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**PERFORMANCE MEASUREMENT REVIEW  
INTERIM EVALUATION REPORT**

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## EXECUTIVE SUMMARY

The Performance Measurement Review (PMR) project is a comprehensive performance measurement system intended to evaluate State Employment Security Agency (SESA) performance across several dimensions. In order to determine the feasibility and potential benefits of national implementation of PMR, the Unemployment Insurance Service (UIS) conducted a 15-month field test of the measures in six States (California, Kansas, Missouri, Illinois, New Hampshire, and Wisconsin). Data collection commenced with April to June 1993 claims activity for quarterly measures and with June 1993 claims activity for monthly measures. This report analyzes data through August 1994, the end of the Field Test<sup>1</sup>. The project is being evaluated by Mathematica Policy Research, Inc. (MPR). In addition to analyzing PMR data, activity under the project has included extensive data validation and presentation of the PMR findings to State executive staff for their input into the PMR design process.

We have found that the PMR measures are feasible to implement and are a far superior source of information about SESA performance than data provided by the current Quality Appraisal (QA) program or current Unemployment Insurance Required Reports (UIRRs). The degree of improvement over existing measures varies greatly. For some measures, such as first payment promptness, there is little difference from the existing measure; the PMR measures provide more detail, providing some oversight and management value with little effect on implementation cost. For other measures, such as adjudication timeliness, the PMR measure is far superior to the existing measure. The PMR measures successfully fill major gaps in the current performance assessment system and give much more timely feedback to SESA management about performance problems. This enables managers to correct problems much faster than under the previous system.

Several outstanding definitional and implementation issues must be resolved prior to national implementation. The most important issues concern the adjudication time lapse and quality measures. First, PMR has expanded the definition of adjudications to be analyzed from the traditional "nonmonetary" definition used in workload. This has caused States to reexamine their determination issue types to decide how to conform to the expanded PMR definition. Second, some States have had problems producing a valid week-ending date of the first week affected by the adjudication (or redetermination). The CWC measures are being re-evaluated. National implementation would be greatly simplified if States used common terminology and data definitions. Without such uniformity, it will be necessary to provide technical assistance to States in adapting the PMR requirements to their systems.

Our interim findings and recommendations for each service area are:

- ***Payments.*** The measures should be implemented as currently designed, with the possible exception of the separate report on transitional first payments, which has little management or oversight value from a federal perspective, but may have value for some States. The CWC, UCFE, partial and workshare payments breakouts are especially valuable for detecting performance problems.
- ***Adjudications Measures.*** The adjudication time lapse measure is very valuable. It is important to include all issues, but this requires an analysis of the consistency of definitions between States. Capture of valid dates for the first affected week also poses some implementation problems. Most field test States do not have many redeterminations, but this measure should be retained in its current form. There are some problems obtaining reasonably consistent results with the adjudication quality assessment. The adjudication implementation time lapse measure has limited value. For States with large workshare populations, separate tracking of workshare adjudications may be valuable.
- ***Appeals Measures.*** The PMR appeals time lapse and quality assessment measures are very similar to the existing measures. There are some implementation problems because in some States

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<sup>1</sup>Wisconsin data includes September 1994.



the appeals data is not integrated with the benefits files. For this reason, the appeals implementation time lapse measure is valuable.

- ***CWC Measures.*** Evaluation of these measures has raised useful alternative approaches, including the development of a single, comprehensive CWC quality assessment and revisions to the timeliness measures. These alternatives should be pursued and incorporated into the national implementation plan.

## **I. INTRODUCTION**

The Performance Measurement Review (PMR) project is a comprehensive performance measurement system intended to evaluate State Employment Security Agency (SESA) performance across several dimensions. In order to determine the feasibility and potential benefits of national implementation of PMR, the Unemployment Insurance Service (UIS) conducted a 15 month field test of the measures in six States (California, Kansas, Missouri, Illinois, New Hampshire, and Wisconsin). Data collection commenced with April to June 1993 claims activity for quarterly measures and with June 1993 claims activity for monthly measures. The field test ran through August 1994.

The project is being evaluated by Mathematica Policy Research, Inc., (MPR). In addition to analysis of PMR data, activity under the project has included extensive data validation and the presentation of the PMR findings to state executive staff, who were then asked for their input into the PMR design process. State executive staff were generally receptive to the PMR measures as currently designed. These measures are viewed as more reliable than the existing Quality Appraisal (QA) measures and, because most are produced monthly, they provide much more timely management feedback. The only disagreement with the measures concerns the issue of SESA control; the view was expressed that establishment of performance standards for activities outside of SESA control is inappropriate.

The mid-test assessment meeting was held from May 25-27, 1994. The meeting agenda was organized around a list of issues raised by the States during the first part of the Field Test. The objective was to reach consensus on the resolution of these issues in preparation for national implementation. Included in this report are the major issues that were discussed, as well as the points of consensus that were reached at the meeting.

This report discusses the field test findings to date for each group of PMR measures in terms of implementation feasibility and value in detecting performance problems. A post test assessment meeting will be held in February 1995, comprising the six Field Test States, the Federal Steering Committee, and the State Expert Panel. MPR will produce a draft final PMR evaluation report in January and the final evaluation report in May 1995. In this chapter, we discuss several topics pertaining to the evaluation of PMR, to benchmarking and data analysis, and to national implementation planning.

### **A. PMR EVALUATION CRITERIA**

The criteria established by the UIS for the PMR measures are:

- **Criticality.** Fulfilling the Secretary of Labor's essential legal oversight responsibilities
- **Management-Oriented.** Capable of providing timely detection of performance problems that can serve as the basis for management action
- **Operationally Feasible.** Capable of operating within cost and resource constraints, obtainable as a byproduct of operations in the SESAs
- **Customer-Oriented.** Defining and measuring quality service to claimants and employers
- **Outcome Focused.** Ability for poor performance to trigger remedial action
- **Quantitatively Based.** Objective and free from discretionary judgment as much as possible
- **Statistically Valid.** Employing sampling methods that provide confidence in the results

The MPR evaluation also subjects the PMR measures to two additional, but related, criteria:

1. Does the measure (or submeasure for program type) show performance variation between States (or between programs)? For example, if all States scored about the same or if all programs within a measure showed the same performance, the measure may have little or no benefits for management or oversight.
2. Does the cost of implementation and maintenance outweigh the management and oversight benefits?

The PMR measures generally meet all of these criteria and improve UIS capabilities when compared to QA. Almost all of the measures have oversight value and management value, with the possible exception of the Combined Wage Claim (CWC) measures, as currently constituted.

## **B. PERFORMANCE STANDARDS**

Two factors are important in discussing performance standards and analysis of performance problems. First, the process of setting standards must be guided by an understanding of where States can and cannot directly control their own performance. Second, it may be appropriate to analyze the longest time lapse cases to detect performance problems.

### **1. State Control over Performance**

PMR is intended both as a management tool for States and an oversight tool for the UIS. Most PMR measures jointly address the goals of SESA management improvement and the Secretary of Labor's oversight responsibilities. For some measures (or submeasures), the individual SESA does not have complete management control over the activities being measured. For some measures (like CWC and interstate

payments), the State's performance depends partly on the actions of other States. For other measures, the State's performance depends on claimant and employer actions.

A basic philosophical question faced by PMR is whether to measure only activities under SESA control or to measure from the perspective of "payment when due" to claimants. The "payment when due" approach focuses solely on the service to claimants entitled to benefits and not on administrative, technical, or other obstacles that may stand in the way of prompt payment. It measures the performance of the entire Unemployment Insurance (UI) system, consisting of multiple service areas within States (claims taking, adjudications, appeals) and multiple States for CWC and interstate claims. This approach is the most appropriate from a federal oversight perspective. The "SESA control" approach is process oriented, focuses on specific SESA administrative practices, and is of more direct use for State management than the "payment when due" approach. PMR cannot simultaneously satisfy these two approaches.

"SESA control" advocates would argue that if the ultimate outcome of each measure that detects unacceptable performance is federally imposed remedial action (for example, a corrective action plan), measures that include activities outside of SESA control should be eliminated. This approach, however, would violate the PMR objective of ensuring that the Secretary of Labor's oversight responsibilities are fulfilled. The appropriate answer to those States is that the PMR system must include areas outside direct SESA control, but that the design of performance standards and the triggering of remedial management action must be based on a sound understanding of which measures or submeasures are under SESA (or State legislative) control and which are not.

SESA control is an issue in several areas within PMR. One affected submeasure is interstate first payments time lapse. If a paying State does not receive the IB-2 for the claimant within a reasonable period after the claim is filed, it could be argued that the SESA should not be subjected to sanctions for poor interstate first payment time lapse. The equivalent QA measure consists of an analysis of delayed first payments in the following programs: UI intrastate, UI interstate, UCFE, UCX, and intrastate CWCs. For each of the programs, random samples are selected from the population of delayed payments and the reasons for the delays are documented and divided into two categories, controllable or uncontrollable. Examples of controllable delays include keypunch error, backdating due to administrative error, computer payment schedule, and monetary determination. Uncontrollable delays include appeal reversal, claimant delay, employer reporting error, and delayed receipt of transferred wages (CWC).

The QA approach directly addresses the SESA management control issue. PMR makes no formal provision for this analysis, but one of the first outcomes of research into the causes of delays may be a State-drawn sample of delayed cases and an analysis of controllable and uncontrollable cases. Where the State found that a high percentage were controllable, remedial action would address the deficient area or process.

A second measure affected by this issue is redetermination promptness. If new facts come to light as a result of a late employer protest or another circumstance, should the SESA be sanctioned because PMR measures the time lapse from the first week affected to the redetermination notice date?

A third area is CWC reimbursement promptness. In this area States are currently required to come to agreement on all claimants on a bill prior to taking credit for paying the bill. Finally, Higher Authority Appeals Boards are appointed by the governor and do not operate under SESA control. A fourth area with limited SESA control is work-share payments. Under arrangements between the State and the employer, the employer often has up to 30 days to provide the wage information needed to pay benefits. As long as these payments are tracked separately, there is no problem with their biasing overall payment promptness.

The UIS will have to determine what action should be taken when States do not meet PMR standards. MPR's evaluation design emphasized the role of the field test in detecting performance problems and analyzing the remedial action taken by States. We have found, partly because PMR is not an official program and does not contain any formal benchmarks or remedial management actions, that not all of the Field Test States have acted on problems detected by PMR to change their administrative practices or take other remedial actions.

## **2. Analysis of Long Time Lapse Cases to Detect Performance Problems**

The UIS has appropriately set performance standards to focus on the percentage of claimants who are serviced in a timely manner rather than on those who are not serviced in a timely manner. It is a common-sense approach to specify that 87 percent of first payments must be made within 14 or 21 days and that 93 percent must be made within 35 days, because measurements should focus on the majority of customers (93 percent is a very high percentage of the population). At least a small percentage of cases in every service delivery area will always be slow for reasons both within and outside SESA control. Thus, although we agree with the current approach, it is fair to ask if the claimants who are not serviced quickly should be ignored. The bottom one percent of three percent of cases represent the worst examples of "payment when due" and perhaps warrant their own separate analysis. If the purpose of PMR is to detect performance problems, this is the most obvious place to look.

One approach to detecting systematic problems would be for States to turn the current measurement approach around and measure the percentage greater than 500, 400, 300, 200, and 100 days. The most efficient means of focusing on long time lapse areas would be to look at long-delayed payments. We would presumably find the worst appeals and adjudications time lapse problems here. If a claimant is denied after a long series of adjudications and appeals, we can assume that no payment was due. If the decision after a long series of adjudications and appeals is to allow, then payment was due. By looking at payments, we only get the allowed portion and avoid the need to look at the denied portion. If a State did have a higher percentage in these very high time lapse categories, a sample of such cases could be pulled to determine if a systematic problem existed. MPR will conduct an analysis to determine if States have roughly the same proportion of payments in the last time lapse cell (greater than 70 days), which would indicate that there may be no systematic problem in individual States.

This approach is similar to the approach of the Lower Authority Appeals Case Aging project. This project analyzes cases that have exceeded the time lapse standards, because of the concern that States have no further incentive to process them in a timely manner because of the current standards.

## **C. NATIONAL IMPLEMENTATION PLANNING ISSUES**

An implication of national PMR implementation is that certain UI Required Reports (UIRRs) will have to be revised to avoid duplication of effort. A purpose of the field test is to evaluate the process by which States revise their federal reporting software to develop PMR reports. This evaluation can be used to make PMR implementation easier for the other 47 SESAs. We discuss both of these topics in the following sections.

