

Washington  
**Paid Family & Medical Leave**



**Employment Security Department**  
WASHINGTON STATE

# Advisory Committee Meeting

June 16, 2022



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**Agenda**    Introductions & approve minutes

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Program & trust fund update

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Current priorities

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Workgroup updates

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Agenda items for July meeting

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Open comment & adjourn

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# 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

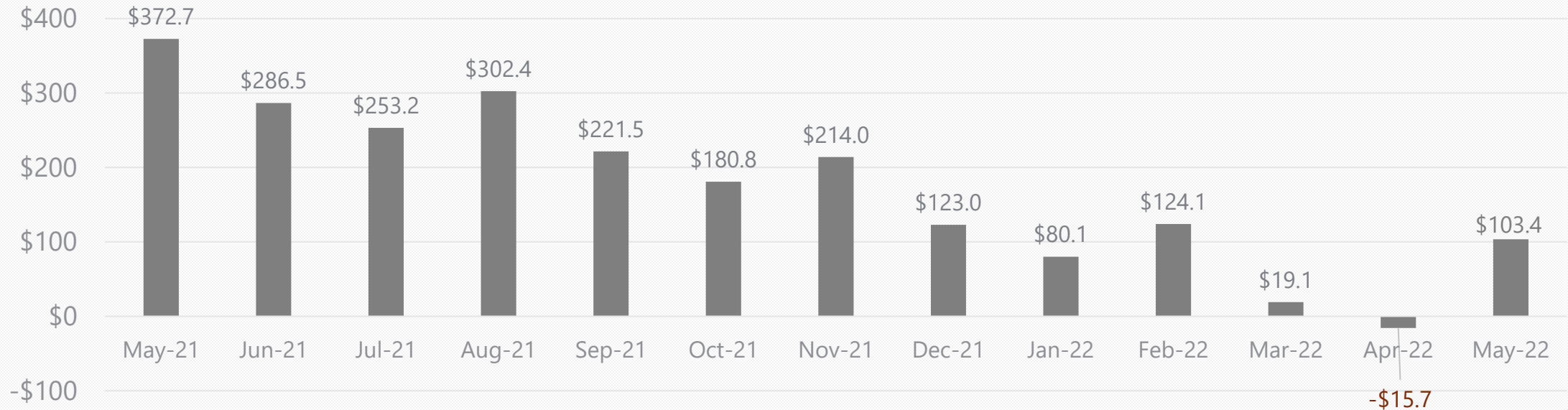
# Program update

Steve Zawoysky, Leave & Care Treasury Manager

Rebecca Grady, Research & Data Manager

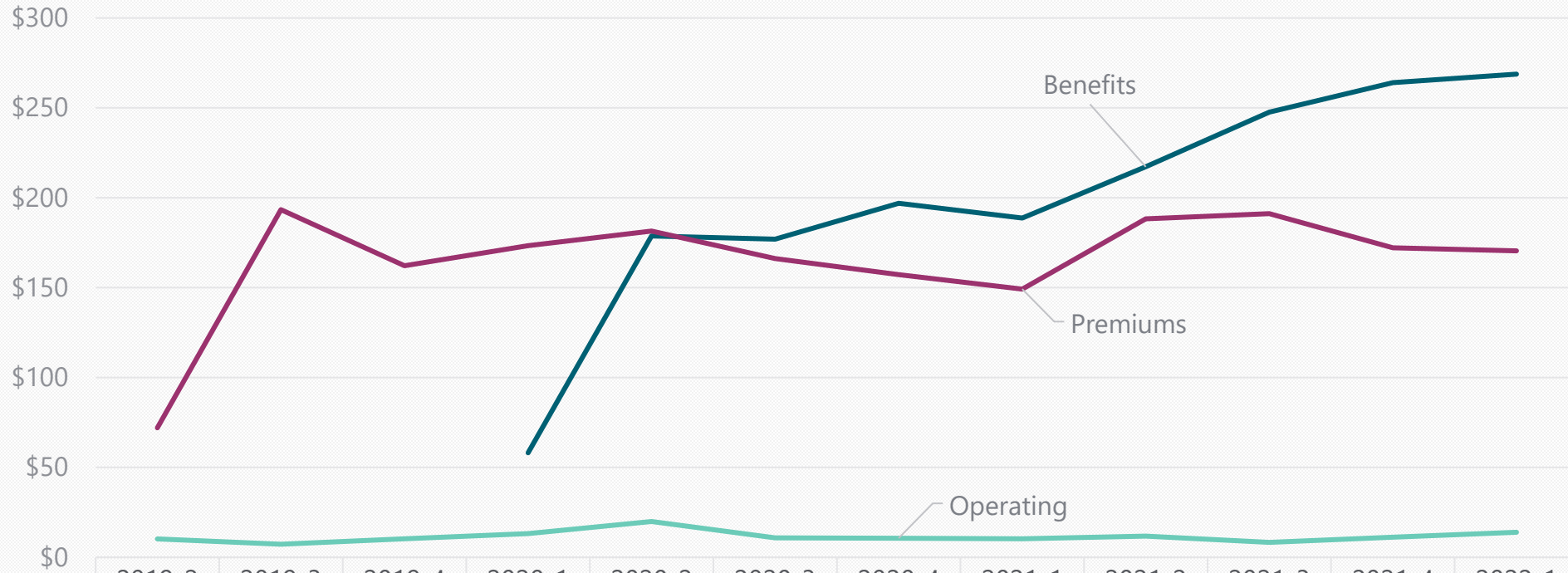
John Mattes, Operations Manager

# 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

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

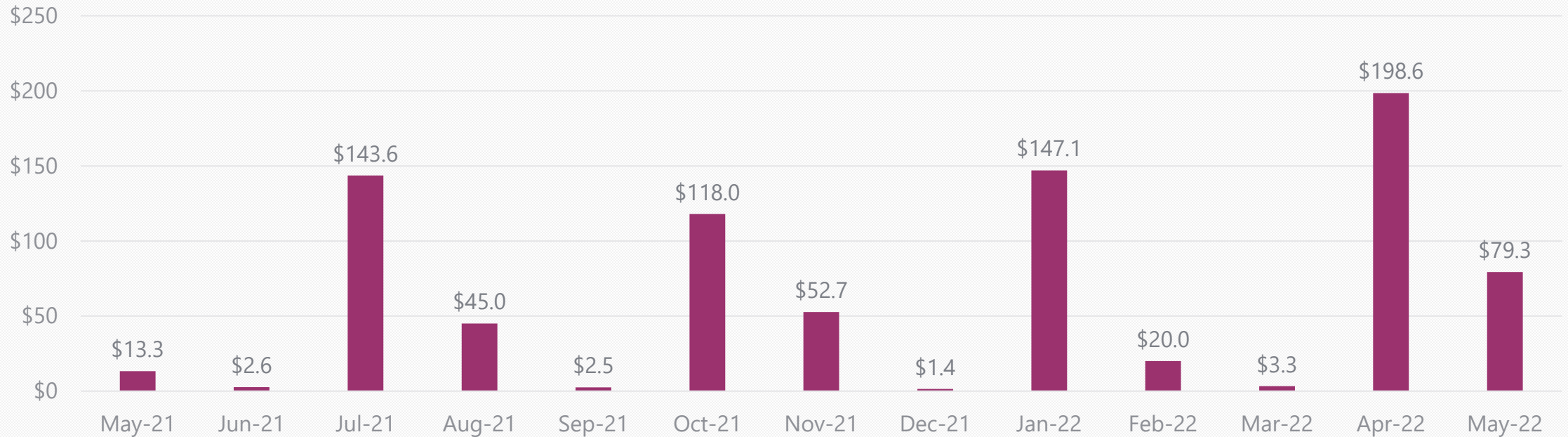


|              | 2019-2 | 2019-3  | 2019-4  | 2020-1  | 2020-2  | 2020-3  | 2020-4  | 2021-1  | 2021-2  | 2021-3  | 2021-4  | 2022-1  |
|--------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Benefits     |        |         |         | \$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  |



