

Notes on Proposed Staffing Plan for Paid Family Leave in Vermont, based on 2016 Feasibility Study

Years 1 and 2

Goals

- Recruiting key staff
- Developing policies and procedures for administering the PFL program
- Building the IT infrastructure for processing insurance premiums and benefit payments

Managerial core

- Director
- Office manager
- Policy development

Additional support staff

Communications and outreach director (no administrative support)

To develop policy and procedures

Half-time medical consultant

To develop the IT structure

12 FTEs each year to develop and test a data warehouse

In anticipation of benefits payout

	OLD	NEW	Ratio
# expected PFL claims paid	13,500	6,121	45%
15% denial rate	2,329	1,080	
Total claims filed per year	15,525	7,201	46%

Supervision of claims staff	2	1
Claims handlers @ 30 min/claim	15	7
Claims adjudicators @ 15 min/claim	7.5	3.5
Consultants with clinical training	2	1

Dedicated compliance officer	1	0.5
Estimate 0.5% of cases may be fraudulent		

Note possible cross-training of PFL staff and Unemployment Compensation staff
 Particularly in senior management or fraud deterrence

Office space, furnishings, outreach at 65% of original; begin July 2018

Year 3 and beyond

IT core personnel

Systems administrator	1	1
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Database analyst	1	1
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Desktop support	1	0
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Benefits calculated as 30% of salary

But not on contracted IT development staff

Table 1. Proposed Staffing Plan for Paid Family Leave in Vermont, based on 2016 Feasibility Study

JFO/jm; April 26, 2017

Thousands of dollars, fiscal years

	FY2018		FY2019		FY2020		FY2021		FY2022		Total \$\$K
	FTE	\$\$K	FTE	\$\$K	FTE	\$\$K	FTE	\$\$K	FTE	\$\$K	
Program Staff											
Director	1	\$90.9	1	\$93.2	1	\$95.5	1	\$97.9	1	\$100.3	
Office Manager/ Admin Support	1	\$40.1	1	\$41.1	1	\$42.1	1	\$43.1	1	\$44.2	
Policy Development	1	\$64.1	1	\$65.8	1	\$67.4	1	\$69.1	1	\$70.8	
Communications & Outreach Coordinator	1	\$44.7	1	\$45.9	1	\$47.0	1	\$48.2	1	\$49.4	
Administrative Support	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	
Health Systems Physician	0.5	\$38.9	0.5	\$39.8							
IT Administrator/IT Support			0.25	\$12.9	1	\$52.7	1	\$54.0	1	\$55.3	
IT Analyst & Information Coordinator			0.25	\$11.5	1	\$47.0	1	\$48.2	1	\$49.4	
IT Support			0		0		0		0		
IT Implementation											
IT staff (development, testing, warehouse)	12	\$602.2	12	\$617.3							
Ongoing Claims Administration											
Customer Service Supervisors			0.25	\$10.9	1	\$44.5	1	\$45.6	1	\$46.7	
Claims Specialist			1.75	\$67.2	7	\$265.7	7	\$272.4	7	\$279.2	
Claims Adjudicator			0.875	\$37.3	3.5	\$147.4	3.5	\$151.1	3.5	\$154.8	
Clinical Consultants/RNs			0.25	\$12.1	1	\$49.7	1	\$51.0	1	\$52.3	
Compliance & Fraud			0.125	\$4.8	0.5	\$22.2	0.5	\$22.8	0.5	\$23.4	
Additional Expenses											
Benefits (30% of salary)		\$83.6		\$132.7		\$264.4		\$271.0		\$277.8	
Office Space (65% of original)				\$50.9		\$50.9		\$50.9		\$50.9	
Furnishings (65% of original)				\$254.5							
IT Hardware (same as original)		\$2,150.3									
Workstations (65% of original)		\$2.8		\$3.2		\$3.9		\$3.9		\$3.9	
Telecommunications (65% of original)		\$11.8		\$16.3		\$21.6		\$21.6		\$21.6	
Outreach (65% of original)		\$36.1		\$36.1		\$36.1		\$36.1		\$36.1	
TOTAL	16.5	\$3,340.6	20.25	\$1,553.3	19	\$881.3	19	\$903.2	19	\$925.9	\$7,604.3

