

HIA Case Study Title: Paid Family Leave and Medical Leave

PHA Link: Access, Maternal and Child Health and Mental Health and Substance Use Disorders

Paid Family Leave Makes It Possible for Families to Help Each Other.

"The birth of a child. A cancer diagnosis or hip replacement. A parent, spouse, or child with a serious illness. Each requires a worker to take an extended period of time off from work. And while almost everyone will experience this type of event in their work life, the United States is one of few developed nations in the world that does not provide any guarantee of paid parental or medical leave."

~https://www.dol.gov/wb/media/Pennsylvania_Final_Report.pdf

Background:

In August 2016, the Pennsylvania Department of Labor was awarded a \$250,000 grant from the U.S. Department of Labor to support research and analysis on the implementation of a state paid family and medical-leave program, Paid Family and Medical Leave Insurance Fund (PFMLI)¹. Currently, in states without paid family and medical leave programs, the costs associated with taking time off from work for a serious own-health condition, to bond with a new child, or to care for an ill relative are born by the individuals that take those leaves and their employers. A moment like those described above may result in the loss of a job and a family's slide into poverty, which can be economically devastating for workers, employers, and the commonwealth.

What is a Paid Family and Medical Leave (PFML) insurance fund?

A paid family and medical leave insurance (PFML) fund provides **all eligible** workers with the ability to continue to earn a portion of their pay while they take time off work for up to a certain number of weeks to:

- Care for a family member with a serious health condition (including but not limited to parents, children, spouses, domestic partners, and siblings in need of care);
- Care for a newborn, newly-adopted child, or newly-placed foster child; or

¹ <https://wgfpa.org/press-release-new-state-study-reports-majority-of-pennsylvania-employers-support-creating-statewide-paid-family-leave-program/>

- Address the worker’s own serious health condition.

The proposal for Pennsylvania’s Paid Family and Medical Leave Insurance Funds does not require employers to bear all expenses for their employees’ family and medical leave. Instead, existing **PFMLI programs are financed primarily through employee payroll deductions of less than one percent of employee wages.**

Pennsylvania benefits from other states’ (California, Washington, New York, New Jersey, Rhode Island and Washington, D.C.) previous experiences developing these programs. Pennsylvania’s PFML insurance fund proposal presents a distinctly new model for how to provide access to paid leave to employees and employers throughout a state that can sustain families and businesses. These state funds help to ensure that small businesses who may not be able to afford to offer this benefit on their own can compete with large companies to recruit and retain top tier talent. Many companies located in Pennsylvania also conduct business and have corporate locations (and employees) in the other Northeast states that now have PFML. Because of this, it makes financial and competitive sense for our state to explore the possibility of developing a similar state-level paid family and medical leave insurance fund in order for to remain competitive.

Reflecting modern realities, a Paid Family and Medical Leave Insurance Fund can provide broad coverage for employees, utilize an inclusive definition of family members, recognize diverse family structures, and provide flexibility in leave usage for workers and employers. This model also can help decrease income inequality by increasing access to paid leave to women, people of color, and low-income individuals and decrease the competitive gap between businesses as this model especially benefits small and mid-size businesses. There have been positive reports from businesses in states that have had PFMLI in practice and the majority of employers in our own state favor the establishment of a statewide paid family leave program².

The research from PFML implementation in other states on health outcomes and impacts is especially promising. Over the last decade a body of research has been able to correlate decreases in infant and maternal mortality rates and post-partum depression with extended and increased access to paid family and medical leave. Our region and our state have some of the

² https://www.dol.gov/wb/media/Pennsylvania_Final_Report.pdf

highest rates of infant and maternal mortality rates in this country. Elder care is of critical concern to our state as is the growing opioid epidemic. If the development of a state Paid Family and Medical Leave Insurance Fund can help families remain economically stable and independent while providing them the time they need to heal from a new birth, or to take care of an elder or other family member in need of a few weeks of at home post-hospital rehabilitation, the savings to the state could be in the billions of dollars over time. But the impact will be in the lives saved and improved by this policy that can impact many lives and many businesses.

While research exists articulating the health impacts that have been demonstrated nationally and internationally by increased access to paid family and medical leave, specific data has not been collected which quantifies the potential health impacts a Paid Family and Medical Leave Fund could have on Allegheny County and the State of Pennsylvania. There is a strong need for a health impact study which could analyze and quantify the health impacts and benefits to human health and well-being to the citizens and families who live in our county and commonwealth, as well as the potential financial benefits and impacts a PFML might result in for the county and the state as a result of improved health outcomes for newborns, mothers, elders, and other patients; in-home care and rehabilitation; decreases in post-rehab opioid fatalities; as well as the potential cost savings to the state that would result from individuals being able to remain employed and remaining on their employers' health insurance and not becoming unemployed and needing to rely on the state for sustained income and health benefits.