### **1. Overlap of PMR and Required Reports Data**

An important issue for the final configuration of the PMR reporting tables concerns the overlap with the current UIRR series. When PMR is implemented, the UIS would be collecting certain data twice, and in some cases using two different definitions, if there is no change to UIRRs. This redundancy must be eliminated by redesigning the complete benefits reporting system. PMR as currently designed cannot replace UIRRs because numerous nonperformance-related data elements used for economic and statistical purposes (for example, initial claims, additional claims) appear on UIRRs and not on PMR. Redundant areas include first payments time lapse from the 5159, Lower Authority Appeals time lapse from the 5130, and numerous elements where there are simply counts on the UIRRs (continued claims payments, etc.) and time lapse (performance) data on the PMR reports.

The overall system can be streamlined by creating an integrated report design with performance and nonperformance data commingled and organized by service delivery area (as with the current UIRR series). This design would yield much expanded 5159, 207, 227, 5130, and 586 reports covering claims and payments, adjudications, overpayments, appeals, and CWC claims. Adding PMR performance data into the UIRR series design is the optimal approach because it would reduce the number of administrative steps involved in processing. It may not be practical, however, to treat the entire body of benefits data as a single report, since at least some data are not generated at the central mainframe. Five separate reports would also provide some flexibility. States would not have to retransmit the entire report when changes were needed. The UIS would incur a cost in rewriting the Unemployment Insurance Data Base (UIDB), but this would mainly involve editing the required reports record layouts to eliminate performance data and then merging the UIDB and PMR record structures.

## **2. Implementation Planning and Costs and State Systems Development Capabilities**

A key objective of the PMR field test is to test the feasibility of States developing the software specifications and software necessary to develop the data required for PMR reports. Because each State maintains a different database structure, different definitions, and different data names, it is not possible for the national office to write detailed software specifications for each State. The field test has shown that some federal technical assistance is required early in the development phase of PMR to help States interpret the specifications.

MPR has not concluded its detailed cost analysis, but the general areas of cost and implementation risk are well known through detailed analysis of PMR software development. The biggest implementation costs are those for software development and quality review labor. Monthly system maintenance by State Automated Data Processing (ADP) staff is not a significant cost. Quality review costs will be consistent across States (mean review time and staff costs are similar by State--although some States review more cases). PMR software development costs and burdens will vary greatly by State, making this the most significant cost to consider.

Ironically, PMR may have a salutary affect on States without sophisticated or elegant systems. Much of the existing UIRR software is poorly documented, old, and possibly inaccurate. PMR forces States to reevaluate their UI reporting system and many have chosen to use PMR development burdens as an opportunity to rewrite their federal reporting software. California developed the PMR software from scratch, and now has much better understanding of and confidence in its reporting system. Kansas scrapped older programs and

rewrote PMR because it needed to update its approach. Missouri and Wisconsin were able to modify their current software without great expense or burden. Illinois was able to write new software very quickly, but needs to develop more systematic internal testing procedures to reduce data validity problems.

Validation of PMR data is another burden on State ADP and program staff. Validation requires States to not only program mainframe extracts and PMR report generation but also to design extract listings and frequency distributions for validation. As with development, the burden of validation varies with the sophistication of the software environment and the availability of programming expertise. Some States have been slow to develop validation software and California's database is so large that running detailed frequency distributions was rejected as too expensive.

PMR would benefit from the development of a detailed implementation plan. Hopefully, the ADP systems and administrative practices of the six field test States represent the situations in the other 47 States, such that a common set of implementation design approaches can be documented and applied to the other SESAs as appropriate. Such a well-planned and systematic effort is warranted to avoid some of the problems experienced during the field test, when problems were dealt with on an individual basis. New Hampshire recently converted to the GUIDE software to administer their benefit program. MPR will continue to examine the New Hampshire GUIDE system carefully, to determine how PMR should be adapted to the many other SESAs using the GUIDE software.



## **II. PAYMENTS TIME LAPSE**

PMR expands the amount of data reported on payments time lapse considerably by adding the following measures to the current Unemployment Insurance Required Reports (UIRRs) payments data and expanding the time lapse intervals:

- Continued Weeks Payments for all programs
- Time lapse for Combined Wage Claims (CWC) payments of all kinds
- Partial first and continued payments
- First Payments for Transitional Claims
- Work Share First and Continued Weeks Payments

Despite the additional data required, the payments measures have posed few implementation problems. The most significant implementation issue concerns accurate capture and justification of the programming costs of CWC payments. States have not had a problem capturing partial payments or work share. Transitional payments posed a definitional problem in California, which has been resolved, and were not captured by New Hampshire under its old system. The other program categories, UCX, UCFE, and interstate have been retained from the current 5159 report. The transitional claims submeasure may have little value. The partial claims table has some value and the work share report is important for some States.

PMR does not contain a measure to evaluate the quality of payments. During the PMR design phase it was decided that the Benefits Quality Control (BQC) program adequately addresses the issue of the quality of claims (and therefore of payments). Limiting PMR to time lapse measures without addressing quality, therefore, is justified. The BQC data could always be added into an integrated reporting system (assuming that PMR and UIRR data have already been combined). Examining the quality assessment usefulness of BQC may help to determine whether it is an optimal complement to the PMR time lapse measures.

This chapter discusses the most significant implementation problem: capturing the "mailed" or "system" date as the time lapse end date. It then analyzes payments time lapse performance and the current PMR design for each payment type. Other topics discussed include costs and benefits of maintaining submeasure data, State Employment Security Agency (SESA) issues, and time lapse of continued payments.

### **A. TIME LAPSE END DATE**

A key implementation problem relating to all payments is how to measure when the payment was made. The two basic choices are: (1) the date the check was printed and (2) the date the check was "mailed." Feasibility concerns are more important than the substantive merits of authorization versus mailed date. The approach that is more feasible to implement uniformly across States should be adopted.

The field test results do not indicate that either approach is superior in feasibility. This is because State systems and practices vary greatly. Missouri and Kansas carry accurate mail dates but no system dates. Other States carry system dates, (the date the check is printed), but no mail dates. We recommend that the Unemployment Insurance Service (UIS) pick the substantively superior date (mail date seems to be a superior method of measuring payments) and that each State develop a customized and valid approach to creating such a date. The cost of implementation and validation would be roughly the same for each approach. States would not have to change their data structures, because the PMR report software could make any recalculations necessary. There is no difference between Illinois creating a formula to adjust its current system date to a mailed date and Missouri creating a formula to adjust its mailed date to a system date. Illinois would increment its system date by one day for all cases because Illinois always mails the next day--it generates checks on Sunday night, not Friday night, and does not generate checks on the eve of postal holidays. Missouri would subtract one, three, or four days from its mail date to create a system date (depending on whether the mail date was Tuesday through Saturday, Monday, or the day after a holiday).

State	Field Test Method
California	Authorization Date
Illinois	System Date
Kansas	Mailed Date
Missouri	Mailed Date
New Hampshire	System Date
Wisconsin	Mailed Date

It was agreed at the midtest meeting that the mailed date should be used. States must provide documentation addressing their payment reporting convention, including their best estimation of when the check is actually mailed. This approach enables States to continue utilizing their current data structures, while ensuring consistency between States. It was further discussed that the time lapse data would be regularly validated to ensure that the State was adhering to the parameter for time lapse which they had documented.

## **B. PAYMENTS TIME LAPSE PERFORMANCE AND PMR DESIGN**

### **1. First Payment Time Lapse**

PMR has expanded the First Payment Time Lapse measure to include more categories than the current measure (Figure II.1). On average, 85 percent of the first payments paid in each month in each State are paid within 14 days and 97 percent are paid within 35 days (Table II.1).<sup>1</sup> Not all types of first payments, however, are paid in as timely a fashion. As shown in the table, interstate

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<sup>1</sup>The monthly reports from each State are used as the unit of analysis throughout our discussion of the timeliness measures.

FIGURE II.1

PERFORMANCE MEASUREMENT REVIEW  
(First Payment Time Lapse--Initial Claims)

<b>Measure</b>	First Payment Time Lapse--Initial Claims
<b>Definition</b>	<p>The length of time from the end of the first (earliest) compensable week in the benefit year to the date the payment is issued</p> <p>Includes all payments: partial, total, or transitional          Excludes special claims programs such as EB, EUC, DUA, and TRA          Excludes work-share claims          Excludes retroactive payment for compensable waiting period</p>
<b>Data Source</b>	Universe of first payments
<b>Computation</b> Start Date End Date	<p>End of first compensable week          Date check was issued</p>
<b>Reporting Intervals</b>	7, 14, 21, 28, 35, 42, 49, 56, 63, 70, 70+ days
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC</li> <li>- Interstate UI, UCFE, UCX, CWC</li> <li>- Partial/Part-total</li> <li>- Transitional</li> </ul>
<b>Reporting Frequency</b>	Monthly
<b>Note</b>	Work Share Time Lapse for First Payments is a separate measure.

TABLE II.1  
FIRST PAYMENTS: MEAN TIME LAPSE

	Grand Total	Intrastate					Interstate				
		Total	UI	UCFE	UCX	CWC	Total	UI	UCFE	UCX	CWC
First Payments (All Claims)											
Percent Within:											
14 days	84.9	85.9	86.2	73.7	86.3	72.2	63.5	64.2	43.4	62.8	49.2
21 days	92.8	93.4	93.6	87.6	94.0	83.5	80.5	81.1	62.7	81.1	65.9
35 days	96.5	96.7	96.8	94.0	97.4	92.3	91.2	91.5	85.0	90.3	80.2
<b>Average Sample Size</b>	<b>29,483</b>	<b>28,310</b>	<b>27,406</b>	<b>234</b>	<b>280</b>	<b>390</b>	<b>1,173</b>	<b>1,121</b>	<b>28</b>	<b>9</b>	<b>15</b>
First Payments (Partial Claims)											
Percent Within:											
14 days	79.7	80.4	80.9	66.3	79.0	71.9	54.8	54.6	34.6	42.2	56.5
21 days	90.4	91.0	91.3	85.2	91.1	85.1	72.9	72.8	65.6	77.8	69.1
35 days	96.5	96.7	96.9	95.4	96.5	93.4	88.8	88.8	79.9	86.7	84.2
<b>Average Sample Size</b>	<b>2,169</b>	<b>2,126</b>	<b>2,077</b>	<b>9</b>	<b>10</b>	<b>30</b>	<b>43</b>	<b>41</b>	<b>1</b>	<b>0</b>	<b>1</b>
First Payments (Transitional Claims)											
Percent Within:											
14 days	92.4	92.9	93.1	84.6	77.6	82.1	73.6	73.5	34.2	33.3	65.6
21 days	96.8	97.1	97.2	92.7	92.4	91.4	85.4	85.3	46.8	66.7	78.1
35 days	99.0	99.1	99.2	98.3	96.8	97.1	94.8	94.7	76.9	66.7	93.8
<b>Average Sample Size</b>	<b>3,388</b>	<b>3,325</b>	<b>3,269</b>	<b>28</b>	<b>1</b>	<b>27</b>	<b>63</b>	<b>62</b>	<b>1</b>	<b>0</b>	<b>0</b>

payments are considerably slower than intrastate payments--overall 64 percent of interstate payments paid each month in each State are paid within 14 days, compared to 86 percent of intrastate first payments. Similarly, while UCX claims are paid as quickly as regular UI claims, other claims of a special nature--UCFE and CWC--are paid considerably more slowly than regular UI claims. The UCX program has a simplified approach to the monetary determination (based on the military rank) which does not require a wage request. The UCFE and CWC programs both include a wage request. Since interstate claims and intrastate claims under special programs represent only a small fraction of total claims,<sup>2</sup> the slowness of payments under these programs does not affect the measure of overall performance.

This analysis suggests that one strategy for monitoring first payment time lapse would be routinely to examine overall performance, only investigating performance for special claims when overall performance is inadequate. However, since some States may have high fractions of special claims (for example, interstate claims or UCFE claims) relative to the average, it may make sense to monitor time lapse for multiple-claim types. The current strategy, as embodied in the Secretary's standards for first payments, of examining intrastate and interstate payments separately is one such option.

Figures II.2 through II.5 use the Secretary's standards for first payments to illustrate this approach for the PMR States. These standards require that, at a minimum, 87 percent of intrastate first payments be paid within 14 days in waiting-week States and within 21 days in nonwaiting-week States, and that 93 percent of first payments be paid within 35 days regardless of the waiting-week status of the State. The comparable requirements for interstate first payments are 70 percent within 14 or 21 days and 78 percent within 35 days.

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<sup>2</sup>On average the 1,173 interstate first payments in the PMR States each month account for about 4 percent of all first payments. Intrastate UCFE and intrastate CWC first payments each account for about one percent of all first payments.

FIGURE II.2  
TOTAL INTRA-STATE FIRST PAYMENT TIME LAPSE  
PERCENT PAID WITHIN 14 OR 21 DAYS

FIGURE II.3  
TOTAL INTRA-STATE FIRST PAYMENT TIME LAPSE  
PERCENT PAID WITHIN 35 DAYS



FIGURE II.4  
TOTAL INTER-STATE FIRST PAYMENT TIME LAPSE  
PERCENT PAID WITHIN 14 OR 21 DAYS

FIGURE II.5  
TOTAL INTER-STATE FIRST PAYMENT TIME LAPSE  
PERCENT PAID WITHIN 35 DAYS

As shown in Figures II.2 and II.3, average intrastate first-payment time lapse varies little among States. However, most States have some months in which performance does not exceed the 14 or 21 day standard. This suggests that the current first payment standards for intrastates provide a useful picture of State performance.

