

From Bill to Benefits in 30 months

The Innovation Behind the Nation's First Built-from-Scratch Paid Family and Medical Leave Program

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State	Washington
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Project Initiation and End Dates	July 2017-January 2020

30 Months from Bill to Benefits

<i>July 2017</i>	Paid Family & Medical Leave Act signed and funded with \$82 million in start-up funding.
<i>April 2018</i>	Technology contracts signed and official program kick-off.
<i>September 2018</i>	Employers can request to opt out of the state plan by demonstrating they are supporting employees with an equivalent plan.
<i>January 1, 2019</i>	Employers start withholding premiums that will be used to fund the program from employees.
<i>April 30, 2019</i>	Beta program launches, allowing a small group of large employers and payroll processors to report employee wages and hours and remit premiums.
<i>June 28, 2019</i>	Paid back the program's start-up loan from the state.
<i>July 1, 2019</i>	System launch allows all employers in the state to file reports and remit premiums.
<i>December 30, 2019</i>	Soft launch for Washington workers to apply for benefits.
<i>January 1, 2020</i>	Paid Leave team officially begins processing and approving benefits applications!

Executive Summary

Washington became the first state in the country to create a paid family and medical leave system from scratch, and only the fifth state to have such a program at all when Governor Jay Inslee signed the Paid Family and Medical Leave Act into law in July 2017.

Just 30 months later, on January 1, 2020, Washington workers no longer had to choose between a paycheck and taking time to give or receive care. In first week alone, 10,000 Washingtonians applied and the first month tally of 30,000 applications blew away previous projections. It was a challenge, but the system was able to meet the extraordinary demand and continues to stand strong!

In addition to building its system, Washington has been guiding and charting a path for many other states in their journeys as well – including co-hosting a national forum to exchange lessons learned and best practices. How Washington established its program with lightning speed provides important lessons on best practices for other states in terms of team culture, technology, policy, communications, outreach, collaboration and innovation.

The key innovations that contributed to Washington's success include:

- Putting team culture first – embracing the sentiment that culture eats strategy for breakfast.
- Active and visible executive sponsorship at all levels.
- Customer insight, involvement and support – putting the customer at the center of our thinking.
- Applying Agile values and principles.
- Purpose driven system design – Launch and last, not launch and leave.

The law established an aggressive, mandated timeframe: Pay back the loan by June 30, 2019 and launch benefits by January 1, 2020.

The first steps were for Washington employers to withhold premiums from their employees and for the Employment Security Department (ESD) to collect wage reports and premiums to build up the trust fund to pay benefits. To launch this quickly, ESD chose to build a holistic division, resourcing the program with everything from technology to formal policy development to customer service operations to outreach and communications (so 7.9 million Washingtonians were aware of, and could easily access, this new benefit). A key component was the design, build and implementation of a new technology platform from the ground up.

This innovative approach drew from lessons learned from the agency's previous projects, and the state's past technology investments, and differed from traditional government projects by embracing change, rather than trying to avoid it. This approach was supported at all levels of leadership including the ultimate project sponsor, Governor Inslee. Our approach throughout has been to launch and last—continuing to iterate our product to meet the ever-evolving needs of customers – not launch and leave. As a result, Washington state's paid family and medical leave benefit launched on budget and, not just on-time, but three days early. Agency staff, advocates and lawmakers regularly seek updates on our implementation and advice on how to launch programs as successfully as Washington. In just four months, we have paid more than \$100 Million in benefits to the citizens of Washington state. This project is a model for other projects within the state and across the nation!

Concept

The Paid Family and Medical Leave Program’s technology implementation began with the premise the state would need to plan, build, implement, and learn iteratively. Through our journey, we found the following key ingredients for success:

Putting Culture First

As a team, we understood early on that planning and structure are important. A culture of creativity, adaptability, freedom to fail, customer centricity and respect for people would be the most important element – not just for successful delivery but also for sustained organizational health. ESD embraced a culture that adopts key components of Lean and Agile philosophies. The strong emphasis on establishing a defined culture also ensured a focus by management on their responsibility and commitment to creating conditions for teams to achieve success.

While we enlisted vendors to co-develop our solution, we are intentionally all one team. Whether you work for ESD, a global industry leader, or a local consulting firm, it doesn’t matter. We are co-located and working towards common goals, with a common set of processes. This extends well beyond technology to include policy, customer support, communication, and finance support. It also extends beyond ESD to statewide partnerships with other government agencies as well as business and labor interests.

Putting culture first has also proven to be a competitive edge in hiring and retaining top talent. It cannot be understated the level of commitment, experience and skills that were drawn to the program’s mission and culture. We sustain our cultural focus by having a full time Organizational Change Manager on staff who helps support successful people through the transformation that comes with organizational initiatives. We took that further by maintaining leadership, individual, and group coaching as well as continuous measurement and focus on organizational health. While nearly every part of what we set out to deliver has changed, our culture has stood the test of time.