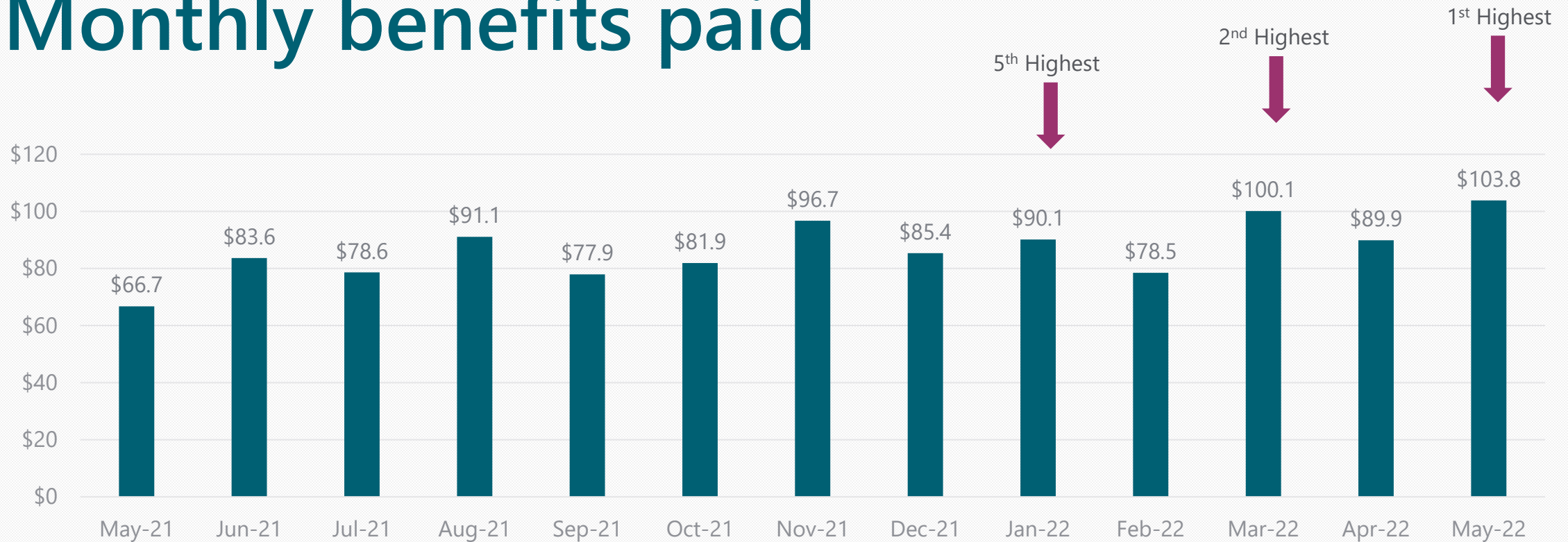
# Monthly premiums remitted (millions)

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



- 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.