There are two current Secretary Standards for interstate first payments. The first Standard is 70 percent, paid within 14 and 21 days. Three out of the six field test States exceeded this Standard by at least six percentage points (Figure II.4). The second Standard is 78 percent, paid within 35 days. All six States exceeded this Standard by at least six percentage points (Figure II.5). The growth of automation presumably has led to a general increase in performance and thus made practical increases in benchmark standards.

## **2. Partial First Payment Time Lapse**

Data in Table II.1 indicate that partial payments, which are included in the PMR time lapse measure but not in the first payment time lapse data reported on the 5159, are paid slightly slower than other claims--on average, 80 percent are paid in each State in each month within 14 days, compared to 85 percent for all first payments. Because this difference is not large, and because partial payments represent only 7 percent of all first payments, the overall performance measure is basically unaffected by the inclusion of partial payments. Because there is a slight difference in partial payments promptness, the UIS may determine that separate capture of partial payments time lapse is useful.

Because PMR defined this category to include both partial and part-total payments, it has not posed an implementation problem. PMR uses the simple approach of "reduced by wages," which is the most feasible to implement. In some States, no data elements distinguish between partial and part-total payments.

### **3. Transitional First Payment Time Lapse**

This is a new measure. If the process for making first payments on transitional claims is identical to the process for making first payments on initial claims, there would be no justification for measuring these separately. There is not really a new claim. Some large States, however, may find this measure to be a valuable monitoring tool.

First payments under transitional claims, which are both included in the total first payments table and broken out separately as well in the PMR system, are, as one might expect, paid more quickly than first payments in general. As shown in the Table II.1, on average, 92 percent of transitional first payments are made within 14 days, compared to 85 percent for all first payments. This finding raises the question as to whether it is necessary to measure time lapse separately for these payments.

#### **C. COSTS AND BENEFITS OF MAINTAINING SUBMEASURE DATA**

It would be possible to reduce the number of PMR data elements, without sacrificing vital information. UCX, for example, could be combined with UI for time lapse reporting (because there is little difference between them) and only a single cell count of UCX would exist for statistical reporting purposes. The most obvious areas with small numbers of claimants are interstate CWC, UCFE, and UCX.

Several cost factors should be considered when determining the submeasures to retain in PMR. If States download the PMR data from mainframe runs to the Sun System, there is no additional maintenance cost to include cells with marginal performance value. If States data enter the information, the cost of system maintenance is directly impacted by carrying excessive cells. Because States should be encouraged, if not mandated (with assistance from national office contract technical staff) to download the data for accuracy, and because the monthly data entry is in fact a small cost, the cost factor is not significant. Computer storage costs are not an issue and programming is simplified by using a common format for all reports. Although the benefits of maintaining submeasure performance data may currently be minimal, future changes in the UI system might lead to performance problems in areas that are now stable. For example, because of military downsizing, a change might be made to the processing of UCX claims. If the PMR system were designed with no UCX performance component, such potential future performance problems would go undetected. As discussed in Chapter I, consideration must be given to the merging and redesigning of the PMR and UIRR reporting formats.

When determining the costs and benefits of submeasures, small populations also present a problem. For small States, many of the cells are zero or very small populations. For larger States, however, the submeasure

populations are worth measuring. Because two versions of PMR (one for small States and one for all other States) are impractical, we recommend that the submeasures be included because they provide benefits in larger States. Performance figures for small States can be suppressed when populations are too small to be significant. If population size is ignored when reporting performance, small States could achieve 100 percent (or zero) performance based on tiny populations, which cannot be compared to performance in States where the volume is significant.

Because PMR includes so much detail on performance, it is important for the analysis reports to be clear and informative summaries. The summary reports would lead federal oversight staff and State management staff to problem areas, which could be further investigated by querying the detailed PMR database. Some States already maintain more detailed reports than PMR, including local office breakouts (or adjudicator or referee identification number). Pinpointing of performance problems thus may require even more detailed data than are found in the PMR reports. For general oversight purposes, it is impractical and unnecessary for PMR reports to carry more detailed data than they currently provide.

#### **D. SESA CONTROL AND PERFORMANCE ISSUES ASSOCIATED WITH INTERSTATE, CWC, AND UCFE FIRST PAYMENTS**

Field test data shows that the interstate, CWC, and UCFE payments categories exhibit performance problems relative to intrastate UI claims and UCX claims. Performance in all three categories lies outside direct SESA control because extra steps are required to process the claims. For UCFE payments, wage requests must be generated to and received from federal agencies. For CWC payments, wages must be requested and received from at least one State other than the agent State. For interstate first payments, interstate claims must first be processed by the agent State and then forwarded to the liable State before an initial payment can be made. These situations raise special problems when establishing performance standards and analyzing performance problems.

It is presumably not feasible to measure the gap from the date the paying State receives the IB-1 to the date the first payment is made, although it may be a more appropriate measurement of SESA performance. The Quality Appraisal (QA) program evaluates interstate time lapse in steps, by breaking down the number of days from the week-ending date to the date the IB-2 was received in the liable State, and the number of days from the week-ending date to the date the claim was finally paid. This method, which examines the separate parts of the system, enables the reviewer to identify the point where a problem, or extreme time lapse occurs.

The QA program reviews UCFE first payment delays in a similar manner. Three steps are calculated: (1) the number of days from the date the claim was filed to the date the ES 931 was sent to the federal agency; (2) the number of days from the date the claim was filed to the date on which the ES 931 is returned from the federal agency; and (3) the number of days from the date the claim was filed to the date the ES 935 is taken.

The separate tracking of CWC payments has required some programming effort and is not 100 percent accurate. The CWC status in some States is modified during the month's claims activity. When the data are captured at the end of the month, all payments for the month are categorized based on the status of the CWC flag at the end of the month. Payments that were CWC may be reported as non-CWC if the claim no longer uses combined wages. More often, payments made using only State wages are reported as CWC because the combined wages were added to the claim during the same month but after some, or all, of the payments had been made. Some States do not have this problem. Creating a separate reporting category for CWC has been the most difficult problem for State programmers in the payments area, but it cannot be considered a significant problem for implementation.

#### **E. CONTINUED PAYMENTS TIME LAPSE**

This new measure is described in Figure II.6. The UIS has not monitored performance in this area because it was assumed that there was not a problem. For most States, and for intrastate claims, this assumption is borne out by the PMR data. There is some intrastate continued-claims promptness variation, however, and interstate promptness indicates some delays with the Interstate Benefits (IB) system. Therefore, while not critical, this measure has some benefits. Because few programming or operational costs are associated with continued-payments promptness (the extract is done at the same time as first payments and uses almost identical logic), we recommend that the measure be implemented.

Information on continued-weeks payment time lapse (Table II.2) shows that, on average, 61 percent of continued weeks claimed in each State in each month are paid within 7 days, 91 percent are paid within 14 days, and 96 percent are paid within 21 days. As for first payments, interstate continued claims are paid less quickly than intrastate claims--on average 78 percent are paid within 14 days, compared to 92 percent for intrastate claims. Similarly, partial payments are paid more slowly than the average week claimed, but the difference is not as large as for interstate claims. Other special claims--UCFE, UCX, and CWC--are paid in about the same amount of time as regular UI claims. Once the wages for intrastate UCFE and CWC claims have been obtained, nothing distinguishes these claims from regular UI intrastate claims.

No current performance standard for continued weeks claimed exists, but these data clearly suggest that a standard set at 14 days is probably appropriate. A standard based on a shorter time period would not account for the presence of biweekly claims, a standard set at a longer interval may not be sensible, since so many continued weeks claimed are paid within 14 days. It may be

FIGURE II.6

PERFORMANCE MEASUREMENT REVIEW  
(Continued Weeks Payment Time Lapse)

<b>Measure</b>	Continued Weeks Payment Time Lapse
<b>Definition</b>	<p>The length of time from the end of the continued week claimed (whether total or partial) to the date the check is issued</p> <p>Applies to weeks paid subsequent to the first week compensated in the benefit year</p> <p>Includes all payments for continued-weeks, whether total or partial Excludes special claims programs such as EB, EUC, DUA, and TRA Excludes adjusted payments (see Field Test Design, p. 65, g.) Excludes work-share (see System Design, 4.2.1)</p>
<b>Data Source</b>	Universe of continued weeks paid
<b>Computation</b> Start Date End Date	<p>End of each week for which claim was filed</p> <p>Date check was issued</p>
<b>Reporting Intervals</b>	7, 14, 21, 28, 35, 42, 49, 56, 63, 70, 70+ days
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC</li> <li>- Interstate UI, UCFE, UCX, CWC</li> <li>- Partial/Part-total</li> </ul>
<b>Reporting Frequency</b>	Monthly
<b>Note</b>	Work Share Time Lapse for Continued Weeks is a separate measure.



TABLE II.2  
CONTINUED WEEKS PAYMENTS: MEAN TIME LAPSE

	Grand Total	Intra-State					Inter-State				
		Total	UI	UCFE	UCX	CWC	Total	UI	UCFE	UCX	CWC
Continued Weeks Payments (All Claims)											
Percent Within:											
7 days	61.3	62.5	62.7	60.9	58.0	58.6	44.2	44.6	40.6	34.4	41.9
14 days	91.2	92.1	92.2	90.3	89.9	88.8	78.4	78.8	73.8	72.8	74.6
21 days	95.7	96.1	96.1	94.6	95.6	93.9	90.0	90.2	88.6	87.1	86.2
<b>Average Sample Size</b>	<b>467,392</b>	<b>443,946</b>	<b>428,872</b>	<b>4,139</b>	<b>4,573</b>	<b>6,362</b>	<b>23,446</b>	<b>22,051</b>	<b>542</b>	<b>441</b>	<b>412</b>
Continued Weeks Payments (Partial Claims)											
Percent Within:											
7 days	52.7	53.4	53.6	53.1	48.3	51.0	36.3	36.7	32.4	29.5	35.9
14 days	84.8	85.5	85.6	84.1	80.4	81.9	67.8	68.2	63.3	64.8	64.7
21 days	92.7	93.1	93.2	92.4	90.6	90.5	82.4	82.6	79.2	79.8	78.5
<b>Average Sample Size</b>	<b>29,630</b>	<b>28,588</b>	<b>27,666</b>	<b>198</b>	<b>305</b>	<b>419</b>	<b>1,042</b>	<b>969</b>	<b>29</b>	<b>25</b>	<b>19</b>

unnecessary to establish separate standards for biweekly continued-claims payments. Figures II.7 and II.8 show time lapse of intrastate and interstate continued-weeks payments by State, using a hypothetical standard that 80 percent of such payments be paid within 14 days. While average timelapse of intrastate continued weeks paid varies by state from a low in California to a high in Kansas, performance has exceeded a standard of 80 percent in every month so far in the field test. Moreover, the average performance among the PMR States exceeds 87 percent. Performance for interstate continued weeks paid is worse, with average performance in three States below a standard of 80 percent.

Interstate continued claims may incur delays when the weekly claim cards must be processed by the agent State before going to the liable State to release the check. When continued weeks claim cards are mailed directly to the liable State by the claimant, only the increased postal time would affect the performance (the increased postal time for mailing the check to the out-of-State claimant would not be included since we measure from mailed date, not received date). For some States with telephone claims systems (such as North Carolina), there would be no difference at all between interstate and intrastate continued claims promptness as all weeks would be claimed by telephone, eliminating the mail delay.

FIGURE II.7

TOTAL INTRA-STATE CONTINUED WEEKS PAYMENTS TIME LAPSE  
PERCENT PAID WITHIN 14 DAYS

FIGURE II.8

TOTAL INTER-STATE CONTINUED WEEKS PAYMENTS TIME LAPSE  
PERCENT PAID WITHIN 14 DAYS



### III. ADJUDICATION TIME LAPSE

Adjudication time lapse is one of the most important measures in the Unemployment Insurance (UI) oversight and management system. This measure is perhaps the most important contribution of PMR versus the existing Quality Appraisal (QA) measures (see Figure III.1). The PMR measure is superior to the existing measure because it is conducted monthly and is based on the entire population. In contrast, the QA measure is conducted yearly and is based on a small sample that may not always be statistically valid. If the results were valid, it would provide some oversight benefits, but the data would be too old to provide management benefits.

Information on adjudication time lapse (Table III.1) indicates that more than half of adjudications are determined within 14 days: 58 percent of separation issues and 51 percent of non-separation issues, on average, per State, per month. Eight-one percent of separation adjudications are determined within 21 days and 89 percent within 28 days. For non-separation adjudications, 69 percent are determined within 21 days and 77 percent within 28 days.

