

QUARTER 3 FISCAL YEAR 2021 REPORT  
DC PAID **FAMILY LEAVE**



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## PURPOSE

The Department of Employment Services (DOES) is submitting this District of Columbia Paid Family Leave (PFL) Quarter 3 (Q3) 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 toward implementing the Act and on DOES’s administration of the PFL program. The report includes information on program administration, critical deadlines, information technology (IT), staffing, procurement, and public engagement. The findings in this report detail activities during Q3 of FY2021 (April 1, 2021 through June 30, 2021).<sup>1</sup>

## 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 paid family leave benefits, an individual must be employed in the District and meet all eligibility requirements established by the Paid Leave Act. District and federal government employees are excluded from the program. The Paid Leave Act provides for a maximum of eight (8) weeks of parental leave, six (6) weeks of family leave, and two (2) weeks of medical leave per 52-week period. The maximum weekly benefit amount is \$1,000 and benefits are funded solely via 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 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.

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<sup>1</sup> Due to the timeframes involved for reviewing and submitting the report, the status of all activities included are as of May 25, 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 administering the PFL program since benefit payments commenced and the PFL Benefit Administration System (PFLBAS) launched on July 1, 2020. While the program continues to successfully provide benefits to the District's employees, DOES has made a concerted effort to enhance its IT systems, improve customer service, and increase community engagement and program awareness. In addition to administering benefits, OPFL continues to collect employer tax contributions and work with community leaders, advocates, vendors, and other key stakeholders to ensure that all programmatic goals are met.

### TAX COLLECTION

OPFL's Division of Tax has collected more than \$78.5 million in revenue for the Universal Paid Leave Fund in Q1 of Calendar Year (CY) 2021, 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 Q1 of CY2021 by the deadline, OPFL sent late notices in May 2021 to inform employers of the 30-day remittance requirement, which includes interest and penalties. For employers who do not request an administrative appeal, and if their payment is not received in full after thirty (30) days, OPFL sent delinquency notices in June 2021. These 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 Collections Unit from the Division of Tax will consider all methods authorized by the Act to collect the delinquent taxes as well as interest and penalties.

### BENEFITS CLAIMS

On July 1, 2020, OPFL successfully began administering benefits to eligible workers. Since the launch of benefits administration, OPFL has received more than 10,000 claims, as shown in Table 1 below.

**Table 1: Total PFL claims received, as of May 25, 2021**

PFL CLAIM TYPE	COUNT
Parental Leave	7,010
Medical Leave	2,364
Family Leave	684
<b>Total Claims Received</b>	<b>10,058</b>

### APPEALS

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

As of May 25, 2021, OPFL has received 333 internal reconsideration requests. OPFL has resolved 316 internal reconsiderations, of which 58 percent have been overturned in the claimant's favor, as shown in

Table 2. The high rate of reversals for internal reconsideration is based on the ability for claimants to submit documentation that was omitted at the time of filing. OPFL incorporated the internal reconsideration process to better serve claimants and improve customer service; for context, OAH proceedings do not allow for the submission of new or additional documentation that was not included with the initial claim.

**Table 2: Status of PFL internal reconsideration requests, as of May 25, 2021**

INTERNAL RECONSIDERATION REQUESTS	COUNT
Total Internal Appeals	333
Total Resolved	316
Overturned Claims	182
Affirmed Claims	134
Pending Resolution	17

The OAH process allows claimants to directly appeal a decision based on their disagreement with a benefits determination or an internal reconsideration determination. To date, there have been fewer than 10 OAH appeal requests.

## CONTACT CENTER

The PFL Contact Center enlisted contracted call center staff to assist with the launch of PFL benefits and ensure all calls could be answered in a timely manner. Since the launch of benefits, these call takers, along with DOES staff, have answered more than 34,000 calls with an average wait time of 14 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-related inquiries.

## POLICY

DOES awarded grants to three (3) organizations in the District under the Workplace Leave Navigators Program Establishment Amendment Act of 2020 (D.C. Law 23-149, D.C. Official Code § 32-561.01 *et seq.*). DOES awarded \$650,000 to the grant recipients to help District employers and employees better understand and navigate the available District and federal leave laws, such as the Paid Leave Act, DC Accrued Sick and Safe Leave Act, and DC and federal Family and Medical Leave Acts. The grant recipients began offering services to District employers and employees in April 2021; the grant awards were for one year and will expire in March 2022.

## STAFFING PLAN

There are currently 103 employees on staff with OPFL, out of a total of 129 FTEs. These employees are critical to the program's administration and success. OPFL has continued to hire new staff during the public health emergency and will continue to fill positions during the remainder of FY21.

