

Location	Zoom
Advisory Committee Members	Director, Leave and Care: Justin DeFour Paid Family & Medical Leave Act Ombuds: Edsonya Charles Employer's Interests Representative: Bob Battles (Not present) Employer's Interests Representative: Christine Brewer Employer's Interests Representative: Julia Gorton Employee's Interests Representative: Samantha Grad (Not present) Employer's Interests Representative: Tammie Hetrick Employee's Interests Representative: Maggie Humphreys Employee's Interests Representative: Joe Kendo Employee's Interests Representative: Gabriela Quintana (Not present) Employee's Interests Representative: Marilyn Watkins Employer's Interests Representative: Brenda Wiest (Not present)
Employment Security Department Staff	ESD Commissioner: Cami Feek Deputy Director, Leave and Care: Matt Buelow Chief Financial Officer, ESD: Danielle Cruver Government Relations Director, ESD: Caitlyn Jekel Public Affairs Director, ESD: Clare DeLong Leave and Care Treasury Manager: Steve Zawojsky Operations Manager, Leave and Care: John Mattes Research & Data Manager, Leave and Care: Rebecca Grady
Guests	Assistant Treasurer, Leave and Care: Cassandra Kiosef Policy & Rules Manager, Policy & Integrity Division, ESD: April Amundson Economic Analyst 3, Leave and Care: Brian Kennedy
Notes by	Rebecca E. Donley, Court Reporter

Agenda	Introductions Approval of August Minutes Program and Financial Update Current Priorities Work Group Updates October Meeting Topics Open Comment Adjourn
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June (with corrections) and August Minutes were approved

MS. CHARLES – I had requested that we add page numbers so in case we do have corrections, it would be easier, and I still don't think they are showing up.

MR. BUELOW – Okay, we'll follow up on that. Thanks, Edsonya.

MR. BUELOW – Okay, so only the advisory committee and the presenters should talk during the meeting until the open comment period. Please hold your feedback until that period. And comments and questions in the chat are not generally reviewed as part of the meeting structure, so just make sure that your comments are comments and not questions, please. We would appreciate that.

Introductions – Matt Buelow and Advisory Committee Members

Program & Financial Update – Cassandra Kiosef, Brian Kennedy, John Mattes

MS. KIOSEF: Okay, so we're going to start with the fund balance for August. As a recap, we did go into the negative last -- last-last month in July. For August, we ended our fund at a balance of 121.2 million, and we expect to dip back into the negative back around early October. And as a refresher, the ESSB 5693 does provide up to 350 million, but we have not had to use that as of yet.

Next slide, please. This shows the premiums, benefits and operating expenses. So, I know there were some questions on this last time. Second quarter is going to be the month April, May and June, which has first quarter premiums in there.

Next slide please. For premiums for the month of August, we did receive 79.6 million, which reflects what we had in first quarter. Both April and July had an ending date on the weekend, so we had a little bit more than usual for the month of August. And it was 77 percent higher --sorry about that -- more than August.

Thank you. Next slide. For monthly benefits, we did pay 115.2 million, which is the highest monthly payments to date. It's 27 percent higher than last August, 21 percent higher than last -- the previous month of July. There were five Tuesdays in the month of August. That's significant just because of the weekend benefit file is higher than the rest of the month. So, we had five weekends that we paid for in the month of August. So far for 2022, 767.8 million has been paid, which is 33 percent higher than last January through August 2021.

Any questions before we move it to Brian? Awesome, thank you.

MR. KENNEDY: All right, so here we have our updated fiscal protections on a weekly basis through December 10th of this year, and you can see kind of our next expected cash flow deficit, as Cassandra was saying, is starting kind of early to mid-October time. We are starting to get into lower fund balances now. I think we are under 100 million in our account. So just kind of keeping that in mind.

We do expect the negative deficit to jump to about 25 to 50 million in October, and then we'll kind of peak back up as the reporting month comes, and then you can see we're starting to show out up until just about that next time where we fall into a deficit in December time.

We're still seeing the rates that we're expecting around 0.9 to 1.0 percent next year, and the family medical split is still right around 50/50.

Jump to the next slide. Here we have our applications submitted by type, and again, August was the highest we've seen to date in our program outside of January 2020 when things were a little wonky. So, we're still seeing high volumes. It's up 10 percent more than last month and about 16 percent more than August of last year. And you can see as we are kind of getting more and more data coming in for those prenatal, postnatal care claims, we're starting to see a shift toward medical in relation to family.

Again, this is a still kind of early because any of those postnatal medical care claims that extend past those six weeks will then -- will need to move into family bonding, so we could see bonding start to tick up again once these medical postnatal claims start to taper off from their six weeks. So, we're kind of still watching that to see how that adjusts as time progresses. But this is kind of our first pass at that.

And you can see with August being a high month, it moved our three-month moving average to about 19,000 claims applications a month, and it had been sitting around 18,000 since May. So August was kind of a high mark.

