

Washington  
**Paid Family & Medical Leave**



**Employment Security Department**  
WASHINGTON STATE

# Advisory Committee Meeting

Wednesday, May 22, 2024

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Agenda    Introductions & approval of April minutes

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Financial & program updates

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Actuarial update

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Ombuds report

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Current program priorities

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Policy & legislative planning

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Open comment

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# Meeting structure

Only committee members and presenters will be unmuted during the meeting.

We ask members of the public to hold comments until Open Comment.

Comments and questions in chat will not be reviewed during Open Comment.

# Introductions

Advisory committee members will introduce themselves in-person or online.



# Approve April minutes

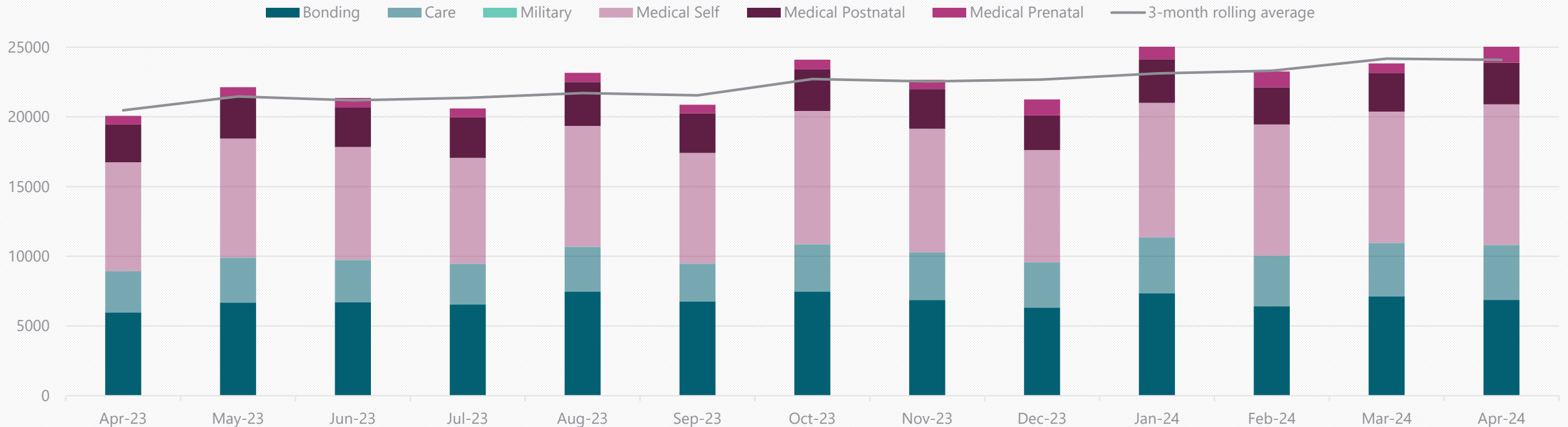


# Financial & program update

Steve Zawoysky, Treasury Manager

Rob Rohrer, Customer Service Manager

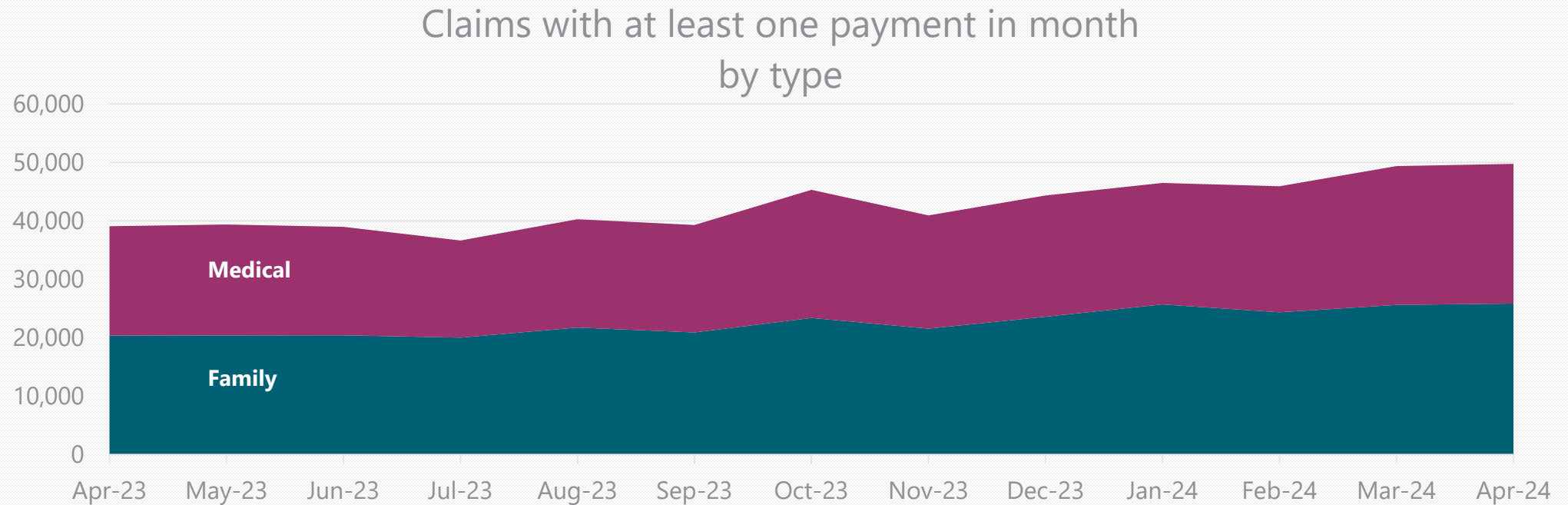
# Claim applications submitted by type



- April 2024, we received 25,178 applications
  - 4% more than the previous month
  - 25% more than April of last year
- Continue to see shift towards medical leave types ~ 48% family, 52% medical
- Three-month rolling average ~ 24K claim applications

# Approval rate and monthly claims with payment(s)

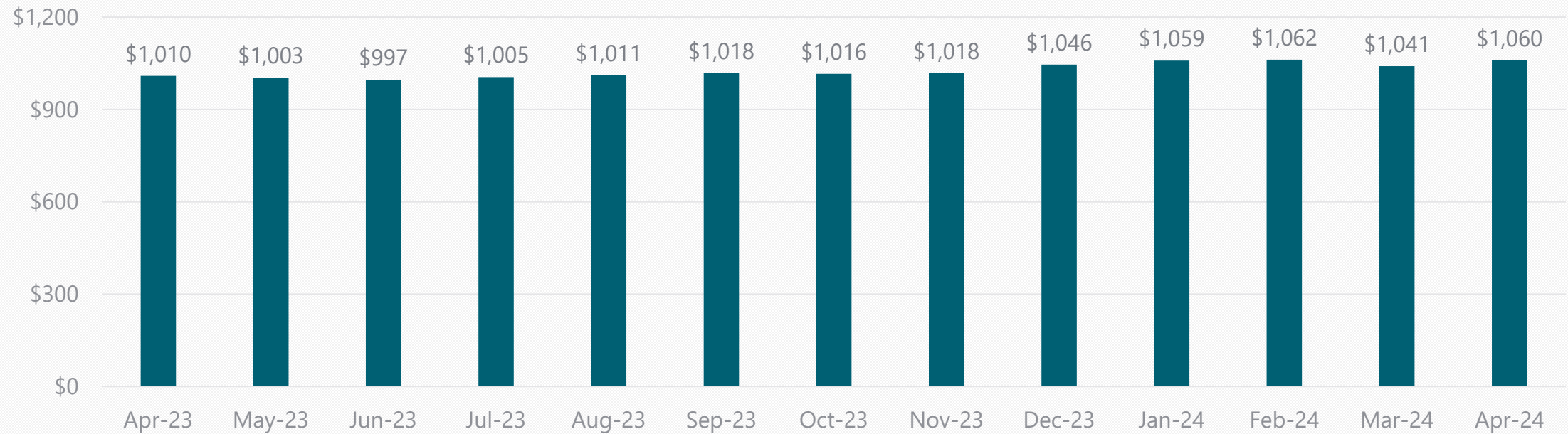
- Percentage of claims approved continues to be relatively stable in past year
- Unique leave claims in the last 12 months – 121,862 family and 131,947 medical
- April 2024 total unique paid leave claims: 23,910
  - 63% fewer than April of last year





# Weekly benefit levels

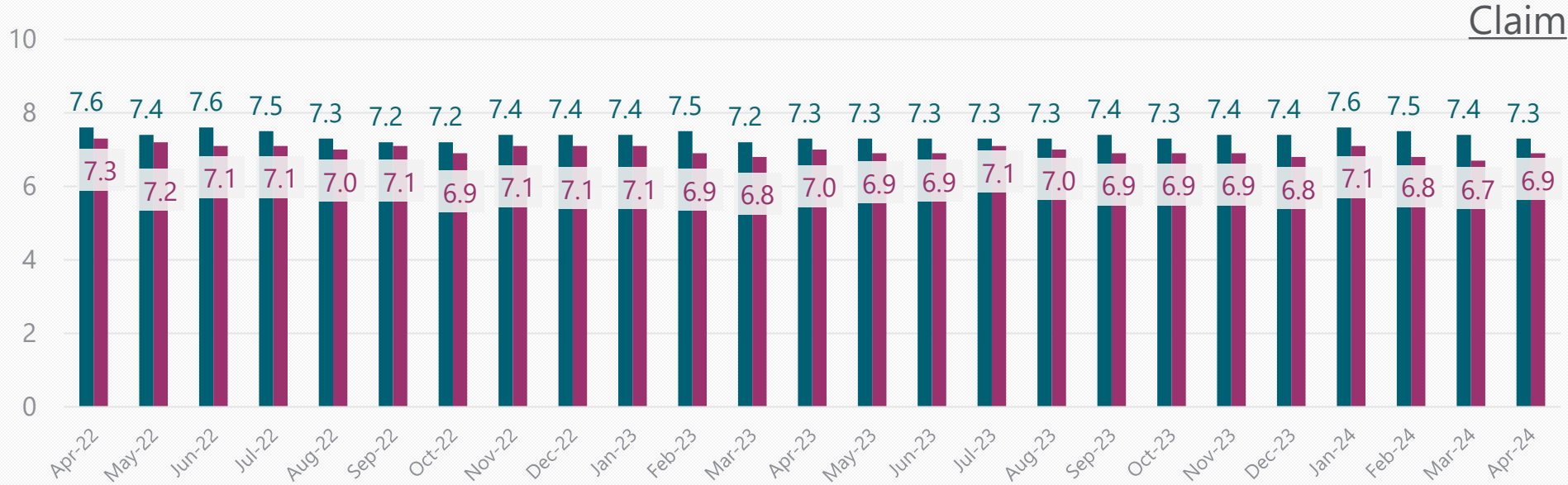
- April 2024 average weekly benefit: \$1,060
  - 5% higher than April 2023
  - 5% higher than the 2023 average of \$1,008