## SYSTEM IMPLEMENTATION

### PFL Tax System

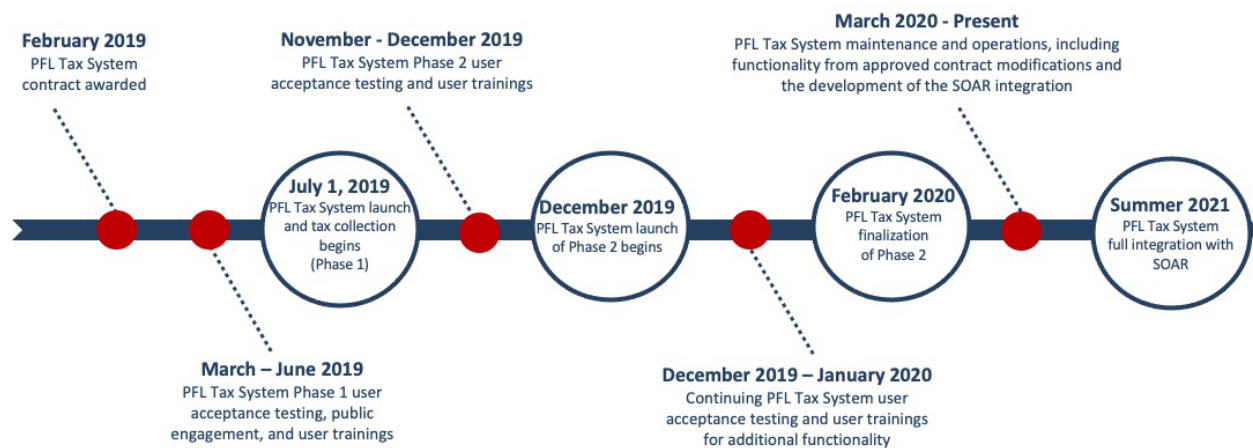
The PFL Tax System (PFLTS) has been operational for employers to remit their PFL contributions since July 2019. Over the last year, OPFL has made enhancements to the system to improve the efficiency of tax collection and added field audit and management reporting functionality.

On February 21, 2021, DOES exercised the 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 summer 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**

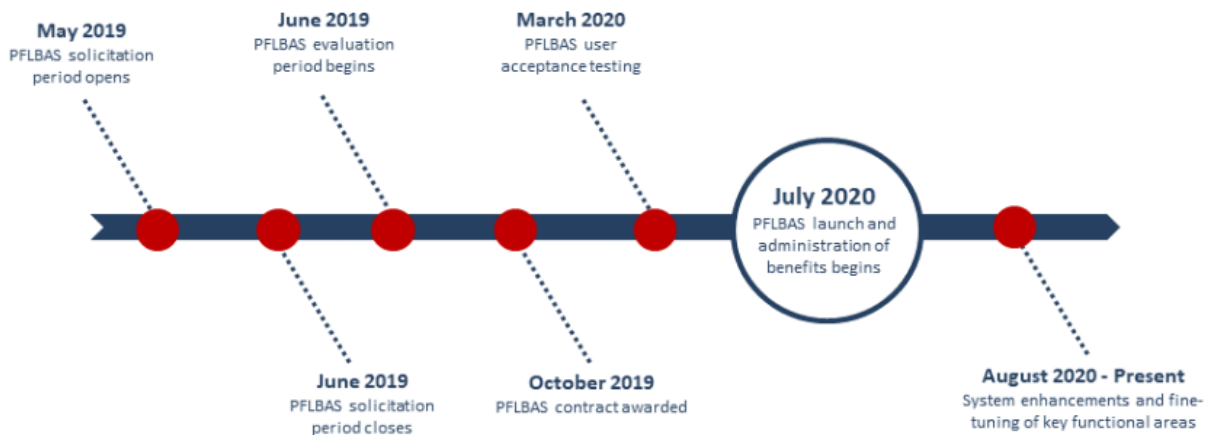


### PFL Benefits Administration System

On October 10, 2020, DOES 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 testing and deployment activities for the latest version of the PFLBAS. The latest PFLBAS release increased the application's overall performance and streamlined the staff profiles for a more user-friendly system experience.

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 necessary to ensure that both the PFLTS and the PFLBAS meet the necessary functions and requirements to administer the PFL program. 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 the beginning of the operations and maintenance phase for the tax system.

Since the launch of the benefits program, Promesa Consulting Group, Inc. has been assisting DOES with verification and validation services for the PFLBAS. Promesa has provided system architecture assessments, in-depth risk analyses, and ongoing testing. In February 2021, DOES exercised the first option year of its contract with Promesa to continue verifying and validating interfaces, enhancements, phase 2 functionality, and security.