If you can go to the next slide. And here we have our approval rates, unpaid claims. Again, with the approval rate there's nothing new to report here. It's been relatively stable at 84 percent like we've been seeing. And then we have unique claim for the last 12 months is still about 50/50, still slightly favoring family, as you can see, because it hasn't caught up with those change in applications.

And then total paid claims in August jumped to about 37,755, which is up about 20 percent compared to last August. And we're kind of keeping an eye on this as we're moving closer and closer to calculating a premium rate to see, you know, what happens in September. August was a high water mark last year, so we're kind of just keeping an eye on that to see how things move through.

We did see it kind of taper off a little bit last year after August, so it was kind of the peak that we saw, and then things kind of slowed down through the holidays, so we're probably expecting something like that, but again, it's really hard to judge with our data being so new. But it is something we're kind of keeping an eye on really closely.

Again, here this is a similar picture like we've been seeing in the past. We've updated January through August. Our average is still right around 936 as far as benefits are concerned. Still about 7 percent higher than last year at 878 over that same time period. Again, we're expecting this to stay stable as it has been, and that's kind of the trend of things, go up in January, stable out throughout the rest of the year. So, there's kind of nothing new there.

And then lengths of leave, again, still stable month over month right around seven and a half weeks for claims and then about nine and a half weeks for a claimed year. And we can jump from there, and I believe hand it off to John here.

MR. MATTES:

Thank you, Brian. This is John Mattes, and I'm the operations manager for the Paid Family and Medical Leave program. So, we'll give an update on processing. So, this is our time from application submission to first payment going out. You can see for the month of August we maintained pretty consistent to what we had been doing, so the median actually did not change, so the median stayed at 2.6 weeks. And then the average did drop a bit, so the average from submission to payment being received dropped to four weeks.

As Brian mentioned, August was the highest applications coming in that we've seen since January of 2020. We're feeling pretty good about that we're able to maintain that with the increased application volume there. We did see about a 16 percent increase in processing for the month of August, so we did process more applications in August than we did in July. A lot of that is just as staff become more familiar with the changes over the summer, and just some additional days. August was -- had the most working days of the year so far, so I think that does contribute as well to just the number being processed in the month of August.

And here is our update on telephony. So, you can see that August has maintained pretty steady for our connect rates. Again, as a reminder, June we had some technical issues so the June connect rate is a little off, just because of some technical information, so August continued to be pretty consistent for kind of calls getting into queue, our percentage of calls answered from queue. And we did see it decrease three minutes for our hold time, which we are glad to see.

Calls for August were pretty high. August and July actually had almost the exact same number of calls coming in, which is not normal. Given July is a reporting month, we generally see more calls there. But I think a lot of that just had to do with the extra working days in August contributing to the total.

And with that, I'll pause to see if there's any questions on either processing or phones from the advisory committee.

MS. HUMPRIES - Hey, John, I noticed that the middle column doesn't have the same asterisk for including calls to the WA Cares fund, but the queue time does for paid leave. So, are they all going into one queue, or are they bifurcated at some point?

MR. MATTES - They are bifurcated. So, the reason I can't separate out the calls coming into queue is when someone calls in, their first selection is, "Are you calling for Paid Family and Medical Leave or are you calling for WA Cares?" So, at that point, I can't split those calls apart, so that's why that is in there for the call queue, if that makes sense.

MS. HUMPHRIES - Yeah, I guess my question is, once they select Paid Leave, is this queue time -- it has the same asterisk, so is that the wait time inclusive of WA Cares fund, or is that just for paid leave?

MR. MATTES - Let me see if I can get that answer for you, probably be during this meeting.

MS. HUMPHRIES - Sounds great, thank you. Follow-up after is fine too.

MS. WATKINS - And this is Marilyn Watkins. So good to see a little bit of improvement in the hold time since July but notice that it is still above what it has been earlier -- throughout earlier in the year and significantly above what it was for March, April, May time frame. So, wondering if you foresee getting back down to those under five-minute -- that under five-minute mark which I think we would all real prefer to see, what the plan is for that?

MR. MATTES - Really good question. And so, we are definitely I think aiming to get it back down to kind of those queue times that we saw in the spring. I think the reason that it increased is mostly just due to the changes from the summer, as we've talked about. The July changes --or the June changes from the legislative session did kind of slow us down, and applications are up. So, as we see, kind of applications continue to increase, we do see more calls coming in here, which I think contributes to that. Especially as, you know, the processing time kind of has been holding pretty steady. We do tend to get more calls from customers kind of asking about the status of their application.

In terms of kind of what the plan is to get that down, I still think we're monitoring it pretty closely, and we do have -- we did have a few vacancies that have opened up over the summer, and I think that is also contributing to that. We do have all of those -- or almost all of those filled, so we have a group of 24 staff starting tomorrow, and most of those are frontline staff on our customer care team, so we're excited to kind of get them on board and continue, you know, to them trained, and they should help with this.

