

Washington
Paid Family & Medical Leave



Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting

Wednesday, April 26, 2023

Agenda

Introductions & approve minutes

Program & fiscal update

Ombudsperson report

Current program priorities

Legislative session check-in

Workgroup updates

Future meeting dates & agenda items

Open comment & adjourn

Meeting structure

Only Advisory Committee members and presenters will be unmuted during the meeting, prior to the open comment period.

Public to hold all feedback until open comment.

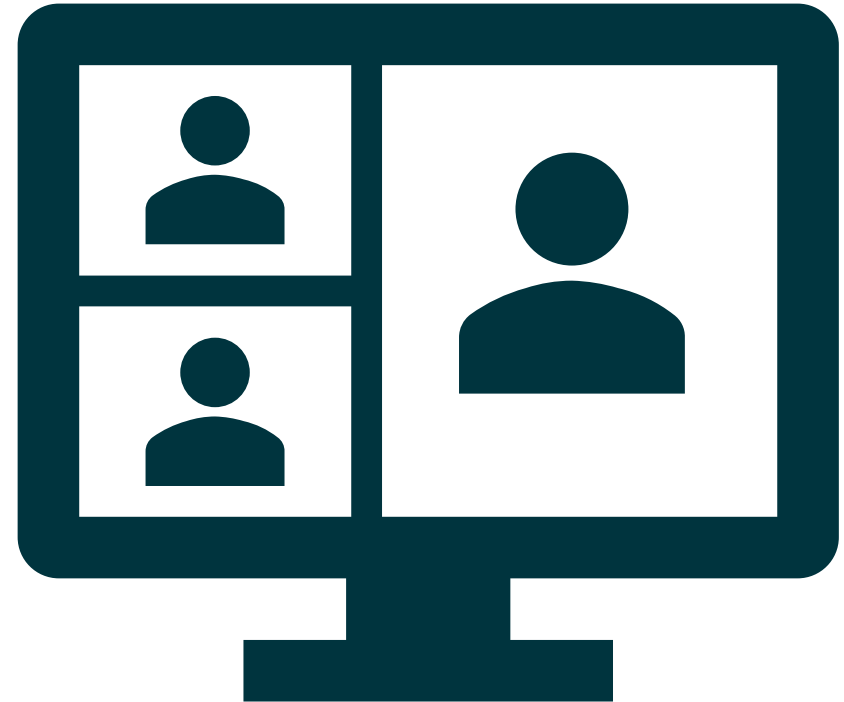
Comments and questions in the chat won't be reviewed as part of the meeting structure.

- Open comments will be taken at the end of the meeting.

Introductions

Advisory Committee Members

(Note: We will use Zoom to identify call-in participants rather than announcing names during the meeting)



