

<b>Location</b>	Zoom
<b>Advisory Committee Members</b>	Director, Leave and Care: Justin DeFour Paid Family & Medical Leave Act Ombuds: Edsonya Charles Employer's Interests Representative: Bob Battles Employer's Interests Representative: Christine Brewer Employer's Interests Representative: Julia Gorton Employee's Interests Representative: Samantha Grad Employer's Interests Representative: Tammie Hetrick Employee's Interests Representative: Maggie Humphreys Employee's Interests Representative: Joe Kendo Employee's Interests Representative: Marilyn Watkins
<b>Employment Security Department Staff</b>	ESD Commissioner: Cami Feek Interim Deputy Director, Leave and Care: Matt Buelow Chief Financial Officer, ESD: Carole Holland Government Relations Director, ESD: Caitlyn Jekel Leave and Care Treasury Manager: Steve Zawojksy Operations Manager, Leave and Care: John Mattes Research & Data Manager, Leave and Care: Rebecca Grady
<b>Guest</b>	Allie Schaafsma
<b>Notes by</b>	Taiyler Brown and Laura Hagensick

<b>Agenda</b>	Introductions Approval of May Minutes Program and Trust Fund Updates Current Program Priorities Work Group Updates July Meeting Topics Open Comment Adjourn
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**May Minutes were approved with one change – Change recorded by Matt Buelow**

**Program & Trust Fund Updates** – Steve Zawojksy and Rebecca Grady

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

**Steve Zawojksy** - We had positive balances in April and May. The balance is negative this month, and we will have updated numbers for Quarter 2 for next month. Of monthly premiums remitted

(cash basis), April and May premiums represent quarter 1 premiums. We expect an additional 30 million in premiums for quarter 2. May had the highest monthly benefits paid to date. Rebecca's team is working on updating some of the benefit projections, and that is ongoing each month.

*Discussion:*

**Julia Gordon** - It looks like we're just making it with \$22 million/week.

**Steve Zawojksy** - We're at a break-even with the current premiums and are currently doing some analysis.

**Marilyn Watkins** - Have you done a current breakdown given wage increases across the board, higher end of wage and at what point in the year do they reach it?

**Rebecca Grady** - It's been pretty varied in the past three years so far. Not enough consistency in numbers to predict at this point. There hasn't been a substantial pattern thus far, a lot of variation.

**Christine Brewer** - I'm thankful for the tools built into the statute. We have a bridge and we are not in a challenging place regarding paying benefits.

**Matt Buelow** - Thank you all for your partnership in getting this done!

#### **Monthly Benefits Paid**

May 22 \$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

*Discussion:*

**Julia Gordon** - Are benefits higher or are claims made higher?

**Steve Zawojksy** - The benefits paid percentage is on this slide.

**Matt Buelow** - Benefits go up every January, based on annual wage. The benefit amount increases as wages increase.

#### **Fiscal Projects** – Rebecca Grady

We are still expecting a deficit for this month and will continue through this reporting period as they did the previous reporting period. Nothing too much has changed since last month. We update the projections every week and we are using some historical averages here. Nothing new for longer term expectations for next month or next year.

*No Discussion.*

**Rebecca Grady** - The three-month rolling average increased to 18K claim applications. We are likely to see seasonal numbers like last year due to summer birth rates being high.

#### **Claim applications submitted by type**

Claim applications increased in May  
May 2022 received 18,476 applications

*Discussion:*

**Marilyn Watkins** - Have you looked at WA birth rate/trends vs. national ones at the point where the program took effect?

**Rebecca Grady** - Good question. We implemented changes in June that included differentiation in leave. We will be adding pre- and post-natal medical percentages. We've seen a huge improvement and have gotten a much better picture. We will break trends in current categories and can take historical data into current data.

**Bob Battles** - We will want that historical data reflecting critical trends looking back.

#### **Approval rate and monthly claims with payment**

Approval overall rate is 83%

May 2022 35,819 claims

Benefit levels and lengths

\$939 for claim years approved starting Jan-May 2022

7% higher than same period last year

- 2022 average weekly benefit increased in January and will stabilize through the rest of year.
- Statewide average annual wage grew 10% from 2020-2021.
- May is preliminary; it will likely decrease as data matures.
- Data dashboards are posted on ESD's data site.
- Leave claims are broken out by county and include statewide data.
- Customer characteristics are shown statewide.
- Both of these present opportunities to provide feedback.

