EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	**CLASSIFICATION** Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DPM
	DATE May 24, 2019

ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 12-19**

TO: STATE WORKFORCE AGENCIES

FROM: MOLLY E. CONWAY /s/
Acting Assistant Secretary

SUBJECT: Procedures for the Completion and Publication of Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Data for Improper Payment Information Act (IPIA) Reporting Year 2019

1. **Purpose.** To provide State Workforce Agencies (SWAs) guidelines and key dates for the completion of the 2019 UI BAM paid and denied claims sample cases and the publication of 2019 BAM data.

2. **Action Requested.** The Employment and Training Administration (ETA) 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 close of business (COB) October 11, 2019; and

   c. Ensure that ETA and the appropriate ETA Regional Administrator are:

      1) Notified, by November 29, 2019, of any issues that require the reconciliation of differences between the SWA's and the ETA's BAM data, and

      2) Provided, by December 13, 2019, the name, address, telephone number, and email address of the person(s) whom interested parties may contact with questions or inquiries about the SWA's BAM data.

3. **Summary and Background.**

   a. Summary – This Unemployment Insurance Program Letter (UIPL) provides guidelines and key dates for the completion of the 2019 representative sample cases of UI payments and denials and the publication of 2019 BAM data. These annual guidelines are issued under Employment and Training (ET) Handbook No. 395, 5th Edition (Office of Management and Budget's (OMB) approval 1205-0245).

   b. Background – Each year, ETA publishes the BAM program calendar year results on the U. S. Department of Labor's (Department's) website

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(www.dol.gov/dol/maps/map-ipia.htm) and the Office of Unemployment Insurance's website (https://oui.doleta.gov/unemploy/bqc.asp). 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 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. The present UIPL continues this practice. This UIPL aligns the data with the annual financial reporting requirement found in the IPIA, as amended by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).

4. **Guidelines and Key Dates.**

   a. **Completion of IPIA as Amended by IPERIA 2019 BAM Cases.** Because the UI program is considered as out of compliance under IPIA and IPERIA due to exceeding the 10 percent threshold for improper payments, ETA is required to include extensive information on improper payments, including the estimated improper payment rate, in the Department's Annual Financial Report to the OMB. To accomplish this mandate, 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]. 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 2019 reporting purposes, the end of the reporting year is June 29, 2019. IPIA 2019 will include batch range 201827 through 201926, which includes cases selected during the period beginning July 1, 2018 through June 29, 2019. Therefore, all published BAM data will be based on IPIA 2019 BAM paid and denied claims cases on which the BAM supervisor has signed off by the date of record, which is the COB 120 days after the end of the reporting year. Because the 120th day falls on the weekend, states have until COB on October 28, 2019 to close and submit their cases.

   Changes to a SWA's database after the date of record can result in inconsistencies with the ETA database. A SWA **must not** reopen any IPIA 2019 BAM cases after October 28, 2019, until the SWA has reviewed the BAM data transmitted to it by ETA and has confirmed that the data agree with the BAM paid claims accuracy and denied claims accuracy data produced by the SWA's databases.

   b. **Transmittal of Data and Comment Period**. ETA will produce and transmit to each SWA by November 15, 2019, paid and denied claims accuracy data for that SWA, based on the IPIA 2019 BAM cases as of October 28, 2019. Before publication, SWAs are required 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 were transmitted to them for comment.

No later than October 25, 2019, ETA will electronically transmit a footnote lookup table for the IPIA 2019 BAM Paid Claims Annual Report, Denied Claims Error Rates Report, and Improper Denials Rates Report to each SWA's Unemployment Insurance Database System (Sun Server). Samples of these reports, report definition, and report footnotes are available in Attachments I and II. By November 29, 2019, SWAs should report any discrepancies or submit questions concerning the BAM paid and denied claims data and footnotes to ETA, with a copy to the appropriate ETA regional administrator. Please send comments to Ross Miller by email: 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 staff will address and reconcile issues raised by the SWAs by December 6, 2019.

c. **Federal Publication of BAM Data**. ETA will publish the IPIA 2019 BAM analytical report on the ETA website: https://oui.doleta.gov/unemploy/bqc.asp.

ETA staff continuously monitor state performance with respect to the BAM administrative requirements established in ET Handbook 395, 5th Edition (for example, minimum sample sizes, population variances, case completion percentages and timeliness, and quality of the BAM audits). According to UIPL No. 12-18, p. 13, SWAs must address BAM program deficiencies in a Corrective Action Plan as a part of the State Quality Service Plan.

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

06/29/19 - This date represents the end of the IPIA reporting year and includes batches 201827 through 201926. 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 2019 within 120 days of this date (i.e., October 28, 2019).

10/11/19 - 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).

10/25/19 - ETA electronically transmits the footnote lookup table for the BAM paid and denied claims software to each SWA's Unemployment Insurance Database System (Sun Server).

10/25/19 - Regional offices respond to SWAs on the disposition of SWA requests for waivers of BAM timeliness requirements.

10/28/19 - 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, 2019, 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 2019 cases after October 28, 2019, until they have reviewed the BAM data transmitted by ETA and verified the data against their SWA database or reconciled any differences with ETA.

11/15/19 - ETA transmits the IPIA 2019 BAM data to the SWAs' BAM Supervisors.

11/29/19 - 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 (to the attention of Mr. Ross Miller, as discussed in this section, 4b, with copies to the appropriate ETA regional administrator.

12/06/19 - ETA staff members address issues raised by the SWAs and reconcile any differences between SWA and ETA BAM data.

12/13/19 - SWAs provide the name, address, telephone number, and email 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, email address, or fax listed in this section, 4b, with copies to the appropriate ETA regional administrator.

03/31/20 - The ETA publishes the IPIA 2019 BAM data on the ETA website: https://oui.doleta.gov/unemploy/bqc.asp.

5. **Inquiries.** Please direct inquiries to the appropriate ETA regional office.

6. **References**.

- Improper Payments Information Act of 2002 (IPIA), Pub. L. No. 107-300, as amended by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), 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);
- Office of Management and Budget (OMB) Circular No. A-123, Management of Reporting and Data Integrity Risk (Revised June 6, 2018);
- Unemployment Insurance Program Letter (UIPL) No. 12-18, *Additional Planning Guidance for the Fiscal Year (FY) 2019 Unemployment Insurance (UI) State Quality Service Plan (SQSP)* (August 17, 2018); and
- UIPL No. 09-18, *Procedures for the Completion and Publication of Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Data for Improper Payment Information Act Reporting Year 2018 (August 6, 2018)*.

7. **Attachments**.

- Attachment I: Benefit Accuracy Measurement (BAM) Paid Claims Accuracy Annual Report, Report Definitions, and Report Footnotes; and
- Attachment II: Benefit Accuracy Measurement (BAM) Denied Claims Accuracy Error Rates Report and Improper Denials Rates Report, Report Definitions, and Report Footnotes.