

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DPM
	DATE March 31, 2017

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 15-17

TO: STATE WORKFORCE AGENCIES

FROM: BYRON ZUIDEMA /s/
Deputy Assistant Secretary

SUBJECT: Procedures for the Completion and Publication of Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Data for Improper Payment Information Act Reporting Year 2017

1. **Purpose.** To provide State Workforce Agencies (SWAs) guidelines and key dates for the completion of the 2017 UI BAM paid and denied claims sample cases and the publication of 2017 BAM data.

2. **References.**

- Improper Payments Information Act (IPIA) of 2002, Pub. L. No. 107-300, as amended by the Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012, Pub. L. 112-248, 31 U.S.C. § 3321 note;
- 31 U.S.C. § 3515 [Financial statements of agencies];
- 20 C.F.R. Part 602, Quality Control in the Federal-State Unemployment Insurance System;
- Employment and Training (ET) Handbook No. 395, 5th Edition, *Benefit Accuracy Measurement State Operations Handbook* (November 2009)
- OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control (Revised July 15, 2016)*
- UIPL No. 18-16, *Additional Planning Guidance for the Fiscal Year (FY) 2017 Unemployment Insurance (UI) State Quality Service Plan (SQSP) (August 1, 2016)*; and
- UIPL No. 13-16, *Procedures for the Completion and Publication of Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Data for Improper Payment Information Act (IPIA) Reporting Year 2016 (April 1, 2016)*.

3. **Background.** Each year, the U.S. Department of Labor's Employment Training Administration's (ETA's) National Office publishes the BAM program calendar year results on the Department's (www.dol.gov/dol/maps/map-ipia.htm) and the Office of Unemployment insurance's (<https://oui.doleta.gov/unemploy/bqc.asp>) websites." Historically, the BAM calendar year release has included an analytical report or a detailed analysis of the calendar year results. As part of this process, ETA announces the publication

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cycle with the issuance of a UIPL, which provides dates for case completion, verification of data contained in the national database, and an explanation of data footnotes. This UIPL continues that practice. With this issuance, ETA continues publication according to its newly established analytical report year to align it with the annual financial reporting requirement found in the IPIA as amended by IPERIA.

- 4. Completion of IPIA as Amended by IPERIA 2017 BAM Cases.** Federal law requires that, by no later than March 1st of every year, the head of each covered executive Federal agency prepare and submit to the Congress and the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency (31 U.S.C. § 3515). The ETA's National Office includes improper payment estimates for the unemployment compensation program with the materials accompanying the ETA's National Office annual audited financial statement submitted under the reporting provisions of IPIA (31 U.S.C. § 3321 note) as amended by IPERIA and the Office of Management and Budget (OMB) guidance (Appendix C to Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments (October 20, 2014), as revised by OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control)).

To accomplish this mandate and provide a detailed explanation of improper payments, ETA establishes the IPIA reporting year for the BAM program, which includes payment accuracy estimates for the period beginning in July and continuing through June of the following year (BAM batch range YYYY27 through (YYYY+1) 26). ETA has established standards that states complete a minimum 95 percent of sampled cases within 90 days of the week ending date of the batch (BAM sampling week) and complete 98 percent of sampled cases within 120 days of the ending date of the annual reporting period [ET Handbook 395, 5th edition, p. VI-11]. Therefore the July to June reporting period is the most recent BAM data available to meet the IPIA reporting schedule requirements for the fiscal year.

For IPIA 2017 reporting purposes, the end of the year is June 30, 2017. Therefore, all published BAM data will be based on IPIA 2017 BAM paid and denied claims cases on which the BAM supervisor has signed off by the date of record, which is the close of business (COB) on the date 120 days after the end of the reporting year, i.e., October 28, 2017. IPIA 2017 will include batch range 201627 through 201726, which covers the period beginning June 26, 2016 through July 1, 2017.

Changes to the SWA's databases after the date of record can result in inconsistencies with the ETA's National Office database. SWAs **must not** reopen any IPIA 2017 BAM cases after October 28, 2017, until they have reviewed the BAM data transmitted to them by the ETA's National Office and have confirmed that the data agree with the BAM paid claims accuracy (PCA) and denied claims accuracy (DCA) data produced by the SWA's databases.

- 5. Transmittal of Data and Comment Period.** ETA's National Office will produce and transmit to each SWA by November 17, 2017, paid and denied claims accuracy data for that SWA, based on the IPIA 2017 BAM cases as of October 28, 2017. Before publication, SWAs are encouraged to run the BAM Paid Claims Annual Report, Denied Claims Error

Rates Report, and Improper Denials Rates Report software and to compare the results with the rates and report footnotes that the ETA's National Office transmits to them for comment.

