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</table>
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.

Technical note: Data grouped by date financial transaction occurred in accounting database
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

Technical note: Data grouped by date financial transaction occurred in accounting database. If comparing to monthly approved benefit payments data published elsewhere, there will be slight variation.
Fiscal projections

<table>
<thead>
<tr>
<th>Rates</th>
<th>2021</th>
<th>2022</th>
<th>Projected 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium Rate</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.8% - 0.9%</td>
</tr>
<tr>
<td>Calculated Rate</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Solvency Surcharge</td>
<td>-</td>
<td>-</td>
<td>0.2% - 0.3%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Family-Medical Split</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
</tr>
<tr>
<td>Medical</td>
</tr>
</tbody>
</table>

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.
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.

![Claims with at least one payment in month by type](image-url)
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

<table>
<thead>
<tr>
<th>Month</th>
<th>Average weeks</th>
<th>Median weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 2021</td>
<td>4.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Jan. 2022</td>
<td>5.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Feb. 2022</td>
<td>4.9</td>
<td>3.6</td>
</tr>
<tr>
<td>March 2022</td>
<td>4.5</td>
<td>3.4</td>
</tr>
<tr>
<td>April 2022</td>
<td>4.0</td>
<td>2.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Average weeks</th>
<th>Median weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2021</td>
<td>4.8</td>
<td>3.4</td>
</tr>
<tr>
<td>April 2022</td>
<td>4.0</td>
<td>2.7</td>
</tr>
</tbody>
</table>
# Phones

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

* 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

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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Employment Security Department
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Visit us online at www.paidleave.wa.gov

Join our listserv at bit.ly/PaidLeaveList