MR. BUELOW – Thanks, John. I also want to let the committee know that we've been working on our decision packages for the legislature, and we're going to be talking about that a little later this meeting. So, we're going to ask for more staff to help us with that as well, amongst other things.

MR MATTES – So we just wanted to just kind of briefly update the committee on the voluntary plan cost report. As we mentioned at the last meeting, we were kind of finalizing that submission to the legislature for the voluntary plan cost report. That report has been filed, and I believe a copy was sent to all of you in advance.

A few kind of highlights of the report that we just wanted to go through today. The main takeaway from the report is that costs for voluntary plan as from program inception to current have exceeded fees collected, and so you can so that there in the tables. That includes the kind of the

historical fees and costs for voluntary plans to date and then some projections moving forward based on the best of our knowledge for what incoming new voluntary plan applications will be.

I wanted to highlight a little bit of some of the historical kind of challenges with the data. Kind of our ability to compartmentalize the time working on tasks has matured, so we are better able to track kind of time working on voluntary plans now than we were in the beginning. Separating out implementation costs from operating costs, especially early, has been a little bit of a challenge. Most of the plans were submitted kind of early in program inception, and there was definitely an urgency around the submission of getting those voluntary plans going into the second half of 2018 for employers who didn't want premium withholding to begin, and our data architecture was pretty limited at launch. So that just kind of shows some of the challenges with kind of the collection of the data historically.

And then some future challenges I just wanted to highlight is that most plans have reached -- have either reached or will be reaching shortly their three-year maturity, so they no longer will need to have those plans reviewed. And with fewer submissions coming in, the fees collected we anticipate to go down. There is not a mechanism for future reviews for those plans that have reached their three-year maturity. And fees are predicted to remain flat while our staffing costs will increase. That's primarily due to just increased wages moving forward.

And if you want to go to the next slide. This is just from the report showing the concentration of voluntary plan by industry, so you can see kind of the four industries that have voluntary plans that exceed kind of the comparison to the statewide employer base.

And with that, I think we really just wanted to make sure and open it up to committee to see if they had any topics they wanted to dig into as it related to the voluntary claim report.

MR. BUELOW – John, can you explain a little bit more this graphic we're looking at. I guess I don't totally understand the relationship between the white and pink dots.

MR MATTES – I will actually ask Brian if he can help on that one.

MR. KENNEDY – Yeah, so this is looking at those sectors employers as a share of all employers in that -- in the city. So, what the kind of key takeaway from this is, the magenta dots are voluntary plans, and where those are in front of or at a higher share of, then the teal open dots, which is statewide, then we have a higher concentration of voluntary plan employers in that sector for all voluntary plans compared to all employers in that sector, if that makes sense.

So, if you look at like science and professional tech services, there is a huge concentration of our voluntary plans that fall into that sector, but that sector isn't necessarily as big statewide. So, to put numbers to it, in that professional science and tech services, it's about 15 percent of all

employers statewide, whereas it's just shy of all voluntary plan employers that we have, if that clarifies it a little better.

MR. BUELOW – Got it. Yeah, okay.

MS. HUMPHRIES – And Brian, so this is employers. Do you have a similar graphic for employees represented in those sectors?

MR. KENNEDY – We don't, but there are a few high employing voluntary plan holders. So, it would probably fall pretty similar. Because the concentration of those are typically the large employers, which have that as well. So, our employment data is dominated by just a very few number of voluntary plan employers. So, I can't imagine it's too much different. But the report doesn't have that in it.

MS. BREWER – Brian, this is Christine. What is the total number of voluntary plan employers?

MR. KENNEDY – At the time of this report, it was 282 when we pulled it. I believe it was 286 last time that we've kind of updated a couple.

MR. MATTES – And I'll just add as a reminder that the voluntary plan list is now available online, and we'll be updating that every quarter to make sure it's updated quarterly online.

MS. BREWER – I have looked at that, John and I appreciate that. It's not numbered, so I was like, oh, man I'm going to have to go through and count the total number, so I appreciate that. But I have looked at that, and thanks for putting that up there.

So, in your report, I have not read the report, did you guys submit suggestions to address these future challenges, or are those just observations that you've made?

MR. MATTES – Those are just observations. That's a really good question. So, we did not include any recommendations in the report for any change to the fee structure. I think we're happy to engage the advisory committee or the legislature in providing technical assistance on engaging those conversations, but we are not planning on making any recommendations to the fee structure at this time.

MS. WATKINS – And could I also ask, those ongoing projected costs, does that include any sort of ongoing analysis of usage in the voluntary plans compared to the state plans, how that usage compares, any kind of enforcement that may be necessary, education that presumably the Department continues to conduct? What all is included in the ongoing cost of the program there?