#### **Operational Successes** – John Mattes

We are processing the same metric as time from application submitted to first payment. Shaving about ½ week off of the rate of hiring over last eight months is making an impact in processing applications. We expect June will be higher than May due to our investment in training.

*Discussion:*

**Marilyn Watkins** - Thank you and congratulations. The legislature appreciates this level of change and improvement in customer service.

#### **Telephony Statistics** – John Mattes

Telephony statistics are showing the same trend as we have been presenting, with significant improvement in calls answered from queue. In May, we averaged 2.47 minutes per call. The percentage will look worse in June, as we are having an intermittent challenge for applicants due to a small issue with customers needing to call in twice. We are working to fix that.

*Discussion:*

**Joe Kendo** - Is the 9% difference in May between queue & answer due to people who hang up?

**John Mattes** - Yes. We don't know why that is.

**Maggie Humphries** - We are grateful and happy to see this improvement.

**Joe Kendo** - We will be continuing to look at data per times of day in order to improve across the board.

**Current Program priorities** – John Mattes

Update on claim letter issue, update on denial reason, implementation of legislative changes.

Claim letter issue: approximately 36,000 customers were impacted by letters not being sent to them. We have resolved this underlying cause. We will continue to monitor and analyze. Most customers did have access to the claim letter in their online account. We are working to provide mitigation on this by creating & implementing communications based on situations.

*Discussion:*

**Marilyn Watkins** - Just to clarify, 36,000 just didn't get a letter in the mail? Is this new or related to a specific period of time. What triggered the issue?

**John Mattes** - It is related to technical bug that just happened over last couple of months due to programming changes. Translated letters went out as expected.

**Matt Buelow** - We have not yet gone deeply into how we should have caught this earlier. We are currently mitigating and ensuring the letters go out.

**John Mattes** - We will be releasing new medical certs based on feedback from customers and the customer care team. We expect that medical documentation will improve.

**Benefit denial reasons – March thru May**

Denial average stays consistent at 17%

**Most common reasons for benefit denial:**

*Insufficient hours 2,750 - will likely continue due to way we process claims.*

*Medical Documentation 1,875*

*Withdrawn 1,424*

*Future event serious health condition 1,052*

*Duplicate claim 602*

*Extension requests 531*

*Medical leave exhausted 335*

*Untimely application 292*

*Future event-bonding 286*

*Discussion:*

**Matt Buelow** - Withdrawn claims are classified as denial and many of the following are not necessarily a denial of all benefits: duplicate claim, extension denial, benefits exhausted. In other words, they are not necessarily indicative of people not getting benefits at all.

**Marilyn Watkins** - In regard to insufficient hours, how much do you proactively work to help, and is that a place where we could potentially ensure that the system is lowering the burden on customers? And for medical certification, are there still cases of denial where people are getting charged extra money by doctors for certification letters, especially non-English speakers? Do we have ways to help address this?

**John Mattes** - Hours are definitely something we can continue to look at. We do have the opportunity to communicate with claimants and employers and make sure that we get the correct information for every person who is denied and that those claimants can get additional reviews of appeals.

**Alison Eldridge** - Regarding medical certification, the first part of the concern is due to large providers, and second to individual providers. We are kicking off an internal review of medical certifications submitted by large providers over time - which forms are used, along with other large provider documentation. We want to provide some measurement of their processing outcomes; what kind of information are we getting. We want to use that data to inform conversations and move medical certifications in a more positive direction for customers. Also, on burdening side, we can get valuable information from analysis on that. There is only so much info we can draw on type of provider, size of provider, particular location, etc. We want to provide information to providers to leverage data for their benefit.

**Legislative changes** – Matt Buelow

- Monitoring and stabilization after legislative changes.
- June 9 technical release is included.
- We added a question to the benefit app in order to improve usability.

- We have enhanced a lot of benefits and processes: added conditional logic to weekly claims, made payment history visible to benefit customers, added automated notifications, removed waiting period for post medical leave.
- We stopped deducting hours used in a waiting week from total bank of hours.

