

dc paid
family leave



QUARTER 2 FISCAL YEAR 2021 REPORT

DC PAID **FAMILY LEAVE**



DISTRICT OF COLUMBIA
DEPARTMENT OF
EMPLOYMENT SERVICES



GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

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PURPOSE

The Department of Employment Services (DOES) is submitting this District of Columbia Paid Family Leave (PFL) Quarter 2 (Q2) Fiscal Year (FY) 2021 report on behalf of the Executive pursuant to section 104 of the Universal Paid Leave Amendment Act of 2016 (“Paid Leave Act” or “Act”) (D.C. Law 21-264; D.C. Official Code § 32-541.04).

The report provides an update on the status of the Bowser Administration’s progress in implementing the Act. It further serves as the quarterly report required by the Paid Leave Act and explains the requirements needed to develop all software necessary to administer the paid leave system established pursuant to the Act. This report also includes information on program administration, critical program deadlines, information technology (IT), staffing, procurement, and public engagement. The findings in this report detail implementation activities during Q2 of FY2021 (January 1, 2021, through March 31, 2021).¹

BACKGROUND

The Paid Leave Act, which became District law in 2017, provides paid leave for employees who are bonding with a new child, providing care or companionship for a family member with a serious health condition, and/or caring for the employee’s own serious health condition. To qualify for these paid family leave benefits, an individual must be a part-time or full-time employee in the District, regardless of their residence, and must meet all the requirements established by the Paid Leave Act. District government and federal employees are excluded from coverage under the Act. The Paid Leave Act allows for eight (8) weeks of parental leave, six (6) weeks of family leave, and two (2) weeks of medical leave for every 52 weeks. The maximum weekly benefit amount is currently \$1,000 and is funded solely by an employer-paid tax. The current tax rate is 0.62 percent of the wages of each of the employer’s covered employees or the annual self-employment income of a self-employed individual.

DOES has established the Office of Paid Family Leave (OPFL) to implement the District’s PFL program. OPFL is comprised of the following:

- Division of Tax, which handles the collection of taxes, premiums, contributions, fees, and revenue functions;
- Division of Benefits, which handles claim filing, claim processing, payment of paid leave benefits, and benefit payment control;
- Appeals, which handles internal reconsideration requests, affirms or overturns an initial determination based on the evidence, and represents OPFL in external proceedings with the Office of Administrative Hearings (OAH);
- Contact Center, which provides customer service;
- Communications and Outreach, which provides public engagement; and
- Support, which develops procedures, budget, studies, quality assurance, and trainings.

¹ Due to the timeframes involved for reviewing and submitting this quarterly report, the status of all activities included are as of February 24, 2021. The activities that were planned to occur between then and the end of the quarter are noted throughout the report. Updates to these activities will be included in the next quarterly report, as needed.

IMPLEMENTATION OF THE PFL PROGRAM

The District has been fully operating the PFL program since the successful launch of the PFL Benefit Administration System (PFLBAS) on July 1, 2020. As the program continues to provide timely benefits to the District’s employees, DOES has made a concerted effort to enhance its IT systems, customer service, and community engagement. Additionally, the program has received more than 7,270 claims, processed over 6,770 claims, and approved more than 5,940 claims while meeting the projected staffing goals. OPFL will continue to collect employer tax contributions; administer PFL benefits; and work with vendors, community leaders, and other key stakeholders to ensure that all programmatic goals are met and that timely benefits are paid to eligible District employees.

TAX COLLECTION

To date, OPFL’s Division of Tax has collected more than \$83 million for the Universal Paid Leave Fund in Q4 of Calendar Year (CY) 2020, the most recently completed quarter. As part of this effort, OPFL has collected approximately 98 percent of taxes owed on wages reported during the quarter.

For employers who did not file wage reports or submit their payments in full for Q4 of CY2020 by the deadline of January 31, 2021, OPFL will send late notices in February 2021. The notices will inform employers of the 30-day remittal requirement, which includes interest and penalties. For employers who do not request an administrative appeal, if payment is not received in full after 30 days, OPFL will send delinquency notices in March 2021. The notices will give employers the option to enter into an installment payment agreement. If employers do not respond accordingly to the notices by entering into an installment payment agreement or by paying in full the amounts owed, the Collections Unit from the Division of Tax will consider all methods authorized by the Act to collect the delinquent amounts.

