

Advisory Committee Meeting- 07/23/2025

Attendance

Committee Members Present

- Jennifer Richards,
- Edsonya Charles, PFML Ombuds

Employee Representatives

- Samantha Grad, Teamsters 117
- Maggie Humphries, Moms Rising

Employer Representatives

- Rose Gundersen, Washington Retail Association
- Lindsey Hueer-Association of WA business
- Tammie Hetrick, Washington Food Industry Association

ESD Staff

- Jennifer Richards, Insurance Services Director
- Alison Eldridge, Deputy Director
- George Rohrer, Interim Assistant Director
- Mike Juhl, Leave and Care IT Senior Manager
- Cezanne Levesque, Leave and Care Transformation Manager
- Eve Sheng, Managing Actuary
- Karissa Burgess, Actuary 2
- Rebecca Grady, Leave and Care Research& Data Manager
- Jason Barrett- Lead Tax Policy Specialist
- Nicole Ross, Employer Services Manager
- Steve Zawoysky, Treasury Manager
- Brian Levy, UI Deputy Director
- Amanda Siemandel, MA3- running slides
- Erika Ayala, Administrative Assistant 4- taking notes

Agenda

- *Introductions and approval of April Minutes*
- *Insurance Services Division update*
- *Program experience and performance measures*
- *Program priorities*
- *Employer Services overview*
- *Actuarial update*
- *Open comment*

Introductions & approval of April Minutes

DISCUSSION	Start at 1:02 pm
<ul style="list-style-type: none"> • Tammie Hetrick motions to approve • Maggie Humphries seconds approval • All in favor of approving April 2025 meeting minutes- Approved 	

Insurance Services Update

NAME	JR Richards, Director
<ul style="list-style-type: none"> • Combining Leave and Care and UICS to create Insurance Services Division <ul style="list-style-type: none"> ○ UICS, PMFL, and WA Cares • New Division Aligns with agency 2024-2028 strategic plan • Goal: Happy customers- services at the right time in the way they need it <ul style="list-style-type: none"> ○ Implement customer experience executive order ○ Integrate customer compliance across insurance programs ○ Implement the Paid Leave balance of work ○ Develop a unified approach to improve external partner, stakeholder, and community engagement • Goal: Bright Future- effective service delivery <ul style="list-style-type: none"> ○ Business transformation and technology investment across programs to improve customer experience and agency performance ○ Modernize ESD's legacy systems • Progress to date • Completed an organizational assessment <ul style="list-style-type: none"> ○ Goal: design a structure that best supports employees, customers, and core work. ○ Included review of the strategic plan, employee surveys, program data, assessments, audits, and division leadership planning. • Identified key business lines in common <ul style="list-style-type: none"> ○ Benefit Services ○ Employer Services ○ Programs and Strategy ○ Support Services ○ Community Relations and Outreach • Tammie Hetrick- Clarifying questions. With the integration of customer compliance, are the systems going to communicate and will the systems be able to cross reference? • JR- I think you all are aware of the JLARC audit results. Crossmatch between PFML and UI was on the lists of finding and it is currently being done but is very manual to cross reference currently. We do have plans for further automation to capture this before it creates overpayments for our employee customers. Another space we are looking to do this is for our Employer Customers. 	

Program experience and performance measures

NAME	Rebecca Grady, Research and Data Manager
	Steve Zawoysky, Treasury Manager for PFML and WA Cares programs

Steve Zawoysky

- **Monthly Benefits Payments**
- June 2025, \$190.4 million benefits paid
 - 14% more than the prior month
 - 39% more than June 2024
- \$167.9 million avg. monthly payment for previous 12 months
- June 2025, avg. weekly benefit for new claim years was \$1,109.8
- June 2025 benefits paid out is the highest in Paid Leave History
- **Month Premiums Remitted**
- June 2025, \$9 million in premiums remitted
- \$1.89 billion premiums remitted in the previous 12 months
- \$627 million in remitted in Q2 2025
- In April 2025, we saw our highest month premiums remitted in Paid Leave history (\$577 Million)
- **Monthly Account Balance**
- Ending account balance for June 2025 was \$57.2 million
- \$176 million less than the prior month
- \$180 million less than June 2024
- The growth in benefits paid out is exceeding the growth in premiums remitted resulting in a loss in money
- **Premiums, benefits, operating expenses and account balance by quarter(millions)**
- 2024 Q2
 - Benefits- \$443
 - Premiums- \$480
 - Operating- \$17
 - Account Balance- \$237
- 2025 Q2
 - Benefits- \$534
 - Premiums- \$627
 - Operating-
 - Account Balance- \$57
- In Q2 there was a \$112 million loss due to growth in benefit expenditures over revenues and operating cost in previous 3 quarters