As might be expected, interstate adjudications are determined considerably more slowly than intrastate adjudications. For example, 60 percent of intrastate separation adjudications are determined within 14 days, compared to 33 percent of interstate separation adjudications. Similar differences are found for non-separation adjudications.

Data by State (Figures III.2 and III.3) for intrastate separation and non-separation determinations show that performance also varies considerably by State, but that, in most cases, it does not vary much within States. For example, the data on separation adjudications, which are available for five States, show that four States issue determinations within 14 days more than 60 percent of the time and one State on average issues determinations within 14 days only 33 percent of the time (Figure III.2).

FIGURE III.1

PERFORMANCE MEASUREMENT REVIEW  
(Adjudication Time Lapse)

<b>Measure</b>	Adjudication Time Lapse
<b>Definition</b>	The length of time to adjudicate all issues that have the potential to adversely affect claimant benefit rights  Excludes special claims programs such as EB, EUC, DUA, and TRA
<b>Data Source</b>	Universe of adjudications
<b>Computation</b> Start Date End Date	Week-ending date of first claimed week of unemployment affected by decision Date determination decision is issued
<b>Reporting Intervals</b>	7, 14, 21, 28, 35, 42, 49, 56, 63, 70, 70+ days
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Interstate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Multi-Claimant Labor Dispute</li> <li>- Multi-Claimant "Other"</li> </ul>
<b>Reporting Frequency</b>	Monthly

TABLE III.1  
ADJUDICATIONS: MEAN TIME LAPSE

	Grand Total	Intrastate					Interstate				
		Total	UI	UCFE	UCX	CWC	Total	UI	UCFE	UCX	CWC
Adjudications--Separation Issues											
Percent Within:											
14 days	57.5	59.8	60.4	42.7	55.4	51.2	33.1	33.5	18.9	24.2	25.6
21 days	81.2	82.8	83.2	69.9	77.8	74.5	64.1	64.8	45.0	51.0	50.9
28 days	89.2	90.1	90.4	81.5	85.7	84.4	78.9	79.5	58.7	68.4	65.4
<b>Average Sample Size</b>	<b>13,142</b>	<b>12,173</b>	<b>11,762</b>	<b>121</b>	<b>41</b>	<b>249</b>	<b>969</b>	<b>923</b>	<b>28</b>	<b>6</b>	<b>12</b>
Adjudications--Non-separation Issues											
Percent Within:											
14 days	51.1	52.6	52.8	47.9	52.6	50.1	33.1	33.3	25.6	33.0	30.5
21 days	68.7	69.8	69.9	67.1	70.6	67.3	53.8	54.3	44.4	51.5	50.4
28 days	77.1	77.9	78.0	77.3	79.6	76.4	65.8	66.2	59.0	63.2	61.2
<b>Average Sample Size</b>	<b>14,567</b>	<b>13,738</b>	<b>13,250</b>	<b>122</b>	<b>176</b>	<b>190</b>	<b>829</b>	<b>772</b>	<b>20</b>	<b>21</b>	<b>16</b>



FIGURE III.2  
TOTAL INTRA-STATE ADJUDICATIONS TIME LAPSE: SEPARATION  
PERCENT WITHIN 14 DAYS

FIGURE III.3

TOTAL INTRA-STATE ADJUDICATIONS TIME LAPSE: NON-SEPARATION  
PERCENT WITHIN 14 DAYS

The overall adjudication time lapse under PMR is considerably lower than that previously reported under the QA measures. After carefully comparing the QA and PMR measures, however, we have determined that the number of differences makes any comparison of performance outcomes invalid. The differences include:

- In general, the QA measure only examines separation issues arising with the filing of an additional claim. The QA first payments promptness measure examines delayed first payments and thus captures slow adjudications associated with initial claims.
- For issues arising during the claim series, the QA measure uses the week-ending date of the week the issue was detected as the time lapse start date.
- The QA measure is limited to four types of issues; PMR incorporates other issues, including some overpayment determinations.
- The QA measure uses a very limited sample of claims and does not employ rigorous sampling methods.

Because of the differences in statistical validity and frequency of capture, the existing QA standards cannot be applied to PMR. MPR will present several alternative approaches to setting these performance standards, using various combinations of number of days elapsed and percentages of cases (for example, 80 percent at 21 days or 60 percent at 14 days). We also need to consider separate standards for interstate and intrastate adjudications.

#### **A. COMPOSITION OF THE ADJUDICATION POPULATION**

The definition of an adjudication is a fundamental difference between PMR and the existing UI systems including QA and Workload (funding). The QA quality measure includes only four issues:

- Voluntary Quit
- Misconduct
- Able and Available
- Refusal of Suitable Work

The QA time lapse measure only includes small samples of issues arising in connection with additional claims and issues arising during the claims series. The PMR measure has been broadened to include all issues with potential adverse impact on the claimant. An exception has been made for overpayment adjudications generated by the Benefits Payments Control (BPC) cross-match process, which matches Social Security Numbers (SSNs) from wage files with claimant SSNs to detect claimants who were monetarily ineligible due to earnings. These adjudications have been deleted from the time lapse population because by definition, these determinations cannot be timely (States normally run cross-match programs many months after the claims

activity being monitored). Some UI analysts have argued that, because overpayment collection rates tend to decline as the delay between payments and cross-match increases, these adjudications should be measured for time lapse. The ideal compromise would be to track cross-match adjudications separately from others. Separate tracking of cross-match adjudications would eliminate any bias in the main adjudication time lapse measure while still tracking cross-match promptness. Reporting time lapse promptness presumably would encourage States to run cross-match programs more frequently and increase overpayment recovery rates. Some States, however, will object that this is not a regular UI program and should not be measured at all. Eventually, a separate set of measures may be implemented to monitor the BPC environment.

The question of whether or not to include overpayments in the adjudications universe was further addressed at the midtest meeting. It was agreed upon that overpayments based solely on previously adjudicated issues would be excluded from the universe. This refers to separate overpayment notices which are generated as a result of a previously adjudicated issue.

Strong support exists at both the federal and State level to include all issues in both time lapse and quality universes. The PMR concept of not excluding any benefits activities is sound. If States issue determinations that affect benefits, they should be subjected to promptness and quality evaluation. Two potential problems with this approach are: (1) implementational feasibility; and (2) a potential perverse impact on State administrative practice.

PMR has expanded the adjudication universe from the restricted definition of "nonmonetary determinations." All five States (New Hampshire has yet to implement the adjudication time lapse measure) were encouraged to reexamine their adjudication populations in light of the expanded PMR definition. After reexamination, the five States took the following actions:

- California initially decided that its existing definition of a nonmonetary determination should not be broadened, because it had designed its system based on the nonmonetary definition and broadening the definition would result in increased burden on adjudicators. California uses the term "clarification" to describe issues where fact finding is minimal. Some clarifications meet the PMR definition of an adjudication and some do not. California will count all issues (including multiple issues based on a single set of facts) when PMR is implemented.
- Illinois, Kansas, and Wisconsin determined that additional issues should be included in PMR. Each State provided a list of these issues to MPR and the national office for validation review.
- Missouri determined, after consultation with national office staff, that one additional category of adjudications entitled "Weeks Claimed" should be added to the existing "Nonmonetary" category. These were described as mandatory adjudications of all base- period employers conducted primarily for the purpose of allocating employer charges. Missouri noted that in some cases, these "chargeback" determinations had a potential adverse impact on claimants, and thus met the newly

broadened PMR definition. At the midtest meeting, it was determined that chargebacks should not be included.

- New Hampshire did not modify its adjudication population for PMR. New Hampshire does include secondary issues in workload and PMR.

Consensus was reached at the Midtest meeting on the inclusion or exclusion of several specific adjudication issues from the PMR universe:

- Chargebacks
- Training Benefits, and
- Fraud/False Statements

Chargebacks should not be included in the PMR adjudications universe when the determination affects only employer charges. Since these adjudications have no effect on the claimant's past, present or future benefits, they do not meet the PMR definition.

The inclusion of training benefits hinges on the question of whether these adjudications require investigation or are merely claimstaking functions. Some amount of factfinding may be required to determine whether a particular claimant's training is Title III, "approved." It was agreed that training benefit determinations where the agency has no discretion will be excluded from the universe. Training benefit issues, however, will be included when the issue is other than Title III or there are additional issues involved which require agency discretion.

It was determined that fraud and false statement issues would be included in the adjudications universe unless they referred to a previously adjudicated issue. In these instances fraud or false statements would not represent the original issue being addressed, and hence should not be included.

One approach to ensure that no inappropriate adjudications are included in PMR is through the quality review sample, which requires the reviewer to indicate whether the adjudication was "valid." States have reported that at least 90 percent of adjudications reviewed have met the PMR criteria. States were asked to provide information about the sampled adjudications that did not meet the criteria to determine if they are systematically including invalid issues or if human error is responsible for the misclassification of issues.

## **B. DETERMINING THE FIRST WEEK AFFECTED BY THE ADJUDICATION**

The second most serious implementation issue after the composition of the adjudication population is the feasibility of accurately capturing the first week affected by the adjudication to calculate time lapse. Missouri and Illinois had no difficulty producing the week-ending date using data they already maintained. Both Illinois and Missouri use the "week affected" to directly start or stop payments (depending on the outcome of the adjudication). MPR compared the week-affected dates recorded as part of the adjudication quality review to validation listings in both States and found no problems.

At the mid-test assessment meeting, Missouri made a presentation on their automated approach for deriving this date. For each "notice date" during the subject month they select the most recent of the Benefit Year Beginning, Separation Date, or Additional Claim Date, as the first week affected. It was determined that under some infrequent circumstances, the adjudicator could potentially link the adjudication to the wrong date (based on the presence or absence of an additional claim date on the adjudication record).

Some of the other Field Test States have adjudicators enter the week affected rather than deriving it from data already present in the benefits system. Validation results show that using a manual entry not linked to claim activity is error prone. Therefore, it was concluded that the Missouri approach, although not 100 percent accurate, seemed likely to be more accurate than a separate manual entry of the week affected solely for the purposes of calculating time lapse for PMR.

Kansas had a problem establishing the week-ending date for separation adjudications that was resolved. New Hampshire did not initially capture the date, because they were in the process of replacing their system, but is doing so now.

Two States, Wisconsin and California, added a new data element to their determination screens and databases to meet this PMR requirement. This constituted a major expenditure in California because its systems are complex and many programs had to be revised to carry the new field. In Wisconsin, room was available on the record, so programming expenditures were minimized. Both States required modification to their documentation and some degree of decentralized retraining. This has been by far the most costly PMR implementation problem and poses a potential obstacle to efficient national implementation.

Agreement was derived at the midtest meeting, regarding the proper ending parameters to be utilized for calculating adjudication time lapse. In the case of a formal determination, the appropriate date for time lapse is the date on the determination. For informal determinations, the State should report the date the determination is posted to the system.

### **C. MULTICLAIMANT ADJUDICATIONS**

States have experienced some problems in accurately capturing this measure. Illinois has not reported these adjudications because it would require a manual step (it cannot be done directly from the Benefits Information System). California has experienced some definitional and implementational problems with this measure.

#### **IV. REDETERMINATION TIME LAPSE**

The PMR system measures the timeliness of adjudication redeterminations and that of the initial adjudication (Figure IV.1). Since this timeliness measure reports the time lapse between the end of the week affected by the redetermination and the date the redetermination is issued, it is the sum of (1) the time it takes to do the initial adjudication; (2) the time between the initial adjudication and the availability of new information that requires a redetermination; and (3) the time it takes to do the redetermination. As a result, it takes longer for a redetermination to be completed than for the initial adjudication. As shown in Table IV.1, 44 percent of separation issue redeterminations and 49 percent of non-separation issue redeterminations are made within 28 days. After 56 days under 80 percent of redeterminations have been decided. A final point to note about redeterminations is that, with the exception of Illinois, most of the PMR States have very few redeterminations. In Illinois, however, there is about one redetermination for every 4 initial separation adjudications and one redetermination for every 12 initial non-separation adjudications.

This measure is somewhat controversial because the performance results are not completely under SESA control. Redeterminations are defined somewhat differently by States, making comparisons difficult. Nonetheless, the current PMR measure from the week-ending date of the first week affected by the redetermination to the date the redetermination was issued is a necessary and appropriate measure to implement nationally. Using the week-affected date errs on the side of the "payment when due" approach versus the SESA control approach to performance evaluation, but the "payment when due" approach is the most practical because it would be difficult to capture a consistent and valid issue detection date.

At the mid-test assessment meeting, States expressed concern that the date currently being used (the first week affected by the original adjudication) provides little management value because it fails to consider when the SESA obtained the information which initiated the redetermination process.