MR. MATTES – Really good question, Marilyn, and I'm not sure about the kind of research side of it, so I'm not sure if Brian knows that, but most of that cost related to staff is cost relating to

voluntary plans. So, the primary staff time relating to voluntary plans is reviewing new plans, so we will see new plans continue to come in. So, the Department has staff that will be reviewing those plans to make sure they meet the state minimum requirements. We continue to have those annual reviews for the plans that are still within their first three years. So that is the bulk of that time as well, which we project to decrease as more and more plans reach that.

There's ongoing customer service for both voluntary plan employers and prospective voluntary plan employers. So, we just answer kind of phone calls, e-mails, et cetera from employers asking questions. There are some mechanisms in the law that if a voluntary plan employer has a staff person applying for leave, they can contact us to get information on what we would pay that individual if they were to apply to the state plan. So that's just some ongoing customer service needs there.

There's a little bit of appeal work and some additional kind of compliance work as well, but those are the -- kind of the bulk of the costs are really staff time for those tasks. And I don't know, Brian, if we included any kind of research and data costs as part of that.

MR. KENNEDY – So there is like a small amount, because we're not going to be dedicating a ton of time to it, other than projects that come up, but there is a small amount of that. There's also a little bit of finance included in that, so any changes there. And policy staff. So, if the customer care team needs to refer to policy about that, they get questions on this as well. So, there's a little bit in there, but again, it's not high magnitude of that.

MS. BREWER – And to get to these estimates, did you ask staff to track time?

MR. MATTES – Yeah, we asked staff to track time and we developed kind of a cost estimator based on the different kind of actions that need to happen as a result of the different pieces of work.

MS. BREWER – And this is just a piece of their work? Do you have dedicated staff to just review voluntary plans, or is this a piece of some of their job scope?

MR. MATTES – Really good question. So historically it was a piece of it. So, when we initially launched, it was a kind of -- well, early on, it was most of the work we had in the early -- you know, in 2018 was the voluntary plan, so most staff were working on that. And then, you know, in '19-20 it was kind of a spread across staff who were doing other tasks, so staff might be working on a voluntary plan and working benefit applications.

We made a process change, though, in 2021, I believe, to really concentrate the voluntary plan work with just a few staff, so right now it's dedicated staff. I have three currently who are working

on these voluntary plan reviews so that they have some kind of dedicated time and energy just for reviewing voluntary plans and providing that customer service to voluntary plan employers.

MS. HETRICK – Good morning. I apologize for joining late, and I did review the slides, but I probably missed this. What currently does voluntary plan employers pay to ESD?

MR. MATTES – So the payment structure is when voluntary plan employers initially apply for a voluntary plan there's a non-refundable fee of \$250, and then that is it, for the most part, the only costs that are paid to the Department. If a voluntary play employer wishes to make a voluntary change to their plan, so if they wish to change their plan on their own, they do have to submit that fee again. But that is -- we have not seen a ton of that. Most of the changes to voluntary plans have been really driven by kind of legislative changes that does not include that fee again. So, most employers, it is just the initial \$250 fee.

MS. HETRICK – Okay, thank you. A follow-up question then, too. We talked about appeals. What level of engagement is included in that piece, or have you seen many of those that you've had to engage in?

MR. MATTES – Good question. So, there's I think a couple different types of appeals that could happen for voluntary plan. If we were to deny someone's voluntary plan or something like that, that employer could appeal that as well. We're not seeing a lot of that. I think one or two. And then any individual who is denied by their voluntary plan employer for benefits, they can appeal that decision to us. We have not seen a lot of that. I think it might be only one at this point.

MS. HETRICK – Okay, thank you very much.

MR. BUELOW – Any other discussion around the voluntary plan report?

Okay, well let's move on to our current program priorities.

Program Priorities – Matt Buelow, Danielle Kruver, Caitlin Jekel

If we could advance one more slide, please. So, the projects we're working on are the same as we've talked about the last couple meetings, so I won't dive too deep into this particular slide. We're going to talk on the next slide in more detail about what we're doing around the premium rate changes, and we're also going to talk about our decision packages after that. So just know that that is what's coming up. And I'm going to talk through this, and then hand it over.

So, the premium rate project timeline, you know, this is something we do every year and are going to have to do every year, but we wanted to make sure that we talked through how we're doing that with you, because, you know, it's a big change this year, right? So, we don't know exactly what that math is going to come out to yet, but we know there's going to be some level of a

surcharge and that sort of thing, so we want to make sure that we're getting people the information they need when they need it.

So, we've already done the stuff in the first column. We've started the project, developing plans, all of those sorts of things. And then this month we're looking at approving our comms plan, not quite done yet, get some key messages drafted and share those with you all. And then on October 1st we calculate the premium rate. That's by statute what the balance was on September 30.

And then we will do communications directly to employers and stakeholders, update the web site, updating the system calculations but not changing them quite yet, and begin staff training. And I say training lightly. We just -- it's not like we call people into a classroom to tell them about the premium rate change, but we need to get them the information to support customers. Tammie?

