

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL OWS/DPM
	DATE March 15, 2004

ADVISORY : UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 17-05
TO : STATE WORKFORCE AGENCIES
FROM : CHERYL ATKINSON s/s
 Administrator
 Office of Workforce Security
SUBJECT : Procedures for Release of Unemployment Insurance (UI) Benefit
 Accuracy Measurement (BAM) Data for Calendar Year (CY) 2004

1. Purpose. To provide State Workforce Agencies with guidelines and key dates for the completion of CY 2004 UI BAM paid and denied claims sample cases and the publication of CY 2004 BAM program data.
2. References. Benefit Accuracy Measurement State Operations Handbook (ET Handbook No. 395, 3rd ed.), 20 CFR 602, and Unemployment Insurance Program Letter (UIPL) No. 19-96.
3. Completion of CY 2004 BAM Cases. Chapter VI of ET Handbook No. 395 requires that “a minimum of 98 percent of cases for the year must be completed within 120 days of the ending date of the Calendar Year.” Close of business (c.o.b.) April 30, the 120th day of CY 2005, is the date of record for state databases. All published BAM program data will be based on CY 2004 BAM paid and denied claims cases that have been signed off by the BAM program supervisor by c.o.b. April 30, 2005.

Changes to the state’s database subsequent to the date of record can result in inconsistencies with the Department of Labor’s (DOL) database that must be reconciled before the BAM program data can be published. States must not reopen any CY 2004 BAM cases after April 30, 2005, until they have reviewed the BAM program data transmitted to them by DOL and have confirmed that these data agree with the BAM paid and denied claims accuracy data produced by the state’s database. Procedures for resolving differences between DOL and state BAM program data are discussed in section 4.

RESCISSIONS None	EXPIRATION DATE March 31, 2006
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4. Transmittal of Data and Comment Period. The DOL national office will produce and transmit to each state by May 13, 2005, paid and denied claims accuracy data, based on the CY 2004 BAM cases as of c.o.b. April 30, 2005. States are encouraged to run the BAM paid claims Annual Report, denied claims accuracy (DCA) Error Rates Report, and Improper Denials Rates Report software and compare the results with the rates and report footnotes DOL transmits to them for comment prior to publication. Prior to the date of record, DOL will transmit a footnote lookup table for the CY 2004 BAM paid claims Annual Report and DCA Error Rates Report and Improper Denials Rates Report. See Attachments 1 and 2 for facsimiles of these reports, report definitions, and report footnotes. (Note: the title, “QC Annual Report,” will be changed to “BAM Paid Claims Annual Report,” in a future software release.)

States should report any discrepancies or submit questions concerning the BAM paid and denied claims data and footnotes to the national office, with a copy to the appropriate Regional Administrator, by May 31, 2005. Comments should be sent to Andrew Spisak by e-mail (Spisak.Andrew@dol.gov), fax (202-693-3975), or mail:

Andrew Spisak
U. S. Department of Labor
ETA / Office of Workforce Security
200 Constitution Avenue, NW
Room S-4522
Washington, DC 20210

National and regional office staff will address and reconcile issues raised by the states by June 10, 2005.

5. Federal Publication of BAM Program Data. DOL will publish a CY 2004 BAM analytical report. It will be similar in content to the CY 2003 analytical report, which is available at: <http://workforcesecurity.doleta.gov/unemploy/bam/2003/bam-cy2003.asp>. States should refer to this publication for the types of analyses that will be included in the CY 2004 publication.

DOL will also publish a compendium of all states' CY 2004 BAM paid and denied claims data as part of the UI Performs Annual Report. UI Performs is DOL's performance measurement system for UI. States should refer to the CY 2003 UI Performs Annual Report (http://workforcesecurity.doleta.gov/unemploy/pdf/ar_03.pdf) publication for the types of BAM program data that will be included in the CY 2004 publication.

Both the CY 2004 UI Performs Annual Report and the CY 2004 BAM analytical report will be posted on the Employment and Training Administration (ETA) Web site:

<http://workforcesecurity.doleta.gov>. DOL will also announce the availability of these reports on the Web site.