Active and Visible Sponsorship

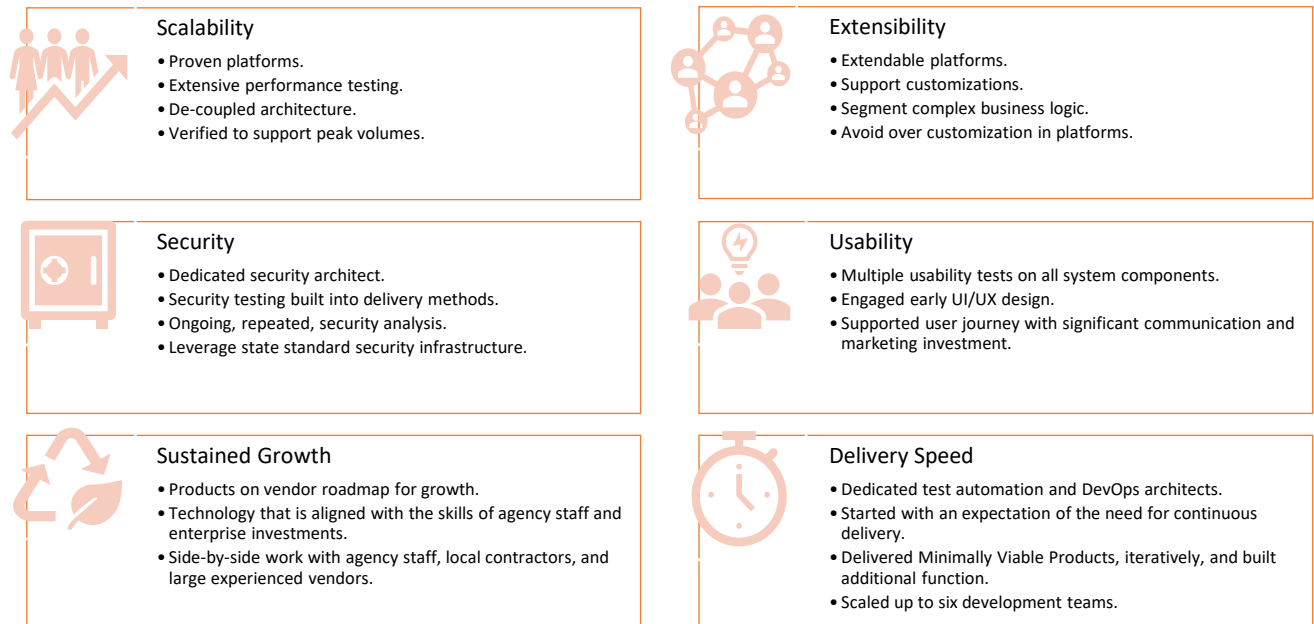
Executive sponsors, up to the highest levels of state government, have been active and visible throughout. They embraced transparency and made their support visible to every member of the team. ‘Red’ status was treated as an opportunity, not a failure. They rolled up their sleeves at difficult points and paved the way for the team to focus on successful delivery.

One example was an early flag from technicians that a planned release was not advised as the technology was not ready. Rather than resistance, the news was met with gratitude. This simple action solidified that the team was trusted, valued, and that leadership was committed to their role of creating conditions for success. Success was not just about meeting timelines, but also about outcomes that would meet customer needs. This support was felt by the team from all levels of leadership – from their supervisor to Governor Inslee.

Purpose Driven Design

With the Paid Leave technology build, we sought a technology suite that could address key goals for the project’s delivery and long term sustainability.

ESD functioned as the system integrator, directing system architecture, security, quality assurance, environment and source code management. ESD also actively managed the processes used to support system implementation. Our technology selections combined custom built technology with industry leading platforms. We favored common platforms and technology to enable contracted support and partnership and avoid a future over-reliance on vendor services.



Customer Insight, Involvement and Support

We have two sets of external customers: employers and workers. The legislation explicitly required outreach, which was a focus for us early. The communications team also ensured the ease of understanding of the product. Prior to the premium launch, there was 80% awareness of the program and under 50% positive to neutral feelings by employers.

During design and implementation, we leveraged usability testing and customer insights to focus on items that were most important to our customers. For example, we employed a beta process to launch our foundational platform that supported employer wage reporting and premium collection. A selection of employer ‘Beta’ users submitted their reports and paid premiums before we launched to the general public. They received white glove treatment with a dedicated Customer Care Specialist. This allowed us to gear up our customer support and technology with a small, controlled, group of users. We not only received incredibly positive feedback from users, we also identified significant changes that could have only been identified with actual user interaction.