MS. HETRICK – Sorry, I think you probably know where I'm going with this, but I'm just wondering if we can have the opt-in option ready to go so, we can start advising employers of that, and they can budget for this as of January 1st. So, I just -- I know we're going to talk about that, but I really think it should be in this timeline for opting in and giving them some time to start budgeting so they can do that if they want to be included. I think that will help with premium rates as well.

MR. MATTES – Okay, appreciate that feedback. And you're right, we will talk a little bit more about that later on in the presentation.

MS. GORTON – Yeah, we've made some real positive movement on that, Tammie.

MR. BUELOW – Yeah. And then in November we will test the system, make sure everything is working appropriately and the math is coming out the way we expect it to. And then we're going to update the premium calculator, and one of the things that -- it's a lesson learned from last year, is that if you update that too early, then employers may start taking out the wrong amount before January.

So, with that lesson learned, we're going to do a drop-down where the employers can select either 2022 or 2023, and it will give them the math for the correct year. And then in December, we'll put the changes out for production at the end of the month and that sort of thing. And that's sort of -- that's our general project plan at this point. Questions, comments?

Okay. Well, then I'm going to hand it over to Danielle Kruger, our chief financial officer, and Caitlyn Jekel, our government relations director, to talk about our decision packages.

MS. KRUGER – Great. Good morning, everyone, I'm Danielle Kruger, the CFO here at ESD. I have a couple slides if I can share my screen really quick. Let me just get to the right slides. Can every see that, PFML Staffing?

MR. BUELOW – We can.

MS. KRUEVER – Great. So, the first item that we are requesting, and you will see this request every year, we will do -- we have our caseload-driven work model, staffing model, and when we -- every year as the caseload suggests we will be submitting a decision package to align staffing with those caseloads. This is our request for fiscal years '24 and '25. It is in alignment with our staffing report that was filed in September. We are asking for 4.7 and 24 FT --4.7 million of PFML and 24 FTE each year.

We will also be in a -- it will be due to OFM by October 3rd. We are submitting a 2023 supplemental PFML staffing adjustment where we'll be asking for little bit more FTE but not increasing the appropriation authority, so we're not asking for any funds. We have enough in our budget. But we just need the FTE authority to align with the staffing model.

MR. BUELOW – Do you know the number, just off the top of your head?

MS. KRUEVER – For the 2023? I can look it up and put it in the chat as soon as I'm done. I don't have it at the ready, but I'll put that in. Sorry about that.

Then we're doing Leave and Care outreach and access. And these are just -- I've assigned yellow or green on the decision package, just because of the maybe complexity or just to make sure that there is -- this is just for clarity for my commissioner so she understands that we are asking for additional outreach and access staff and data folks to support both PFML and WA Cares. And Jess Wheaton will be working a lot with our stakeholders on this as well.

So, in this decision package, we're really looking at the caseload growth and a program -- how the program is maturing and adding FTE in both WA Cares fund and PFML to align with how those programs are developing in '24 and '25. We are also asking for, as the WA CARES project is ready for completion, the fiscal staff to do the treasury work that would be required of the WA Cares program.

And then we are also asking for funding -- and it's yellow because it's IT, and those are always -- you know, we have to get it arranged through the OCIO, we are asking for 13.5 FTE and 15.4 total biannual from the WA Cares account to support the completion of the WA Cares system in advance of DSHS and Health Care Authority. A lot of this funding is for some of the contract work that we need to have done, and so that's where some of that about \$5 million per year is assigned to contacts. And in this one, we'll be able to complete Phase 2 of the WA Cares system. And those are our three Leave and Care specific requests.

MS. JEKEL – And Danielle, if I may, on the community outreach slide speak to some of the things this committee has addressed in the past and maybe folks want to have some discussion about

or better understand the goals here. But, you know, we're grappling with what has been ever-increasing participation in a quite popular program, and yet we still acknowledge that there are disparate impacts on which communities have the greatest awareness of the program and the greatest understanding of how to utilize these benefits.

So, the focus here in the way that outreach would be conducted is really going to be looking at those populations that are showing as less served by the program and how do we do a greater effort in reaching out and making sure people understand how to utilize these programs. So, I know that's been a discussion of this committee before, and that's what you're seeing being reflected here in this ask.

MS. KRUEVER – Looks like Maggie has a question.

MS. HUMPHRIES – Thank you. Thank you for that acknowledgment, Caitlyn. I see that of the 18 FTEs in the appropriation, part of it's going to WA Cares as well. Do you know the delineation in terms of what percentage of this would go towards outreach and access within Paid Leave as opposed to WA Cares?

MS. KRUEVER – Yeah, I will put that table in the chat that breaks it out by program. Does that work?

MS. HUMPHRIES – That would be great. Thank you.

MS. KRUEVER – Any other questions that I can assist with? I know that was a high-level overview. All right, thank you.

MR. BUELOW – Thank you.

MS. JEKEL – And Matt, before we move on, I think the other thing I know folks were asking is just sort of everything coming up with our legislative strategy associated with PFML, and we may be getting there later in the meeting as well, but just to name, we don't have an agency request legislation that we're submitting in our upcoming deadlines associated with PFML.