Rebecca Grady

- **Claim applications by type**
- June 2025, we received 28.5 thousand applications
 - Slightly more than the previous month
 - 19% more than June 2024
- 45% family, 55% medical
- Three-month rolling average: 28.4 thousand
- **Claims with payments and approval rates**

- June 2025, 83% of claims were approved
 - 86% were approved in the prior month
 - Current month typically lower than prior month (data maturity)
- June 2025, total unique paid claims was 63,471
 - 26 more than June 2024
- **Customer- focused performance goals**
- Benefits wait time
 - Time to application decision
 - Goal: 75% within 14 days
 - June 2025, met goal with 83% of leave applications initially adjudicated within 14 days
 - This 4-month stretch is our longest stretch of meeting our goal
 - 7 percentage points more than previous month
 - 16 percentage points more than June 2024
 - June 2025, median processing time was 9 days
 - Time to first weekly claim processed
 - Goal: 75% within 21 days
 - June 2025, under goal with 70% of applications having first weekly claim processed within 21 days
 - We did not meet our goal, but we did reach our highest percentage
 - 3 percentage points more than the prior month
 - 6 percentage points higher than June 2024
 - June 2025, median time from application submission to first weekly claim processed was 15 days
 - Rose Gundersen- Was overtime focused on processing benefit application both goals?
 - Rebecas Grady- It was primarily focused on processing benefit application but not all. A good majority of our weekly claims are processed by the system rather than a person
- Customer contact response time
 - Phone hold time
 - Goal: 80% within 10 minutes with zero receiving "high call volume" message
 - June 2025, 53% of Paid Leave phone calls were answered within 10 minutes.
 - 1 percentage point more than the prior month
 - 5 percentage points less than June 2024
 - June 2025, avg. phone queue time was 23 minutes
 - June 2025, 57% of calls to Leave and Care went into a queue
 - 1 percentage point more than the previous month
 - 25 percentage points more than June 2024
 - Samantha Grad- For Uber and Lyft drivers, that pilot has come online. As they have started accessing the program, I have been hearing a lot from folks that have communicated with the department that this is the most helpful and best experience that they have dealt with from a state department.
 - Secure message & email response time
 - Coming soon-monthly tracking of progress toward goal. We are still working on system functionality to do more than a rough approximation of these two data points
 - Goal: 80% within 1 business day (or 2 calendar days)-Will need new tech functionality to track
 - Overall responsiveness goal
 - 80% of contacts meeting response time goals-Split out tracking by contact type and customer
- Employer Accounts
 - Full account access
 - Goal: 65% of employers with quarterly reporting had full employer account access

- Q2 2025, 37% had full access accounts
- 3 percentage points more than in Q1 2025
- 74% of those employer reporting for themselves have full access
- 2 percentage points more than in Q1 2025
- 28% of employers using a TPA have full access
- 4 percentage points more than Q1 2025
- The line growth looks flat but with new Employers joining and coming, we actually do see a substantial change in numbers. 2000 Employers gained full access to their account last quarter
- Rose Gundersen- What kind of efforts are you doing to help Employers know this is a possibility to create the access?
- Rebecca Grady- Some of the things we are working on now is primarily making sure that folds can see what access is there and they cannot access all these things due to not having full access. Example: small business assistant grants, they cannot see this as an option. In the future we would like to make it visible (grayed out) but not able to access if you don't have full access to your employer account.
- Alison Eldridge- Lets loop back to this during Nicole's presentation later on.