FIGURE IV.1

PERFORMANCE MEASUREMENT REVIEW  
 (Adjudication Redetermination Time Lapse)

<b>Measure</b>	Adjudication Redetermination Time Lapse
<b>Definition</b>	The length of time to an issue redetermination of the initial adjudication
<b>Data Source</b>	Universe of Redeterminations
<b>Computation</b> Start Date End Date	Week-ending date of first week affected by the redetermination Date redetermination is issued
<b>Reporting Intervals</b>	7, 14, 21, 28, 35, 42, 49, 56, 63, 70, 70+ days
<b>Reporting Categories</b> Report Separately For	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Interstate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Multi-Claimant Labor Dispute</li> <li>- Multi-Claimant "Other"</li> </ul>
<b>Reporting Frequency</b>	Monthly

TABLE IV.1

## ADJUDICATIONS REDETERMINATIONS: MEAN TIME LAPSE

	Grand Total	Intrastate					Interstate				
		Total	UI	UCFE	UCX	CWC	Total	UI	UCFE	UCX	CWC
Adjudication Redetermination-- Separation Issues											
Percent Within:											
28 days	44.3	45.9	46.2	18.3	39.7	44.0	27.4	27.2	19.3	6.3	17.9
42 days	67.0	68.0	68.4	45.7	64.5	71.4	55.9	56.0	38.5	37.5	40.5
56 days	79.1	79.5	79.5	68.0	80.5	84.6	76.4	76.9	58.3	68.8	47.6
<b>Average Sample Size</b>	<b>682</b>	<b>627</b>	<b>605</b>	<b>7</b>	<b>3</b>	<b>13</b>	<b>55</b>	<b>53</b>	<b>1</b>	<b>0</b>	<b>1</b>
Adjudication Redetermination-- Non-separation Issues											
Percent Within:											
28 days	48.8	50.4	50.4	53.0	53.0	58.9	32.4	33.0	27.9	34.0	53.8
42 days	64.6	66.0	65.7	65.2	75.1	78.2	50.6	51.9	65.5	53.5	70.4
56 days	72.4	73.4	73.1	73.1	85.1	86.2	65.3	66.5	77.5	67.5	84.0
<b>Average Sample Size</b>	<b>848</b>	<b>785</b>	<b>742</b>	<b>9</b>	<b>15</b>	<b>19</b>	<b>63</b>	<b>58</b>	<b>1</b>	<b>1</b>	<b>2</b>

Two alternative approaches were offered: the date the SESA received the request for a redetermination or the issue detection date; and the date of the original notice. There was discussion on the date which would best represent the request for a redetermination. For redeterminations which are requested by the interested party, as opposed to the SESA, the date of the request was proposed as an appropriate parameter. However, the parameter to be used for SESA initiated redeterminations requires further discussion.

States opposed the use of the original adjudication notice date. They said that this date neither addressed the issue of payment when due to the claimant (as did the ending date of the first week affected) nor did it address the SESA management issue (as did the "issue detection date").

There was no consensus reached on changing the parameter to the issue detection date because of the data validity problems inherent in that approach. It was agreed that there would be too much variation in the capture of the "issue detection date" across States to provide meaningful performance comparisons.

The Missouri redetermination population does not meet the PMR definition. While Missouri reports a substantial number of redeterminations, it includes notices that merely correct administrative errors made when the original determination was mailed and that were detected through supervisory review.

## V. APPEALS TIME LAPSE

Lower and Higher Authority Appeals are currently subject to Secretary's standards for time lapse. Sixty percent of Lower Authority Appeals are to be decided within 30 days and 80 percent within 45 days. Forty percent of Higher Authority Appeals are to be decided within 45 days and 80 percent within 75 days.

The PMR system has not changed the definition of an appeal, so it is reasonable to examine appeals timeliness using the same standards (Figures V.1 and V.2). As shown in Table V.1, average performance in the PMR States tends to fall short of each of these standards. The only exceptions are that Lower Authority Appeals timeliness meets the 80-percent/45-day standard for both separation and non-separation issues and Higher Authority Appeals timeliness meets the 40- percent/45-day standard for non-separation reasons. Data by State for Lower Authority and Higher Authority Appeals (Figures V.3 and V.4) show, however, that these averages over all the PMR States mask some variation by State. Two of the States--California and Kansas-- have an average Lower Authority time lapse that exceeds the 60-percent/30-day standard, while the other PMR States have average time lapse below this standard.

Higher Authority Appeals time lapse shows the greatest variability of any PMR measure. Kansas achieves on average 82 percent timely decisions, and California and Illinois have almost no timely decisions, using the 45-day criteria. Kansas explained that its Higher Authority Board met twice a month and had no problem making its decisions. California Appeals staff said that there was little chance of California meeting the Secretary's standard because all taped Lower Authority Hearings had to be transcribed prior to Higher Authority review and workload had increased.

Of the other States, Wisconsin and New Hampshire exceed the Higher Authority Appeals standard, while Missouri does not.

FIGURE V.1

PERFORMANCE MEASUREMENT REVIEW  
(Lower Authority Appeals Time Lapse)

<b>Measure</b>	Lower Authority Appeals Time Lapse
<b>Definition</b>	The length of time from the date the request for hearing is filed to the date the decision is issued
<b>Data Source</b>	Universe of Lower Authority Appeals decisions
<b>Computation</b> Start Date End Date	Date the appeal is filed Date notice of final decision is issued
<b>Reporting Intervals</b>	30, 45, 60, 75, 90, 120, 120+ days
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Interstate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Multi-Claimant Labor Dispute</li> <li>- Multi-Claimant "Other"</li> </ul>
<b>Reporting Frequency</b>	Monthly
<b>Notes</b>	<p>Include remanded and reopened cases.</p> <p>If a case is remanded from Higher Authority Appeals for a new hearing and decision by the Lower Authority, the clock starts on the date the case is remanded from the Higher Authority.</p>

FIGURE V.2

PERFORMANCE MEASUREMENT REVIEW  
(Higher Authority Appeals Time Lapse)

<b>Measure</b>	Higher Authority Appeals Time Lapse
<b>Definition</b>	The length of time from the date the request for a Higher Authority Appeal is filed to the date the decision is issued
<b>Data Source</b>	Universe of Higher Authority Appeals decisions
<b>Computation</b> Start Date End Date	Date the appeal is filed Date notice of final decision is issued
<b>Reporting Intervals</b>	45, 60, 75, 90, 120, 150, 180, 210, 240, 270, 300, 330, 360, 360+ days
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Interstate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Multi-Claimant Labor Dispute Separations</li> <li>- Multi-Claimant Nonseparations</li> </ul>
<b>Reporting Frequency</b>	Monthly
<b>Notes</b>	<p>Include remanded and reopened cases.</p> <p>If a case is remanded from Lower Authority for additional evidence and the case is returned, the Higher Authority clock keeps running.</p> <p>If a case is remanded to the Lower Authority for a new hearing and decision, the clock stops.</p>

TABLE V.1  
 APPEALS: MEAN TIME LAPSE

	Grand Total	Intrastate					Interstate				
		Total	UI	UCFE	UCX	CWC	Total	UI	UCFE	UCX	CWC
Lower Authority Appeals--Separation Issues											
Percent Within:											
30 days	51.8	52.1	52.1	53.4	51.4	54.9	47.5	47.5	40.0	28.4	53.2
45 days	79.7	79.7	79.8	79.1	80.9	80.3	78.9	78.9	73.6	75.9	80.0
<b>Average Sample Size</b>	<b>2,595</b>	<b>2,430</b>	<b>2,381</b>	<b>15</b>	<b>8</b>	<b>26</b>	<b>165</b>	<b>161</b>	<b>3</b>	<b>0</b>	<b>1</b>
Lower Authority Appeals--Non-separation Issues											
Percent Within:											
30 days	52.6	53.2	53.2	54.2	50.1	56.9	45.7	46.4	28.4	47.5	31.0
45 days	80.2	80.5	80.5	79.2	76.8	82.4	77.4	77.8	70.2	85.5	71.2
<b>Average Sample Size</b>	<b>1,119</b>	<b>1,065</b>	<b>1,022</b>	<b>21</b>	<b>14</b>	<b>8</b>	<b>54</b>	<b>50</b>	<b>2</b>	<b>1</b>	<b>1</b>
Higher Authority Appeals--Separation Issues											
Percent Within:											
45 days	33.1	32.8	32.8	27.6	24.8	27.1	38.2	37.8	28.6	28.6	30.8
75 days	51.6	51.3	51.3	45.1	48.2	39.3	56.6	56.3	53.3	28.6	41.0
<b>Average Sample Size</b>	<b>548</b>	<b>515</b>	<b>503</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>33</b>	<b>32</b>	<b>1</b>	<b>0</b>	<b>0</b>
											Higher Authority Appeals--Non-separation Issues
Percent Within:											
45 days	45.8	45.7	45.7	33.6	43.3	23.8	46.4	45.3	57.1	100.0	42.9
75 days	61.5	61.6	61.5	57.7	60.9	37.7	59.4	58.5	71.4	100.0	57.1
<b>Average Sample Size</b>	<b>78</b>	<b>75</b>	<b>72</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>

TABLE V.1 PAGE 2



FIGURE V.3

TOTAL INTRA-STATE LOWER AUTHORITY APPEALS TIME LAPSE:

SEPARATION AND NON-SEPARATION COMBINED

PERCENT WITHIN 30 DAYS

FIGURE V.4

TOTAL INTRA-STATE HIGHER AUTHORITY APPEALS TIME LAPSE:

SEPARATION AND NON-SEPARATION COMBINED

PERCENT WITHIN 45 DAYS

This measure brings up some minor implementation and validation issues. Wisconsin uses the date the mailed appeal was received, not the postmark date. Wisconsin has noted that the State Employment Security Agency (SESA) has no control over the time the appeal spends in the mail system (it does use the postmark date to determine the timeliness of the appeal if it is close to the filing deadline). Illinois continues to have problems identifying the appropriate appeals population for both Lower and Higher Authority time lapse and for the Lower Authority Appeals quality sample. It had established a separate system for tracking appeals for the Unemployment Insurance Required Report 5130, but has attempted to use its mainframe Benefit Information System to generate the PMR data. Illinois has found that the mainframe database is not updated with the status of appeals in a timely manner, and it will have to either use the 5130 system for PMR or achieve closer integration of the appeals function and the mainframe database.

Implementation problems have also occurred in the Higher Authority Appeals measures in California and New Hampshire, which did not track these by separation and non-separation issues. As noted in the Introduction, Missouri feels that Higher Authority Appeals are outside SESA control, but this measure is obviously necessary for federal oversight purposes.

California Appeals staff raised a key problem with the effect of the current performance standards on State behavior. Because the only emphasis is on the percentage decided prior to the time lapse deadline, States manipulate the scheduling of hearings to ensure that an adequate percentage are heard within the 30-day limit. This results in other cases being delayed. The design of the current measure thus has a perverse affect on claimant rights, because some claimants are victimized by the performance measurement approach. The current Appeals Aging project seeks to remedy this problem by tracking the age of undecided cases. Another approach would be to change the measure to capture the average time lapse for all appeals decided in a month. This would not be difficult to calculate and would ensure that a State would not suffer in measured performance by using the "first in, first out" approach to scheduling hearings, which is the most equitable approach for claimants.

At the Midwest Assessment meeting, the Appeals Workgroup discussed whether States should be "held harmless" for lengthy appeals delays caused by legal issues, and the concept of changing the current time lapse standards to add a case aging measure or to create an average time lapse measure was discussed. Neither of these issues were resolved. The Workgroup concurred on the following issues pertaining to appeals time lapse.

- The starting parameter of Appeals time lapse for Appeals which are filed by mail is the postmark date and not the date received. This follows the current convention.

- Illinois has a different "appeal filed date." They want to use the date the reconsideration is issued as the appeal date, since they have to conduct two separate processes within the same time lapse period that other States only have to process an appeal. One comment was that Illinois' system delays due process by making the appeals process into two separate steps. It was noted that if Illinois used the date of the reconsideration, they could manipulate the intake of appeals cases. It was decided that this was not a PMR implementation issue, but a workload validation issue.

## VI. ADJUDICATION QUALITY

Adjudication quality is perhaps the most important PMR measure because it assesses the decision-making process that affects more claimants than any other (Figure VI.1). PMR has expanded the assessment to include the quality of the written determination, while retaining the fact-finding and decision process assessment from the existing Quality Performance Index (QPI) assessment conducted under the Quality Appraisal (QA) program. PMR has also adopted a pass/fail evaluation approach instead of the scoring approach used in the QPI. Now, the failure of any element causes the case to fail.

### A. PMR QUARTERLY QUALITY REVIEWS

Adjudication quality, as measured in the PMR quarterly quality review samples, appears to be relatively poor. As shown in Figures VI.2 and VI.3,<sup>1</sup> none of the PMR States had a passing rate for separation adjudications that exceeded 80 percent in any of the quarters. Moreover, for separation issues, the passing rate was above 60 percent in only one State. Only one State exceeded 80 percent for non-separation adjudications. Performance was better overall for non-separation adjudications. In one State, however, performance never exceeded the 50 percent mark. Lower quality outcomes are not unexpected given the tougher pass/fail evaluation approach.