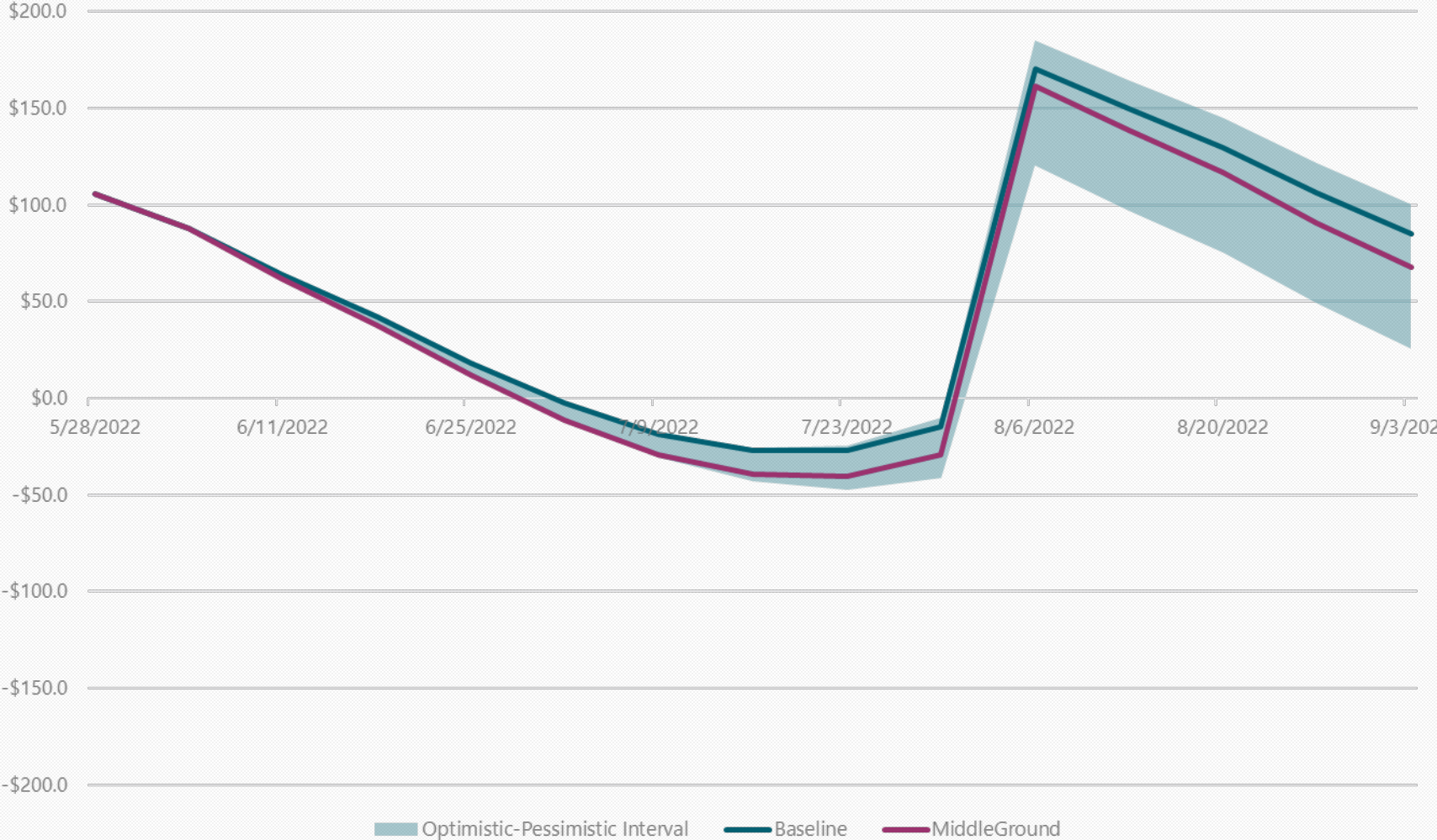
# Monthly benefits paid



- 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

# Fiscal projections

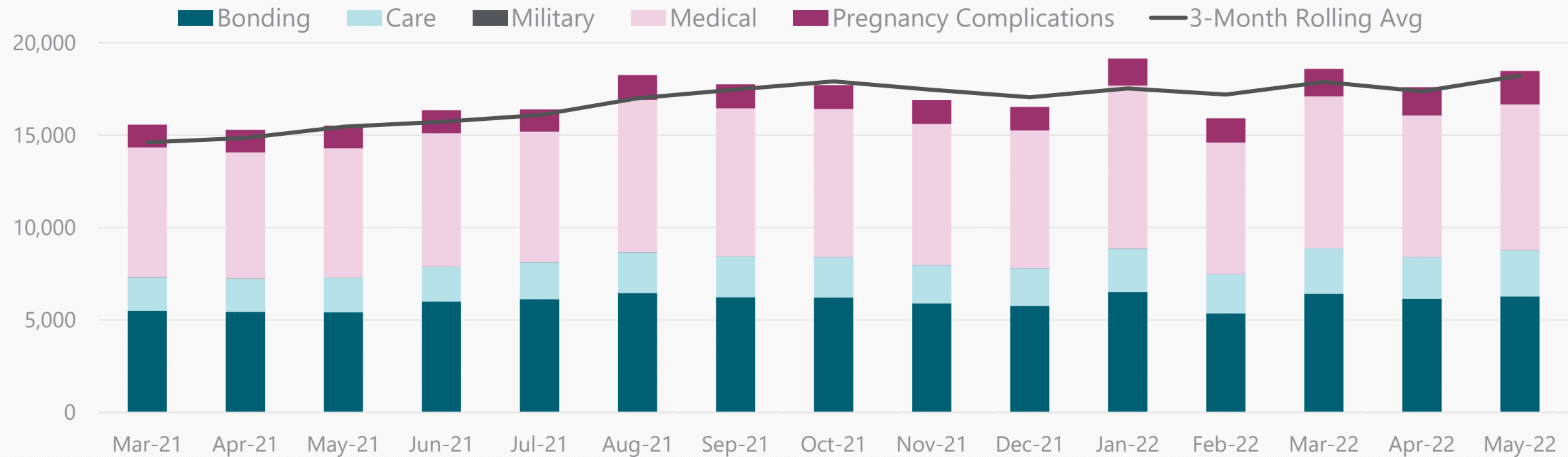
Trust Fund Weekly Cash Flow Projections  
Historical data through week ending 6-4-22



| Rates                       | 2021        | 2022        | Projected 2023     |
|-----------------------------|-------------|-------------|--------------------|
| <b>Premium Rate</b>         | <b>0.4%</b> | <b>0.6%</b> | <b>0.8% - 0.9%</b> |
| Calculated Rate             | 0.4%        | 0.6%        | 0.6%               |
| Solvency Surcharge          | -           | -           | 0.2% - 0.3%        |
| <b>Family-Medical Split</b> |             |             |                    |
| Family                      | 33%         | 52%         | 50%                |
| Medical                     | 66%         | 48%         | 50%                |

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.