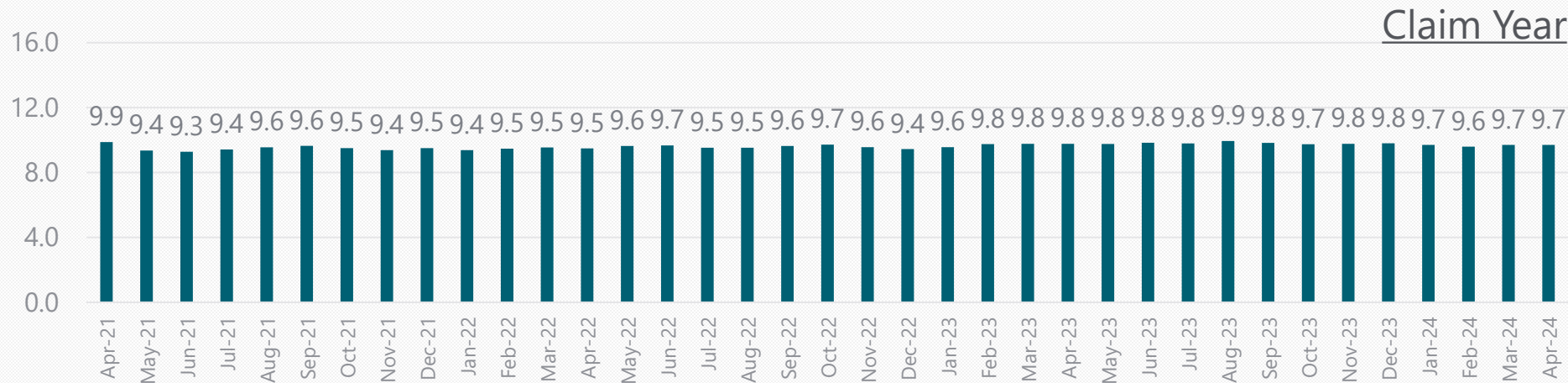
*Technical note: Average weekly benefit amount for approved claims grouped by claim year start month, most recent months typically drop slightly as data matures.*

# Lengths of leave (average)

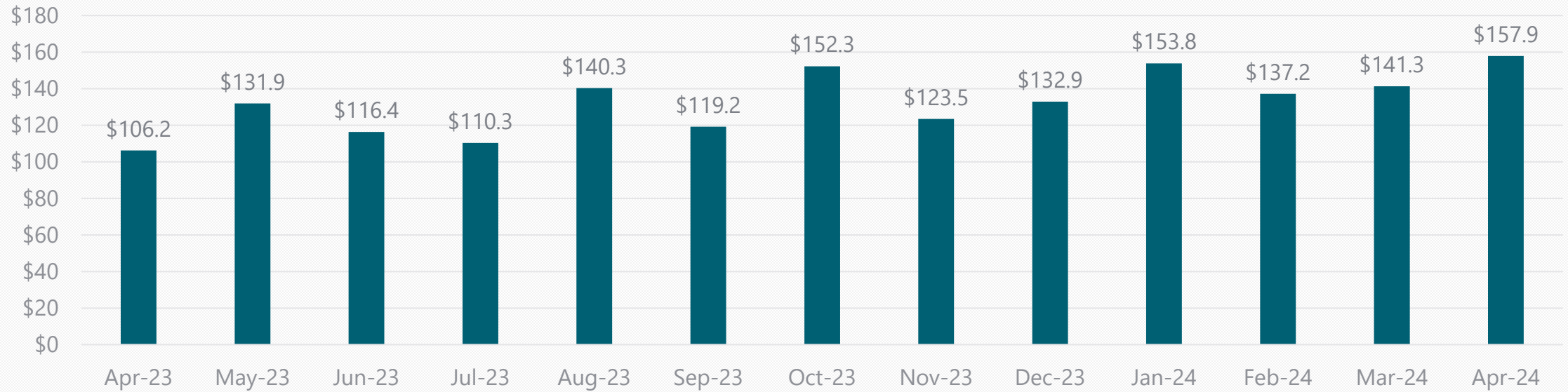
- April 2024
  - Family: 7.3 weeks
  - Medical: 6.9 weeks