Program Priorities

NAME	Alison Eldridge, Deputy Director
<ul style="list-style-type: none"> ● 2025 Legislative Session-CLOSED ● Racial Equity Data Collection Proviso-CLOSED ● Expanded Paid Leave and WorkSource Collaboration-Closing Q3 2025 on target ● 2025 PFML Staffing Report- Closing Q3 2025 on target ● Cloud Migration Portal-At risk ● Identify Overpayment in Weekly Claim Redeterminations- On target ● Paid Leave Child Support Withholding- On target ● Dockworkers reporting and premiums (SSB 5191)- On target ● 2025 Annual Program Report- On target ● WA Cares Contribution Determination- On Target ● Benefit application enhancements 2025- On Target ● Equitable hiring: Implementation of EO 24-04 and 24-05- On Target ● Receiving benefit overpayments-At risk ● Assess and wait benefit overpayments- On Target ● Employer account notifications and actions- On Target ● Quality Assurance Revamp- On Target ● One Washington- On Target ● Things we would like to do- One application for birth and bonding, etc. that have been moved off the roadmap due to having to complete the Balance of Work (BOW) ● A large feature release in coming in September in applications, weekly claims and redeterminations that are enabling work on overpayments ● Also updated some of the language in the application to better help customers ● Automating some of the steps for our specialists when applications come in and are assigned to specialists which should help processing ● Enabling work for penalties and interest, including detailed report status calculation breakdown and notifications 	

- Rose Gundersen- Are the penalties on employers, is that statutory?
- Alison Eldridge- Yes
- Rose Gundersen- And yet there are not penalties for workers who claim on both sides?
- Alison Eldridge- On the NEXT list there is penalties and interest for employers and penalties and interests for employees
- **Future work**
- *Next*
- WA Cares omnibus (SSB 5291)
- Penalties and interest (employer)
- Benefit duplication prevention and automation
- Crossmatch L&I with Paid Leave benefits
- Elective coverage for tribes
- Penalties and interest (employee)
- *Later*
- Stable data infrastructure
- Adding county & legislative district to database
- Collections (employer and employee)
- Conditional benefit payments
- Pre-application for benefits
- One application for birth and bonding
- Comprehensive authorized representative process

Employer Services Overview

NAME	Nicole Ross, Employer Services Manager
<ul style="list-style-type: none"> • Unit Objectives • To research and resolve outstanding employer account issues to help secure the program's financial position, be good stewards of resources, and increase our programs' ability to continue to pay out benefits into the future • To help employers, employer agents, voluntary plan administrators, and elective coverage customers with the right information the first time to ensure they are set up for success and understand program requirements • ER Support Team- Overall Employer Support <ul style="list-style-type: none"> ○ As of July 1, all Employer phone calls have been taken over by this team ○ Edsonya Charles- Where did the frontline staff come from that are taking the calls? ○ Nicole Ross- Resources were previously allocated to Customer Care Teams and we shifted those resources to the employer team at the beginning of the year. The FTE count was 6 positions. • ER Reporting Team- Advanced Employer Support, Voluntary Plans, Conference and Conciliation <ul style="list-style-type: none"> ○ Handles Employer refunds • Strategic Response Team- Targeted Employer and TPA Support, Issue Intervention and Mitigation <ul style="list-style-type: none"> ○ Working with the data team to identify trends, patterns, gaps and data on where we need to focus more for our Employer customers ○ Edsonya Charles- Are we keeping separate call data? ○ Nicole Ross- No but we do have the ability should we decide to in the future. 	