*Discussion:*

**Maggie Humphries** - Congrats on getting to the finish line. I'm glad to see the benefit history added.

**Edsonya Charles** - Does it just show payments by week?

**Alison Eldridge** - It shows hours used by week, not a running total.

**Matt Buelow** - We will work on improving this data for customers.

**Marilyn Watkins** - The data is there, but the claimant needs to do the math for total available at this time? Does it show total time awarded, or does the claimant need to go back to the letter?

**Alison Eldridge** - It does not show the total awarded.

**Marilyn Watkins** - Where are we on addition of compassion leave for death of a child?

**Matt Buelow** - This was part of the release and we are tracking it. We didn't have to change the technical aspects; we needed to change procedures and can do in current technical environment.

**Marilyn Watkins** - Will you be able to track that going forward?

**Rebecca Grady** - We will not continue to track. We would need to create a process.

**Marilyn Watkins** - So, people just call in, or can it be updated in the online record?

**Alison Eldridge** - It can be done in the online record, but I don't know if that is the way operations decided to process it. I can get that information and follow up.

**John Mattes** - A common way that we hear is the customer calling, but I don't know process off top of my head. We will definitely need to follow up.

**Edsonya Charles** - I want to reiterate the need from the employer community for more information in the employer portal. I would like to see it moves to front burner.

**Caitlyn Jekel** - All pieces are in motion for the OFM actuarial study for the 5649 legislative taskforce. Members have been identified. Scheduling is underway and July will likely be first meeting.

**Joe Kendo** - Is a contract in place?

**Caitlyn Jekel** - We are having final conversations with the contractor and will get that out soon.

**Bob Battles** - My concern is we schedule meetings and then include board meetings afterward. I suggest we look at everyone's calendars at once. We need to choose a time.

**Caitlyn Jekel** - We can carry that message and a lot will be based on actuarial analysis. I hear your concern. The first meeting will be used to establish a game plan and we will work on the meat in later meetings.

**Workgroup updates** – Alison Eldridge

Two workgroups:

- Reducing time from application to payment- We met May 25 and identified additional data to review. We will meet again in late summer.
- Pre-app for benefits- We met on June 9 and agreed on possible approach. We also identified analysis needs and will meet again in July.

*No Discussion.*

**Agenda items for July meeting:** 9-11 a.m., Thursday July 21, 2022

*Discussion:*

**Samantha Grad** - I have a standing conflict can't move if we go forward with this schedule. The next one won't work for Joe, either.

**Matt Buelow** - We can look at other dates/times for July. We'll send out doodle poll.

- Agenda item for next meeting – what will occurrence look like?
- Agenda item for next meeting - How would you like to discuss projection assumptions this year?

**Rebecca Grady** - In the last couple of years, a lot of time at these meetings has been used going through detailed level projection assumptions and potential changes, then coming back in August with results. Do you want to do that this year?

**Maggie Humphries** - I would love to have that discussion.

**Marilyn Watkins** - Can you share a little bit about actuarial and how much will differ?

**Rebecca Grady** - Some of that will be emergent. We will need to determine the extent of actuarial recommendations in order to make recommendations. They will not come up with their own model. We won't have separate, duplicative tracks that work together.

**Marilyn Watkins** - I echo Maggie's statement and am interested in as much data as we can get as soon as we can get it.

*Other topics for agenda?*

**Marilyn Watkins** - I would like to see follow up on compassionate leave, data & communication, detail on how people are going to apply and methodology to track usage.

**Matt Buelow** - We will follow up with the committee on process before the July meeting and address the rest in the July meeting.

**Marilyn Watkins** - I agree with Edsonya's request for process updates and improvements focused on employers. Also, I'd like to see an update on small business grants and how those things are going, along with any changes in voluntary programs.

**Edsonya Charles** - The meeting Rebecca mentioned about Advisory meeting per workgroup will be important.

*All agree to address this in advisory committee.*

**Matt Buelow** - Marilyn, we will use a future meeting to address process updates, etc.

**Open comment** – Matt Buelow

*No comments.*

**Matt Buelow** - We will adjourn. Thank you for participating. We appreciate your partnership.