Table VI.1 presents an analysis of the data underlying this overall passing rate for adjudication quality cases by reporting a failure rate for each individual question on the adjudication quality review. The first column shows the percent failed for each question, including the cases where the question was not applicable. The second column shows the failure rate for each question, excluding

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<sup>1</sup>Since very few adjudications pass the question on appeal information, the passing rates shown in Figures V.1 and V.2 exclude the appeals question. In addition, the passing rate is computed using only PMR valid cases. Ninety-two percent of the cases reviewed were valid.

FIGURE VI.1

PERFORMANCE MEASUREMENT REVIEW  
(Adjudication Quality)

<b>Measure</b>	Adjudication Quality
<b>Definition</b>	Assessment of the adequacy of adjudications
<b>Data Source</b>	Sample from the Adjudication Time Lapse universe
<b>Computation</b>	Each element scored as Pass/Fail/Not Applicable. Failure of one element causes case to fail
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Interstate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Multi-Claimant Labor Dispute</li> <li>- Multi-Claimant "Other"</li> </ul>
<b>Reporting Frequency</b>	Quarterly

FIGURE VI.2  
ADJUDICATION QUALITY MEASURE SEPARATION SAMPLE  
PERCENT PASSING

FIGURE VI.3  
ADJUDICATION QUALITY MEASURE NON-SEPARATION SAMPLE  
PERCENT PASSING



TABLE VI.1  
 PERCENT FAILING ADJUDICATION QUALITY QUESTIONS:  
 ALL STATES

	Percent of Total	Percent of Pass/Fails <sup>a</sup>
Q1 Claimant Information	19.8	19.9
Q2 Employer Information	14.1	21.4
Q3 Information from Others	4.2	29.1
Q4 Rebuttal Opportunity	7.9	40.9
Q5 Law and Policy Correctly Applied	22.4	22.4
Q6 Determination Clearly Written	19.5	19.7
Q7 Correct Eligibility Outcome Stated	10.7	10.7
Q8 Material Facts Cited in Determination Are Supported	25.6	25.6
Q9 Appeal Information	76.4	91.7

NOTE: Based on samples for quarters ending 6/30/93, 9/30/93, 12/31/93, 3/31/94, and 6/30/94.

<sup>a</sup>Excludes cases where question is not applicable.

the cases where the question was not applicable, and is therefore a better measurement of quality. The only good score is on Question 7--Correct Eligibility Outcome Stated, where only 11 percent of the cases failed. The worst score is on Question 9--Appeal Information, where 92 percent of the applicable cases fail. As noted in the footnote, this question is not included in the overall quality measures. For each of the other questions, the failure rate is between 20 and 41 percent. Thus, with the one exception, adjudication quality seems to be relatively poor under the current definition of quality.

The final two tables for adjudication quality, Tables VI.2 and VI.3, present a comparison of the State and national rereviews and State and regional rereviews for cases with rereviews. Table VI.2 shows that 15 to 31 percent of the national reviews reached different conclusions than the State reviews for the questions used to measure adjudication quality (Questions 1 to 8), nine percent reached a different conclusion regarding whether appeal information was provided (Question 9), and four percent reached a different conclusion regarding whether the adjudication was PMR valid (Question 10). Although a smaller percent of the regional reviews differed from the State reviews, there were still substantial differences (11 to 22 percent on the questions used to measure adjudication quality) between the two reviews (Table VI.3). The State and national/regional differences were largest for three questions: (1) Question 4--Rebuttal Opportunity; (2) Question 6--Determination Clearly Written; and (3) Question 8--Material Facts Cited in Determination are Supported. An examination of the answers for each of these questions shows no systematic difference between State and national/regional reviews--State reviewers were generally as likely to pass as to fail cases in which the national/regional reviewers reached a different conclusion. Further examination of the answers shows that the differences in the reviews generally affected the quality outcome: one review passed the case or said the question was not applicable; the other review failed the case. Large differences in passing rates by item have occurred when States change their reviewers, further questioning the ability to achieve consistency.

TABLE VI.2  
 PERCENT IN WHICH NATIONAL REVIEW YIELDS A  
 DIFFERENT ANSWER THAN STATE REVIEW FOR  
 ADJUDICATION QUALITY QUESTIONS:  
 ALL STATES

	Percent with Different Answer
Q1 Claimant Information	23.7
Q2 Employer Information	17.6
Q3 Information from Others	17.6
Q4 Rebuttal Opportunity	30.5
Q5 Law and Policy Correctly Applied	16.0
Q6 Determination Clearly Written	28.2
Q7 Correct Eligibility Outcome Stated	14.5
Q8 Material Facts Cited in Determination Are Supported	25.2
Q9 Appeal Information	9.2
Q10 Valid Adjudication	3.8

NOTE: Based on 131 national reviews for quarters ending 6/30/93, 9/30/93, 12/31/93, 3/31/94, and 6/30/94.

TABLE VI.3  
 PERCENT IN WHICH REGIONAL REVIEW YIELDS A  
 DIFFERENT ANSWER THAN STATE REVIEW FOR  
 ADJUDICATION QUALITY QUESTIONS:  
 ALL STATES

	Percent with Different Answer
Q1 Claimant Information	12.7
Q2 Employer Information	16.7
Q3 Information from Others	12.7
Q4 Rebuttal Opportunity	20.3
Q5 Law and Policy Correctly Applied	17.9
Q6 Determination Clearly Written	21.5
Q7 Correct Eligibility Outcome Stated	10.8
Q8 Material Facts Cited in Determination Are Supported	18.3
Q9 Appeal Information	8.8
Q10 Valid Adjudication	7.6

NOTE: Based on 251 regional reviews for quarters ending 6/30/93, 9/30/93, 12/31/93, 3/31/94, and 6/30/94.

The level of differences in reviews seems unacceptable. Further training of staff or clearer definitions may be needed.

Discussion at the mid-test assessment meeting led to consensus on the merits of including the issue codes for the adjudications being evaluated. A valid argument presented against this idea, was that the data would be unreliable (because the sample sizes for a particular issue would be so small) and may lead States to take unwarranted remedial action. States agreed, however, that the ability to analyze the quality of specific types of adjudications would constitute a valuable management tool, although they were aware that the results may not be statistically reliable.

MPR supported the inclusion of the issue code for validation reasons. If there was a clear trend that certain types of adjudications always failed the validity test, it would be an efficient means of refining the universe to better meet the PMR definition.

Estimates of quality review failure rates by issue code will be less precise than the overall estimates of separation and non-separation adjudication failure rates and the level of precision will vary widely depending on the frequency of each issue. Nevertheless, if there are large differences in failure rates by issue, States will be able to detect these differences using annual or biannual samples. For separation adjudications, where there are only two types of issues (voluntary quit and misconduct), States will be able, using an annual sample, to detect differences in failure rates that exceed 20 to 25 percentage points. For non-separation adjudications, where there are many more types of issues, differences among issues will be harder to detect. However, States could obtain a more precise estimate of the failure rate for a particular issue type by reviewing a supplementary sample of adjudications when the results of the regular quality sample indicate that the issue should be examined more closely to determine if remedial action is warranted.

A final item reported in the quality reviews is the time spent on the reviews. The mean time by State ranged from 8 to 29 minutes for the separation reviews and from 6 to 32 minutes for the non-separation reviews.

## **B. ADJUDICATION QUALITY INSTRUMENT**

The PMR evaluation approach has been changed to "pass/fail" instead of the scoring approach of QA. The pass/fail approach has considerable support, especially if the "clearly written" criterion for the determination is not too strict. The PMR measure's emphasis on the clarity and specificity of the written determination clashes with the efficiency to be gained by increasing the use of "canned" determinations. Field test monitoring has shown that even the option of customizing the canned determination, which is the most obvious solution to this conflict between specificity and efficiency, is problematic. Adjudicators become accustomed to the ease of using the canned options and are reluctant to be burdened by composing their own language. Presumably, a large percentage of adjudications can be clear using the canned approach. Through adoption of the PMR quality criteria of a clearly written determination as a pass/fail item, States will be forced to increase the use of customized "fill in" paragraphs. If the PMR criterion is maintained and the percentage of cases that require customized language is very large, the conflict between clarity and efficiency can be resolved only by eliminating the criterion as an automatic failure or by moving away from canned nonmonetary determinations.

It was proposed at the midtest meeting that redeterminations should also be examined for quality. Many of the meeting participants supported this proposal, which would broaden the scope and comprehensiveness of PMR. Redeterminations are low volume in many States, however, and it is unlikely that they would contain all of the criteria for a substantive quality review. Because there are great differences in the way States define and process redeterminations, implementation of a separate redetermination quality measure may not be practical. This issue will be further examined at the national office.

During discussions of the adjudications quality assessment during the monitoring trips, a major issue has been the interrelationship of the individual quality elements. Two areas in particular are seen to be inseparable by some analysts. First, it has been argued that the failure to obtain claimant or employer rebuttal should automatically cause the failure of claimant or employer fact finding. The logic is that since rebuttal (when necessary) forms an integral part of fact finding, it is impossible to pass fact finding if rebuttal is not offered. Second, it has been argued that failure to obtain the correct facts must cause the law and policy correctly applied item to fail. The logic is that it is impossible to correctly apply law and policy if the facts are incorrect. In substance, both of these arguments have merit. The question arises, however, about the utility of the assessment for management diagnostic purposes if a single mistake leads to the failure of multiple items. If one purpose of the assessment is to identify specific aspects of the adjudication process which must be addressed, the

"domino effect" of having a failure on one item automatically lead to the failure of other items reduces the clarity and precision of the findings. For example, if the failure to provide rebuttal opportunity automatically causes the fact finding item to fail (when the initial fact finding was acceptable), SESA management is misled about where the training or documentation improvement should occur. If it is possible to clearly separate fact finding from rebuttal or fact finding from law and policy, then the failure of one item should not cause the failure of other items which were done satisfactorily.

At the midtest meeting it was suggested that there are actually three data elements that can be evaluated independently of one another.

- (1) Initial factfinding
- (2) Rebuttal opportunity offered?
- (3) Is the rebuttal information complete?

Adopting this three-step approach, enables increased specificity in the determination of quality. The addition of the element regarding the completeness of the rebuttal information reduces the automatic failures of the entire rebuttal in instances where fact-finding was incomplete.

Illinois suggested that Local office staff are especially concerned with how they are evaluated on making a "reasonable" effort to obtain rebuttal. This concern may require a uniform definition for "reasonable" efforts. The national office has no plans to develop a definition of reasonable attempts. A consensus was reached that States should incorporate a statement of what it considers a reasonable attempt to secure rebuttal information into its adjudication manual. If disagreement arises when evaluators from Regional or national office encounter the definition, the issue can be mediated or negotiated, or, if necessary, escalated for resolution. The scoring will be based on the State's definition. The group also agreed that although a thorough effort to obtain rebuttal conflicted with State policies on making timely determinations, that time lapse should not be a factor in determining the reasonableness of an effort to seek rebuttal.

Several other issues were explored at the mid-test assessment meeting, regarding the quality measure for adjudications. Included in the discussion were, material facts, law and policy correctly applied, determination clear and understandable.

Consensus was arrived at in regards to material facts. If material facts apply and are cited in the decision then they must be documented in the record. Any determination based on facts not cited elsewhere will fail. This represents no change from the original PMR definition.

It was agreed upon that Law & Policy would be altered from the current handbook definition. The handbook will be changed to delete the requirement that the specific law reference must be cited to pass this element on informal determinations only.

The problem of "canned" determinations was discussed. The view was expressed that an increased focus on the written determination in PMR might promote the States to provide more technical capabilities which would create clearer determinations using preprogrammed text. Automated determinations that do not include material facts and do not provide sufficient information to the claimant will fail.

Finally, a consensus was reached that States will no longer score item 9, "adequate appeals information." The national office reviewers will continue to score it, and it will remain on the Unemployment Insurance Data Base.



## VII. APPEALS QUALITY

The Lower Authority Appeals Quality measure is described in Figure VII.1. Table VII.1 and Figures VII.2 and VII.3 report data on Lower Authority Appeals Quality obtained from three quality review samples. Mean scores range from 85 to 94 percent and the percent passing the review ranges from 62 to 85 percent (Figure VII.2). (A case passes if the due-process elements of the review are passed and if the overall score is 80 or more.) If we apply a standard that says that 80 percent of appeals should pass the review, four of the States would pass. The two States with pass rates below 80 percent would fail to meet the standard,<sup>1</sup> so there is some evidence that appeals quality could be improved.

The mean time for appeals reviews shows large differences among States: four States report average times that vary from 31 to 47 minutes, while two States report average times of more than 75 minutes (Figure VII.2).

