Advisory Committee Meeting
June 16, 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>
</tr>
<tr>
<td>Current priorities</td>
</tr>
<tr>
<td>Workgroup updates</td>
</tr>
<tr>
<td>Agenda items for July meeting</td>
</tr>
<tr>
<td>Open comment &amp; adjourn</td>
</tr>
</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

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

• May
Program update

Steve Zawoysky, Leave & Care Treasury Manager
Rebecca Grady, Research & Data Manager
John Mattes, Operations Manager
Monthly ending fund balance (millions)

- May 5, peak fund balance of $175.7 million
- Fund balance decreasing by about $22 million each week
  - Expected to fall negative again around the end of June through the July reporting period
- ESSB 5693 provides up to $350 million coverage if needed 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>
<thead>
<tr>
<th>Year</th>
<th>Benefits</th>
<th>Premiums</th>
<th>Operating</th>
<th>Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2</td>
<td>$58.1</td>
<td>$72.0</td>
<td>$10.2</td>
<td>$26.8</td>
</tr>
<tr>
<td>2019-3</td>
<td>$178.7</td>
<td>$193.4</td>
<td>$7.3</td>
<td>$209.8</td>
</tr>
<tr>
<td>2019-4</td>
<td>$177.0</td>
<td>$162.2</td>
<td>$10.3</td>
<td>$372.1</td>
</tr>
<tr>
<td>2020-1</td>
<td>$196.9</td>
<td>$173.3</td>
<td>$13.2</td>
<td>$467.2</td>
</tr>
<tr>
<td>2020-2</td>
<td>$188.7</td>
<td>$181.4</td>
<td>$19.9</td>
<td>$454.2</td>
</tr>
<tr>
<td>2020-3</td>
<td>$217.2</td>
<td>$166.2</td>
<td>$10.8</td>
<td>$426.8</td>
</tr>
<tr>
<td>2020-4</td>
<td>$247.6</td>
<td>$157.2</td>
<td>$10.6</td>
<td>$376.4</td>
</tr>
<tr>
<td>2021-1</td>
<td>$264.0</td>
<td>$149.2</td>
<td>$10.3</td>
<td>$326.6</td>
</tr>
<tr>
<td>2021-2</td>
<td>$268.7</td>
<td>$188.3</td>
<td>$11.8</td>
<td>$286.5</td>
</tr>
<tr>
<td>2021-3</td>
<td>$247.6</td>
<td>$191.2</td>
<td>$8.3</td>
<td>$221.5</td>
</tr>
<tr>
<td>2021-4</td>
<td>$264.0</td>
<td>$172.1</td>
<td>$11.2</td>
<td>$123.0</td>
</tr>
<tr>
<td>2022-1</td>
<td>$268.7</td>
<td>$170.4</td>
<td>$13.9</td>
<td>$19.1</td>
</tr>
</tbody>
</table>
Monthly premiums remitted (millions)

- $79.3 million premiums remitted in May 2022.
- Q1 2022 *assessed* total $311.8 million, about $11 million higher than projected.

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

- Premiums assessed for each quarter are remitted in the following quarter.
- 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.
Monthly benefits paid

- May 2022, $103.8 million – highest monthly payments to date.
  - 56% higher than May of last year
- $462.4 million benefits paid thus far in 2022
  - 43% higher than Jan-May 2021

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><strong>Premium Rate</strong></td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.8% - 0.9%</td>
</tr>
<tr>
<td><strong>Calculated Rate</strong></td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Solvency Surcharge</strong></td>
<td>-</td>
<td>-</td>
<td>0.2% - 0.3%</td>
</tr>
</tbody>
</table>

**Family-Medical Split**

<table>
<thead>
<tr>
<th></th>
<th>Family</th>
<th>Medical</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Family</strong></td>
<td>33%</td>
<td>66%</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>52%</td>
<td>48%</td>
</tr>
</tbody>
</table>

**Trust Fund Weekly Cash Flow Projections**

Historical data through week ending 6-4-22

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

- May 2022, we received 18,476 applications
  - 5% more than last month
  - 19% more than May of last year
- Three-month rolling average increased to 18K claim applications
  - Had been in the 17K range since August 2021

Technical note: Data grouped by Submitted Status Date
Approval rate and monthly claims with payment(s)

- Percentage of claims approved continues to be relatively stable
  - About 83% approved
- Unique leave claims with payment(s) in past 12 months – 96,410 family and 95,259 medical
- May 2022: 35,819
  - 38% more than May of last year, highest we’ve seen to date

Claims with at least one payment in month by type

- Medical
- Family
Benefit levels and lengths

- $939 for claim years starting Jan-May 2022.
  - 7% higher than same period last year.
- 2022 average weekly benefit increased in January, will stabilize through rest of year
  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

May is preliminary, will likely decrease as data matures
Data dashboards

- **ESD’s data site** - menu on left side, scroll down, look for “Paid Family and Medical Leave”

**Leave claims, by county and statewide**

**Customer characteristics, statewide**
# 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>
<tr>
<td>May 2022</td>
<td>3.6</td>
<td>2.3</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>
<tr>
<td>May 2022</td>
<td>85%</td>
<td>91%</td>
<td>02:47</td>
</tr>
</tbody>
</table>

* includes calls for WA Cares Fund
Current program priorities

John Mattes, Operations Manager
Matt Buelow, Interim Deputy Director
Current program priorities

- Update on claim letter issue
- Update on denial reasons
- Continued implementation of legislative changes
  - 5649 Legislative Taskforce and OFM actuarial study
Claim letter issue

- Approx. 36,000 customers impacted
  - 28,000 customers covered in communications plan
    - 20,000 approved and filing weekly claims
    - 4,700 approved and not filing weekly claims
    - 2,450 denied for no ID docs or qualifying event
    - 522 approved and denied paper applicants
  - 750 in analysis
    - Staff reviewing each customer record individually
  - 6,300 need no action
Most Used Denial Reasons from March to May 2022

- Insufficient hours: 2,750
- Medical documentation (incomplete or missing): 1,875
- Withdrawn: 1,424
- Future event – Serious health condition: 1,052
- Duplicate claim: 602
- Extension request: 531
- Medical leave exhausted: 335
- Untimely application: 292
- Future event – Bonding: 286
Monitoring and stabilization after legislative changes

- 2SSB 5649
- ESHB 2076
- Waiting week
June 9 technical release included:

**Changed the benefit application**
- Added additional questions for improved usability and implementation of postnatal medical leave, waiting week change, and COVID data collection.

**Enhanced benefit accounts and processes**
- Added conditional logic to weekly claims.
- Made payment history visible to benefit customers.
- Added automated notifications for document uploads and application status changes.

**Updated system rules and calculations**
- Removed the waiting week for postnatal medical leave.
- Stopped deducting hours used in a waiting week from total bank of hours.
Other 5649 updates

OFM actuarial study
• Contract near completion.

Legislative taskforce
• Members identified.
Workgroup updates
Workgroup updates

Reducing time from application to payment

• Met May 25
• Identified additional data to review
• Will meet again in late summer

Pre-application for benefits

• Met June 9
• Agreed on possible approach
• Identified analysis needs
• Will meet again in July
July meeting

Details

• 9 – 11 a.m., Thursday, July 21, 2022

Agenda

• Topics?
• How would you like to discuss projection assumptions this year?
Open comment
Continue the conversation

Justin DeFour
Director, Paid Family & Medical Leave
Employment Security Department
Justin.defour@esd.wa.gov

Visit us online at www.paidleave.wa.gov

Join our listserv at bit.ly/PaidLeaveList