## PROCUREMENT

### Organizational Change Management

Since DOES exercised the first option year on July 24, 2020, the Georgetown Firm has focused on the creation of a strategic management plan for OPFL as part of their organizational change management (OCM) services. The strategic management plan will be submitted in July 2021 to document communication, reporting, human capital, and technology processes, which will ensure that OPFL can provide data to leadership in a more streamlined and efficient manner.

### Business Transformation

On April 7, 2021, DOES exercised the first option year of its contract with Metropolitan Strategies and Solutions. Metropolitan Strategies and Solutions will continue to provide 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.

### **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 FY2021.

### **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 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. This was a one-year contract that ended on April 30, 2021.

### **Clean Hands Interface**

The Clean Hands contract was awarded on October 21, 2020, to Northrop Grumman Systems, Inc. The District’s 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. The interface is scheduled to be implemented in summer 2021.

### **Medical Examiners Staff Augmentation**

On June 23, 2021, DOES exercised the first option year of its contract with DigiDoc, Inc. for medical staff augmentation. 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 PFL program and its benefits 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.



The District continues to contract with Link Strategic Partners to assist with its public awareness campaign to target large and diverse audiences. The District has also procured a digital advertising contract to further the advertising campaign for the PFL program, which will include digital Google ads that will run through the summer of 2021.

### **Healthcare Provider Outreach**

To enhance outreach to healthcare providers, multiple email blasts, which included the Healthcare Provider Toolkit, were sent to over 10,000 healthcare providers and District residents. 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 hosted an information session to educate medical professionals about the PFL program on April 15, 2021. OPFL has also partnered with Bridgepoint Healthcare in Ward 8 on two separate public outreach events focusing on community health and COVID vaccinations, reaching over 200 Ward 8 residents and healthcare providers. OPFL also continues to host Wellness Wednesdays, a free 20-minute virtual series promoting self-health and well-being. Past Wellness Wednesday sessions included beginner yoga, summer gardening, and meditation for relaxation. For Wellness Wednesdays, OPFL has partnered with District Yoga, City Blossoms, and Black Women's Health Imperative, among others. Wellness Wednesdays have attracted over 1,100 participants.

### **Direct Marketing Outreach**

The COVID-19 pandemic continues to shed light on the health disparities facing historically underserved populations, specifically the African American and Latino 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 Latino community organizations such as Columbia Heights Pharmacy, Mamatoto Village, Educare, and El Tiempo Latino to distribute over 1,200 bilingual flyers and over 300 promotional bags with informational materials. OPFL has targeted our Latino community by sponsoring a virtual booth for the NBC4 & Telemundo44 annual Health and Fitness Expo, held virtually from March 19 through April 18, 2021. During the virtual fitness expo, OPFL's booth provided visitors all informational materials in Spanish and English. OPFL has also reached out to Advisory Neighborhood Commissioners (ANCs) throughout the District and made a concerted effort to prioritize and engage ANCs in historically underserved neighborhoods. OPFL has also partnered with religious organizations in Wards 6, 7, and 8 - such as the Faith Presbyterian Church in Ward 7 and Southeast Baptist Tabernacle in Ward 8 - to distribute informational flyers. In this effort, OPFL disseminated over 300 informational rack cards. OPFL will continue outreach to the District's most vulnerable communities by working to alleviate barriers and provide an equitable and inclusive program.

### **Webinars**

Biweekly webinars continue to be the gold standard for connecting with the PFL program's target audience. By providing insightful and valuable information, OPFL addresses concerns and common questions from 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, the disabled community (partnering with the DC Commission on Persons with Disabilities), and the Latino community (partnering with the Mayor's Office on Latino Affairs). To date, PFL webinars have engaged more than 9,000 stakeholders.

### **Paid Family Leave Newsletter**

The PFL electronic newsletter for employer and employee audiences continues to be a powerful email marketing tool. With a listserv 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](https://dcpaidfamilyleave.dc.gov), is crucial for delivering program-related information to critical stakeholders. Serving as the focal point of PFL communications, OPFL continuously updates the website to address the target audience's needs. Additionally, OPFL continues to develop and house new resources, including Frequently Asked Questions guides, flyers, and toolkits, on the website. These resources are translated into the six (6) commonly spoken, non-English languages.

### **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. OPFL partners include Sinclair Broadcast, El Tiempo Latino, Bread for the City, Bridgepoint Healthcare, Mamatoto Village, Community of Hope, Martha's Table, the DC Commission on Persons with Disabilities, and the Greater DC Diaper Bank.

## **CONCLUSION**

July 2021 marks the one-year anniversary of the full implementation of the District's Paid Family Leave program. Since the launch of benefits administration, OPFL has continued to effectively administer the program despite the ongoing public health emergency, issuing benefits to thousands of deserving District workers. 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 in July 2020 and to providing District workers with the resources to plan for their future.



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