Problems with drawing random samples include the need to substitute for cases where there was no tape (only a transcript) and cases where withdrawals, dismissals, and no-shows cannot be screened from the sample population before sampling occurs. California selects the next case in these situations. Because these selections are done in local Appeals Board offices, it is difficult to validate the sample. Illinois draws a larger sample (50 cases) to ensure at least 20 cases with real hearings are selected. Perhaps the best trade-off between validity and efficiency would be to randomize the population prior to sampling and then draw from the random population until the desired number of decisions with real hearings was found. This method contrasts with the systematic sampling method, which selects a random start point, then calculates the amount of time needed from the start point to select the proper number. Substitution would be much easier to validate when employing

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<sup>1</sup>While California's average is below the 80-percent standard, it is close enough to pass the standard when we take sampling variability into account.

FIGURE VII.1

PERFORMANCE MEASUREMENT REVIEW  
(Lower Authority Appeals Quality)

<b>Measure</b>	Lower Authority Appeals Quality
<b>Definition</b>	Assessment of the quality of Lower Authority Appeals hearings. Includes two scoring systems: the weighted scoring method developed for Quality Appraisal, and a pass/fail score derived from the pass/fail rating of eight due-process elements
<b>Data Source</b>	Sample of appeal decisions (single and two party) issued in a quarter Excludes withdrawals, dismissals, and special claims programs such as EB, EUC, DUA, and TRA
<b>Computation</b>	Numeric for all elements and pass/fail on due process
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Interstate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Multi-Claimant Labor Dispute</li> <li>- Multi-Claimant "Other"</li> </ul>

TABLE VII.1  
LOWER AUTHORITY APPEALS

State	Mean Score	Percent Passing <sup>a</sup>	Mean Time (Minutes)
California	94.1	79.9	31.2
Illinois	92.6	83.6	40.7
Kansas City	86.1	62.1	75.7
Missouri	85.7	81.8	46.8
New Hampshire	84.9	72.3	34.5
Wisconsin	93.4	85.0	87.3

NOTE: Average of quality review samples for 6/30/93 to 6/30/94.

<sup>a</sup>Percent with score above 80 percent and due process.

FIGURE VII.2  
LOWER AUTHORITY APPEALS QUALITY MEASURE  
PERCENT PASSING

FIGURE VII.3

LOWER AUTHORITY APPEALS QUALITY MEASURE--MEAN SCORE

the random sample approach, because the validator could obtain the sample frame listing and compare it to the ID number of cases actually reviewed.

The appeals quality sample size for the pretest is 20 hearings per quarter. This sample is inadequate for large States and excessive for very small States. MPR will recommend a variable sample size based on the number of annual appeals in each State. One decision will be how many different sampling strategies to implement (small, medium, large or up to 5 different sizes).

Some States responded to the Federal Register notice by asking to exclude very brief and very long hearings. This would not be feasible unless length of hearing was a data element or unless we prescribed the use of a random sort sample (not a systematic or interval sample) and bypassed hearings that were not of appropriate length.

At the mid-test assessment meeting, the Lower Appeals Quality Workgroup resolved a number of significant issues relating to the both the appeals quality instrument. The Workgroup reached the following points of consensus on the issues discussed:

- The copy of the determination should be supplied with the case materials for the review.
- State law and case law prevails over the PMR evaluation criteria unless it is not in conformity with FUTA and SSA.
- There should be different sample sizes for small and large States.
- Multiclient cases should be excluded from the sample.
- If a sampled case references testimony provided in another hearing (for example, an employer statement is incorporated by reference), it is appropriate and statistically valid to incorporate the other testimony in the review.
- If a hearing is wholly or partially inaudible, the case should be replaced by a substitute case. This requirement dictates that States draw Appeals quality samples from a pre-randomized file (rather than drawing interval samples) to ensure that statistically valid replacement cases are readily available.
- It was determined that appeals quality reviews would be validated annually at the national office.
- Item 21 should be deleted: "attitude" which refers to the atmosphere the Hearing Officer created to ensure that the parties are placed at ease to the extent possible.

- Item 11 from the existing Appeals Quality Review should be added to PMR: Did the hearing officer interfere with the development of the case by gratuitous comments or observations?
- Item 20 from the existing Appeals Quality Review should be added to PMR: Did the hearing officer display an attitude that allowed all parties and representatives to speak freely in an orderly manner as to the issues in the case?
- The Region V version of item 24 should replace the existing version: "Issues clearly stated" refers to the requirement that the Hearing Officer should state the statutory issues clearly early in the written decision so that the reader knows what is being decided.
- Item 27 should be deleted: "Official notice/administrative notice" means the Hearing Officer must clearly indicate when official notice or administrative notice is being taken of a fact so that the parties have the opportunity to object to the fact before the decision becomes final.
- Item 1 should be reviewed only at the national office: "Notice of Hearing" refers to the requirement that all parties have adequate notice of the hearing and the opportunity to prepare for the hearing.
- Item 33 should be reviewed only at the national office: "Finality Date and Further Appeal Rights."
- Consideration should be given to establishing a mean quality score, because the current 80 percent scoring 80 percent standard does not always reflect true performance differences between States.

## VIII. IMPLEMENTATION MEASURES

PMR establishes two new measures to assess performance in applying adjudication and appeals decisions to the claim (see Figures VIII.1 and VIII.2). The purpose of these measures is to ensure that the promptness of performance of the adjudications and appeals service delivery areas is not compromised by the failure of States to promptly apply the decisions to the claims themselves. These measures only apply to cases that reverse the status quo (there is otherwise no change to the claim status.) Presumably the more important reversal situation occurs when the decision is to reverse the claim status from deny to allow, where "payment when due" considerations are at stake. The opposite occurrence, to stop payments that were formerly allowed, relates more to efficiency and overpayment recovery effectiveness than payment when due. Data for the implementation time lapse measures are collected through the quality review process.

The data (Table VIII.1), show that, in all PMR states except New Hampshire, over 80 percent of the determinations are implemented immediately (zero or fewer days)<sup>1</sup>. In New Hampshire, 74 percent of the decisions are implemented within two days and 22 percent more in three to four days. In all States, very few decisions take five or more days to implement. Thus, as one might expect in a highly automated environment, adjudications appear to be implemented quickly. For additional Adjudication Implementation data see Figures VIII.3 and VIII.4.

Data on Lower Authority Appeals Implementation Time Lapse are also available from the quality review samples (see Table VIII.2 and Figure VIII.5). These data suggest that appeals decisions, unlike adjudication determinations, are not always implemented quickly. In two States--Kansas and Wisconsin--the majority of appeals are not implemented until five or more days have elapsed, while in the other States a substantial number (25 to 50 percent) are not implemented until five or more days have elapsed.

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<sup>1</sup>In a number of cases the implementation date is prior to the decision date.



FIGURE VIII.1

PERFORMANCE MEASUREMENT REVIEW  
(Adjudication Implementation Time Lapse)

<b>Measure</b>	Adjudication Implementation Time Lapse
<b>Definition</b>	The length of time from the date of determination to the date the outcome is applied to the claim record
<b>Data Source</b>	Adjudication quality sample
<b>Computation</b> Start date End date	Date determination issued Date outcome applied to claim record
<b>Reporting Intervals</b>	0, 1, 2, 3, 4, 4+ days
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Interstate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Multi-Claimant Labor Dispute</li> <li>- Multi-Claimant "Other"</li> </ul>
<b>Reporting Frequency</b>	Quarterly
<b>Note</b>	Provides measurement to assess how promptly SESA acts to update claim record to either authorize or stop payment when a determination is issued

FIGURE VIII.2

PERFORMANCE MEASUREMENT REVIEW  
 (Lower Authority Decision Implementation Time Lapse  
 For Reversals or Modifications From Deny to Allow)

<b>Measure</b>	Lower Authority Decision Implementation Time Lapse for Reversals or Modifications from Deny to Allow
<b>Definition</b>	The length of time from the date a decision that reverses or modifies a disqualifying adjudication is issued to the date the payment is released. The time lapse is not complete until all weeks affected by the Lower Authority Appeals decision are paid. If the Lower Authority Appeals reversal does not result in payment because another disqualification remains, time lapse will not be measured because benefits are not due to the claimant.
<b>Data Source</b>	Lower Authority Appeals quality sample
<b>Computation</b> Start date End date	Date decision is issued Date payment is issued for all affected weeks
<b>Reporting Intervals</b>	0, 1, 2, 3, 4, 4+ days
<b>Reporting Categories</b> Report separately for	<ul style="list-style-type: none"> <li>- Intrastate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Interstate UI, UCFE, UCX, CWC - Separations and Nonseparations</li> <li>- Multi-Claimant Labor Dispute</li> <li>- Multi-Claimant "Other"</li> </ul>
<b>Reporting Frequency</b>	Quarterly

TABLE VIII.1  
 ADJUDICATION IMPLEMENTATION TIME LAPSE  
 (Percent)

State	≤ 0 Days	1-2 Days	3-4 Days	5 or More Days
California	88.5	7.3	1.5	2.7
Illinois	92.9	3.4	0.8	2.9
Kansas	94.0	4.6	0.3	1.0
Missouri	81.5	10.3	3.1	5.1
New Hampshire	1.7	73.9	21.8	2.6
Wisconsin	94.4	2.0	0.8	2.8

NOTE: Distribution is based solely on PMR valid adjudications for five quality review samples (6/30/93-6/30/94). The numbers are the average for the five samples.

FIGURE VIII.3

ADJUDICATION IMPLEMENTATION TIME LAPSE: SEPARATION SAMPLE  
PERCENT WITHIN 4 DAYS

FIGURE VIII.4  
ADJUDICATION IMPLEMENTATION TIME LAPSE: NON-SEPARATION SAMPLE  
PERCENT WITHIN 4 DAYS

TABLE VIII.2

LOWER AUTHORITY APPEALS DECISION IMPLEMENTATION TIME LAPSE  
(Percent)

State	≤ 0 Days	1 to 2 Days	3 to 4 Days	5 or More Days
California	0.0	23.4	26.6	50.0
Illinois	20.0	32.0	12.0	36.0
Kansas	18.5	7.4	7.4	66.7
Missouri	30.8	23.1	18.0	28.2
New Hampshire	50.8	11.9	11.9	25.4
Wisconsin	0.0	5.3	13.2	81.6

NOTE The numbers are the average for five quality review samples (6/30/93 - 6/30/94).

FIGURE VIII.5  
LOWER AUTHORITY APPEALS IMPLEMENTATION TIME LAPSE  
PERCENT WITHIN 4 DAYS

In summary, these data suggest that, at least in the PMR states, adjudications are implemented quickly. As a result, it may not be necessary to monitor their implementation. Appeals decisions, however, are not always implemented quickly. Continued monitoring of this process seems fruitful.

At the Midtest Assessment meeting, the Appeals Workgroup made the following decisions regarding the appeals implementation time lapse measures:

- Since the tentative "standard" is four days from decision to implementation, it can be affected by weekends and holidays, which could cause a case to "fail" even if it was implemented in one or two business days.
- Because Lower Authority Appeals Implementation Time Lapse data captures such a broad range of time lapse, the number of intervals captured should be expanded.
- Reversals on Appeals which both deny and allow should be included in the Implementation Time Lapse universe, but should be tracked separately. Currently only reversals to allow are included in the implementation time lapse measure. Separate tracking will require the addition of a single digit indicator in the Appeals quality instrument to identify the type of Appeal decision being measured for implementation. The ending parameters for the measure will be:
  - If the reversal is to pay, the time lapse will be measured from the decision date to the date that all payments affected by the decision are made.
  - If the reversal is to deny, the time lapse will be measured from the decision date to the date that the stop payment is entered into the system.



## **IX. CWC MEASURES**

At the mid-test meeting, consensus was reached that the National Office should reexamine the six PMR combined wage claim (CWC) measures (Figures IX.1 through IX.4) to ensure that they are cost effective and accurate measures of SESA performance. Work has proceeded on a single comprehensive CWC quality measure to incorporate transfer, billing and reimbursement accuracy.

The billings and reimbursements measures are not very expensive to develop and implement, but provide limited oversight and management value. The measures would be more appropriate if the CWC system was not so highly automated. The CWC time lapse measures show great variation in State performance (See Table IX.1 and Figures IX.5, IX.6 and IX.7). The CWC quality measures (Table IX.2) show that CWC quality is quite good. The performance problems that they do detect are rare and unusual cases. In many cases the percent of sample cases passing the CWC quality questions exceeds 95 percent, and all reported measures of CWC quality exceed an 80 percent standard, when we take account of sampling variability. The data on mean time to do these reviews show some variation among States. In California, mean time for each of the three CWC reviews is 4 to 8 minutes, while in other States the mean times range up to 21 minutes.

The possibility always exists that CWC performance problems are more prevalent in the other 47 SESAs. These measures should be subjected to a thorough review and possible redesign. This activity should start soon so that the revised approach is developed in time for national implementation.