If a state fails to follow the BAM methodology regarding sample selection, data collection, or case completion timeliness prescribed in ET Handbook No. 395 to such an extent that the data are not reliable, DOL will publish an explanation of the major deficiencies in lieu of BAM program data for that state. States must address these deficiencies through corrective action plans as part of the State Quality Service Plan process.

Although UIPL No. 19-96 announced the elimination of the requirement in 20 CFR 602.21(g) that states release BAM program data publicly, states may choose to release their BAM data to the public independent of the federal release.

6. Key Dates. The following key dates for the public release of CY 2004 BAM data are the latest that the task or action must be completed.

- 4/15/05 States submit requests for waivers of BAM paid and denied claims time lapse requirements, along with supporting analysis, to the appropriate ETA Regional Administrator.
- 4/22/05 Regional offices respond to states on the disposition of state requests for waivers of BAM time lapse requirements.
- 4/30/05 The national office electronically transmits the footnote lookup table for the BAM paid and denied claims software to each state's Sun computer.
- 4/30/05 Each state checks its UI database to: 1) ensure that the BAM supervisor has signed off all BAM paid and denied claims cases which the investigators have completed, and 2) reopen any case in order to update information or correct any data errors. Cases closed by supervisors after April 30, 2005, will not be included in the paid claims Annual Report or DCA rates. States must not reopen any CY 2004 cases after April 30, 2005, until they have reviewed the BAM program data transmitted by the national office and verified the data against their state database or reconciled any differences with DOL.
- 5/13/05 The national office transmits the CY 2004 BAM program data to the state administrators.
- 5/31/05 States review BAM paid and denied claims accuracy rate data and footnotes, and report any discrepancies or submit questions concerning the BAM data or footnotes to the national office (to the attention of Andrew Spisak, as discussed in section 4), with copies to the appropriate ETA Regional Administrator.

- 6/10/05 National and regional office staff address issues raised by the states and reconcile any differences in state and DOL BAM program data.
- 6/10/05 States provide the national office the name, address, telephone number, and e-mail address of the contact person (or persons) for public inquiries concerning BAM paid and denied claims data. This information should be sent to the attention of Andrew Spisak at the address, e-mail address, or fax provided in section 4, with copies to the appropriate ETA Regional Administrator.
- 8/31/05 DOL publishes the CY 2004 BAM data on the ETA Web site.

7. Action. State Administrators are requested to:

- a. provide copies of these guidelines to the appropriate staff;
- b. send any request for a waiver of time lapse requirements to the appropriate ETA Regional Administrator by c.o.b. April 15, 2005;
- c. ensure that any issues related to CY 2004 BAM paid or denied claims data or footnotes that require reconciliation of differences between the state's and DOL's BAM program data are sent to the national office and that copies are sent to the appropriate ETA Regional Administrator by May 31, 2005; and
- d. ensure that the name, address, telephone number, and e-mail address of the contact person(s) to whom interested parties may write or call with questions or inquiries about the state's BAM program data are sent to the national office and copies are sent to the appropriate ETA Regional Administrator by June 10, 2005.

8. Inquiries. Questions should be directed to the appropriate regional office.

9. Attachments. (1) BAM paid claims Annual Report, report definitions, and report footnotes; and (2) DCA Error Rates Report and Improper Denials Rates Report, report definitions, and report footnotes.

**QC ANNUAL REPORT
STATE: ZZ**

**Unemployment Insurance Quality Control
Calendar Year 2004**

Total Dollars Paid in Population	\$221,830,728	
Sample Size	383	
	Percentage Of Dollars	95% Confidence Interval (+ / -)
Proper Payments	88.4%	3.5%
Overpayments	11.6%	3.5%
Total	100.0%	
Underpayments	0.3%	0.2%

Percentages apply to less than a complete year of UI payments; the State did not pull a sample for 3 week(s).

The State completed 83.7% of the cases within 90 days.
The QC program standard is 95% completed within 90 days.

15.9% of the sample cases were not completed when this report was prepared. This exceeded the QC program requirement that no more than 2% of the cases for the year remain incomplete.