The annual self-employed individual (SEI) enrollment period was open from November 1, 2020, through December 31, 2020, which resulted in 34 additional enrollments into the program. An individual who earns income from self-employment in the District was permitted to opt in to the PFL program during this period. In addition to this annual open enrollment period, SEIs can opt in to the PFL program within 60 days of the commencement of their self-employment in the District. A wide range of individuals may be considered self-employed, including ride-sharing drivers, bloggers, photographers, food-delivery workers, consultants, caregivers, artists, and graphic designers.

BENEFITS CLAIMS

As referenced above, on July 1, 2020, OPFL successfully launched the PFLBAS and began administering benefits to eligible workers in the District. Since the launch of benefits administration, OPFL has received a total of 7,271 claims, as shown in Table 1 below.

Table 1: Total PFL claims received, as of February 24, 2021

PFL Claim Type	Count
Parental Leave	5,216
Medical Leave	1,585
Family Leave	470
Total Claims Received	7,271

APPEALS

Claimants have had the opportunity to appeal their determinations via the internal DOES reconsideration process and/or the external OAH process.

As of February 24, 2021, OPFL had a total of 228 internal reconsideration requests, compared to less than 10 external appeal requests with OAH. OPFL has resolved 218 internal reconsiderations since the implementation of the program, of which 60 percent have been overturned in the claimants' favor, as shown in Table 2. The high rate of overturns for internal reconsideration is based on the ability for claimants to submit documentation that was omitted at the time of filing or the ability to provide clarification that was obscure during the adjudication of their benefits claim. OPFL anticipated that claimants would benefit from providing additional documentation to overturn their denial, an option not permitted during an OAH proceeding.

Table 2: Status of PFL internal reconsideration requests, as of February 24, 2021

Internal Reconsideration Requests	Count
Total Internal Appeals	228
Total Resolved	218
Overturned Claims	130
Affirmed Claims	88
Pending Resolution	10

The OAH process allows claimants to directly appeal a decision based on their disagreement with the benefits determination or the internal reconsideration determination. Since the launch of benefits administration, there have been less than 10 OAH appeal requests.

CONTACT CENTER

The PFL Contact Center enlisted the assistance of vendor agents to assist with the launch of PFL benefits. Since the launch of benefits administration, these agents, along with DOES staff, have answered more than 22,000 calls with an average wait time of 15 seconds. Agents have assisted customers with claim filing, answering general PFL questions, and troubleshooting issues. All DOES PFL Contact Center staff members have been cross-trained to assist with both benefits and tax calls.

On November 15, 2020, the District extended these services with the vendor, Health IT 2 Business Solutions, LLC, to provide staff augmentation to the call center remote operations in support of the PFL program.

POLICY

DOES is finalizing its review of grant proposals for a new Workplace Leave Navigator program pursuant to the Workplace Leave Navigators Program Establishment Amendment Act of 2020 and plans to award the grants this quarter. These grants are intended to help District employers and employees better understand and navigate the available District and federal leave laws, such as the DC Paid Leave Act, the DC Accrued Sick and Safe Leave Act, and the DC and federal Family and Medical Leave Acts.

STAFFING PLAN

Currently, there are 109 fully onboarded PFL employees whose responsibilities are critical to the program’s success. OPFL continues to hire new staff during the declared public health emergency and plans to hire 15 additional staff members for a total of 124 employees by the end of Q3 of FY2021.

SYSTEM IMPLEMENTATION

PFL Tax System

The PFL Tax System (PFLTS) has been operational for employers to remit their PFL contributions since July 2019. Over the last year, OPFL made enhancements to the system to improve the efficiency of tax collection processes through field audit and management reporting functionality.

On February 21, 2021, the District exercised its second option year of its contract with Sagitec Solutions, Inc. to continue the operations and maintenance of the PFLTS. The full integration of the PFLTS with the District’s System of Accounting and Reporting (SOAR) is scheduled for deployment in spring 2021. Additional time for user acceptance testing was necessary for the SOAR integration to ensure a successful deployment.