Approve March minutes

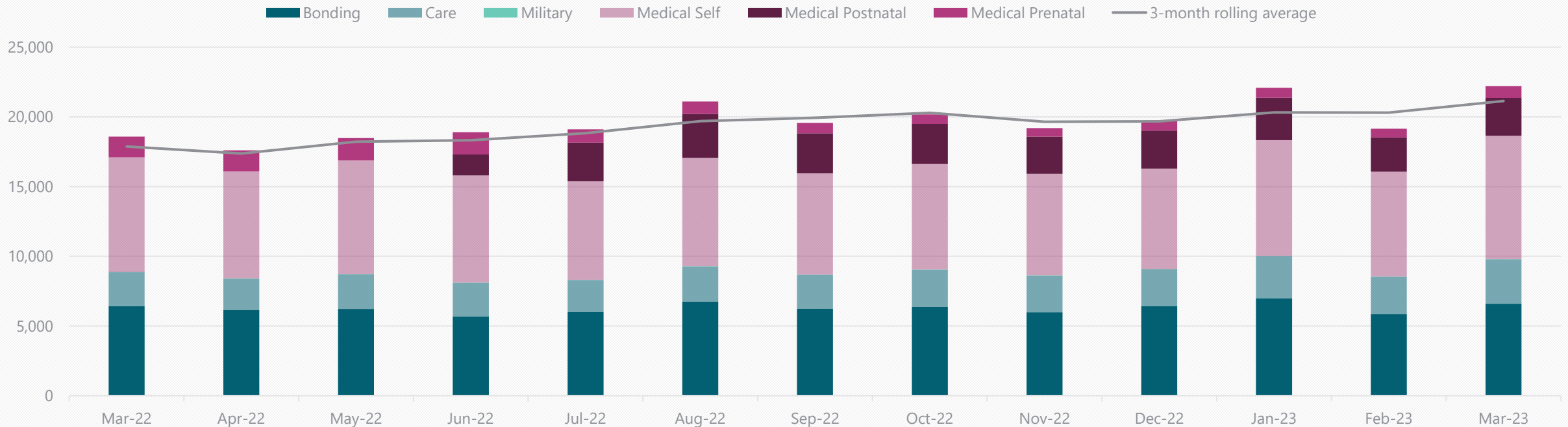


Program update

Steve Zawoysky, Treasury Manager

Brian Kennedy, Forecast & Economic Analyst

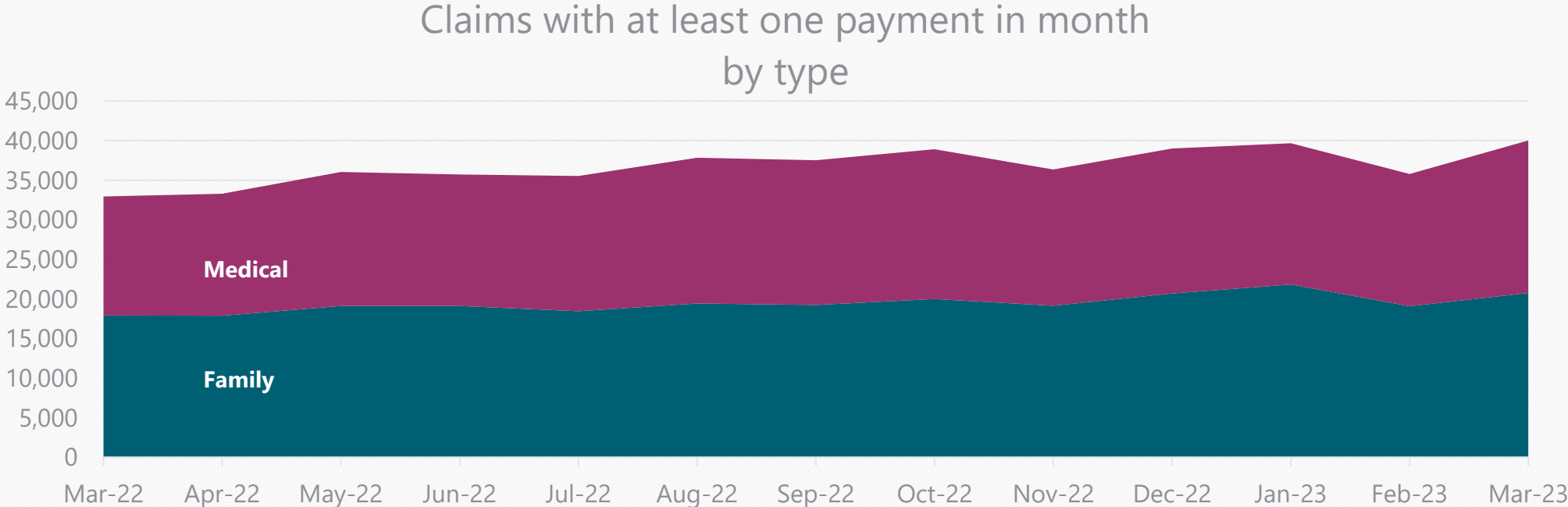
Claim applications submitted by type



- March 2023, we received 22,197 applications – Highest month outside of program launch
 - 16% more than last month
 - 20% more than March of last year
- Continue to see shift towards medical leave types ~ 56% medical, 44% family
- Three-month rolling average broke 21K claim applications

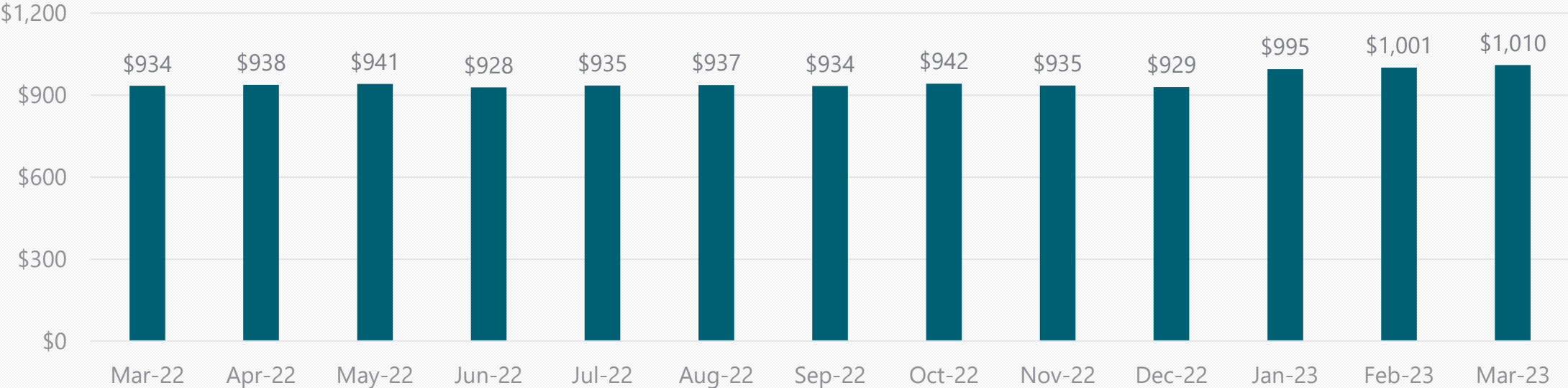
Approval rate and monthly claims with payment(s)