**QC ANNUAL REPORT
STATE: ZZ**

**Supplemental Data
Calendar Year 2004**

Responsibility for Overpayments (Percent of Dollars Overpaid)	
Claimant Only	51.6
Agency Only	15.6
Claimant + Agency	10.6
Claimant + Employer	10.5
Employer Only	8.6
Claimant + Employer + Agency	2.1
Claimant + Other	1.7
Employer + Agency	1.0
Other Only	0.0
Employer + Other	0.0
Agency + Other	0.0
Claimant + Employer + Other	0.0
Claimant + Agency + Other	0.0
Employer + Agency + Other	0.0
Claimant + Employer + Agency + Other	0.0
Responsibility Not Specified	0.0

Attachment 1

Cause for Overpayments (Percent of Dollars Overpaid)	
Benefit Year Earnings Issues	39.1
Eligibility Issues Excluding Work Search	25.7
Separation Issues	20.5
Base Period Wage Issues	7.4
Other Issues	5.9
Work Search Issues	2.9

N
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T
E: The percentages for the responsibilities or cause do not sum to 100 percent. You should check field (h5) to verify that all cases have been coded correctly within your specified batch range.

If cause and responsibility percentages do not add up to 100 percent, states should check for cases in which the key week amount overpaid coded in data element h5 in the b_master table of the UI database does not equal the sum of dollars overpaid coded in data element ei1 for key week actions 10, 11, 12, 13, and 15 in the b_errisu table. The amount overpaid cannot exceed the amount paid coded in data element f13 in the b_master table.

BAM Annual Report Definitions

Total Dollars Paid in Population

Total UI benefits paid to the population of UI claimants who constitute the sampling frames for all weeks in CY 2004 for which the state pulled a BAM sample, adjusted to exclude UI payments that do not meet the definition of the BAM population (for example, supplemental payments or payments made for Temporary Extended Unemployment Compensation (TEUC) claims). These excluded cases are coded “8” (TEUC) or “9” (all other excluded records) in the Program code data element (c1) in the b_master table of the UI database.

Sample Size

Total UI payments selected during CY 2004 (BAM batches 200401 through 200452) and completed (supervisor sign-off) by c.o.b. April 30, 2005, excluding cases that do not meet the BAM population definition. This is the number of BAM sample cases from which the payment accuracy rates and confidence intervals are estimated.

Proper Payments

The weighted ratio estimate of total dollars properly paid to total dollars paid expressed as a percentage.

Overpayments

The weighted ratio estimate of total dollars overpaid to total dollars paid expressed as a percentage.

Underpayments

The weighted ratio estimate of total dollars underpaid to total dollars paid expressed as a percentage.

Weighting Procedures

UI benefits properly paid, overpaid, and underpaid for each batch with at least two completed paid claims cases are weighted by the batch population, adjusted to exclude cases that do not meet the BAM definition (Program code “8” or “9”). The accuracy rates are the ratios of these weighted benefits, summed for all batches. Batches with only one completed case are merged to insure that each batch has a minimum of two completed cases.

95 Percent Confidence Interval

Attachment 1

A confidence interval, expressed as $\pm \underline{x}$ percentage points, is constructed for each of the three estimated rates. The actual rate is expected to lie within 95 percent of the intervals constructed from repeated samples of the same size and selected in the same manner as the BAM sample.

BAM Paid Claims Accuracy Footnotes

Footnote 1

Claimants failing to conduct required work search were given formal warnings and no overpayment was established. The proper payment rate would be lower and the overpayment rate would be higher if these cases were counted as erroneous payments.

Condition: Any CY 2004 BAM case with key week action code '14' in field ei2 of the b_errisu table of the UI database.

Footnote 2

Percentages apply to less than a complete year of UI payments due to the state not pulling a sample for x weeks.

Condition: There is no record in the b_comparison table of the UI database for one or more BAM batches 200401 through 200452.

Note: If a state requested and received permission from DOL to temporarily suspend BAM sampling due to workload contingencies the footnote will reflect that DOL concurred with the suspension.

Footnote 3

The state selected samples that were below the minimum prescribed levels for x weeks.