- April 2024
  - 9.7 weeks



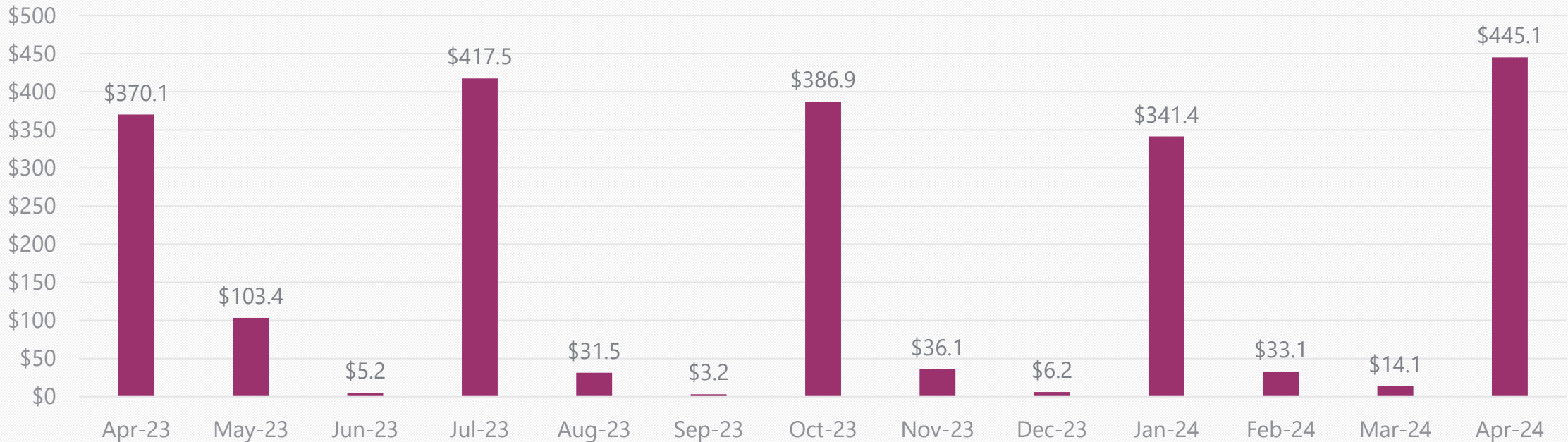
# Monthly benefits paid (millions)



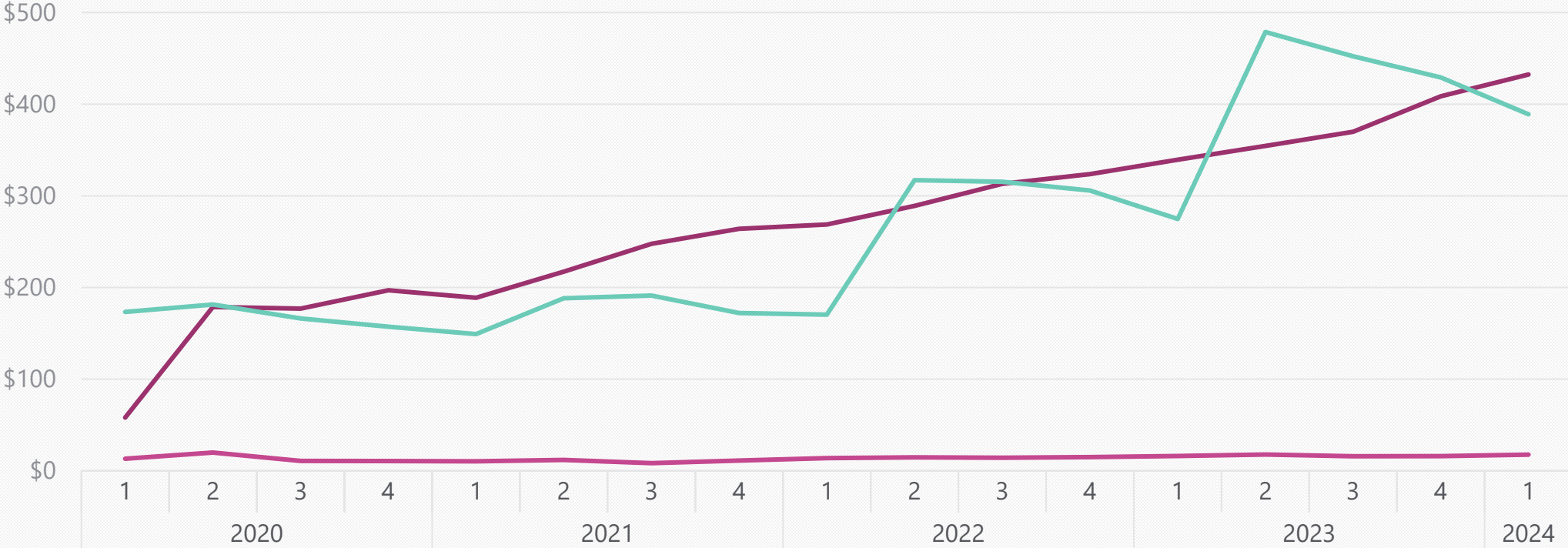
- April 2024 had \$157.9 million in benefits paid
  - 12% more than the previous month
  - 49% more than April 2023
- \$134.7 million average monthly benefits paid over last twelve months