- Percentage of claims approved continues to be relatively stable in past year
 - About 85% approved overall
- Unique leave claims in the last 12 months – 103,119 family and 109,649 medical
- March 2023 total unique paid leave claims: 40,011
 - 21% more than March of last year



Weekly benefit levels

- 2023 Q1 average: \$999
 - 7% higher than 2022 Q1, \$930
- January best reflects expected increase to benefit amounts



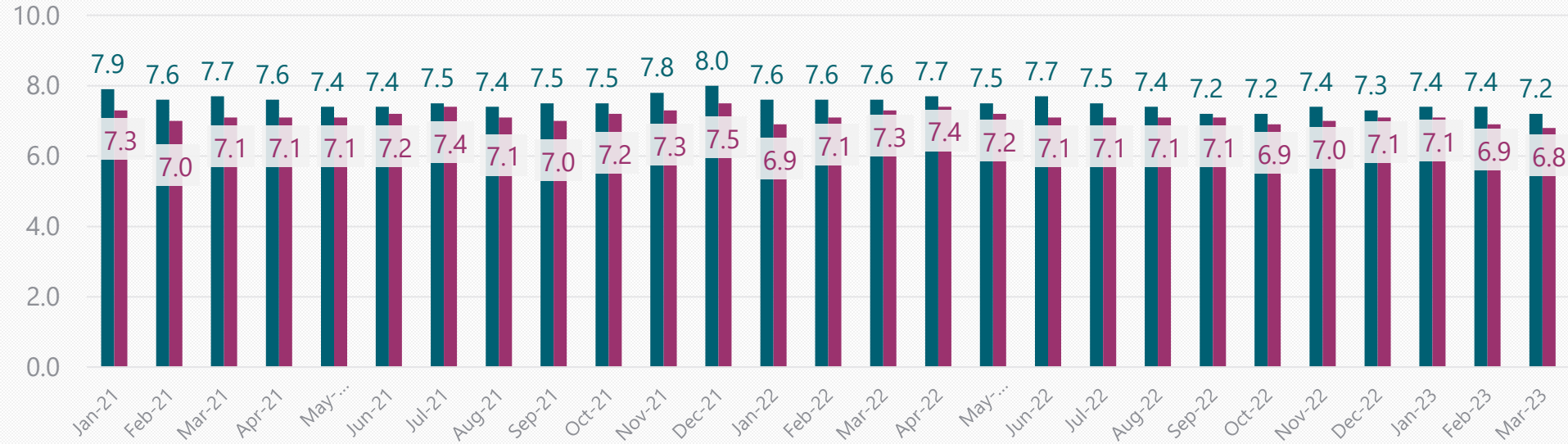
Technical note: Average weekly benefit amount for approved claims grouped by claim year start month, most recent months typically drop slightly as data matures.