Condition: State selected one or more BAM weekly samples below the minimum level prescribed in Benefit Accuracy Measurement State Operations Handbook, ET Handbook No. 395, chapter III, p. 27. Sampled cases that fail to meet the BAM population definition are counted toward meeting the minimum weekly sample.

Note: If a state requested and received permission from DOL to temporarily reduce BAM sample sizes due to workload contingencies, the footnote will reflect that DOL concurred with the reduction.

Footnote 4

Percentages based on data collection procedures that were not completely in accordance with the program methodology prescribed in ET Handbook No. 395.

Condition: Based on program monitoring conducted by DOL regional and national offices.

Footnote 5

Attachment 1

The state completed x percent of the cases within 90 days. The program standard is 95 percent completed within 90 days.

Condition: State failed to meet case completion objectives established in Benefit Accuracy Measurement State Operations Handbook, ET Handbook No. 395, chapter VI, p. 7. Cases not meeting the BAM population definition are not counted in calculating state time lapse rates.

Footnote 6

x percent of the sample cases were not completed when this report was prepared. This exceeded the program requirement that no more than 2 percent of the cases for the year remain incomplete.

Condition: The percentage is based on the number of BAM cases that were not completed (no supervisor sign-off) by c.o.b. April 30, 2005, divided by the number of valid cases selected for BAM weekly samples during CY 2004 (BAM batches 200401 through 200452). Cases that do not meet the BAM population definition are not counted in calculating state case completion rates.

Footnote 7

The annual sample for [state] is x cases below the allocated annual sample for the state. The precision of the data might be reduced due to the failure to sample at the prescribed level.

Condition: The state's annual sample selection is 60 or more cases (one-half staff year) below its allocated annual sample (for BAM paid claims, one staff year equals 120 cases). Cases that do not meet the BAM population definition are counted toward meeting the annual sample allocation.

Note: If a state requested and received permission from DOL to temporarily reduce BAM sample sizes due to workload contingencies, the footnote will reflect that DOL concurred with the reduction.

Footnote 8

The population from which the BAM sample was selected did not include all of the UI benefits paid. This limits the degree to which inferences about the population can be made from BAM data.

Condition: The dollars paid in the BAM population for CY 2004 vary from the dollars paid reported in the state's ETA 5159 Claims and Payment Activities reports by more than the statistical control limit.

**BENEFIT ACCURACY MEASUREMENT
DENIED CLAIMS ACCURACY**

ERROR RATES REPORT

State:

Report Date: 01/26/2005

Batch Range: 200401 ~ 200452

Denial Type	Population	Cases Completed*
Monetary	1,917	91
Separation	52,623	122
Nonseparation	71,267	124

Denial Type	Total Errors	Improper Denial	Adjusted Improper Denial**	Overpayment	Proper Denial***
Monetary	29.56%	29.56%	21.84%	0.00%	0.00%
Separation	12.46%	3.94%	2.37%	1.61%	6.90%
Nonseparation	14.95%	7.89%	5.94%	3.17%	4.93%

* Excludes cases not meeting DCA definition for inclusion in population, withdrawn claims, and claims for which monetary eligibility was established upon receipt of CWC, UCFE, and/or UCX wage credits.

** Adjusted rate excludes erroneous denials that were corrected by agency or reversed on appeal prior to DCA case completion.

*** Properly denied, but for wrong reason or section of the law.

The state completed 76.35 percent of the Monetary denials sample cases within 90 days. The program standard is 85 percent completed within 90 days.

The state completed 78.43 percent of the Separation denials sample cases within 90 days. The program standard is 85 percent completed within 90 days.

The state completed 79.87 percent of the Nonseparation denials sample cases within 90 days. The program standard is 85 percent completed within 90 days.

**BENEFIT ACCURACY MEASUREMENT
DENIED CLAIMS ACCURACY**

IMPROPER DENIALS RATES REPORT

State:

Report Date: 01/26/2005

Batch Range: 200401 ~ 200452

Denial Type	Population	Cases Completed*
Monetary	1,917	91
Separation	52,623	122
Nonseparation	71,267	124

Denial Type	Improper Denial	95% C.I (+/-)	Adjusted Improper Denial**	95% C.I (+/-)
Monetary	29.56%	8.95%	21.84%	7.67%
Separation	3.94%	3.50%	2.37%	2.72%
Nonseparation	7.89%	4.91%	5.94%	4.33%

* Excludes cases not meeting DCA definition for inclusion in population, withdrawn claims, and claims for which monetary eligibility was established upon receipt of CWC, UCFE, and/or UCX wage credits.