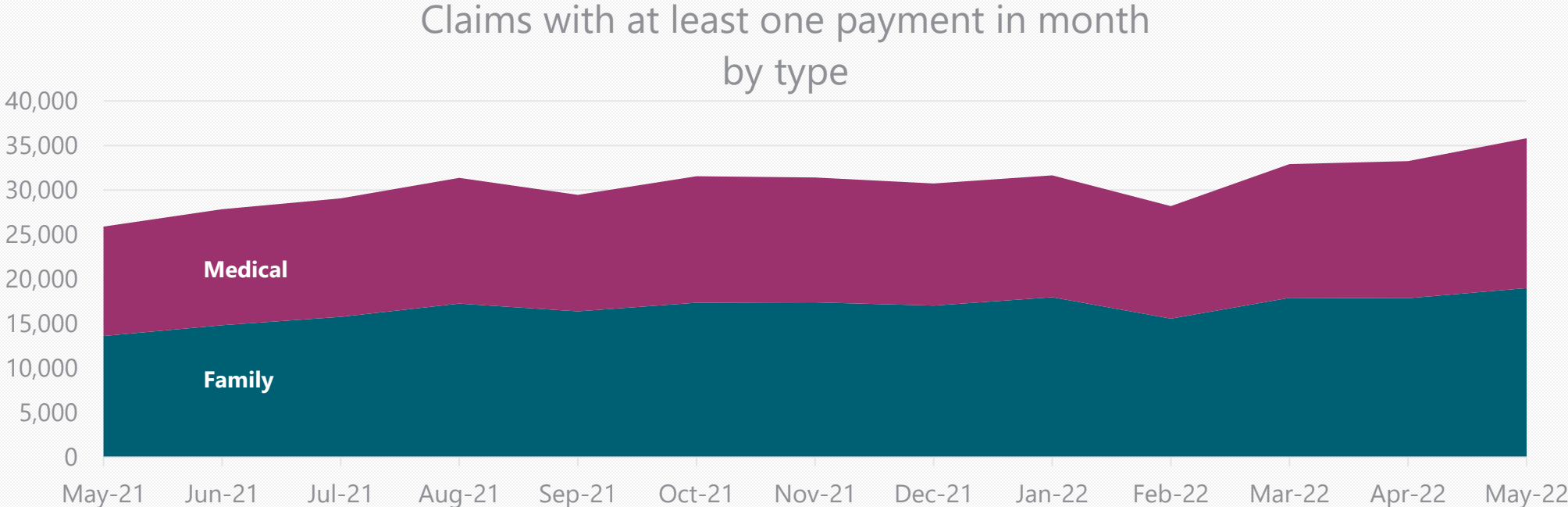
# Claim applications submitted by type



- 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

# Approval rate and monthly claims with payment(s)

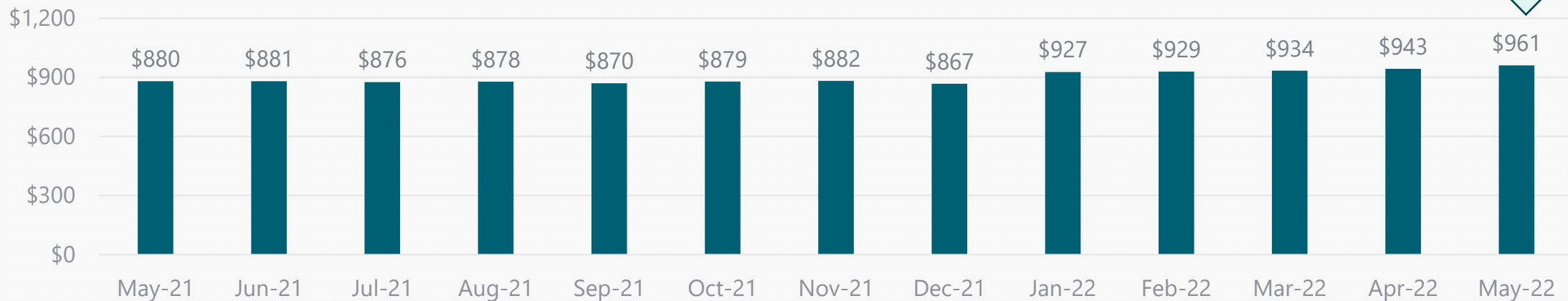
- Percentage of claims approved continues to be relatively stable
  - About 83% approved
- Unique leave claims with payment(s) in past 12 months – 96,410 family and 95,259 medical
- May 2022: 35,819
  - 38% more than May of last year, highest we've seen to date