# Monthly premiums remitted (millions)

- Cyclical pattern of highest monthly premium transactions occurring at end of quarterly reporting months
- Premiums assessed for each quarter are remitted in the following quarter
- April 2024 remitted premiums were \$445.1 million – 20% more than April 2023.
- Premium remittance over previous twelve months: \$1.82 billion



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



	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1
	2020				2021				2022				2023				2024
Benefits	\$58	\$179	\$177	\$197	\$189	\$217	\$248	\$264	\$269	\$289	\$313	\$324	\$339	\$355	\$370	\$409	\$432
Premiums	\$173	\$181	\$166	\$157	\$149	\$188	\$191	\$172	\$170	\$317	\$315	\$306	\$275	\$479	\$452	\$429	\$389
Operating	\$13	\$20	\$11	\$11	\$10	\$12	\$8	\$11	\$14	\$15	\$14	\$15	\$16	\$18	\$16	\$16	\$18
Account Balance	\$467	\$454	\$427	\$376	\$327	\$287	\$222	\$123	\$19	\$32	\$17	-\$19	-\$98	\$211	\$278	\$284	\$222

# Monthly ending account balance (millions)



- April 2023 ending balance was **-\$117.5 million**
- April 2024 ending balance was \$170.0 million
- \$287.5 million increase in fund balance compared to 2023
  - Financial performance over previous twelve months contributed to \$87.5 million of the increase

# Time from application submission to first payment

Month	Average weeks	Median weeks
April 2023	2.6	2.4
April 2024	2.2	2

Month	Average weeks	Median weeks
May 2023	4.2	3.1
June 2023	4.7	3.6
July 2023	5.3	4.3
Aug 2023	5.3	4.4
Sept 2023	5.1	4.4
Oct 2023	4.3	3.3
Nov 2023	4.6	3.4
Dec 2023	4.5	3.4
Jan 2024	4.9	3.6
Feb 2024	4.2	3
Mar 2024	2.3	2
Apr 2024	2.2	2

# Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave
April 2023	84%	62%	05:59
May 2023	82%	60%	12:27
June 2023	75%	66%	22:35
July 2023	62%	57%	27:23
August 2023	66%	50%	25:24
September 2023	48%	46%	29:20
October 2023	31%	56%	28:27
November 2023	37%	57%	28:19
December 2023	42%	57%	28:54
January 2024	35%	65%	25:38
February 2024	35%	63%	26:41
March 2024	38%	69%	18:56
April 2024	37%	64%	24:04

## Comparing April 2024 with March 2024:

- 5 percentage point decrease in % of PFML calls answered from queue, 7 minute increase in PFML queue time