** Adjusted rate excludes erroneous denials that were corrected by agency or reversed on appeal prior to DCA case completion.

Note: 95% C.I. is the 95 percent confidence interval for the estimated rate. The interval is the range between the rate minus the value in the 95% C.I. column and the rate plus the value in the 95% C.I. column. For example, the interval for 10.0% +/- 2.5 is 7.5% to 12.5%. The true rate is expected to lie within 95 percent of the intervals constructed from repeated samples of the same size and selected in the same manner as the BAM DCA sample.

The state completed 76.35 percent of the Monetary denials sample cases within 90 days. The program standard is 85 percent completed within 90 days.

The state completed 78.43 percent of the Separation denials sample cases within 90 days. The program standard is 85 percent completed within 90 days.

The state completed 79.87 percent of the Nonseparation denials sample cases within 90 days. The program standard is 85 percent completed within 90 days.

BAM Denied Claims Accuracy Rates Report Definitions

Population

The number of denial determinations that constitute the sampling frames for all weeks in CY 2004 for which the state pulled a BAM DCA sample, adjusted to exclude agency actions that do not meet the definition of the BAM DCA population (for example, monetary redeterminations, nonmonetary determinations that are not reportable on the ETA 207 and 9052 reports, and denied TEUC claims). These excluded cases are coded “8” (TEUC) or “9” (all other excluded records) in the Program code data element in the b_dca_master table of the UI database. The software also adjusts the DCA populations to exclude two types of cases for which there is no denial issue to investigate: 1) cases in which monetary eligibility was established upon receipt of Combined Wage Claims, Unemployment Compensation for Federal Employees, and/or Unemployment Compensation for Ex-service Members wage credits within the two-week sampling lag (Action Code Flag “0”); and 2) claims withdrawn by the claimant (Action Code Flag “8”).

Sample Size

Total DCA cases selected during CY 2004 (BAM batches 200401 through 200452) and completed (supervisor sign-off) by c.o.b. April 30, 2003, excluding cases that do not meet the BAM DCA population definition. This is the number of BAM DCA sample cases from which the accuracy rates are estimated.

Improper Denial Rate

The weighted proportion of denied claims for which the DCA investigation concluded that the claimant should have been eligible for UI benefits or was underpaid UI benefits (Error Issue Action Code = “20”, “21”, “22”, or “23”), expressed as a percentage.

Adjusted Improper Denial Rate

Improper Denial Rate excluding cases in which erroneous denials were corrected by the agency (Prior Agency Action = “20” to “29” or eligibility was established through appeal (Results of Appeal of Initial Determination = “1” or “3”) prior to DCA case completion.

Overpayment Rate

The weighted proportion of denied claims for which the DCA investigation concluded that the claimant should have been ineligible for UI benefits for weeks that had been paid (Error Issue Action Code = “10”, “11”, “12”, “13”, “14”, “15”, or “16”), expressed as a percentage.

Proper Denial Rate

The weighted proportion of denied claims for which the DCA investigation concluded that the claimant was properly denied but for the wrong or different section of the law (Error Issue Action Code = “30”), expressed as a percentage.

Weighting Procedures

Accuracy rates are computed separately for each batch with at least two completed DCA cases and weighted by the batch population, adjusted to exclude cases that do not meet the BAM DCA definition (Program code “8” or “9”) or cases with Action Codes “0” (monetary eligibility established upon receipt of CWC, UCFE, and/or UCX wage credits) or “8” (withdrawn claims). The accuracy rate equals the sum of the products of the batch rates and weights. Batches with only one completed case are merged to insure that each batch has a minimum of two completed cases.

95 Percent Confidence Interval

A confidence interval, expressed as $\pm \underline{x}$ percentage points, is constructed for each of the estimated accuracy rates. The actual rate is expected to lie within 95 percent of the intervals constructed from repeated samples of the same size and selected in the same manner as the BAM sample.