# 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

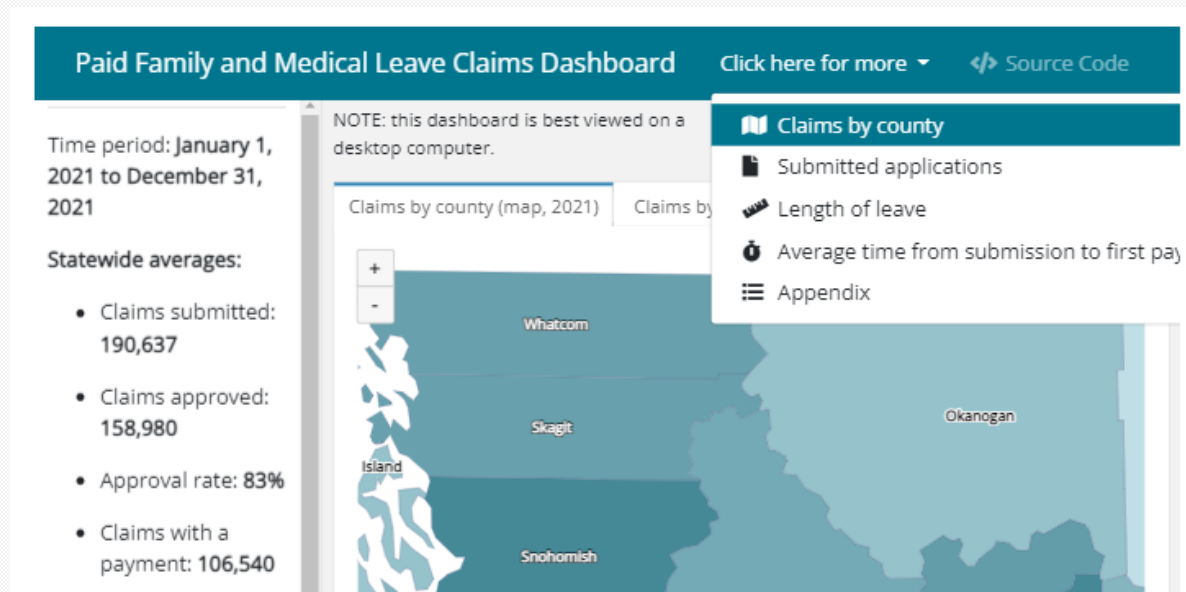


- Length of leave relatively stable month-over-month
  - 7-8 weeks avg per claim for claims ending in recent months
  - 9-10 weeks avg per claim year for claim years ending in recent months

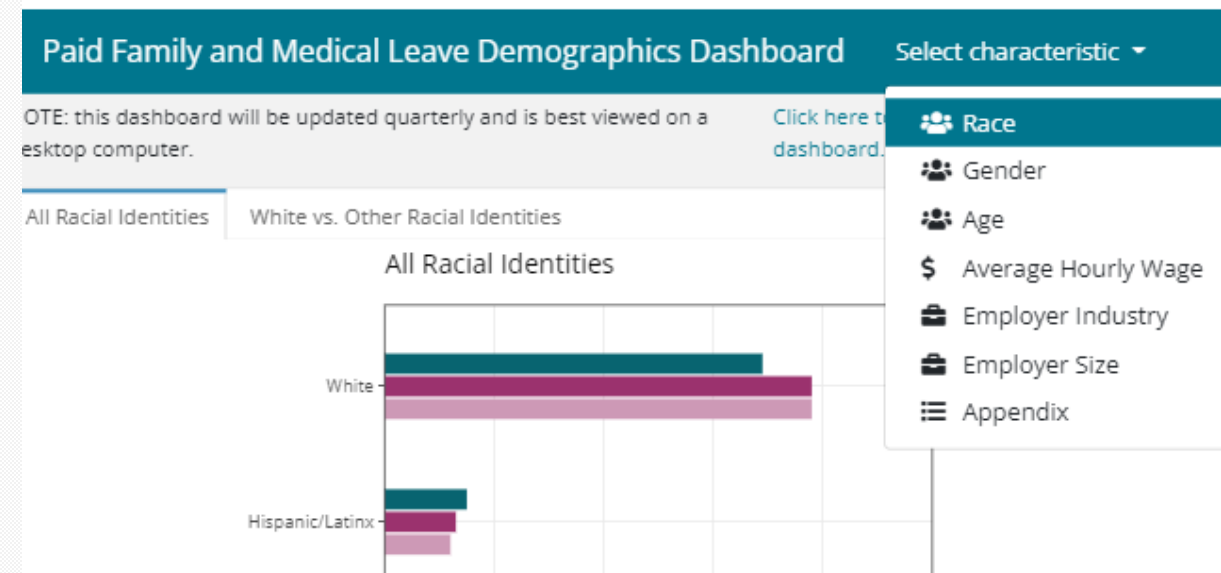
# Data dashboards

- [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

| 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          |
| May 2022   | 3.6           | 2.3          |

| Month    | Average weeks | Median weeks |
|----------|---------------|--------------|
| May 2021 | 4.9           | 3.6          |
| May 2022 | 3.6           | 2.3          |