Lengths of leave

Claim Level

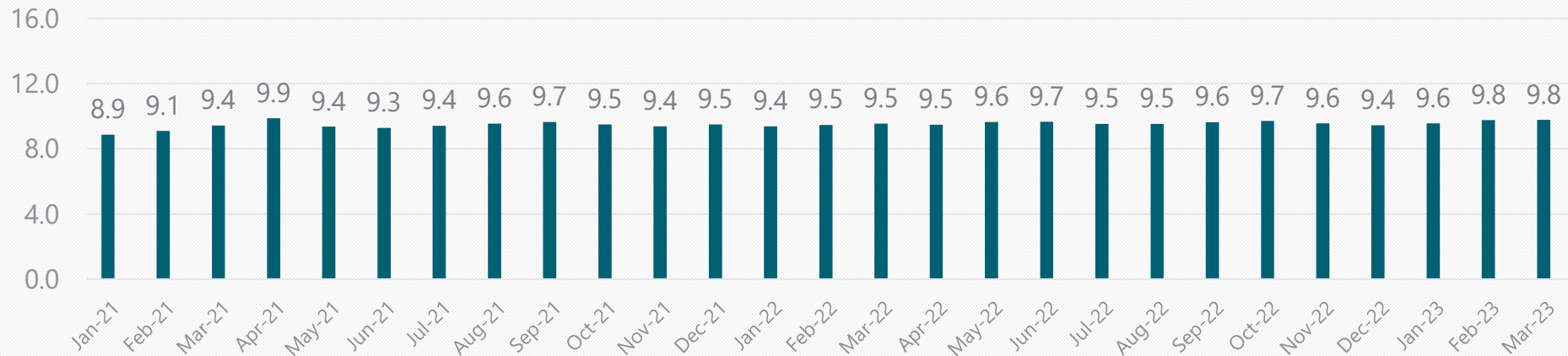
Comparing to 2022

- Family: 7.6 weeks
- Medical: 7.3 weeks



Claim Year Level

- 2022: 9.6 weeks



Fiscal projections

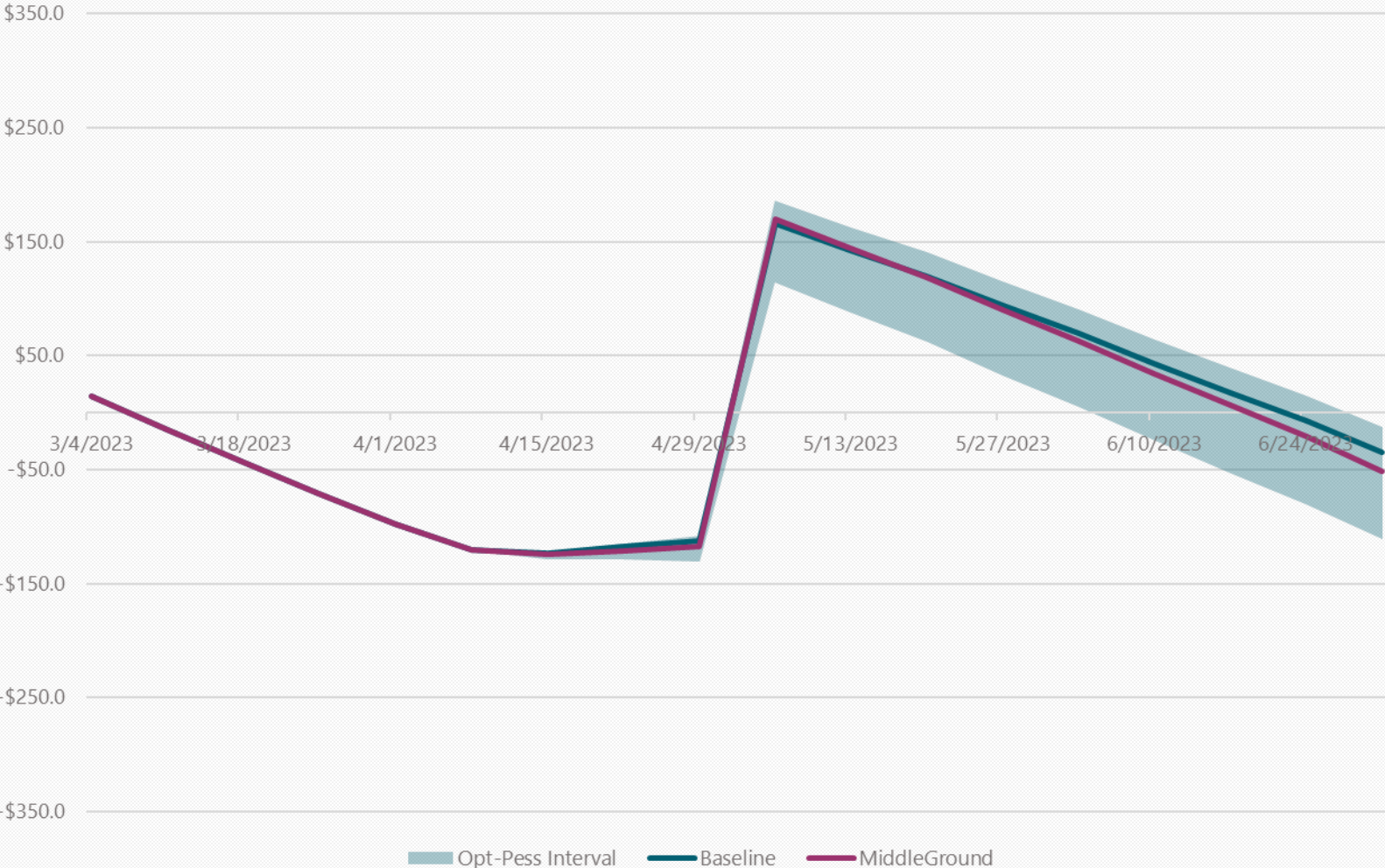
Current Deficit

- Began: March 7th
- Last through April (first collection on new rate)
- Expected negative balance to reach little more than \$140m
- Started to see some increased premiums already