Although we are all, you know, aware and working with you on the legislative task force and very much so anticipating that we are going to be engaged in legislative efforts next year. But that's why you haven't seen anything as far as ARLs from us at this point from the agency.

So, we've got the decision packages getting ready to be submitted, and then sort of continuing to be prepared for whatever is to come as far as the rates hike discussion is concerned.

MS. KRUEVER – And we are asking for 29 FTE in 2023. Thank you.

MS. BREWER – Danielle, this is Christine. Could you just recap then? So, you're asking --was it 24 in the first fiscal year, 29 in the second?

MS. KRUEVER – 29 in the current fiscal year, in 2023, and then 24 starting in 2024. And then each year we will adjust that staffing level to align with caseloads, and so those numbers will be adjusted annually based on the staffing report that we complete.

MS. JEKEL – And that staffing report is online. We can drop that in the chat as well to refresh folks. That was recently published.

MR. BUELOW – Okay, any other discussion around the decision packages?

Okay, if we could advance slides, please, I'm going to hand it over to Alison Eldridge to talk about the workgroups that have been under way.

Program & Financial Update – Alison Eldridge

Thank you, Matt. If we could advance slides. So, the last work group that we had on August 31st, and that was around the ability for small employers to optionally pay the employer share of the premium, we presented two sort of approaches, and we're going to move forward with both of them. So, there was agreement on an initial approach that we could have in place by the end of the year that would be not through the technology system, and then as we -- well, that's not true. The premium assessment and payment would be through the technology system but opting in would be outside of the system.

And we'll have additional information on that forthcoming as we kind of work through the process -- the business process and the policies related to it.

And then we will continue developing a more complete solution that can be built into the technology with the goal of having that in place in the summer of 2023. We'll continue to report on progress as we go, and we'll have additional workgroup meetings to sort through some of the specifics and details about the functionality and the business processes and the employer experience.

And so, we haven't set the next meeting date yet. I need to do a little homework on our side and get with Policy and Operations to have something more substantial to bring back to the workgroup to discuss, but I plan on doing that in the next couple of weeks, and then getting the next workgroup meeting set so that we can have this kind of initial process in place by the end of the year. Any questions?

MS. GORTON – I just wanted to thank you, Alison, and again staff, for that meeting. I know we've talked about this option for a really long time, and I think the meeting we had was really positive

and we're moving in the right direction. So just to reiterate what you said, we talked about having kind of a more immediate option that's not as user friendly or ideal but gives the option for businesses to opt in at a much quicker timeline, and then having a user-friendly, easy option.

That takes a lot more effort from the Department, a lot more tech assistance is needed, but that would take longer. So, there will be an emergency -- or I guess an immediate option and then a user-friendly option available in '23. So again, thank you for that meeting and the attention on this.

MS. ELDRIDGE – Yeah, thank you.

MR. BUELOW – Tammie, I wanted to ask you, does this address what you wanted to talk about?

MS. HETRICK – Yes, this does respond to some of that. I guess, you know, the concern is the timing, but we'll definitely get there, and I think that will be helping to just increasing premiums.

MR. BUELOW – Okay, cool.

MS. BREWER – This is Christine. I just want to make sure, so the initial approach launched by end of 2022, so this will be tied into the outreach slide that you had discussed previously, to employers?

MS. ELDRIDGE – The previous slide was specific to the premium rate change, and I haven't had any discussions with the communications team yet about whether this would make sense to fold into that. We'll have to have those conversations and get back to you.

MS. BREWER – Yeah. I mean, to me, a critical piece would be, how are you communicating that this is a viable option for employers?

MS. ELDRIDGE – Absolutely.

MR. BUELOW – Okay, anything else on this? Okay, well, that is the -- brings us to the end of our presentation. Next, we can talk about what we want to talk about next month, but because we are ahead of schedule, I did want to see if there was anything that the committee wanted to talk about that we might be able to, since we have some time. Maggie, I see your hand.

MS. HUMPHREYS – Thanks, Matt. I just wanted to respond to what Danielle just shared in the chat regarding the breakout for outreach and access between Paid Leave and WA Cares. I think within this program or within this advisory committee for years having been advocating for a more strategic outreach plan and access work around Paid Leave given the disparate uptake within the program for particularly for marginalized communities.

And I just want to share -- I'm deeply concerned that only 1.15 FTE would go towards Paid Leave outreach and access within that allocation, and -- yeah, so I just wanted to lift that up. I was very excited to see that item on the proposal list, but it doesn't seem that much of those resources would be going towards Paid Leave, unless I'm reading that incorrectly.

MS. ELDRIDGE – So I think it's not quite that way. I don't have what Danielle has in front of her, but for the outreach positions that we're requesting, there are three positions, and the split is that they are all three majority Paid Family and Medical Leave. Where the WA Cares work comes in is with the employer outreach they would be doing.

