

Washington **Paid Family & Medical Leave**



Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting January 18, 2019



PRESENTATION OVERVIEW

Introductions

Approve December Meeting Minutes

Technology Update

Operations Update

Ombuds Update

Open Comment

INTRODUCTIONS

- ▶ Advisory committee
- ▶ In-person attendees

(Note: We will use the conference call feature to identify who is on the phone rather than announce during meeting)

APPROVE DECEMBER MINUTES

▶ Discussion

TSB – Subcommittee Presentation 1/10/2019

Paid Family and Medical Leave Program Summary



“Paid Family and Medical Leave helps the employees, helps the business and it helps the community at large and it is something I am proud to be a part of.”
– Jed Fowler, owner of H.D. Fowler, 12 locations across WA



“It is important for my staff to have access to extended leave and medical leave. Paid Family and Medical Leave is a great new benefit for our state.”
– *Phuong Tran, owner of Lava Java in Ridgefield*



“Having the ability to take **time off allows employees to come back and be productive knowing everything is taken care of.”**
– *Carlos Rodriguez Vega, Grocery Outlet store owner in Vancouver*

What is Paid Family and Medical Leave?

- ✓ Insurance program for Washingtonians who need **time to care** for themselves or their loved ones.
- ✓ Position WA as a **leader in a globally competitive economy**.
- ✓ All Washingtonians have access to **critically important paid leave** during major life events.



Care for family



Birth or placement of a child



Military-related events



Your own medical condition

Small business assistance



\$1,000 to \$3,000



WA is 1 of 5

A whole new program – from the ground up



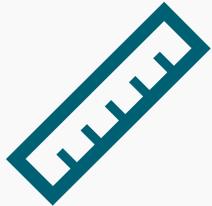
Operations & Care Team

- ✓ Establish a new operating division
- ✓ Establish a Customer Care Team
- ✓ Develop all standard operating procedures.



Technology

- ✓ Build out all necessary supporting technology for employer, employee, and internal customer facing service administration.



Rules & policies

- ✓ Promulgate WACs and program policies to implement the law



Outreach & communications

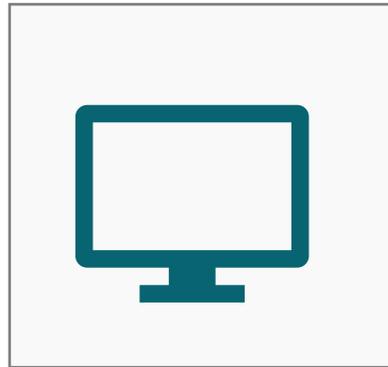
- ✓ Conduct outreach statewide to employers, third party administrators, accountants, employees and health care providers.



Finance & accounting

- ✓ Establish financial accounting procedures and secure banking relationships.

Technology project update



Build out all necessary supporting technology for program administration.



Technology Budget

Technology Budget Approved in March 2018 Investment Plan

| | |
|-----------------------------|----------------------|
| Implementation Costs | \$57,989,493* |
| Maintenance Costs | \$25,568,376* |

Current Budget Projections

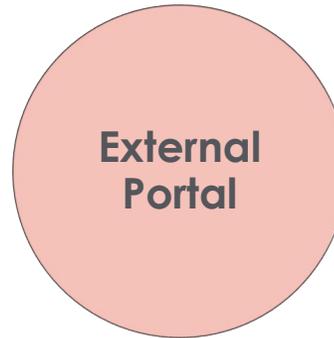
| | |
|-----------------------------|---------------------|
| Implementation Costs | \$49,978,000 |
| Maintenance Costs | \$13,147,000 |

*Approved budget includes contingency.

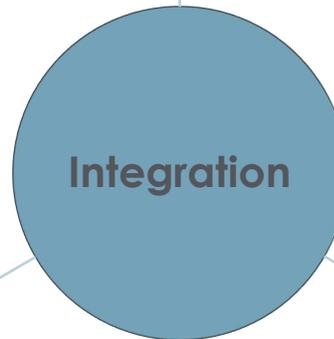


Technology platform

Public facing system customers use—this can be accessed via desktop or mobile device.
Deloitte custom development.



