Advisory Committee Meeting- January 19, 2024

Attendance

Committee Members Present
- Justin DeFour, Director ESD Leave and Care
- Edsonya Charles, PFML Ombuds

Employee Representatives
- Samantha Grad, Teamsters 117
- Maggie Humphries, Moms Rising
- Joe Kendo, Washington State Labor Counsel
- Gabriela Quintana, Economic Opportunity Institute

Employer Representatives
- Bob Battles, Association of WA Business
- Julia Gorton, Washington Hospitality Association

ESD Staff
- John Mattes, Leave and Care Operations Manager
- Alison Eldridge Leave and Care Transformation Manager
- Eve Sheng- Managing Actuary
- Brian Kennedy- Forecast & Economic Analyst
- Cami Feek- ESD Commissioner
- Caitlin Jekel- Government Relations Director
- April Amundson- Leave and Care Policy Manager
- Chi Underwood
- Mike Juhl- IT Senior Manager
- Lisa Henderson- Budget Director
- Danielle Cruver- Chief Finance Officer
- Dan Zeitlin-Chief of Staff, Executives Programs
- Roberta Kowald-
- Amanda Siemandel, Administrative Assistant 5- running slides
- Erika Ayala, Administrative Assistant 4- taking notes

Agenda

- *Introductions & approve October Minutes*
- *Paid Leave Rebase in Governor's Budget*
- *Legislative Update*
- *Program and Fiscal Update*
- *Current Program Priorities*
- *Adjourn*

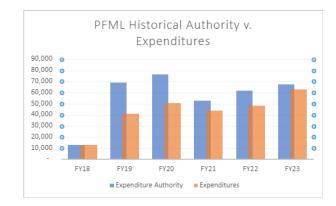## Introductions & Approve December Minutes

DISCUSSION	Start time – 2:10 PM

- Bob Battles moves to approve December 2023 Advisory Meeting Minutes
- Joe Kendo motions 2nd to approve.
- December 2023 Advisory Meeting Minutes are approved.

Paid Leave Rebase in Gov. Inslee's budget

DANIELLE CRUVER	

- Why a rebase?
- Historically PFML spends significantly less than our authority

- Rebase in Governor's Budget
- OFM "right sized" the PFML budget so that our funding is sufficient for the work we have planned (including our decision package requests) and corrected the FTE authority.
- This means that the funding is stepped so that our base + maintenance level + policy level = the total amount PFML would budget for to complete its work for the biennium.

Budget Step	Current EA	Supplemental
Base	$151,035	$133,780
Prior Legislation	$7,609	$7,609
Caseload		$5,655
System Completion		$7,305
Comp/Central Services		$1,187
	$158,644	$155,536

- When we requested 49 FTE in the decision package, we asked for funding, we are not just going off the base funding.

Legislative Updates

CAITLYN JEKEL	

- Bills we are tracking
- Senate Bill 6145- Continued health benefits during paid family and medical leave for firefighters of small fire districts.
- Joe Kendo- Has the agency done an analysis of the impact of SB6145 to see how many fire districts would be impacted?
- Rebecca Grady-No we have not, we would need to reach out to the different fire districts within the state.
- Joe Kendo-Has this not happened because a hearing hasn't been scheduled?
- This would need to happen for implementation. This work would financially impact ESD and not be beneficial if we are not going to be implementing.
- Does that mean that Leg does not have the full impact of the cost?
- As a requirement, this would not impact fiscal budget but it would not be noteworthy to do research prior to this being a requirement just to see how many would be impacted.
- House Bill 1959- Extending certain requirements in the state paid family and medical leave program to employers with fewer than 50 employees.
- In Executive Session 1/24
    - House Bill 2102 and Senate Bill 6177- Requirements for the disclosure of health care information for qualifying persons to receive paid family and medical leave benefits.
- Caitlyn Jekel- ESD did ask for a language amendment that the patient/claimant would receive the information themselves and submit to us, and not have the information come from medical provider directly to ESD.

Program and Fiscal Updates

REBECCA GRADY	

Claim applications submitted by type

- December 2023, we received 21,247 applications.
- 6% less than last month
- 8% more than December of last year
- Continue to see shift towards medical leave types ~ 45% family, 55% medical
- Three-month rolling average ~ 23K claim applications
- This follows the pattern from the previous year. It is expected to pick back up in January to match 2023.