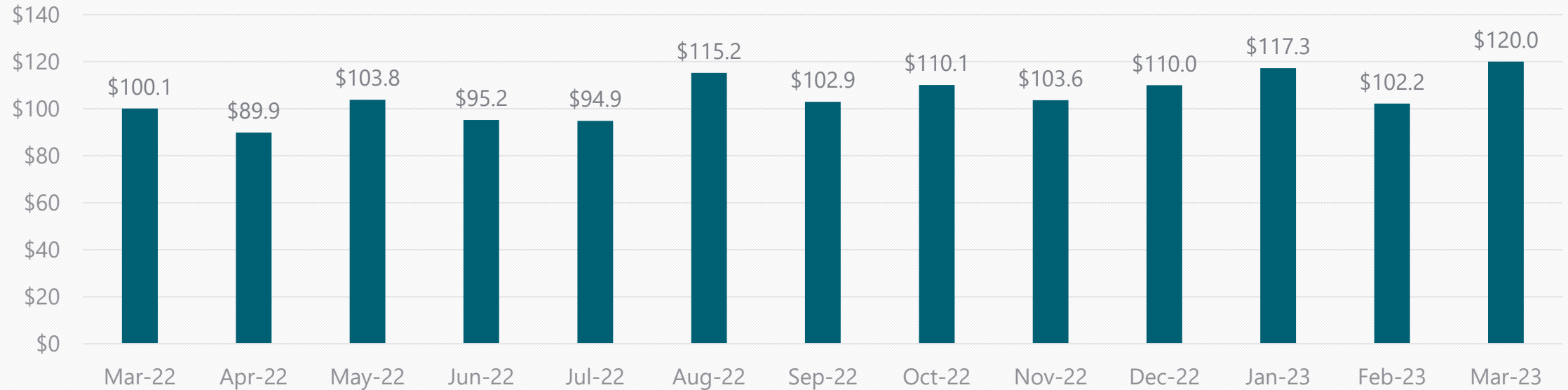
Next Deficit

- Expected to begin in June
- Will have a negative balance at the end of the biennium

Paid Leave Account Balance: Cash Flow Projections
 Historical data through week ending 04-08-23



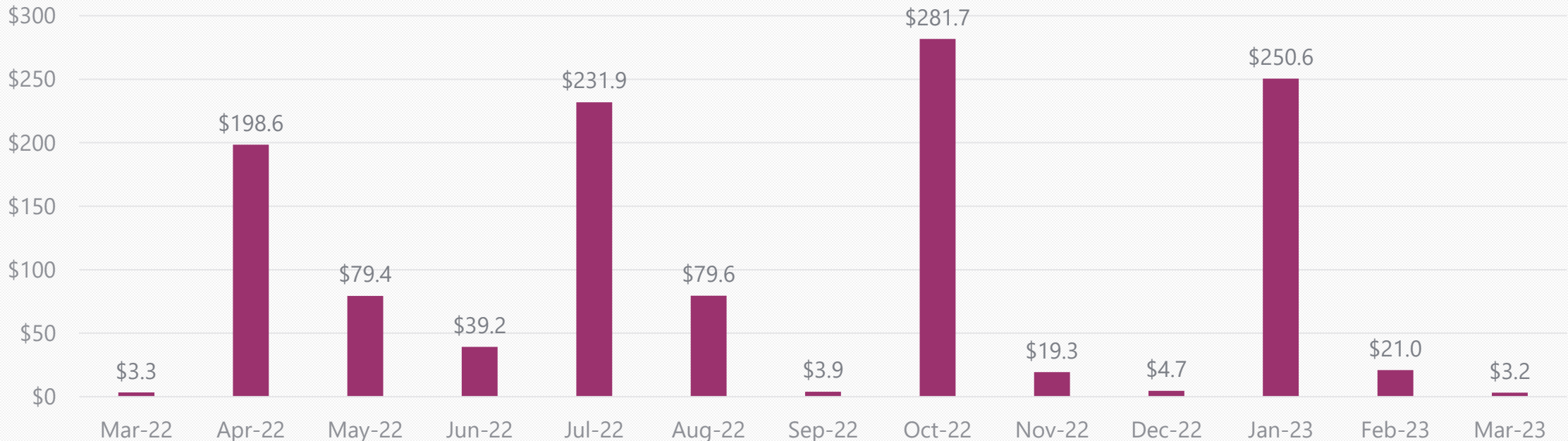
Monthly benefits paid



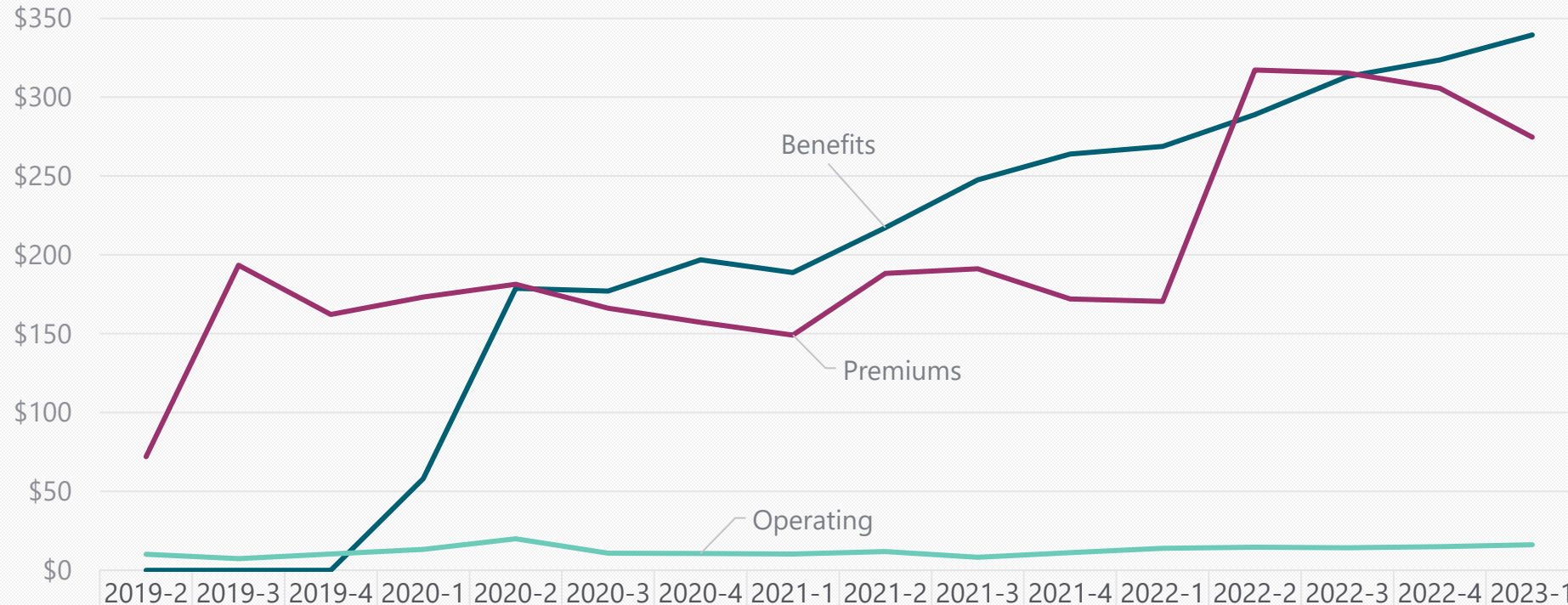
- March 2023, \$120 million
 - 20% higher than March of last year
 - 17% higher than last month
- \$339.5 million in benefits paid in 2023 Q1
 - \$70.6 million more, or 26% higher, than 2020 Q1
 - \$4.2 million less than projections of \$343.7 million