PFL Tax System Project Timeline

The following timeline, as shown in Figure 1, depicts a high-level overview of milestones for the implementation of the PFLTS:

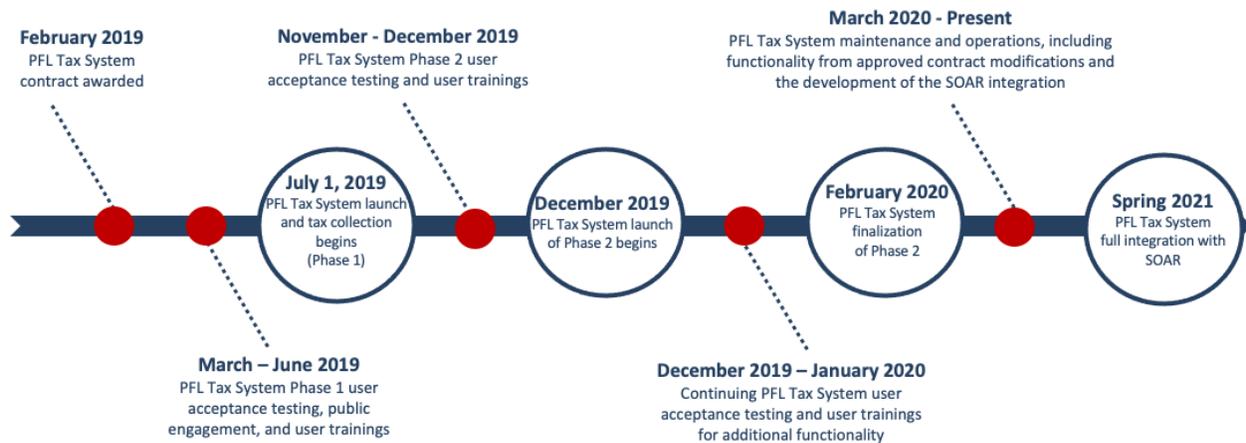


Figure 1: Paid Family Leave Tax System Project Timeline

PFL Benefits Administration System

On October 10, 2020, the District exercised the first option year of its contract with Geographic Solutions, Inc., the PFLBAS vendor, to continue the operations and maintenance of the PFLBAS. Following the launch of the PFLBAS on July 1, 2020, the project entered the maintenance phase in which Geographic Solutions, Inc. provides support-level services, upgrades, and system enhancements to fine-tune key areas of the system. Prioritization meetings are held regularly to determine key functionalities that require additional development or strategizing to improve the overall customer experience. A larger focus this quarter has been continuing the enhancement efforts for the overpayment, investigations, and collections functionality,

including some streamlining of the system’s accounting and financial reporting.

The following timeline, as shown in Figure 2, provides a high-level overview of milestones for the implementation of the PFLBAS:

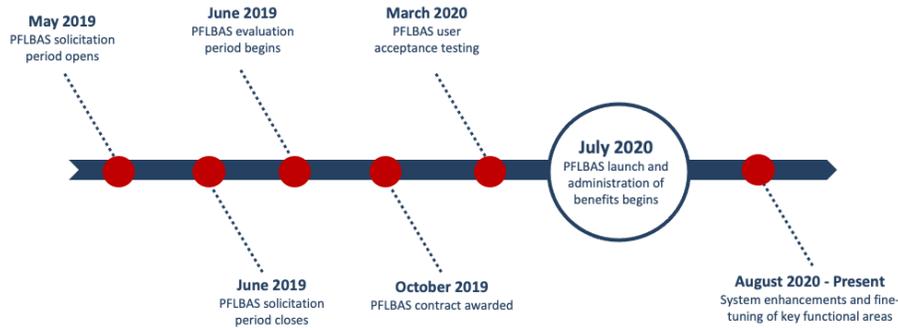


Figure 2: Paid Family Leave Benefits Administration System Project Timeline

Independent Verification and Validation

Independent verification and validation (IV&V) services are important to ensure that the District’s implementation of both the PFLTS and the PFLBAS meet the necessary functions and requirements to establish, administer, and manage a PFL program compliant with the Act. The IV&V activities for the PFLTS, led by Eigennet LLC, commenced in May 2019 and concluded in November 2020 upon completion of key system development and beginning of the operations and maintenance phase.

