

Office of Administrative Hearings Rate Day

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Presenter:

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Topics:

- Brief Overview of the Office of Administrative Hearings (OAH)
- Caseloads and Impacts of the Covid-19 Pandemic
- Current Billing Methodology and Rate Structure
- Central Service Model, Decision Packages, and Fiscal Notes



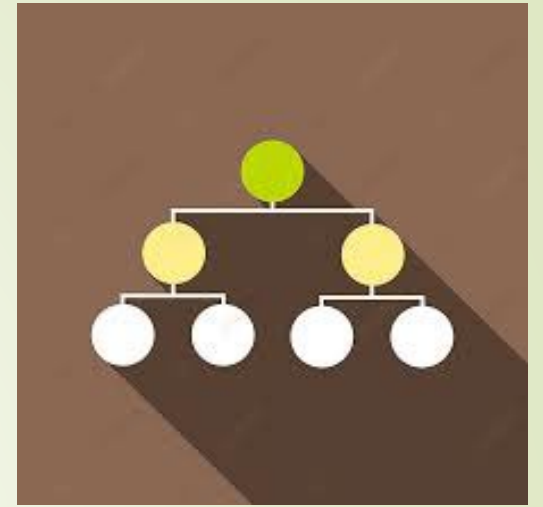
Office of Administrative Hearings (OAH):

- History: The Legislature created OAH in 1981, adopting the recommendation of the Washington State Bar Association Administrative Law Task Force to “improve the appearance of fairness” in the administrative hearings process.
- The Legislature also intended the administrative hearings to be easily accessible to the public.



Office of Administrative Hearings (OAH):

- Mission: To hear and independently resolve disputes between the public and state agencies with an impartial, quick, and easy to access process.
- Vision: All people of Washington can meaningfully participate in their hearing and understand the result.



OAH Organization:

- Administrative hearings (appeals) are held by administrative law judges (ALJs) who are experienced attorneys appointed by the Chief Administrative Law Judge.
- The Chief Administrative Law Judge is appointed by the Governor and confirmed by the Senate for a 5 year term. Current Chief ALJ is Lorraine Lee. She is in her third term which ends June 30, 2025.
- OAH Staff also includes professional legal support staff, customer service specialists (call center) and other administrative staff.



OAH Hearings:

- ALJs conduct hearings for people and businesses who disagree with actions taken by state and local government agencies.
- Most are by telephone but there are also video and in-person hearings.
- The ALJ issues a written order that upholds or reverses the agency action.
 - ❖ Hearings have relaxed rules of procedure
 - ❖ Parties are placed under oath
 - ❖ Parties do not need attorneys to adequately represent themselves
 - ❖ No filing fees for litigants



Participants and Systems:

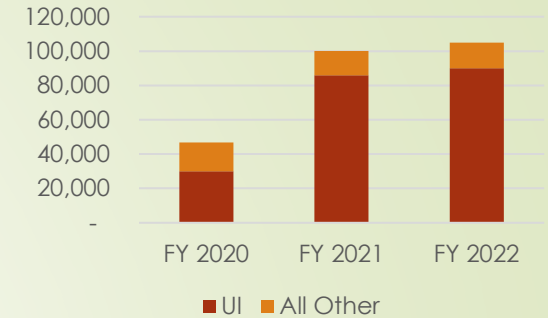
- Since other state agencies and local governments, refer appeals to OAH, they are called “referring agencies”.
- Most of the information is sent to OAH electronically and both referring agencies and appellants can access the information through OAH portals. OAH now has one case management system.
- Currently OAH hears appeals from about 30 referring agencies encompassing 160 active programs.
- Referring agencies include:
 - ESD, DSHS, HCA, DCYF, OSPI, L&I (not worker’s compensation), LCB, OIC, WSU, DFI, DOL, WSP, DFW and many others.



Caseloads and Impacts of Covid-19 Pandemic:

- Appeals cover a wide range of topics and can take from a few hours to weeks or months to complete.
- Appeals vary from unemployment insurance to public assistance to special education to prevailing wage to licenses, etc.

OAH Intake Numbers



Caseloads and Impacts of Covid-19 Pandemic:

- Covid-19 Pandemic-impact on appeal numbers:
 - Total Appeals Intake/Unemployment Insurance Appeals Intake:
 - FY 2020: 46,681/29,955
 - FY 2021: 100,025/86,017
 - FY 2022 Projection: 105,000/90,000
 - To meet this high demand, OAH has increased staffing, worked with ESD on streamlining procedures, implemented new hearing options, etc.



Current Billing Methodology and Rate Structure:

- OAH has one major revolving fund that supports its operations.
- Revenue for the fund is derived from billing referring agencies.
- Billing methodology:
 - Several different methodologies over the past 40 years.
 - Need to simplify the methodology and make it as fair and transparent as possible.
 - Current methodology developed in consultation with referring agencies and approved by OFM.
 - Began January 1, 2021.



Current Billing Methodology and Rate Structure:

- Billing Methodology - fully loaded rates:
 - One for ALJ billable hours and one for Legal Support Staff billable hours.
 - Billable hours are only the hours worked on a particular referring agency's caseload. They do NOT include time spent on leave, reading general emails, committee meetings, etc.
 - There is no overhead charge.
- Current rates are:
 - ALJ: \$180 per hour;
 - Legal Support Staff: \$110 per hour.



Current Billing Methodology and Rate Structure:

- Advantages:
 - Each referring agency is only billed for the work done for that agency.
 - Invoices and billings are easy to understand.
 - Projected billings are based on future workload.
 - Historical billings can be quickly verified.
 - Current billing methodology and rates have enabled OAH to bring its fund and cash balance back to financially sound levels.



Central Service Model (CSM):

- Referring agencies pay OAH for its services.
- CSM developed to estimate the amount OAH will bill each agency in order to provide referring agencies with funding to pay for those services.
 - Amount in the CSM is only an estimate.
 - Referring agencies need to pay the full amount of the billings (less or more).



Central Service Model (CSM):

- During CSM and budget development:
 - OAH works with OFM to get approval if there is a need for a rate change due to changes in COLAs, benefits, and other budget cost drivers.
 - OAH provides OFM with its estimate of individual agency billings through the CSM.
- Good news:
 - Current projections are that the current billing rates will remain for the 2023-25 biennium.
 - \$180 per ALJ billable hour/\$110 per Legal Support Staff billable hour.



Central Service Model (CSM):

- CSM Allocation Split is determined for each referring agency:
 - Discussions with referring agencies on any new information or caseload changes. Please let OAH know of any agency decision packages that may increase appeals.
 - OAH analyzes actuals, trends, and new information.
 - For 2023-25, attention will be paid to the change in billing methodology and rates in January 2021 and its impact on actuals and trends.
 - Any changes in projected billings from OAH or referring agency decision packages that impact only one or a few agencies will be added to those agencies only.

Central Service Model (CSM):



- During the biennium:
 - OAH meets and works with agencies throughout the biennium to review billing actuals vs estimates.
 - Revisions to the CSM in the supplemental may be made through corresponding decision packages from both OAH and the referring agency or through minor re-distributions.



Central Service Model (CSM):

- During the biennium:
 - Legislation may increase billings:
 - OAH and referring agencies coordinate on fiscal notes that reflect changes to billings due to proposed legislation.
 - Legislature may fund decision packages and fiscal notes in updated CSM.
 - Rates are reviewed each year.



Thank you!