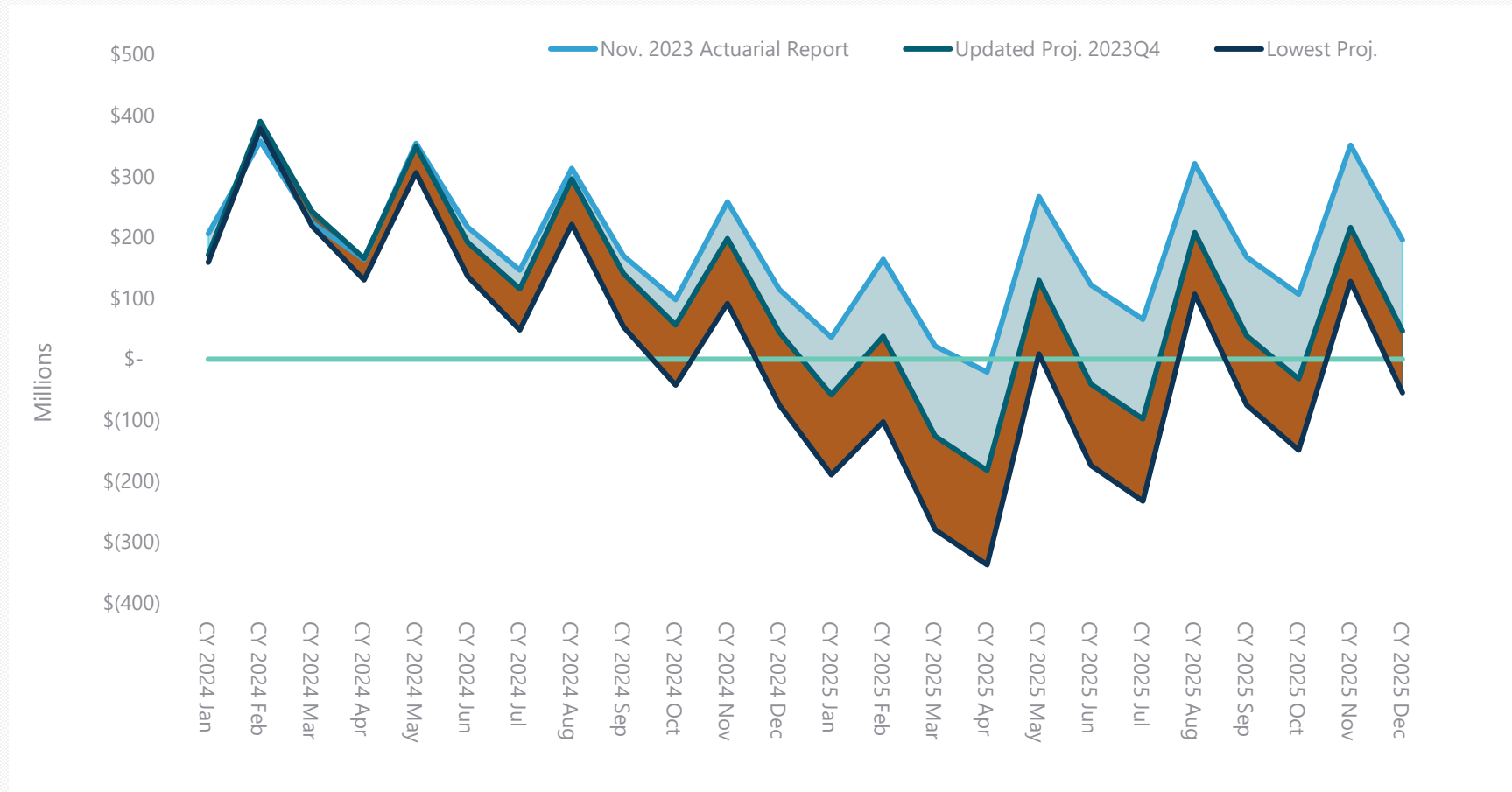


# Actuarial update

Karissa Burgess, Actuary

# Paid Family & Medical Leave

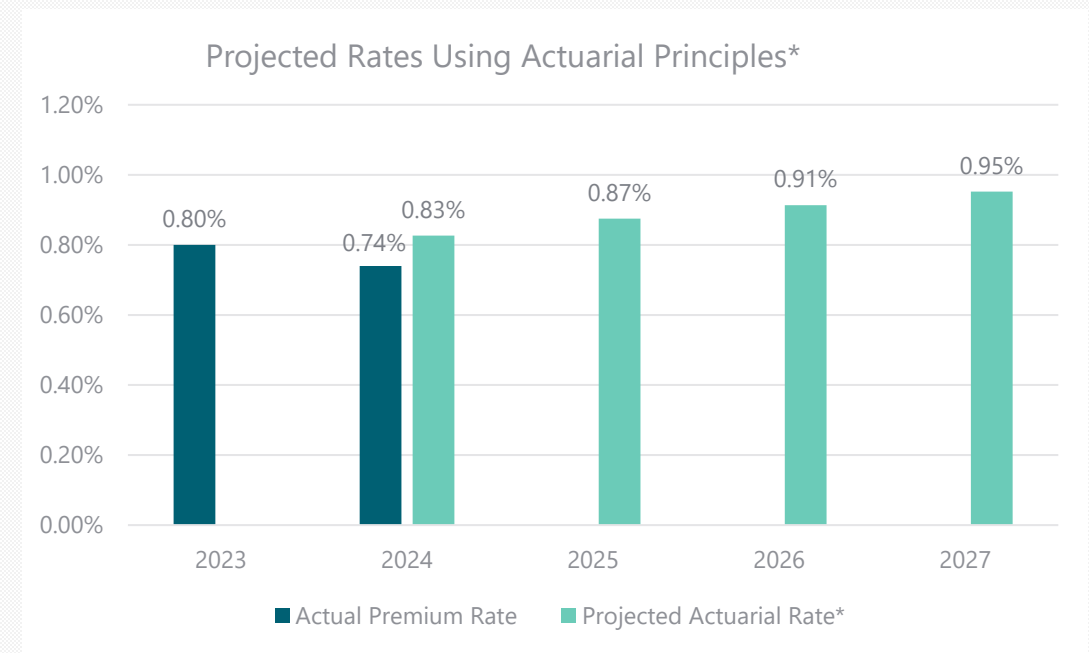
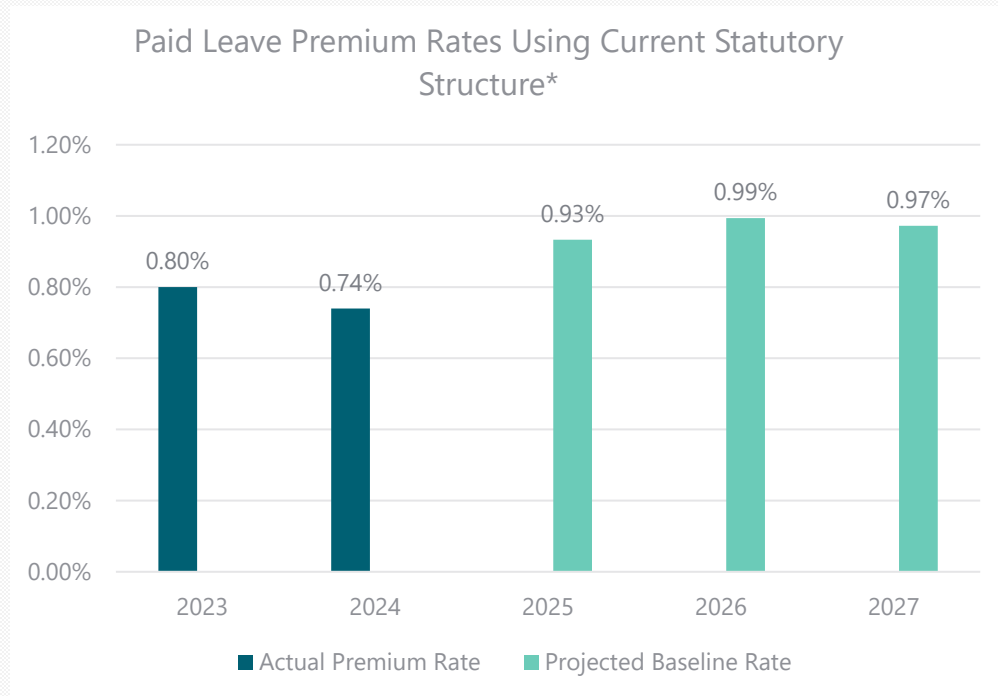
## Account Balance Projections