### **A. WAGE TRANSFER TIME LAPSE AND QUALITY**

The Combined Wage Program is a complex national system that requires frequent transfer of information between States. All initial transfer requests and all responses are now transmitted over the Internet system. Prior to the full automation of the wage transfer function, however, the transfer

FIGURE IX.1

PERFORMANCE MEASUREMENT REVIEW  
(Combined Wage Claims - Wage Transfer Time Lapse)

<b>Measure</b>	Combined Wage Claims - Wage Transfer Time Lapse
<b>Definition</b>	The length of time from the date the transfer request is received to the date the data completing the transfer are sent to the paying State
<b>Data Source</b>	Universe of transfers completed during the quarter from the transferring State's files
<b>Computation</b> Start Date End Date	Date the transfer request is received Date the data completing the transfer are sent to the paying State
<b>Reporting Intervals</b>	3, 6, 10, 14, 21, 28, 35, 42, 49, 56, 63, 70, 70+ days
<b>Reporting Categories</b> Report separately for	Not applicable (N/A)
<b>Reporting Frequency</b>	Quarterly
<b>Note</b>	Only change from existing measure, as reported on ETA 586, is an increase in the number of intervals.

FIGURE IX.2

PERFORMANCE MEASUREMENT REVIEW  
 (Combined Wage Claims - Billing Time Lapse)

<b>Measure</b>	Combined Wage Claims - Billing Time Lapse
<b>Definition</b>	The length of time from the end of the calendar quarter to the date that reimbursement requests (billings) were mailed to the transferring States
<b>Data Source</b>	Universe of billings by the paying State for benefits paid during a given quarter
<b>Computation</b> Start Date End Date	End of calendar quarter Date that reimbursement requests were mailed to transferring States
<b>Reporting Intervals</b>	14, 28, 42, 56+ days
<b>Reporting Categories</b> Report separately for	Not applicable (N/A)
<b>Reporting Frequency</b>	Quarterly

FIGURE IX.3

PERFORMANCE MEASUREMENT REVIEW  
(Combined Wage Claims - Reimbursement Time Lapse)

<b>Measure</b>	Combined Wage Claims - Reimbursement Time Lapse
<b>Definition</b>	The length of time from the date that the transferring State receives the reimbursement request to the date that payment is mailed to the paying State and any disputed amounts are resolved
<b>Data Source</b>	Universe of reimbursements made by the transferring State
<b>Computation</b> Start Date End Date	Date the transferring State receives the reimbursement request Date payment is mailed to the paying State
<b>Reporting Intervals</b>	14, 30, 45, 60, 90, 90+ days
<b>Reporting Categories</b> Report separately for	Not applicable (N/A)
<b>Reporting Frequency</b>	Quarterly

FIGURE IX.4

PERFORMANCE MEASUREMENT REVIEW  
(CWC - Wage Transfer Quality)

<b>Measure</b>	CWC - Wage Transfer Quality
<b>Definition</b>	Assessment of the correctness of wage transfers
<b>Data Source</b>	Sample of wage transfers completed within the review quarter
<b>Computation</b>	Percent of transfers completed properly
<b>Reporting Frequency</b>	Quarterly

PERFORMANCE MEASUREMENT REVIEW  
(CWC - Billing Quality)

<b>Measure</b>	CWC - Billing Quality
<b>Definition</b>	Assessment of the correctness of billing
<b>Data Source</b>	Sample of SSNs paid benefits based on CWC within the review quarter
<b>Computation</b>	Percent of claims properly billed for
<b>Reporting Frequency</b>	Quarterly

PERFORMANCE MEASUREMENT REVIEW  
(CWC - Reimbursement Quality)

<b>Measure</b>	CWC - Reimbursement Quality
<b>Definition</b>	Assessment of the correctness of billing
<b>Data Source</b>	Sample of SSNs paid benefits based on CWC within the review quarter
<b>Computation</b>	Percent of claims properly billed for
<b>Reporting Frequency</b>	Quarterly

TABLE IX.1  
CWC TIME LAPSE

State	Wage Transfer	Billings	Reimbursement
	Wage Transfer Percent within 7 Days	Percent within 45 Days	Percent within 45 Days
California	93.6	60.0	67.6
Illinois	Missing	100.0	26.6
Kansas	75.6	0.0	96.6
Missouri	96.2	100.0	89.6
New Hampshire	56.0	33.3	38.6
Wisconsin	88.8	100.0	77.9

FIGURE IX.5  
TOTAL COMBINED WAGE CLAIMS TIME LAPSE -- WAGE TRANSFER  
PERCENT WITHIN 6 DAYS

FIGURE IX.6  
TOTAL COMBINED WAGE CLAIMS TIME LAPSE -- BILLINGS  
PERCENT WITHIN 45 DAYS



FIGURE IX.7  
TOTAL COMBINED WAGE CLAIMS TIME LAPSE -- REIMBURSEMENTS  
PERCENT WITHIN 45 DAYS

TABLE IX.2  
CWC QUALITY MEASURES

State	Percent Passing CWC Quality Questions			Mean Time (Minutes)		
	Transfer Accuracy	Billing Accuracy	Reimbursement Accuracy	Transfers	Billings	Reimbursements
California	99.0	100.0	86.4	7.7	3.7	6.1
Illinois	Missing	94.0	92.5	Missing	11.9	5.3
Kansas	95.0	98.3	100.0	10.3	9.5	10.9
Missouri	99.0	100.0	99.0	14.6	21.3	21.2
New Hampshire	93.3	78.3	78.9	14.8	20.1	13.6
Wisconsin	98.0	96.5	95.0	11.0	15.0	10.2

NOTE: Based on quality review samples for 6/30/93 to 6/30/94. [or one-tailed] test.

of wages was a manual process and all wage transfers were subject to delays. The PMR Wage Transfer Time Lapse and Quality measures are described in Figures IX.1 and IX.4.

Data on the timeliness of CWC transfers are reported in Table IX.1. These data show that four of the five States meet the current Desired Level of Achievement (DLA), which requires that 75 percent of wage transfers occur within seven days. The one exception is New Hampshire, which processes requests manually.

The CWC guidelines set a 7-day standard for transfer for wage-reporting States and a 14-day standard for wage request States or for transfers to States with more current base periods, but the 7-day standard for wage-reporting States is no longer appropriate because of automation. Wage transfers normally occur within 24 hours of the request, depending on the time received (requests received on a Friday may not be transferred until Monday). Wage transfer requests may not normally be subjected to human handling. If there was no human handling at all, this measure would simply capture weekend and holiday delays and periods of Internet, or transfer of State hardware or software failure (for example, inaccessibility of the wage file). When the requesting State has a current base period, however, the transferring State must handle the request manually and contact employers. Because it is important to claimants for such wage requests to be processed promptly, the wage transfer measure as currently designed is appropriate for this relatively small subset of the wage transfer population. In the absence of a thorough quality assessment, however, it is likely that the State that expends the least effort (by sending one or more "complete" responses that do not satisfy the request and forcing the claimant to send wage stubs [IB-13] through the mail), will score higher than a State that expends greater effort to find the correct wages and does not send a "complete" response that is really incomplete.

The PMR Wage Transfer Quality measure would, in theory, fail a case for which a wage transfer marked "complete" did not reflect the total wages earned by the claimant. States may be judging the accuracy of the transfer based on wages available to the State at the time the transfer was made (thus ignoring the fact that the wage request was not thorough). Moreover, the quality sample is currently so small (80 cases per year), that it might be ineffective in detecting cases of insufficient research. It is also not clear whether States should be evaluated for their effort to find all appropriate wages, because under certain conditions such effort is inefficient and should not be encouraged. One solution would be to select a stratified sample of transfer to evaluate for quality. If one half of the sampled cases had wage transfer timelapse greater than seven days, a more definitive assessment of quality would be a possibility. Given the limited value of the findings and the cost of creating quarterly Internet wage transfer archive files and matching responses to requests to calculate time lapse, increasing the quality sample sizes to improve the quality assessment precision is not warranted.

It is possible that some States do not have a thorough process for requesting wages and responding promptly. The California CWC system requires manual review of all wage transfer requests to ensure that information provided in the "Comments" section of the IB-4 has been used if appropriate. California automatically refers wage request cases to a unit that contacts employers by telephone. Other PMR states also use an "exception processing" approach to responding to requests from States with current base periods and computer-generate wage request letters to employers. Because the time lapse measure penalizes States that may be more thorough in wage requests, we recommend that the UIS consider establishing an annual process evaluation (in conjunction with other "validation" activities) to determine whether States have established appropriate procedures to meet the needs of CWC claimants.

The wage transfer environment is still evolving toward automation. A new Internet capability (Claimnet) has been provided to States so other States can directly research wage files. This would eliminate futile wage requests (no request would be submitted if the requesting State queried the transferring State's file through Claimnet and found no wages). Because of such automation enhancements and the trend toward fewer wage request States, there will be increasingly less need for measuring wage transfer promptness and quality. Wisconsin generated a breakout of its wage transfer performance for the first field test quarter and found that 90 percent of transfers made between 8 and 14 days were to wage request States.

The current time lapse measure requires 53 separate archiving and processing programs to be designed, written, tested, validated, and run on a quarterly basis. A more efficient and accurate approach may be to have the Internet System capture the time lapse centrally. The system would still have to create a large centralized archive of transfer requests and responses and conduct a massive sort of the files each quarter to create matches and calculate time lapse. This would still be a large job, but would be more efficient than conducting this same process with 53 separate systems. This option should be explored.

## **B. BILLING TIME LAPSE AND QUALITY**

These PMR measures are described in Figures IX.2 and IX.4. The data on billings timeliness suggests that States do all their billings at one time. Three States did all their billings within 45 days in all five quarters. One State did all its billings within 45 days in three of the five quarters, and one State failed to bill within 45 days in any quarter (Table IX.1).

There is virtually no cost to States for producing the billing time lapse measure. Only one time lapse calculation is required (days from end of prior quarter to day bills are sent). Unless there is a performance

problem worth measuring, however, this measure may not be justified. Kansas has had a severe billing problem (which PMR may help alleviate by measuring billing time lapse). If other States do not meet the current standards, this measure should be retained, although it could be modified to sample claimants and not bills (as is done in the current QA measure.)

The billing quality measure has not proved very useful in detecting performance problems. When bills were generated manually, this measure may have been more appropriate. Bills are now generated by computer. If the computers are programmed accurately, the bills should be accurate, although inconsistent data or minor programming errors could result in a small portion of the bills being erroneous. Table IX.2 shows that California and Missouri have detected no erroneous billing amounts (California samples 100 claimants). Illinois, Kansas, and Wisconsin have detected minor billing errors. Only New Hampshire has detected more than 20 percent billing errors. It is difficult to say whether these isolated errors should result in management intervention. If not, and if the other 47 States have the same performance, there seems no justification for retaining this measure. The mean time spent on billing quality varied from 4 minutes per case to 21 minutes per case. The average was a little under 14 minutes per case. At 80 cases per year, this is less than one full staff day per year.

An issue exists about the appropriate sample frame for the billing quality assessment. California samples from the outgoing IB-6. Other States sample from the claims file. In the first approach, amended bills created by recomputed claims amounts and State shares are added to the sample. The claims file sample has the added value of catching errors that occur when the charges for a claimant are not billed at all. Checking the quality of recomputed billing amounts potentially poses a complex quality assessment process. Sampling from the claims file is more straightforward because the time period being billed for is clear.

### **C. CWC REIMBURSEMENT TIME LAPSE AND QUALITY**

The CWC Reimbursement Time Lapse measure was respecified prior to the pretest period to measure the gap from the receipt of the bill to the day that the following two conditions were met: 1) the bill was paid in the full amount owed; and 2) any disputes about the correct amount owed for each claimant on the bill were resolved (Figure IX.3). The latter stipulation was resisted by some States. They maintained that SESA had no control over the resolution of disputes with other States and that the States should be given credit for paying the bill even when disputes existed. All States except Wisconsin have adopted the PMR approach. Concern about a high percentage of unresolved bills is borne out by the PMR data. In Illinois, California, and New

Hampshire, a high percentage (20 percent to 70 percent) of bills are not resolved within 90 days. Kansas has resolved its bills more quickly, but has few bills with large numbers of claimants. This is not a difficult measure to implement or maintain monthly, and it does show a problem, so we recommend keeping it. It may be more thorough to measure time lapse from both the date that complete payment was made and the resolution date.

Reimbursement Quality measure is essentially a proofreading check on other States' billing errors (Figure IX.4). The IB-6 format includes the amount paid to the claimant and the amount owed by the paying State. The quality assessment then determines if the billed amount is correct based on the amount paid to the claimant and the proportion of the claim for which the billed State is liable from the IB-5. Some bills do not contain the amount paid to the claimant, however, so the only check that can be made is to determine if the State has been billed more than its share of the maximum benefit amount. For some claimants, no amount is paid because the bill is amended from a prior period due to a recomputation.