- ESD Compliance- Investigation, Audit, and collection Efforts
 - We are not compliance, but we work closely with this team and will work closely with the collections team in the future
- **2025 Employer Services highlights**
- Resolved over \$37 million in outstanding balance issues, including over \$7 million paid into Paid Leave.
 - A large part in this was Employer Services doing Employer outreach
- As of July 1, responsible for all frontline support for employers, turning feedback into actionable improvements that enhance the overall service experience.
- Actively partnering with leading payroll providers to address systemic issues in bulk filing, streamlining resolutions and reducing administrative burden.
- Launched the Strategic Response Team with a dedicated focus on high impact issues. Work includes identifying trends, closing gaps, and driving the implementation of service goals and individual performance metrics.
- Looking ahead to 2026, we will provide frontline support and subject matter expertise to employers, ensuring smooth transitions and tailored guidance
- Rose Gundersen- Employer Services, does this include just Leave and Care or does it also include UI?
- Nicole Ross- Just Leave and Care but we will move into the new ER Services Division working side by side with UI.
- JR- UI and Leave and Care Employer teams have already been working towards collaboration to create consistency for our Employers in the future.
- Rose Gundersen- I have not heard an update on the budget package and what that outcome was at the end of session. Did you get any money to increase staff?
- JR- Rose we did share that information out, but we can follow up and connect and share the materials that go over these details.

Actuary Update

NAME	Karissa Burgess, Actuary
<ul style="list-style-type: none"> • Executive Summary • 2025 Q1 Updates • 2025Q1 ending account balance was -\$19 million compared to FY24 projection of -\$47 million. 2025Q2 was \$57 million actual compared to \$3 million. • Incurred 2025Q1 claims close to previous projection <ul style="list-style-type: none"> ◦ 2025Q1 incurred approved claims +\$12.7 million vs FY24projection ◦ Small differences driven by Care and Self Med, with some offset from birth-related claims • 2025Q1 average premium wages slightly higher than previous projection, +2.7% • Program forecast • Account balance shows slight increase over FY24 projection in 2025 due to lower claims spend and slightly higher wages. • Account deficits still projected intermittently through mid-2027. <ul style="list-style-type: none"> ◦ Continued high trends in some claim types, projected programmatic changes and rate changes result in lower account balance than previous projection after 2025. • Quarter 2 data is not finalized at this time. We did adjust some values based off what happened in the Q1 and what is currently happening in Q2. 	

- **Reported wages by quarter**
- Premium wages continue to be close to previously projection but with some fluctuation by quarter.
- The average premium wage was -0.8% lower in 2024Q4 and 2.7% higher in 2025Q1 than previously projected.
- Lower then projected in Q4 due to hitting taxable wage cap
- **Incurred leave benefit by quarter**
- Claims continue to evolve over time.
 - Overall incurred claims growth is 2.4% higher than projected in most recent quarter, and 5.7% less in the prior quarter.
 - Claim increase in Q1 compared to FY24 projection is related to higher trends in Care and Self Med utilization.
 - Q4 claims were lower due to lower Bonding offsetting increases in Care and Self Med
- Incurred leave by benefit claim type
- Total incurred claims in Q1 +\$12.7M higher vs. FY24 projection, drivers are Care and Self Med
- Higher than projected
 - Care +\$11.7M, +18.9%
 - Self Med +\$4.6M, +4.6%
 - Bonding +\$0.2M, +0.1%
- Lower than projected
 - Birth-related -\$8.0M, -10.6%
- Account Balance 2024+
- 2026 projected account balance is going to be slightly lower than projected in fiscal 2024
- **2025 Planned Updates**
- September Advisory Committee Meeting
 - Overview of current 2025 PFML Annual Actuarial Report results
- October Advisory Committee Meeting
 - 2026 PFML rate change updates
- November (no meeting)
 - 2025 PFML Annual Actuarial Report Released
- December Advisory Committee Meeting
 - Q3 quarterly update

Next Meeting

DATE/TIME	1-3 pm on Wednesday September 23, 2025
<ul style="list-style-type: none"> • Proposed Topics <ul style="list-style-type: none"> ○ Rules Update ○ Actuarial Report Review 	

Open Comment

	This time is open for us to capture comments, please frame your questions as comments.
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- Cynthia Wagner- I wanted to comment on it is completely impossible to talk to a manger or someone higher than a supervisor in the PFML department. And I was just wondering if there is a website, we can go to that would help us beyond the PFML webpage.
- Chris Baron- Amanda will grab Cynthias e-mail from the chat and we will connect that way.
- Chris put communications email in meeting chat and Alison Eldridge put her email in meeting chat as well

	Meeting Adjourn @ 2:19pm
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