- Nov. Report: first short-term deficit to occur in Q1 2025
- Update: may occur sooner, be more severe, and take longer to stabilize

# Paid Family & Medical Leave

## Rate projections from Nov. 2023 Actuarial Report



\* Based on updated usage data, rates will likely be higher than these initial projections

# Ombuds report

Edsonya Charles, Paid Family and Medical Leave Ombuds

# 2023 contact data

1,301 total times contacted

- 1,005 employee
- 48 employer
- 39 human resources
- 5 self-employed
- 5 referrals from constituent services
- 38 other (including advocates, HCP's, etc.)
  
- 948 phone calls
- 309 emails
- 44 both called and emailed

Topic	Total
Educate and inform <ul style="list-style-type: none"> <li>• Eligibility/How to apply: 64%</li> <li>• Health benefits, PFML and FMLA, PTO, job protection: 27%</li> <li>• Other: 9%</li> </ul>	428
Submitted application ( <i>approved, denied, etc.</i> )	78
Application assistance	61
Weekly claims	57
Delay	54
Unlawful Acts complaints against employer	53
Access (technical troubleshooting of SAW, etc.)	51
Redeterminations	26
Employer reporting	14
Tax 1099-G	5
Appeals and appeal status	2
Fraud	2
Other topics	133
No topic included in message, and voicemail left for customer (or customer was able to resolve their issue prior to contact)	337

# Ongoing issues & concerns

## Not implemented

- Employer problems with receiving notifications; i.e., not available through portal; desire for all electronic access (partially implemented 1/2024)
- 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/Paid Leave stacking
- 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 (partially resolved by SHB 2102)
- Compliance audits
- Predetermination fraud process
- Fraud detection and response
- Employers' failure to report
- Coordination with voluntary plans
- Coordination and data-sharing with other states
- Payment records for employers

## Leg. change/ESD interpretation

- FMLA/Paid Leave stacking
- Adoption/placement
- Employer problems with notification -privacy rules.
- SSA premium cap
- 10-day allowance for employers to respond to disputed hours/wages
- Localization
- Eight consecutive hours requirement

# 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 – Jan. 31, 2023</i>	1,494	393	468	156	477
Reasonable accommodation requests					
<i>Jan. 1 to Dec. 31, 2023</i>	160	25% increase over 2022			

# Current program priorities

Alison Eldridge, Assistant Director





# AX is in the cloud!

The second phase of  
our cloud migration  
project is complete!