Monthly premiums remitted (millions)

- Cyclical pattern with highest monthly premium transactions occurring at end of quarterly reporting months
- Premiums assessed for each quarter are remitted in the following quarter
 - \$274.8 million collected in Q1 2023
 - \$104.3 million (61%) more than Q1 2022
- April premium remittance will be the first at the 0.8% premium rate
 - Through April 25th, 116% increase in premium remittance compared to April 25th, 2022

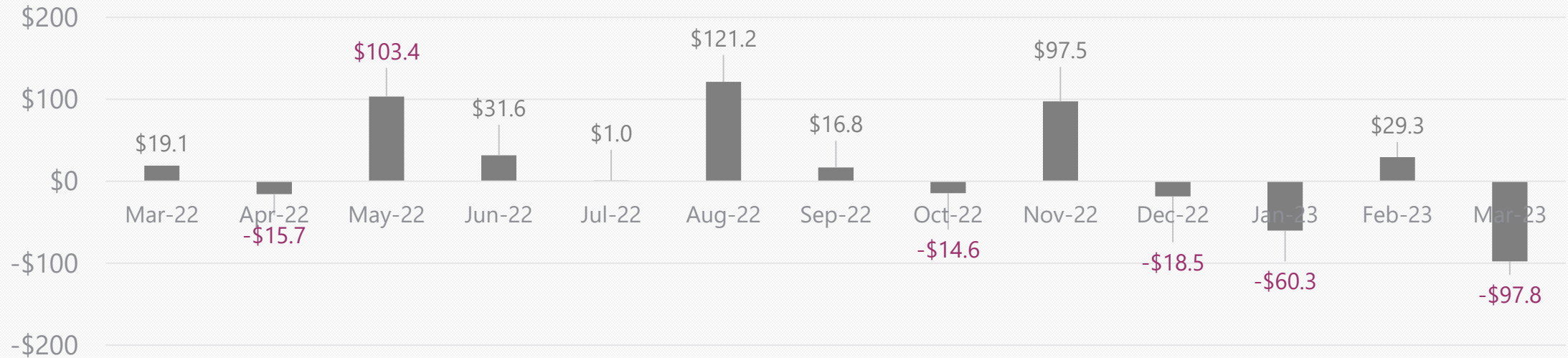


Premiums, benefits, operating expenses, and account balance by quarter (millions)



	2019-2	2019-3	2019-4	2020-1	2020-2	2020-3	2020-4	2021-1	2021-2	2021-3	2021-4	2022-1	2022-2	2022-3	2022-4	2023-1
Benefits	\$0.0	\$0.0	\$0.0	\$58.1	\$178.7	\$177.0	\$196.9	\$188.7	\$217.2	\$247.6	\$264.0	\$268.7	\$289.0	\$313.0	\$323.7	\$339.5
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	\$317.2	\$315.4	\$305.8	\$274.7
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	\$14.7	\$14.3	\$15.0	\$16.2
Account 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	\$31.6	\$16.8	-\$18.5	-\$97.8

Monthly ending account balance (millions)



- Ending March 2023 fund balance was -\$97.8 million
- March 2022 ending balance was \$19.1 million
- Trust fund returned to negative balance on March 7th
- ESSB 5693 provides up to \$350 million coverage for an account deficit on June 30, 2023
 - Have yet to draw from these funds → premiums are offsetting negative balance

