



Office of Administrative Hearings

Overview of Rate Setting

June 13, 2018



OFFICE OF ADMINISTRATIVE HEARINGS (OAH)

MISSION – WE INDEPENDENTLY RESOLVE ADMINISTRATIVE DISPUTES THROUGH ACCESSIBLE, FAIR, PROMPT PROCESSES AND ISSUE SOUND DECISIONS.

In 1981 the Office of Administrative Hearings (OAH) was created to hold fair and impartial hearings. The purpose of OAH is to promote public trust and confidence in the hearing process.

The Chief Administrative Law Judge is appointed by the Governor to five year terms following Senate approval.

Administrative Law Judges (ALJs) are experienced attorneys appointed as exempt employees by the Chief Administrative Law Judge.

- ✓ 100 Administrative Law Judges
- ✓ 73 Field Office Support Staff and HQ Admin Staff

OAH provides all participants a prompt, fair, and accessible opportunity to be heard on disputed matters involving state and local agencies.

- ALJs conduct hearings for people and businesses who disagree with actions taken by state and local government agencies.
- 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.

OAH OFFICE LOCATIONS



ABOUT OAH

WE HOLD HEARINGS FOR MANY STATE AND LOCAL GOVERNMENT AGENCIES INCLUDING:

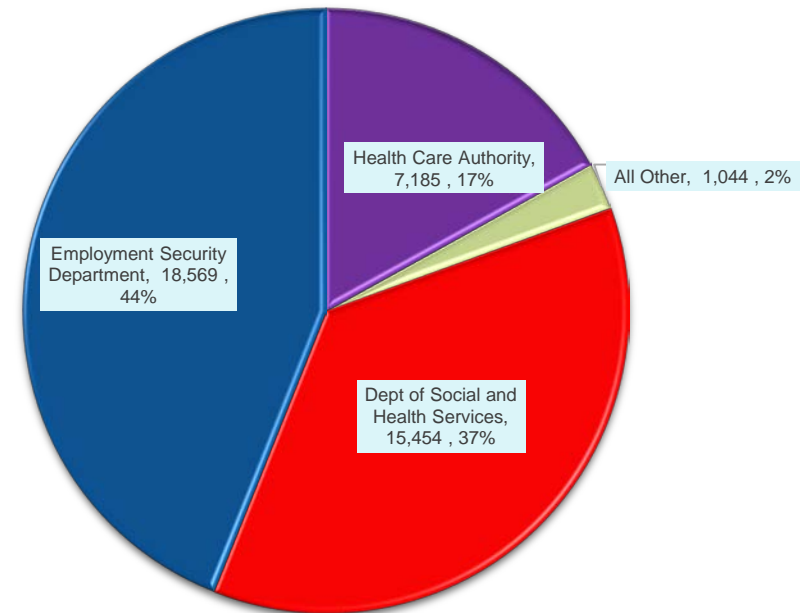
- Employment Security Department
- Department of Social and Health Services
- Health Care Authority
- Department of Licensing
- Gambling Commission
- Washington State Patrol
- Liquor & Cannabis Board
- Office of the Insurance Commissioner
- Executive Ethics Board
- Department of Labor and Industries
- Office of the Superintendent of Public Instruction
- University of Washington
- Washington State Department of Transportation
- Department of Financial Institutions
- Washington State University
- Eastern Washington University
- Office of Minority and Women's Business Enterprises
- Department of Early Learning
- Local Government Agencies
- Department of Natural Resources
- Department of Agriculture
- Department of Fish and Wildlife



OAH RESOLVES MORE THAN 42,000 CASES A YEAR

In FY 2017, OAH resolved 42,252 cases involving people applying for or receiving public assistance, unemployment benefits or child support and relating to regulatory infractions.

Cases Resolved FY 2017



OAH BILLING METHOD

3 cost pools

- Cost Pool 1: Administrative Law Judge time billed at a fixed rate of \$93 per hour based on agency actual use; this pool covers the costs of judge salaries and benefits, supervision, and caseload driven costs such as travel;
- Cost Pool 2: Support staff time is billed at a fixed rate of \$54 per hour based on agency actual use; this pool covers the costs of support staff salaries, benefits, supervision, and caseload driven costs such as paper, postage, and interpreter services;
- Cost Pool 3: Centrally provided services covers the cost of administrative salaries and benefits as well as central service charges from other agencies, leased facilities and equipment etc. distributed as a share of hours in Pools 1 & 2.

WORKING TOGETHER TO IMPROVE RESULTS

OAH works with agencies to improve the efficiency and results of each agency's unique hearing needs and business processes. For example:

- Merged multiple legacy case management systems into a single agency-wide system (PRISM).
 - New system began with the HCA caseload in 2014 and was completed June 2016 with the addition of ESD.
- New contracts and system for optimizing the use of interpreters that identifies the lowest cost offering among contracted interpreters.
 - Includes capability to provide feedback on the quality of the interpreters and speed payment without paper forms.

WORKING TOGETHER TO IMPROVE RESULTS

OAH works with agencies to improve the efficiency and results of each agency's unique hearing needs and business processes. For example:

- Collaborated with the Department of Early Learning to do final review work in addition to initial appeals.
- Working with multiple agencies to eliminate the need for paper files being printed and/or transferred.
- Partnered with ESD, DSHS Division of Child Support, DSHS Public Assistance, and Health Care Authority to improve our website to help appellants prepare for their hearings and avoid costly rescheduling and rework.

FACTORS AFFECTING FUNDING LEVELS

- OFM will provide your appropriation authority as part of the central services budget process.
- It can be difficult for agencies to anticipate the demand for hearings for OAH to conduct.
- OAH has begun to meet quarterly with referring agencies to explore caseloads and funding in the current and future biennium.
- These meetings are one opportunity for agencies to communicate with OAH on their best estimates about the number and/or the complexity (duration) of appeals expected to be sent to OAH and to explore streamlining opportunities and proposed funding changes to the central service model.

FACTORS AFFECTING YOUR COSTS

- Agencies may work with OAH to streamline their processes to reduce support staff and judge time required to perform their appeals. Examples:
 - Electronic transfer of appeal information from your agency's systems into OAH's case management system.
 - Keeping already digitized (imaged) documents from becoming paper.
 - Referring agency and case participant portals allowing viewing of cases and submission of documents.
 - Electronic Case Record initiative to eliminate the paper.

FACTORS AFFECTING FUTURE RATES

Rates will be set to reflect:

- Changes to the cost of delivering a judge and a support staff billable hour, including any COLAs, benefit changes and step increases.
- Budget adjustments including changes to fixed costs, such as increases in DES/WaTech charges, facilities charges etc.

FACTORS AFFECTING FUTURE RATES (CONTINUED):

Rates will be set to reflect:

- Incorporation of recommendations from the independent study review of OAH's billing methodology and fee structure.
- Other budget drivers

QUESTIONS?

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