# Current priorities

Project	Status
Cloud migration (phase 2 – AX)	Nearing close
Claim year adjudication improvements	In progress
Cloud migration (phase 3 – portal)	In progress
Expiring the CBA provision for Paid Leave	Nearing close
TNC Pilot (SHB 1570)	In progress
Employer access to benefit data (SSB 5586)	In progress
Customer Care performance metrics	In progress
2023 Decision package hiring	In progress
Health provider certification (HB 2102)	In progress
Partnership to increase equitable benefit access using data	Close out
Developing a community engagement model for Paid Leave	In progress
Paid Leave customer stories	In progress
Leadership Academy	Nearing close
2024 staffing needs and resources report	In progress
2024 annual report	In progress

# Future work

## Next

- Migration to SharePoint online
- **Withhold child support from Paid Leave benefits**
- **Redetermination improvements**
- Develop a division employee engagement plan
- Support performance management
- **Crossmatch UI with Paid Leave benefits**
- **Benefit overpayments**

## Later

- **Penalties and interest (employer and employee)**
- **Adding county & legislative district to database**
- **Elective coverage for tribes**
- **Crossmatch L&I with Paid Leave benefits**
- **Collections (employer & employee)**
- **Conditional benefit payments**
- Pre-application for benefits
- Implement community engagement program
- Implement comprehensive authorized representative process

# Policy & legislative planning

Brian Kennedy, LCD Legislative Manager

April Amundson, LCD Policy Manager

# Legislative discussion

## Framework

- Limited or no impact on completing remaining balance of work
- Limited impact on financial security and rate setting

## Potential customer experience improvements

- Time to First Payment/Planned Leave
- Safe Leave
- Employer administration

# 8 “consecutive” hours

## Policy concept

- Remove the word “consecutive” from minimum weekly claim duration in RCW 50A.15.020(2).

## Known issues

- Removal would increase flexibility for workers to stay connected to employment.
- Impacts employers/employees with non-traditional schedules (such as service industries).
- Creates confusion for employers & employees (compounds with waiting week).

## Supporting data

- Retail & accommodation and food services sectors among lowest utilization compared to eligible workers.
- 2022 Awareness study indicated that 23% of respondents noted this as a challenge.

# Waiting week

## Policy concept

- Remove “waiting period” from all events - *RCW 50A.15.020(1)*

## Known issues

- Creates inequity around job protection
- Creates confusion for customers especially for birthing parents
- Potentially increases hours of leave taken

## Supporting data

- Most common reason cited for not taking leave related to inability to afford the loss of income
- FMLA does not require waiting week
- *RCW 50A.05.010(23)(a)(ii)(C)* - Any period of incapacity or treatment for such incapacity due to a chronic serious health condition... periodic visits for treatment, continues over time, may be episodic.

	Prenatal Care	Prenatal Care + Complications	Postnatal + Complications	Recovery From Birth	Bonding	Self Medical	Family Care	Military Exigency
Requires Waiting Week	✓	✓	✗	✗	✗	✓	✓	✗ Originally required WW

# 8 “consecutive” hours + waiting week

Removal of these requirements allows Paid Leave to better address application timeliness and communication for:

- Pregnant people who wish to establish a claim prior to giving birth.
- People who need intermittent leave while awaiting surgery or other treatment for an existing serious health condition.

Benefits to customers include:

- Supports employers with retaining workers in a part-time capacity leading up to a need for leave.
- Supports ability of benefit customers to establish their claim before an occurrence of incapacity.



# Safe Leave

## Policy concept

- Adding a leave type relating to domestic violence, sexual assault, bias crimes, and stalking for the employee/family.

## Known issues

- Large implementation/administrative burden → could impact remaining balance of work
- Larger potential for impacting rate setting
- Alignment with bipartisan national leave
- Most new state programs include it: OR, CO, MN, ME
- No consistent leave allowance across states

## Supporting data

- CT: 2023 annual report - 95 safe leave claims → 0.2% of all claims
- OR: 1.5% of all claims thus far

# Employer administration

## Non-legislative concepts but potential funding requests

- Increase staff to support employer experience → product/research/communications
- Sample policies for employers to utilize
- Improve employer toolkits and guides
- Expand outreach and communications

## Policy concepts

- Adjustments to voluntary plans
  - Fee structure/types of plans available

## Known issues

- Employers don't always have enough information or the right information
  - Administering job protection, supplemental benefits, or plan for backfilling vacancies
- Anecdotally hear HR departments providing differing information

# Interim planning

- **Recommendation**

- Discuss high-level legislative ideas with Advisory Committee.
- Establish workgroups: June through July.
- Finalize policies to move forward: July Advisory Meeting.

# Celebrating Paid Leave

Alison Eldridge, Assistant Director

# Celebrating five years of Paid Leave

## When

- July 31, 2024, between 11 and 2 (exact times TBD)

## Where

- UW Tacoma

## Who

- Governor Inslee
- Commissioner Feek
- Advisory Committee members
- Stakeholders, partners, and customers



# Next meeting

1 to 3 p.m. on Wednesday, July 31, 2024

- Given the anniversary event, do we want to reschedule?

## Proposed topics

- Quarterly account update
- Quarterly program volumes, wait time update

# Open comment

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Reminders Please frame your questions as a comment.

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If online -“Raise your hand” virtually.

In person – let us know and we will give you the floor.

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The meeting host will unmute online individuals to allow for the open comment.

In-person we will call on you.

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# Continue the conversation

**Beth Marchand**, Interim Director  
Leave & Care Division  
Employment Security Department  
[Beth.marchand@esd.wa.gov](mailto:Beth.marchand@esd.wa.gov)



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