When we launched the benefit, we set up a “Support Center” where the Paid Leave team could come and ask technical and business experts directly for help to resolve issues for fast. We collected and distributed the daily trends to the entire organization, which gave us real-time information on customer pain points and allowed us to make necessary adjustments quickly.

We continue to use information from our internal and external customers to inform priorities for improvements. We have learned customer concerns can be effectively addressed with simple solutions, often not involving complex technology.

Agile Values and Principles

As a project with a broad scope, tight timelines and high visibility, everything was high risk. Applying Agile values and principles was, and continues to be, a critical mitigation strategy to assure we deliver successful outcomes. For us, this means creating and applying Agile processes and techniques including: embracing change; delivering iteratively; honing what was truly required to deliver a successful outcome and supporting daily collaboration between business and technology teams. These and many other aspects of Agile mitigated inherent risks to this project.

The team has honed its skill to “pivot without mercy or guilt” – a key component of our culture. Some examples of essential adjustments critical to our success, include:

<i>Problem Encounter</i>	<i>Essential Adjustment</i>
<i>1. The complexity of the initial system design proved difficult to execute.</i>	<i>1. We simplified our system architecture for initial delivery with the expectation of growing into a more mature system architecture. That adjustment increased our development speed and ensured an on-time implementation.</i>
<i>2. We hadn't yet verified that the system functionality to support employers submitting wage reports could handle the full user volume and time was running out.</i>	<i>2. We opted to implement a staged delivery and implemented a beta version of our solution to a small number of customers. This gave us time to validate our system and the underlying infrastructure could handle our full user volume.</i>
<i>3. It took us longer than expected to be able to turn our attention to envisioning the solution that would be implemented to support benefits. When we sized that work, we determined we did not have enough time to implement benefits in the defined timeline.</i>	<i>3. We simplified, extensively, the design of the benefits solution and identified the functionality that was minimally required (MVP) to support citizens in applying for benefits and for ESD to make decisions and pay those who were eligible. This resulted in an on-time delivery of the program's overall mission.</i>

Significance & Impact

At the outset, our system and our program team were prepared to process about 6,000 weekly benefit claims each month. By May 1, 2020 we had received a total of 65,072 applications for benefits and more than 38,000 claims, which resulted in benefits payments of nearly \$114 Million! This tremendous demand demonstrated the deep need for this program – one that supports economic stability when Washingtonians need it most. We set out, and succeeded in delivering, not just technology, customer support, and policies, but peace of mind when workers need it most.

ESD Commissioner, Suzi LeVine, expressed the ultimate impact of this project's implementation:

“Whether it is caring for a spouse receiving cancer treatment, recovering from surgery, or welcoming a new child into the family, this program will have a profound and positive impact on the state of well-being for the state of Washington,” LeVine said.

“A paycheck is essential, but time to care for yourself and your family is irreplaceable. Paid Family and Medical Leave means Washingtonians won't have to choose between the two, and employers won't have to lose workers when life happens.”

To date, we have collected \$ 756,229,889 in premiums, which serves as funding to pay benefits to Washington workers and to support the ongoing administration of the program.

After delivering the features that supported employer reporting and collection of premiums, Washington State Senator and key sponsor of this legislation, Karen Keiser, said this:

“ESD exceeded all expectations for a program implementation of this size. Their team built an agile technology system, worked with their advisory committee to develop implementation rules, and coordinated outreach and education to more than 240,000 employers across the state.

They have done a terrific job. We can now rest assured that benefits will be available on schedule this January. For those who have friends thinking of having children, you can tell them with confidence — it's ok to get pregnant now.”

Since launch, the team has successfully completed 17 subsequent production releases. We are living our value of launch and last, the Lean value of continuous improvement, and the Agile principle of iterative development. The methods and techniques that were used to deliver Washington's Paid Family and Medical Leave program prove that successful outcomes can be achieved in large, complex and aggressive technology undertakings in state government. It takes creativity and investment in building organizational change. The long-term significance of these shifts in mindset can be seen daily in working software that supports the delivery of critical benefits to citizens. Our approach has resulted in the ability to continuously and quickly adjust based on key learnings from our customers.

The significance of our innovative approach can be seen frequently in asks from other states for guidance and insights about how to launch their program successfully. Additionally, the team's ability to deliver successfully on our solid foundation has resulted in additional legislation to implement Long Term Services & Support in 2022. That program's success, too, has been entrusted to this team. With these innovations, and by learning from many new challenges, we know we can achieve success in that endeavor as well.

Additional Resources

<https://paidleave.wa.gov/>

<http://sdc.wastateleg.org/keiser/2019/08/01/nations-strongest-paid-family-and-medical-leave-program-in-place-on-time/>

<https://www.youtube.com/watch?v=NSUIBQtErxE&feature=youtu.be>

<https://www.seattletimes.com/business/employers-would-be-parents-get-set-for-new-washington-state-medical-and-family-leave/>