Centralized business rules engine; data interfaces; and routing, job and batch processing control.
Deloitte custom development.



4 System components
+
3 System partners,
QA and OCIO
=
1 Cohesive team

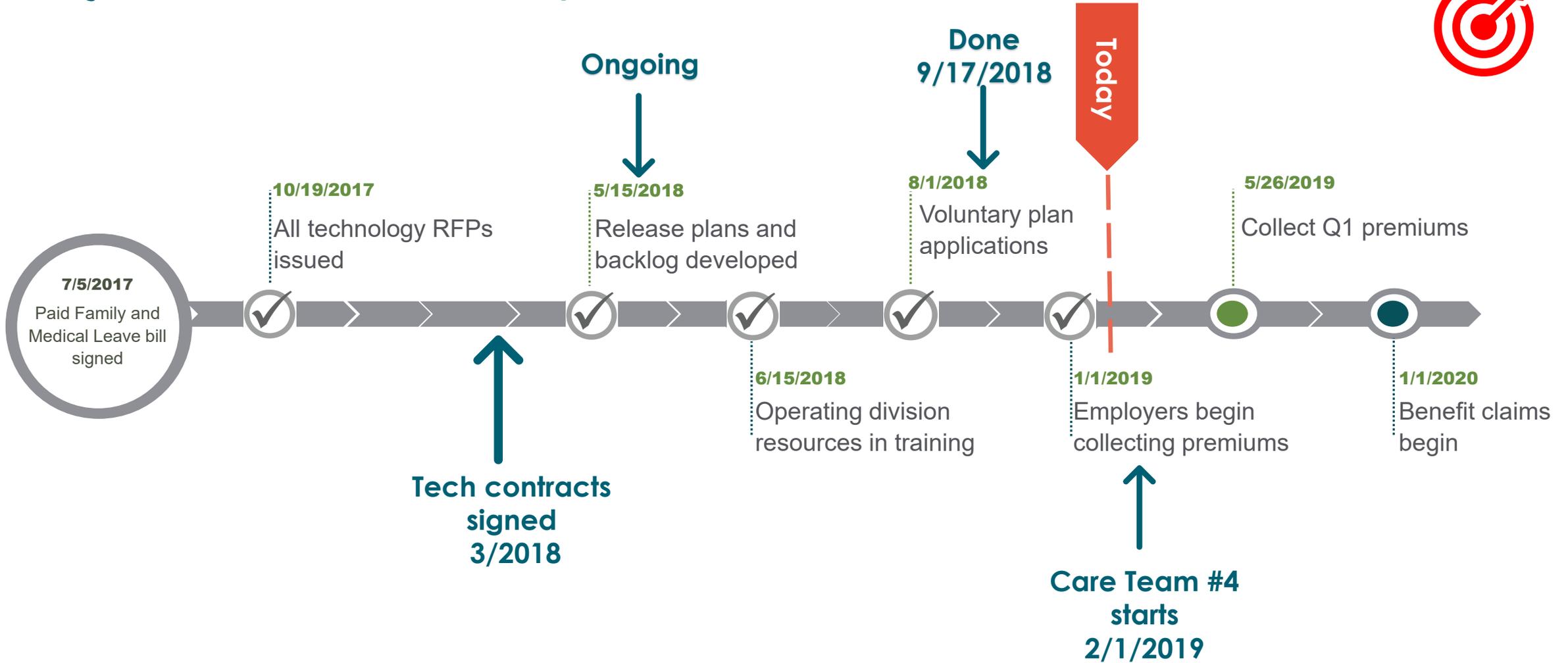


System used by ESD Finance to track and manage financial transactions.
Microsoft Dynamics/AX.



System used by ESD Staff to support customers and program administration.
Microsoft Dynamics CRM.