BAM Denied Claims Accuracy Footnotes

Footnote 1

Estimated rates apply to less than the total population of [sample type] denials due to the state not pulling a sample for x weeks.

Condition: There is no record in the **b_dca_comparison** table of the UI database for one or more batches specified in the batch range for sample type y, where **b_dca_comparison.samptype** = 2 (monetary), 3 (separation), or 4 (nonseparation).

Footnote 2

Estimated rates for [sample type] denials are based on data collection procedures that were not completely in accordance with the program methodology prescribed in ET Handbook No. 395.

Condition: Based on program monitoring conducted by the Department of Labor regional and national offices. This footnote will be generated from a footnote look-up table for each sample type: 2 (monetary), 3 (separation), or 4 (nonseparation).

Footnote 3

The state completed x percent of the [sample type] denials sample cases within 90 days. The program standard is 85 percent completed within 90 days.

Condition: The percentage for sample type y, where **b_dca_master.samptype** = 2 (monetary), 3 (separation), or 4 (nonseparation), will be calculated using the same method used in the BAM DCA Case Completion and Time Lapse report. Cases not meeting the BAM DCA population definition (**b_dca_master.program** = 8 or 9) or withdrawn claims (**b_dca_master.actflag** = 8) are not counted in calculating state time lapse rates.

Footnote 4

\underline{x} percent of the [sample type] denials sample cases were not completed when this report was prepared. This exceeds the program requirement that no more than 2 percent of the cases for the year are incomplete 120 days after the end of the calendar year.

Condition: The percentage is based on the number of BAM DCA cases that were not completed (**b_dca_master.supcomp** is NULL) by c.o.b. April 30, YYYY+1 (April 29 if YYYY+1 is a leap year), divided by the number of valid cases selected for BAM DCA weekly samples during CY YYYY (BAM batches YYYY01 through YYYY52 or YYYY53). Cases that do not meet the BAM DCA population definition (**b_dca_master.program** = 8 or 9) or withdrawn claims (**b_dca_master.actflag** = 8) are not counted in calculating state case completion rates. A percentage will be calculated for each sample type \underline{y} , where **b_dca_master.samptype** = 2 (monetary), 3 (separation), or 4 (nonseparation).

This footnote will be generated only if the user specifies an annual report for CY YYYY or the user specifies the batch range YYYY01 to YYYY52 (or YYYY53).

Footnote 5

The annual sample of [sample type] denials is \underline{x} cases below the allocated annual sample of 150 BAM DCA cases per year. The precision of the data might be reduced due to the failure to sample at the prescribed level.

Condition: The state's annual sample selection is 38 or more cases below its allocated annual sample of 150 cases). Cases that do not meet the BAM population definition (**b_dca_master.program** = 8 or 9) are not counted toward meeting the annual sample allocation. This footnote will be generated from a footnote look-up table for each sample type: 2 (monetary), 3 (separation), or 4 (nonseparation).

This footnote will be generated only if the user specifies an annual report for CY YYYY or the user specifies the batch range YYYY01 to YYYY52 (or YYYY53).

Footnote 6

The sampling frames from which the [sample type] denials samples were selected may not include all of the determinations that meet the definition for inclusion in the DCA population or may include records that do not meet the DCA population definition. This limits the degree to which inferences about the population can be made from BAM DCA data.

Condition: The size of the DCA population for CY 2004 varies by more than the statistical control limit from the benchmark population. The benchmark populations are:

Monetary: Percent of determinations denied in ETA 218 report times number of new initial claims (intrastate and interstate liable) plus transitional claims in ETA 5159 report.

Separation: Percent of determinations denied in ETA 207 report times number of separations in ETA 9052 report.

Nonseparation: Percent of determinations denied in ETA 207 report times number of nonseparations in ETA 9052 report.

This footnote will be generated from a footnote look-up table for each sample type: 2 (monetary), 3 (separation), or 4 (nonseparation).

This footnote will be generated only if the user specifies an annual report for CY YYYY or the user specifies the batch range YYYY01 to YYYY52 (or YYYY53).