Time from application submission to first payment

Month	Average weeks	Median weeks
Mar 2022	4.5	3.4
Mar 2023	3.9	2.9

Month	Average weeks	Median weeks
July 2022	4.2	2.6
Aug 2022	4.0	2.6
Sept 2022	4.1	2.7
Oct 2022	4.1	2.7
Nov 2022	4.3	3.0
Dec 2022	4.3	3.0
Jan 2023	4.5	3.3
Feb 2023	4.3	3.3
Mar 2023	3.9	2.9

Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave**
July 2022	82%	67%	12:23
August 2022	81%	75%	08:52
September 2022	81%	78%	08:30
October 2022	81%	73%	09:23
November 2022	81%	69%	09:26
December 2022	78%	65%	08:16
January 2023	79%	68%	08:27
February 2023	81%	65%	09:42
March 2023	85%	66%	04:12

Since March 2022:

- 33% increase in calls into queue.
- 10% increase in calls answered

Ombudsperson report

Edsonya Charles, Paid Family and Medical Leave Ombuds

2022 call data

1,071 total calls

781 employee

198 employer

47 healthcare provider

45 other (including self-employed, human resources, etc.)

Topic	Total
Educate and inform (<i>employee and employer</i>)	321
Employer unlawful act (<i>use of sick or vacation leave; interference</i>)	79
Redetermination	59
Application assistance	58
Submitted application (<i>approved, denied, etc.</i>)	55
Access (<i>SAW, Paid Leave account</i>)	31
Weekly claims	26
Benefit application related	24
Delay	19
Employer reporting	18
Public records request	14
Tax 1099-G	12
Other (<i>including 21+ topics, unknown, left message, and self-served before contact</i>)	355

Ongoing issues & concerns

Not implemented

- Employer problems with receiving notifications; i.e., not available through portal; desire for all electronic access
- Real-time access to hours; Confusion about duration or leave and exhaustion of hours
- No benefit overpayment process, employer penalties and interest, or child support withholding
- UI/LNI crossmatch
- Pre-approval/conditional approval
- Conditional payments

Room for improvement

- FMLA/PFML stacking
- Improve transition from medical to bonding leave for birthing parent
- Redeterminations
- Short-term disability providers
- Confusion about application: Employees mistakenly believe employer or provider applied for them
- Confusion about elective coverage
- Unlawful acts
- Healthcare provider/medical certification issues
- Compliance audits

Leg. change/ESD interpretation

- FMLA/Paid Leave stacking
- Adoption/placement
- Employer problems with notification -privacy rules.
- SSA premium cap
- Unlawful acts

Hardship and accommodation requests

Hardship requests					
	Total requests	Approved	Denied (financial)	Denied (<four weeks)	Other
<i>Jan. 1 – Dec. 31, 2022</i>	48	2	0	38	7
<i>Jan. 1 – March 19, 2023</i>	12	2	0	6	4
	Total requests	Approved	Denied (financial)	Denied (<one week)	Other
<i>March 20 – 31, 2023</i>	70	25	19	15	11
Total reasonable accommodation requests					
<i>Jan. 1 to Dec. 31, 2022</i>	128				