Project schedule update



"I am truly impressed with (the) responsiveness, professionalism and customer service. (The) expertise, guidance and support deserve a top 5-star rating...If your goal is to be the best state agency for customer service, you've nailed it! Keep up the good work." – Customer e-mail 12/13/2018

Key activities to support schedule

April 2018 to September 2018

Operating Division

- Onboard operations team
- Set up facilities and telephony
- Develop business processes/SOPs
- Onboard Project Manager
- Accept Voluntary Plan payments (Check only)

Rules and Policies

- Write WAC and policies to support Voluntary Plans

Communication and Outreach

- Onboard communications team
- Develop Communications plan/strategy
- Establish communication tools and products
- Branding/marketing development
- Conduct outreach activities

Financial Accounting

- Establish accounting procedures
- Establish banking operations to process payments

Build Technology to Support Program Operations

- Onboard ESD development team & Vendor teams
- Conduct discovery
- Obtain customer input on design and usability
- Establish product backlog
- Develop a release plan and product roadmap

Build, test and deploy technology platform

September 2018 to April 2019

Operating Division

- Continue onboarding operations team
- Continue developing business processes/SOPs
- Process Waivers (manual process) & Elective Coverage
- Accept employer wage reporting & premium payments

Rules and Policies

- Write WAC and policies to support Employer reporting, premium collection and begin Benefits-related rule-making

Communication and Outreach

- Conduct communications and outreach to prepare employers for wage reporting/premium collection

Financial Accounting

- Refine accounting procedures
- Monitor and refine banking operations to process payments

Build Technology to Support Program Operations

- Build test and deploy features for employer reporting and premium collections to the technology platform**
- Enhance and maintain technology platform and add new functionality**
- Continue building and refining backlog for employer reporting, premium payments

February 2019 to January 2020

Operating Division

- Continue onboarding operations team**
- Continue developing business processes/SOPs**
- Process benefit claims**
- Issue benefit payments**
- Conduct audit and quality assurance activities**

Rules and Policies

- Write WAC and policies to support Benefits, Appeals, etc.**

Communication and Outreach

- Conduct communications/outreach to prepare for benefit claims**

Financial Accounting

- Build accounting procedures/banking operations to support benefit payment issuances**

Build Technology to Support Program Operations

- Enhance/maintain technology platform; add new functionality**
- Build/refine backlog for benefit processing, QA, etc.**
- Build, test & deploy features--benefit processing, QA, etc.**

Technology challenges

| Challenge | Response | Result |
|---|---|---|
| Technology platform was not ready to deploy by August 2018 | Enacted contingency plan to use manual processes and alternate technical tools | Voluntary Plans launched successfully 9/17/2018 |
| Microsoft CRM 8.2 not compatible with State ADFS | Microsoft upgraded to CRM 9.0 | Upgrade completed successfully and technology platform rebuild complete in Dev-Test-Int. Test Environments 12/31/2018 |
| 10/2018 assessment: Current software development speed would not yield on-time delivery | Revised system architecture Established bulk-processing team | Rate of completion for software development increased by 100% |
| Timelines for delivery are tight | Project status will remain red Team will continually monitor progress and move quickly to address new challenges | Next checkpoint 1/18/2019 |



Technology Go-No Go Readiness Scorecard

| Criterion | Feature complete | Platform readiness | Security & Performance Readiness | Organizational/ End-User Readiness | ESD Financial & Accounting Readiness | System Operations & ITSD Readiness | Cutover Activities |
|-----------|------------------|--------------------|----------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------|
| Status | | | | | | | |
| | At risk | High risk | At risk | On target | On target | At risk | At risk |

Key lessons

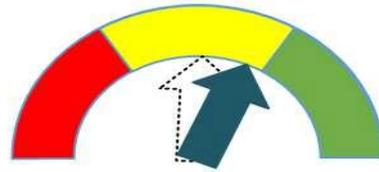
- ✓ Building an entire program in parallel creates gaps/slow technology development
- ✓ Teams need time to form and organize
- ✓ ESD's highly qualified and experienced technical team members are a key to successful technology deployment
- ✓ People need time to familiarize themselves with new technology products in order to successfully design, build, deploy and maintain them
- ✓ There is a learning curve to transition from Waterfall to Scaled Agile software development
- ✓ Comprehensive documentation from Vendors is necessary to guide timely deployment of technology products
- ✓ Strong, collaborative vendor relationships are a critical ingredient to success
- ✓ Establishing and driving to MVP early results in more rapid development
- ✓ Adaptive/nimble culture supports change required to improve outcomes