Since the launch of the benefits program, Promesa Consulting Group, Inc. has been assisting the District in the verification of the platform’s functionality through system architecture assessments, in-depth risk analyses, and ongoing testing efforts. In February 2021, the District exercised the first option year of its contract with Promesa to continue verifying and validating interfaces, enhancements, phase 2 functionality, and security posture.

PROCUREMENT

Organizational Change Management

On July 24, 2020, the District renewed the Georgetown Firm’s contract to continue providing Organizational Change Management (OCM) services to OPFL. During the option year, OCM services will focus on the creation of a strategic management plan, which will assist in the areas of human capital, communication, and reporting.

Business Transformation

The Business Transformation and Data Analytics contract was awarded to Metropolitan Strategies and Solutions on April 10, 2020. Metropolitan Strategies and Solutions is responsible for providing OPFL with transformation services in support of PFLBAS operations, as well as support in the areas of economic modeling and forecasting, claim projections, data analytics, project management, and accounting.

Interactive Voice Response

The Interactive Voice Response (IVR) solicitation was re-issued on January 15, 2021, and closed on February 17, 2021. The District is seeking a vendor that can provide a web-based IVR solution with the ability to receive claim support as well as provide call queue maintenance, account updates to claimants without speaking to a call center representative, and reporting.

Healthcare Provider Verification

The Healthcare Provider (HCP) License Verification solution was awarded to Provider Trust, Inc. on May 13, 2020. Provider Trust, Inc. supplies software that enables the program to verify and manage HCP credentials when claimants apply for PFL benefits. The company has fine-tuned its Application Programming Interface product, "DASH," to process 90 percent of verifications within 24 hours of the request. The DASH software will be integrated with the PFLBAS in Spring 2021.

Continuous Process Improvement

The Continuous Process Improvement contract was awarded on May 1, 2020, to DigiDoc, Inc. The solicitation required the vendor to provide guidance to OPFL and the Office of Unemployment Compensation leadership through the development and implementation of a continuing and comprehensive process-improvement program, specifically targeting new and growing organizations within the government sector. These programs are undergoing capital projects focused on modernization that require a significant change from former systems and practices.

Clean Hands Interface

The Clean Hands contract was awarded on October 21, 2020, to Northrop Grumman Systems, Inc. The District of Columbia Clean Hands mandate stipulates that individuals and businesses are to be denied city goods or services if there is a debt owed to the District for fees, fines, taxes, and/or penalties. The vendor is currently creating a digital interface with the PFLTS and the Office of Tax and Revenue's Clean Hands database to ensure that employers are compliant with provisions of the Clean Hands mandate. The interface reports delinquent employers and compiles their data which is sent for tracking within the Clean Hands process. This effort includes analysis, development, deployment, testing, documentation, and monitoring of the interface.

Medical Examiners Staff Augmentation

On June 23, 2020, the District awarded the medical examiners staff augmentation contract to DigiDoc Inc. The contract provides part-time support services of multi-specialty medical examiners to OPFL. Medical examiners provide their technical expertise and knowledge in health and medical documentation reviews, assessments, and compliance of regulatory requirements in relation to the International Classification of Diseases, tenth revision (ICD-10) by the World Health Organization.

PUBLIC ENGAGEMENT

The COVID-19 pandemic continues to influence OPFL's communication and outreach strategy. As many workers and employers adjust to the current environment, OPFL's goal is to better inform our key stakeholders about the benefits of paid family leave while navigating these uncertain times.

Continuing to expand upon the communications plan to engage employers, employees, and the medical community, OPFL has made great strides in providing interactive and innovative initiatives to increase program awareness in the digital space. In addition, communication channels such as the PFL electronic newsletter, social media platforms, and PFL and DOES websites continue to be at the forefront of the program's multi-faceted public education campaign. On January 9, 2021, the District exercised the first option year of the PFL Communications and Outreach contract with Link Strategic Partners to continue assisting with its public awareness campaign to promote PFL to a diverse and inclusive audience.