Current program priorities

Matt Buelow, Deputy Director

Proposed priority

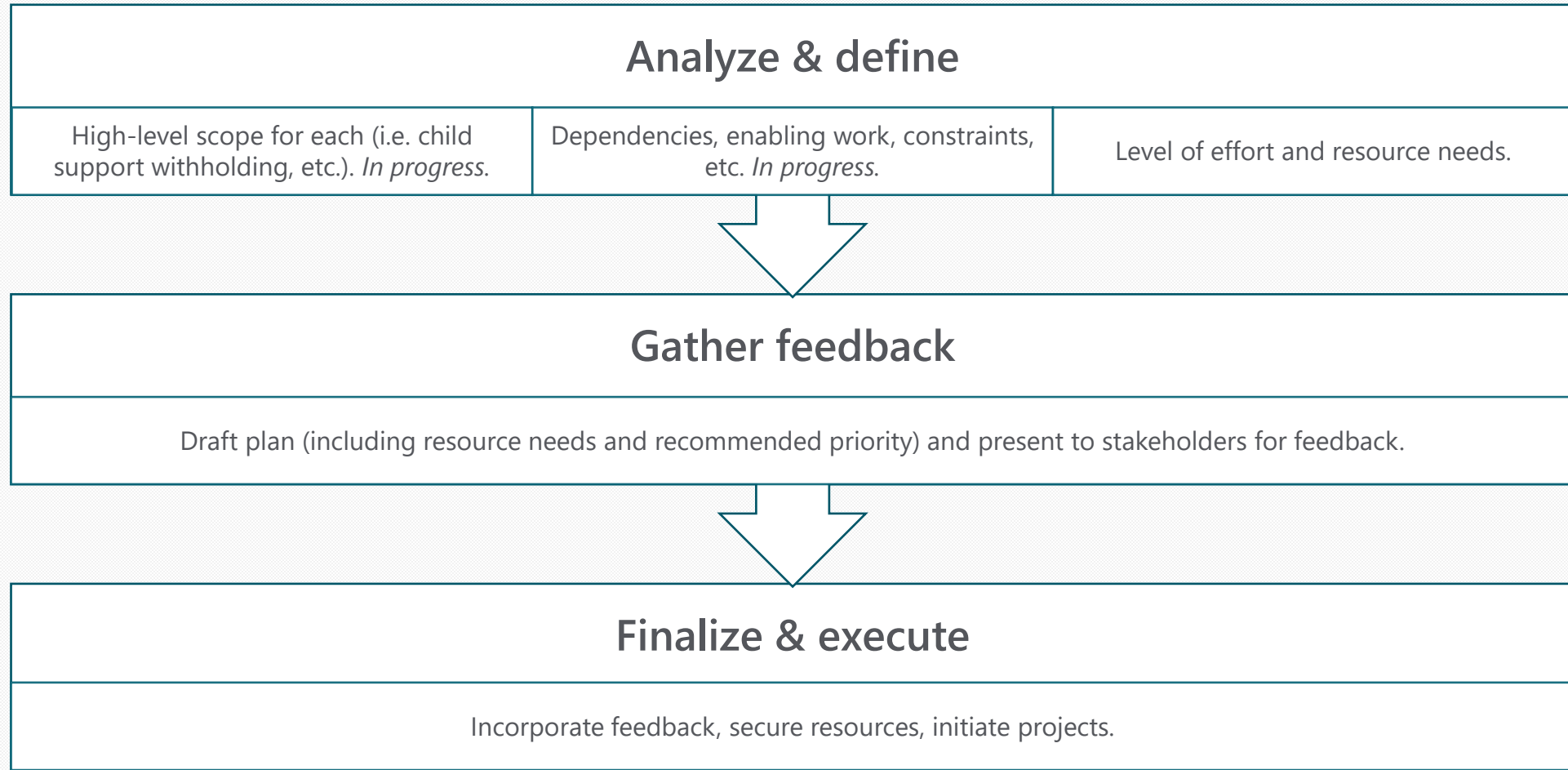
Now

- Crossmatch Paid Leave benefit customers with UI and L&I (*in progress*)
- Child support withholding from Paid Leave benefits (*in progress*)
- Employer data sharing (SSB 5586)
- TNC Pilot (HB 1570)
- Premium rate change (SB 5286)

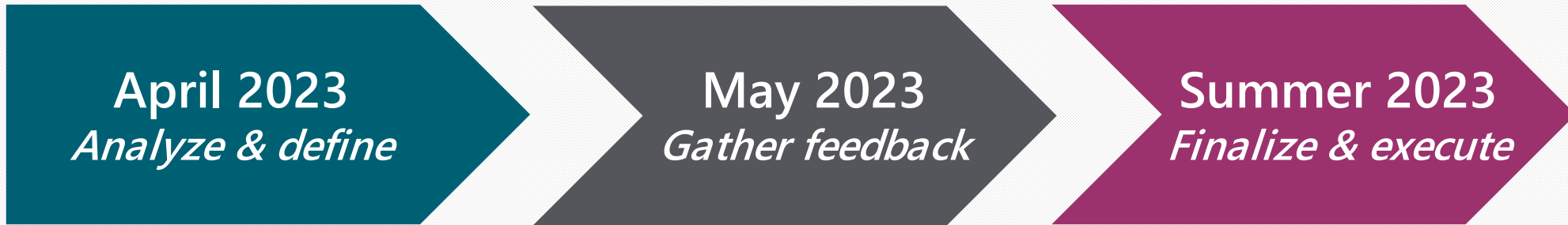
Next

- Benefit overpayments
- Penalties & interest (employers)
- Collections
- Conditional payments
- Reporting requirements (county & legislative district)
- Elective coverage for tribes

Next steps



Timeline



Legislative session check-in

Caitlyn Jekel, Government Relations Director

Legislative updates *(as of April 20, 2023)*

HB 1107	Removing "Master/Servant" language	Passed the legislature, Signed by the Governor
HB 1570	Establishing a PFML pilot program for TNC drivers	Passed the legislature
SB 5286	Modifying PFML premium provisions	Passed the legislature, Signed by the Governor
HB 5586	Concerning employee PFML data	Passed the legislature

Workgroup updates

Alison Eldridge, Transformation Manager

New workgroup proposal



Fiscal projections workgroup over summer 2023, aiming for first meeting in May



2SSB 5649 included developing actuarial department at ESD



Workgroup would talk through fiscal projections plans, assumptions, approach, preliminary results of the report due in October



Enables deeper and broader engagement than our historical July/August assumptions and projections meetings

May meeting

Details

- Wednesday, May 31, 1 to 3 p.m.

Agenda

- Resuming in-person options in June?
- Other topics?

Reminder of upcoming asks in May - advisory committee members' written comments to include in the expanded family member report published June 30

Open comment

Open comment

Reminders Please frame your questions as a comment.

“Raise your hand” if you have a comment.

The meeting host will unmute individual lines to allow for the 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