Project status

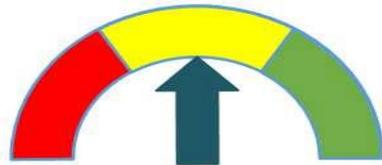
| Assessment Category | Quarterly Trending Status | | | Risk Highlights | Associated Risks |
|---------------------------|---|---|---|--|------------------|
| | November | December | January | 12/31/2018 | 12/31/2018 |
| Integration Management |  |  |  | - | - |
| Scope Management |  |  |  | - | QA04, QA25 |
| Schedule Management |  |  |  | <i>Decreased</i> QA05 QA28 (NEW) | QA28 (assessing) |
| Cost Management |  |  |  | - | QA24 |
| Quality Management |  |  |  | - | - |
| Human Resource Management |  |  |  | - | QA18 |
| Communications Management |  |  |  | - | QA10b |
| Risk Management |  |  |  | - | - |
| Procurement Management |  |  |  | - | QA26 |
| Stakeholder Management |  |  |  | - | QA23 |
| Technical Management |  |  |  | <i>Decreased</i> QA27 | QA22, QA27 |

Critical success factors (as of 12/31/2018)

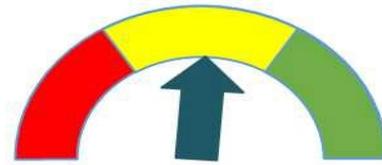
Agile Principles



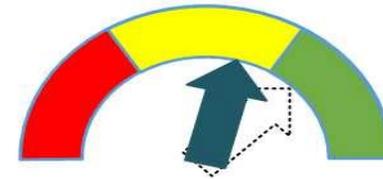
Customer Engagement



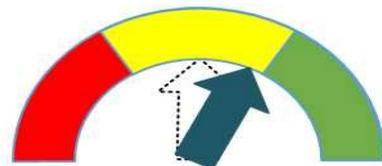
Extreme Programming Practices



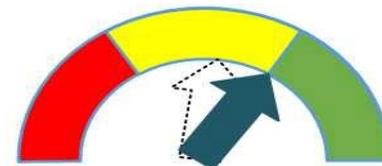
Ownership



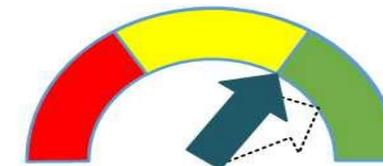
Software Quality Standards



Active and Visible Sponsorship



Clear Vision and Objectives



OPERATIONS UPDATE

► End of the Year -
Voluntary Plans Received & Processed (as of 1/4/2019)

| Initial Application Received | | Application received (Payment Received) | Processed | Approved | Denied | Withdrawn |
|------------------------------|--------|---|-----------|----------|--------|-----------|
| 257 | | 188 | 136 | 119 | 6 | 11 |
| Medical | Family | | | | | |
| 37 | 15 | | | | | |

Oldest completed application not processed 12/11/18

OMBUDS UPDATE

► Website Review

2019 ADVISORY COMMITTEE MEETING ADJUSTMENTS

- ▶ June 20 – Shift time earlier to start 9:30am – 11:30am
- ▶ August 15 - Shift time earlier to start 9:30am – 11:30am
- ▶ September Meeting 10:00am – Noon.
 - Need to select a date:
 - Wednesday, September 11
 - Friday, September 13
 - Tuesday, September 24

FOR THE GOOD OF THE ORDER

▶ Open Comment

CONTINUE THE CONVERSATION

Carla Reyes

Director, Paid Family & Medical Leave

Washington State Employment
Security Department

(360) 485-2349

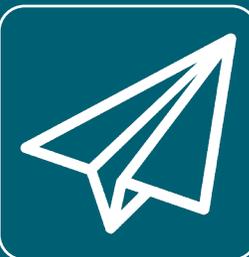
CReyes@ESD.WA.GOV



Visit us online at
www.paidleave.wa.gov



Join our listserv at
bit.ly/PaidLeaveList



Ask questions and make
comments on our public forum
at bit.ly/CommentForum