Healthcare Provider Outreach

To enhance outreach to healthcare providers, an email blast, which included the Healthcare Provider Toolkit, was sent to over 10,000 healthcare providers on January 26, 2021. The Toolkit provides essential information to healthcare providers including a list of responsibilities, examples of the required forms, and other pertinent information for the medical community. OPFL will host an information session to educate medical professionals about the DC Paid Family Leave program on March 4, 2021. OPFL also continues to host Wellness Wednesdays, a free 20-minute virtual series offering an opportunity to learn about essential subject matters impacting the community. Past topics of Wellness Wednesday sessions included distress tolerance, mommy and me fitness, and yoga for relaxation. Past collaborators included the Mayor's Office on Latino Affairs (MOLA), Children's Health Center Anacostia, and Mary's Center. Thus far, Wellness Wednesdays have attracted over 1,000 participants.

Direct Marketing Outreach

The COVID-19 pandemic continues to shed light on the health disparities facing historically underserved populations, specifically in the African American and Hispanic communities. Understanding the importance of outreach to underserved populations, OPFL implemented initiatives to help minimize the gap and provide insight on PFL resources. For example, OPFL has partnered with Hispanic community organizations such as MOLA, CentroNía, Educare, and El Tiempo Latino, to distribute over 1,200 bilingual one-pagers. OPFL has also reached out to Advisory Neighborhood Commissions (ANCs) in diverse communities and presented at ANC meetings. In additional efforts to reach underserved communities, the program has partnered with low-income housing communities such as Galen Terrace, Hubbards Place, and Faircliff Plaza West Low. In this effort, PFL distributed over 300 informational rack cards. OPFL will continue outreach to the most vulnerable communities by alleviating barriers, achieving exemplary customer service, and providing a more inclusive program.

Webinars

Biweekly webinars continue to be the go-to method in connecting with PFL's target market. By providing insightful and valuable information, OPFL addresses concerns and common questions harbored by District residents and employers about the program. Using data captured by PFL's website metrics, OPFL hosted webinars for targeted groups, including self-employed individuals, medical providers, and a session in Spanish for the Hispanic and Latinx community. To date, PFL webinars have engaged more than 8,700 stakeholders about the benefits of paid family leave.

Paid Family Leave Newsletter

The PFL electronic newsletter for employer and employee audiences continues to be a powerful email marketing tool. With a member list of more than 70,000 key stakeholders, the newsletter is essential in sharing program updates, increasing PFL website traffic, and driving awareness of the PFL program.

Paid Family Leave Website

The PFL website, dcpaidfamilyleave.dc.gov, is crucial in delivering program-related information to key stakeholders. Serving as the focal point of PFL communications, OPFL is continuously updating the website to address the target audience's needs. Also, OPFL continues to develop and house new resources, including Frequently Asked Questions guides, one-pagers, and toolkits. These resources are translated into the six (6) commonly-spoken, non-English languages across the District and are available on the PFL website.

Partnerships

Partnership development is an essential component of OPFL's overall communications and outreach strategy. By forging relationships, OPFL has increased program knowledge, reached a broader audience, and learned new engagement methods. Outcomes from strategic partnerships have included email blasts, newsletter inclusion, social media content, and featured media interviews and stories, engaging more than 72,000 residents and employers across all eight (8) wards of the District. OPFL partners include Sinclair Broadcast, El Tiempo Latino, Univision, Bread for the City, Community of Hope, Martha's Table, and the Greater DC Diaper Bank.

CONCLUSION

OPFL successfully launched the PFL program on time for District workers and continues to effectively administer the program despite the ongoing public health emergency. With the successful collection of taxes and the administration of benefits, DC Paid Family Leave continues to ensure the economic stability and community prosperity for individuals who need it most. More than ever, District workers are demanding a better place to work, live, and do business. OPFL is committed to maintaining the momentum from the successful launch of PFL benefits three quarters ago and to providing District workers with the resources to plan for their future.

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