Because if it's something that's related to, you know, wage reporting or sort of processing kinds of things for the -- working with CPAs on the processes, things like that, it would be both programs, because it is one wage report. But there are three outreach positions that we are requesting, and they are almost entirely dedicated to Paid Family and Medical Leave.

MS. HUMPHREYS – I appreciate the clarification. It would be -- I know we're talking about outreach within the program in a few different spaces. I think it would be really helpful to kind of have a full picture of the full staff for outreach within the program. Are those three in addition to some existing FTEs who are doing this work, just given the scale and the scope of the outreach work already happening in Pierce and Yakima Counties through the Perigee Foundation. I think we know that it takes far more than three people to do that, so I'd love to just have a --love to have a more robust conversation about the full strategy and staffing plan.

MS. ELDRIDGE – Absolutely.

MR. BUELOW – Yeah, and I just want to point out that, you know, all the FTE within this decision package we're talking about is not all outreach, right? It's non-operational. So, some of its data and research, some of its product, staff. Those sorts of things are all lumped in there. And I think it's just around two and a half FTE for Paid Leave and half an FTE for WA Cares on the outreach specifically. Don't quote me on the exact figures.

MS. ELDRIDGE – And one of the outreach positions is also tied to dual language, so we would have the capability of doing outreach in English and Spanish.

MR. BUELOW – So Maggie, the outreach topic, would you like us to talk about that next month?

MS. HUMPHREYS – Yeah, if my fellow advisory committee members are open to it, I think that would be a great conversation to have.

MR. BUELOW – kay. We will definitely get that on the agenda. Any other questions or comments from the committee? And then we'll talk about next month's meeting.

MS. CHARLES – Matt, this is Edsonya. So right before the meeting, I sent the list of the ombuds concerns from 2021 but without any data, and I have an explanation for that, that I wasn't able to glean out that data in a meaningful way because a lot of the topics were sort of general information things, and then some of the topics are not visible to the public, so there were zero customer complaints for those particular issues.

So, if anybody wants any more detail, I'm happy to speak privately with anyone, or address it at a future advisory meeting. So, I just wanted to highlight that. Thanks.

MR. BUELOW – Thanks, Edsonya. Maggie, I see your hand again.

MS. HUMPHREYS – Yeah, I had a quick clarifying question for Edsonya. Thanks for sending that along. I noticed in the first item the confusion from employers about continuation of health care benefits if an employee was taking family or medical leave, and I just wanted to touch on that and clarify.

I was confused, because my understanding of FMLA, and I confirmed this with Marilyn, is that if someone were to qualify for health care continuation, the employer would be required to continue their health care benefits regardless of if its family or medical leave under federal statute. And those are the same, you know, requirements that we have for continuation of benefits here in the state as well.

And I just -- anecdotally, I worked both with a nurse and a first responder here in the last month whose employer was asserting that they didn't have to continue health care benefits for family leave, even though they met all of FMLA requirements.

So, I just wanted to kind of ask -- dig into that a little bit and ask kind of what the --what understanding employers are having about that distinction between family and medical leave and continuing health care benefits.

MS. CHARLES – Well, what the statute says is that if there's an overlap of one day of FMLA, then you have to continue it. And so, there are people who are on paid family medical leave for reasons that are not FMLA events. And so, in those circumstances, employers are not required to provide that health care -- continuation of health care.

MS. HUMPHREYS – Would that be because they -- I'm sorry, I'm trying to think through what wouldn't qualify as an FMLA event. I know we have a more expansive definition.

MS. CHARLES – Exactly. So, if it's a family member that's that not covered under the FMLA definition, I think primarily they're those cases. Or, you know, somebody just doesn't meet the FMLA requirements.

MS. HUMPHREYS – Okay, but for FMLA meeting --requirements met and FMLA covered leave, like bonding with the child, employers with not being told that there's a distinction in covering medical versus family leave and continuing benefits, correct?

MS. CHARLES – Right. So, the acceptance letter says, "Your employee has been approved for family or medical leave."

MS. HUMPHREYS – Got it, okay. Thank you for that.

MR. BUELOW – Marilyn?

MS. WATKINS - So my recollection, and I'd have to go back and look at the statute, but my recollection of our statute is that someone does not have to actually -- that those areas where you're not necessarily entitled to FMLA but you do meet the FMLA employer size and work attachment to that employer requirements, if you qualify for our program, you are qualified for continuation of health insurance.

There are some of those situations where there's that one day of overlap situation, but my recollection is that the expanded family member definition wouldn't necessarily preclude you being eligible for health insurance. Am I misremembering that?

MS. CHARLES – Well, that's not the way it's working currently, and if somebody on the operations side wants to weigh in . So, remember like it was put in abeyance for a while for the Department to figure out the rules on it, and then they determined if there's one day of overlap between FMLA and paid family medical leave.

So, you have to be on FMLA and have one day of overlap with paid family medical leave for the employer to be required -- certainly, employers can voluntarily cover whatever they want, but the requirement is only triggered with that one day of overlap.