Not later than October 27, 2017, ETA's National Office will transmit a footnote lookup table for the IPIA 2017 BAM Paid Claims Annual Report, Denied Claims Error Rates Report, and Improper Denials Rates Report. Samples of these reports, report definitions, and report footnotes are available in Attachments 1 and 2. By December 1, 2017, SWAs should report any discrepancies or submit questions concerning the BAM paid and denied claims data and footnotes to ETA's National Office, with a copy to the appropriate ETA Regional Administrator. Please send comments to Ross Miller by e-mail: Miller.Ross@dol.gov, fax: (202) 693-3975, or mail:

Mr. Ross Miller
U. S. Department of Labor
ETA / Office of Unemployment Insurance
200 Constitution Avenue, NW, Room S-4519
Washington, D.C. 20210

ETA's National Office and Regional Office staff will address and reconcile issues raised by the SWAs by December 8, 2017.

- 6. Federal Publication of BAM Data.** ETA's National Office will publish the IPIA 2017 BAM analytical report on the ETA Web site: <https://oui.doleta.gov/unemploy/bqc.asp>.

ETA national and regional office staff continuously monitor state performance with respect to the BAM administrative requirements (for example, minimum sample sizes, population variances, case completion percentages and timeliness, and quality of the BAM audits) established in ET Handbook 395, 5th Edition. According to UIPL No. 18-16, p. 14, states must address BAM program performance deficiencies in a Corrective Action Plan as a part of the State Quality Service Plan.

- 7. Key Dates (No Later Than (NLT)).** The following key dates are the latest dates for completing the task or action:

06/30/17 - This date represents the end of the IPIA reporting year and includes batches 201627 through 201726. By this date, SWAs must have selected the minimum number of valid cases to meet annual sample allocation requirements (*i.e.*, 480 or 360 paid claim cases and 150 of each of the three types of denied claims). SWAs must complete at least 98 percent of the valid sample cases sampled in IPIA 2017 within 120 days of this date (*i.e.*, October 28, 2017).

10/13/17 - SWAs submit requests for waivers of BAM paid and denied claims timeliness requirements, along with supporting documentation, to the appropriate ETA Regional Administrator. Generally, waivers are only granted for catastrophic events (*i.e.*, occurrence by natural causes that could not have been prevented by the exercise of foresight or caution).

10/27/17 - ETA's National Office electronically transmits the footnote lookup table for the BAM paid and denied claims software to each SWA's Unemployment Insurance Database System (Sun Server).

10/27/17 - Regional Offices respond to SWAs on the disposition of SWA requests for waivers of BAM timeliness requirements.

10/28/17 - Each SWA checks its UI database to ensure that: 1) the BAM supervisor has signed off on all BAM paid and denied claims cases that investigators have completed; and 2) reopened cases have been updated and data errors corrected by this date. Cases closed by supervisors after COB on October 28, 2017, will not be included in the Paid Claims Accuracy IPIA Report or the Denied Claim Accuracy Error Rates and Improper Denials Rates Reports. SWAs must not reopen any IPIA 2017 cases after October 28, 2017, until they have reviewed the BAM data transmitted by ETA's National Office and verified the data against their SWA database or reconciled any differences with ETA's National Office.

11/17/17 - ETA's National Office and Regional Offices transmit the IPIA 2017 BAM data to the SWAs' BAM Supervisors.

12/01/17 - SWAs review BAM paid and denied claims accuracy data and footnotes, and report any discrepancies or submit questions about the BAM data or footnotes to ETA's National Office (to the attention of Mr. Ross Miller, as discussed in Section 5 of this guidance), with copies to the appropriate ETA Regional Administrator.

12/08/17 - ETA's National and Regional Offices staff address issues raised by the SWAs and reconcile any differences between SWA and ETA's National Office BAM data.

12/15/17 - SWAs provide the name, address, telephone number, and e-mail address of the contact person(s) for public inquiries about BAM paid and denied claims data. SWAs should send this information to the attention of Mr. Ross Miller at the address, e-mail address, or fax listed in Section 5 of this guidance, with copies to the appropriate ETA Regional Administrator.

3/30/18 - The ETA's National Office publishes the IPIA 2017 BAM data on the ETA Web site: <https://oui.doleta.gov/unemploy/bqc.asp>.

8. Action Requested. ETA's National Office requests that SWA Administrators:

A. Provide copies of these guidelines to the appropriate staff;

B. Send any request for a waiver of BAM timeliness requirements to the appropriate ETA Regional Administrator by COB October 13, 2017; and

C. Ensure that ETA's National Office and the appropriate ETA Regional Administrator are:

1. Notified, by December 1, 2017, of any issues that require the reconciliation of differences between the SWA's and the ETA's National Office BAM data; and
2. Provided, by December 15, 2017, the name, address, telephone number, and e-mail address of the person(s) whom interested parties may contact with questions or inquiries about the SWA's BAM data.

9. Inquiries. Please direct questions to the appropriate ETA Regional Office.

10. Attachments.

Attachment 1 - Benefit Accuracy Measurement (BAM) Paid Claims Accuracy Annual Report, Report Definitions, and Report Footnotes

Attachment 2 - Benefit Accuracy Measurement (BAM) Denied Claims Accuracy (DCA) Error Rates Report and Improper Denials Rates Report, Report Definitions, and Report Footnotes