Notes

Total Cost of Years 1 and 2

\$4,893.9

Expected Benefits

\$15,900

\$16,139

\$16,381

Admin Cost as % of Benefits

5.5%

5.6%

5.7%

Table 2. Timing of Costs and Revenues

JFO/jm; April 26, 2017

Thousands of dollars, fiscal years

Cash Flow for First 5 Years of PFL Program Implementation as of April 26, 2017						
	Estimated Total Payroll	Program Income at 0.141% of 88% of Payroll	Administrative Expenses from Table 1	Expected PFL Benefits	PFL Special Fund Balance at End of Year	Ratio of Special Fund Balance to Benefits
FY2018	\$13,451,088	\$0	\$3,341		-\$3,341	NA
FY2019	\$13,652,854	\$16,940	\$1,553		\$12,047	NA
FY2020	\$13,857,647	\$17,195	\$881	\$15,900	\$12,460	78%
FY2021	\$14,065,512	\$17,452	\$903	\$16,139	\$12,871	80%
FY2022	\$14,276,494	\$17,714	\$926	\$16,381	\$13,278	81%

2016 Feasibility Study, Table 1, p.36: Proposed Staffing Plan for Establishing and Administering a Family and Medical Leave Insurance Program in Vermont

Thousands of dollars, calendar years

	2017		2018		2019		2020		2021		Total	
	FTE	\$\$K	FTE	\$\$K	FTE	\$\$K	FTE	\$\$K	FTE	\$\$K	FTE	\$\$K
Program Staff												
Director	1	\$90.00	1	\$92.30	1	\$94.60	1	\$96.90	1	\$99.30	1	\$473.10
Office Manager	1	\$39.70	1	\$40.70	1	\$41.70	1	\$42.70	1	\$43.80	1	\$208.60
Policy Development Team	2	\$127.00	2	\$130.20	2	\$133.40	2	\$136.80	2	\$140.20	2	\$667.60
Communications & Outreach Coordinator	1	\$44.30	1	\$45.40	1	\$46.50	1	\$47.70	1	\$48.90	1	\$232.80
Administrative Support	1	\$33.90	1	\$34.70	1	\$35.60	1	\$36.50	1	\$37.40	1	\$178.10
Health Systems Physician	0.5	\$38.50	0.5	\$39.40							0.5	\$77.90
IT Administrator			0.3	\$10.70	1	\$52.20	1	\$53.50	1	\$54.80	0.8	\$171.30
IT Analyst & Information Coordinator			0.3	\$11.30	1	\$46.50	1	\$47.70	1	\$48.90	1	\$154.40
IT Support			0.3	\$10.70	1	\$46.50	1	\$47.70	1	\$48.90	0.8	\$153.80
IT Implementation												
IT staff (development, testing, warehouse)	13.5	\$670.80	13.5	\$687.60							13.5	\$1,358.40
Ongoing Claims Administration												
Customer Service Supervisors			0.5	\$21.50	2	\$88.10	2	\$90.30	2	\$92.50	1.6	\$292.30
Claims Specialist			3.8	\$144.50	15	\$563.80	15	\$577.90	15	\$592.40	12.2	\$1,878.50
Claims Adjudicator			1.9	\$80.10	7.5	\$312.70	7.5	\$320.50	7.5	\$328.50	6.1	\$1,041.90
Clinical Consultants/RNs			0.5	\$24.00	2	\$98.50	2	\$100.90	2	\$103.50	1.6	\$326.90
Compliance & Fraud			0.3	\$11.30	1	\$44.00	1	\$45.10	1	\$46.30	0.8	\$146.70
Additional Expenses												
Benefits (30 percent of salary)		\$111.99		\$124.64		\$149.12		\$152.85		\$156.67		\$695.30
Office Space				\$77.50		\$77.50		\$77.50		\$77.50		\$310.10
Furnishings				\$387.60								\$387.60
IT Hardware		\$2,129.00										\$2,129.00
Workstations		\$4.30		\$4.80		\$6.00		\$6.00		\$6.00		\$27.20
Telecommunications		\$18.00		\$24.90		\$32.90		\$32.90		\$32.90		\$141.40
Outreach		\$55.00		\$55.00		\$55.00		\$55.00		\$55.00		\$220.00
TOTAL	20	\$3,307.50	27.6	\$2,058.90	36.5	\$1,924.60	36.5	\$1,968.50	36.5	\$2,013.40	31.4	\$11,272.90
Benefits						\$15,900.00		\$16,218.00		\$15,900.00		

Vermont Paid Family and Medical Leave Feasibility Study: Final Report, December 15, 2016

Based on Glynn, S., Goldin, G., & Hayes, J. (2016). Implementing paid family and medical leave insurance: Connecticut. Washington, DC: Institute for Women's for Policy Research.

Retrieved from <https://www.ctdol.state.ct.us/FMLI%20report%20for%20CT.pdf>; and Washington State's 2016 Multiple Agency Fiscal Note HB-1273 (2016).

Cost of Benefits (begin 2019, grow at 2.5% p.a.)	\$73,800	\$75,645	\$77,536
Administrative costs as % of benefits	2.6%	2.6%	2.6%