# 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                      |
| May 2022   | 85%                             | 91%  | 02:47                      |

*\* includes calls for WA Cares Fund*

# Current program priorities

John Mattes, Operations Manager

Matt Buelow, Interim Deputy Director

# Current program priorities

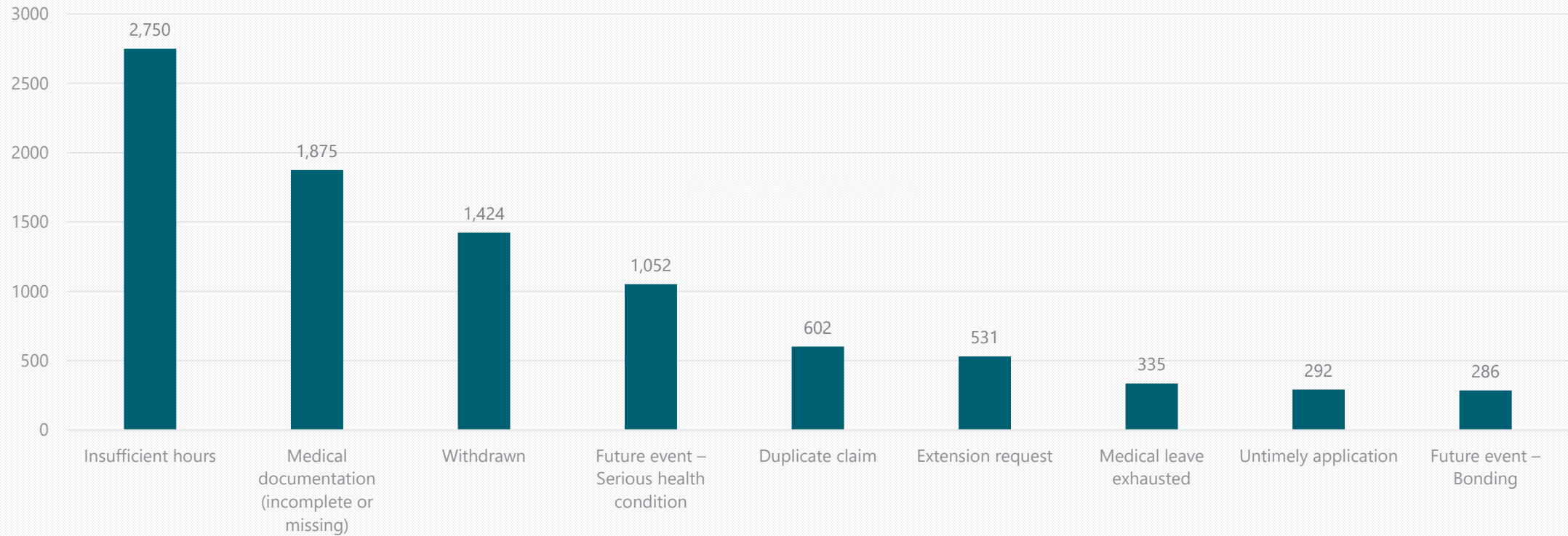
- Update on claim letter issue
- Update on denial reasons
- Continued implementation of legislative changes
  - 5649 Legislative Taskforce and OFM actuarial study

# 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

# Benefit denial reasons

Most Used Denial Reasons from March to May 2022



# 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

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