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 – 122,067 family and 130,334 medical
- December 2023 total unique paid leave claims: 44347
- 14% more than December of last year

Weekly Benefit Levels

- 2023 average: $1,008
  - 7% higher than Jan-Dec of 2022, $936
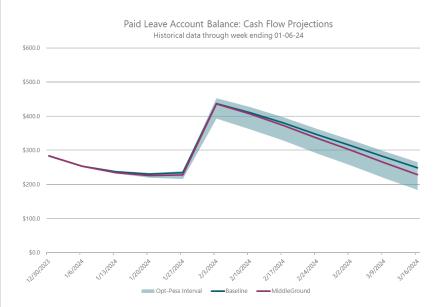 - As max benefits and state wide average wage change, we will see an increase in our benefit amount

Lengths of leave (average) for a claim

- 2023
  - Family: 7.5
  - Medical: 7.2
- 2022:
  - Family: 7.6 weeks
  - Medical: 7.3 weeks

Lengths of leave (average) for claim year

- Comparing 2023 to 2022
  - 2023: 9.8 weeks
  - 2022: 9.5 weeks

Fiscal Projections

Paid Leave Account Balance: Cash Flow Projections
Historical data through week ending 01-06-24

- January collections (Q4) are typically lowest of the year.
- Lowered risk of short-term deficit in future cycles but still a concern for a couple years
- Will take a few years to establish 3-month reserve
- Rebecca Grady- Do we want to keep showing this graph, it is the same discussion/outcome every meeting?
- Joe Kendo and Bob Battles would like to keep the graph so that way they can truthfully speak to updates.

Monthly Benefits Paid(millions)

- December 2023 had $132.9 million in benefits paid
  - 8% more than November
  - 21% more than last December
  - This is a decline from October 2023
- $1.472 billion in benefits paid in 2023

- o $278 million more, or 23% higher, than 2022
- 2023 Projections: $1.463 billion, under projecting only $9 million, or 1% (1% different then actuarial reports)
- $122.7 million average monthly benefits paid over preceding 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
- Q3 Premiums remitted Oct-Dec were $429.1 million compared to $305.8 million in same period of 2022—an increase of 40%

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

- Premiums coming in are still above the benefits being paid out

Monthly ending account balance

- December 2022 ending balance was -$18.5 million
- December 2023 ending balance was $284 million
- December year over year increase in account balance due to:
- o $200 million FY23 supplemental budget transfer
- o $102.5 million excess of total revenues over expenditures (includes benefits and administrative expenses)

JOHN MATTES

Time from application submission to first payment

Month	Average weeks	Median weeks
Feb 2023	4.3	3.3
Mar 2023	3.9	2.9
Apr 2023	4.2	3.0
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

- December 2022
- o Average weeks 4.3
- o Median weeks 3.0
- December 2023
- o Average weeks 4.5
- o Median weeks 3.4
- December 2023 was the 4th highest processing month period

Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave
January 2023	79%	68%	08:27
February 2023	81%	65%	09:42
March 2023	85%	66%	04:12
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

Since December 2022:

- 20%increase in calls into que
- 42% decrease in calls answered

Current Program Priorities

ALISON ELDRIDGE

Project	Status	Target end date
Employer webinars	In progress	12/31/2023
Annual changes 2024	In progress	1/15/2024
2023 1099s	In progress	1/31/2024
Increase equitable benefit access using data	In progress	2/1/2024
Cloud migration: AX and portal	In progress	3/1/2024
Expiring CBA provision for Paid Leave	In progress	3/31/2024
Sharing employee benefit data with employers (5586)	In progress	3/31/2024
Community engagement model for Paid Leave benefits	In progress	4/30/2024
TNC pilot for elective coverage (1570)	Initiating	7/1/2024
Benefit application improvements	Initiating	7/1/2024

- We have closed out a number of projects related to closure dates/deadlines of January 2024
- The annual changes project is close to close out
- We successfully sent 1099s to the printer
- The TNC Pilot of elective coverage to be completed by 07/01/2024 is on track.
- o We are working with stakeholders and many from committee
- We are initiating a project for benefit application improvements.

	o This will help to improve the customer experience and to get the correct information from customers to make the right decision the first time.
FUTURE WORK	**Bolded** items are components of or enable progress toward completion of the Paid Leave balance of work.

Next

- **Redetermination improvements (This goes hand in hand with the Benefit Application Improvements)**
- Develop a division employee engagement plan
- Support performance management
- **Withhold child support from Paid Leave benefits(prework is well under way and we are working with DSH for an implementation process)**
- **Crossmatch UI with Paid Leave benefits**

Later

- **Benefit overpayments**
- **Penalties and interest (employer and employee)**
- **Adding county & legislative district to database**
- **Elective coverage for tribes**
- **Crossmatching 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

Next Meeting

ADVISORY COMMITTEE MEETING	Friday February 16, 2024 from 2-3 pm

<u>**Proposed Topics**</u>

- Legislative Update
- Update on UW Study

Open Comment

- Corey Shafer- Are we addressing the waiting week? I had to care for my sick wife and missed 3 out of 6 weeks. I missed the first week but did not get paid for it.
- John Mattes- We encourage you to call the customer care team. The waiting week has many factors that play into it, including certain policies.
- Carolyn C- How do you plan to manage reducing hold times. 28 minutes is hefty.
- Justin DeFour- We have been prioritizing processing benefit applications.
- John Mattes- We asked for additional staffing to address more calls and application processing timeframes.

- Alicia H- How many of the 49 FTE will go to customer service roles?
- John Mattes- All 49 give or take a small amount of support roles, are for customer service coverage.

ENDED AT 2:52 PM