Below are some statistics to help understand the scope of the problem in Pennsylvania:

- Workers in Pennsylvania invest 1.4 billion hours of unpaid time caring for the elderly each year. Pennsylvania has one of the oldest populations in the nation, and the state's aging population is expected to continue growing.
- Fewer than half of working adults in Pennsylvania – 40.9% – are both eligible for and can afford to take unpaid leave under the Family and Medical Leave Act (FMLA).^{ix}
- Twenty-one percent of Pennsylvanians do not have the resources to survive up to three months of sustained loss of income.
- Pennsylvania is one of the 10 worst states for pregnancy discrimination.

In Pennsylvania, workplace policies that provide support to those who care for aging family members is especially important because the Commonwealth has the fourth oldest population

and the fifth most residents over age 65. We know that elders have improved health outcomes when a family member can provide them with post-op care, yet our workplace policies have yet to catch up with this critical public health need.

The Commonwealth's concerns about the growing opioid epidemic also intersect with this issue. When a worker enters into rehabilitation services for their own addiction, without paid leave, they might lose their job or at the least have to take unpaid time off from work during their weeks of rehabilitation and recovery. This can make the individual economically fragile when they leave rehabilitation services. Additionally, with increased access to paid family leave, more family members would have the ability to care for family members during their recovery time after being released from rehabilitation services.

Unfortunately, only 14% of all U.S. workers have access to paid family leave from their employers, 38% have access to short-term disability leave, and 68% have access to paid sick leave. Low-wage, poor, black, Latino, and young workers, and those at small employers, are the most disadvantaged by the lack of a universal paid leave program because they are the least likely to currently be covered by these forms of wage replacement.

Decision-makers and Decision-Making process:

- U.S. Department of Labor
- Pennsylvania Department of Labor and Industries
- Pennsylvania Department of Health and Human Services
- Advisory Board which included Community Legal Services of Philadelphia, Keystone Research Center, PathWays PA, PA AFL-CIO, PA Chamber of Business and Industry, PA Department of Aging, PA Department of Health, PA Department of Human Services, PA Office of the First Lady, PA Commission for Women, Women and Girls Foundation, Women's Law Project.
- PA State Legislature
- PA State Legislature – House & Senate Committees on Labor & Industry
- PA State Legislature – House & Senate Committees on Aging

- PA State Legislature – House & Senate Committees on Health
- PA State Legislature – House and Senate Appropriations Committee
- Pennsylvania Governor
- Paid Leave for PA – A statewide non-partisan coalition chaired by Women and Girls Foundation and PathWays PA, comprised of over ninety organizations across Pennsylvania. It is a non-partisan coalition advocating for a state program to be established in Pennsylvania to make Paid Family and Medical Leave accessible to all Pennsylvanians and all employers. Paid Leave for PA, led by the Women and Girls Foundation, is currently holding town halls across Pennsylvania with stakeholders, nonprofits, and community groups to discuss the need for a statewide paid leave program for Pennsylvania³.

History of Concerns in the impacted community:

From the recent press release launching the report:

“This is a commonsense policy that will benefit millions of Pennsylvanians,” said Heather Arnet, CEO of the Women and Girls Foundation and Co-chair of Paid Leave for PA. “A statewide paid family and medical leave insurance fund helps level the playing field for small and medium sized companies across Pennsylvania and makes family-friendly policies more affordable and accessible for all Pennsylvanians.”

With neighboring states implementing family-friendly workplace policies, it makes financial and competitive sense for Pennsylvania to explore the possibility of developing a similar state-level paid family and medical leave insurance fund.

“Paid family and medical leave programs enable small businesses to compete on a level playing field with larger employers, reduce turnover costs, provide an important safety net for business owners themselves, and support the local economy,” said Amanda Ballantyne, National Director of Main Street Alliance. “This new study again highlights

³ <https://wgfpa.org/press-release-new-state-study-reports-majority-of-pennsylvania-employers-support-creating-statewide-paid-family-leave-program/>

the need for a comprehensive legislative solution to address the lack of PFML coverage for small business owners and their employees.”

Resources for looking further into the policy/project:

https://www.dol.gov/wb/media/Pennsylvania_Final_Report.pdf

<http://wgfpa.org/paid-leave-for-pennsylvania/>

https://www.dol.gov/wb/media/Pennsylvania_Final_Report.pdf

<https://www.paidleaveforpa.org>

<https://static1.squarespace.com/static/59a8406c8fd4d227956abaa1/t/5a5f9d8a24a6940b31e52ca5/1516215697582/UPDATED+PA+DOL+Study+Executive+Summary+FINAL.pdf>