MS. AMUNDSON – I'm going to chime in a little bit. This is April Amundson, Policy and Rules manager. Under RCW 50A.35.020, the requirement for continuation of health care benefits is required if required by the Federal Family and Medical Leave Act. So, to Edsonya's point, folks who are taking leave under expanded benefits that Paid Family and Medical Leave provides that is not covered on FMLA, we did not interpret that to include continuation of health care benefits for our program unless they were already covered by FMLA.

And I don't know if you recall the rule making on this. We had to take it back because we had a lot of feedback around our rule making around continuation of health benefits, and the requirement of the overlap is actually in rule, and that was a compromise that we admit --we had tried to require continuation of health care benefits a little bit broader and received a lot of stakeholder feedback about that.

And then because of the Federal Family -- because of the requirement under FMLA continuation of health care benefits, we limited it to folks who would have been eligible for FMLA and at least one day of overlap of that benefit, so.

MR. BUELOW – Anything else on the committee's mind?

MS. BREWER – Matt, this is Christine. I just started looking at Edsonya's list, and I guess I'm just wondering, can you talk about how we -- I mean, I think we should be going through these and to hear what you're hearing, Edsonya. So how are we going to hear further detail or next steps on some of these?

MS. CHARLES – So I gave a little more detail in the July meeting. Some of them have been addressed in part by the Department, like, for example, the real time hours. The Department has done an improvement where employees through the portal are able to see the number of hours that they've used each week of their claim.

They don't see the total number of hours, and there's not a running total. I'm going to have to defer to the Department what next steps are on those. So, I don't know who wants to weigh in on that.

MR. BUELOW – I mean, I can only speak for me. We got the email this morning and I haven't had a chance to read through it closely or digest it because I've been in meetings all morning, so.

MS. CHARLES – Yeah, those are the same ones that I discussed with everybody and sent in July, so there's nothing new on that list from what we discussed in July.

MR. BUELOW – Got it.

MS. BREWER – Well, maybe we should discuss, is there a process for how the feedback we're hearing through the ombuds, what's the requirement to act on that, or who's discussing changes that need to be made and follow-up items.

I would hate to just see these are challenges that are coming in through the ombuds' office, and I think we need to at least have a process to talk through them.

MS. CHARLES – I will say that several of the issues have been on the ombuds' list for a couple of years. For example, the improvements in the process for birthing parents, and only having to submit one application rather than two applications, the no process for overpayments, those have been continuing issues. And the Department is aware of them and working on all of them and has different levels of priorities in addressing those.

So we are in discussion, and I don't know -- I'm going to refer back to the Department about what next. Or are you saying more to talk about it at advisory, Christine, or a response from the Department about what they're going to do?

MS. BREWER – Well, I think we have a responsibility to understand what you're hearing and, you know, weigh in and talk with the Department about that as well. So, I would like to see these discussed at some point.

MR. BUELOW – So let's put that on October as well?

MS. GORTON – Yes, please.

MS. BREWER – Sounds great.

MR. BUELOW – All right, anything else from the committee? Okay.

We've talked about outreach, and we've talked about incorporating the ombuds' feedback and talking through the issues that Edsonya and staff are hearing. Are there other topics outside of our standard agenda that you'd like us to come with?

MR. DEFOUR – I have a couple things. One to start, to add to the next meeting list, I would like to just get in front of this group the cadence of this meeting. I know it's been monthly for however long before I got here, and I just want to talk with this group about that, if we need to continue that cadence or look at changing that.

And also, I wanted to talk to this group and alert this group of a positive, a good thing. As you know, we have had an interim deputy director. Matt has been our interim since January, I believe.

And we now have a permanent deputy director, who is also Matt Buelow, and so I just wanted to congratulate Matt and also let this group know that Matt is now the permanent deputy director, and he will continue in his role and continue helping this department as much as he has along the way, and, you know, has just been a great help to me.

So, I wanted to acknowledge Matt and let this group know that he is our permanent deputy director.

MS. GORTON – Congratulations.

MR. BUELOW – Thank you. And thanks, Justin. I didn't know he was going to say that.

MS. CHARLES – Yeah, I'm just wondering, as a part of what Justin was discussing, we have altered the schedule historically during session, whether adding that as one of the topics for the cadence to the next meeting as well.

MR. BUELOW – Yeah, we'll do cadence and scheduling, something like that. That's a great point. Thanks, Edsonya.

All right. Well, with that, why don't we advance slides, and it's time for the open comment period.

So, if you are on your computer, I would ask that you would use the raise-your-hand functionality. If you're on the phone, please just feel free to chime in and we'll take your comment.

Okay, I'm not seeing anything, but I just want to make sure, because we have technical glitches, those sorts of things.

Well, seeing nothing. I appreciate everyone's time this morning, and I think we will go ahead and adjourn. Thanks everyone. Great conversation today.