Texas Workforce Commission

Regulatory Integrity Division



BPC Enhancement Projects

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BPC Enhancement Projects

The Business Problem

TEXAS WORKFORCE SOLUTIONS

BPC Enhancement Projects

The Business Problem

- Benefit Payment Control (BPC) subsystem used to detect, maintain recovery of UI Benefits overpayments

- Three functional business units use subsystem:
  - Benefits Overpayments Collections
  - BPC Investigations
  - Fraud Prosecutions

BPC Enhancement Projects

The Business Problem

- **Variety of methods used to detect and maintain recovery of overpayments**

- **Primary method uses cross matches of:**
  - Employer records
  - New hire data
  - Record of benefits paid to claimants

BPC Enhancement Projects

The Business Problem, cont'd.

- **Data integrity problems in BPC, combined with inadequate automated business processes resulted in failure of TWC to meet goals related to:**
  - Overpayment prevention
  - Detection
  - Recovery

BPC Enhancement Projects

The Business Problem, cont'd.

- **Subsystem and the associated assignment/workflow management process incomplete when originally moved into production over a decade ago**
  - Direct data manipulation used to "fix" data but not system problems
  - Manipulation of summary records resulted in loss of confidence in system

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The Business Problem, cont'd.

- Inefficient use of staff time resulted when business users developed manual methods to work through system limitations

- Staff could devote more time to critical overpayment issues with automation and enhancement of assignment and workflow processes

BPC Enhancement Projects

Phase 1 of Three-Phase Solution:

UI Fraud Detection Enhancement Project

Design, build new, enhanced detection and assignment processes that:

- ✓ Provide automated processing and workflow
- ✓ Deploy predictive analysis, case weightings and prioritization
- ✓ Utilize other technologies (e.g. Internet and OCR/imaging) to automate and enhance manual business processes

BPC Enhancement Projects

Phase 2 of Three-Phase Solution

OP Collections Enhancement Project

Enhance Overpayment Collections components to:

- ✓ Improve data integrity
- ✓ Correct BPC subsystem legacy system errors
- ✓ Eliminate inefficient, manual processes
- ✓ Establish automated Comptroller Warrant Hold process, enhancement of archive processes, and redesign of overpayment billing process

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Phase 3 of Three-Phase Solution

Fraud Prosecution Enhancement Project

Currently on hold

- Design, build new case management processes
- Specific activities include improving:
  - ✓Prosecutions voting
  - ✓Prosecution packet processing
  - ✓Prosecution case management

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BPC Enhancement Projects

Phase 1:
UI Fraud Detection Enhancement Project

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UI Fraud Detection Enhancement Project

- **Purpose:**
  - To improve the ability of TWC to detect and prevent Unemployment Insurance (UI) overpayments
- **How:**
  - Provide workflow automation, enhancements to the UI Benefit Payment Control (BPC) Investigations function of the UI Benefits System

UI Fraud Detection Enhancement Project

- **Objectives:**
  - Automate the capture of data from Earnings Verification Forms (EVFs) received from employers
  - Provide Internet-accessible Web pages for employers to respond with earnings verification data
  - Provide automated predictive analysis, case filtration, and weightings to help prioritize the investigation workload
  - Automate the fraud detection workflow to facilitate more timely response to possible fraud case detection

UI Fraud Detection Enhancement Project

Desired results:

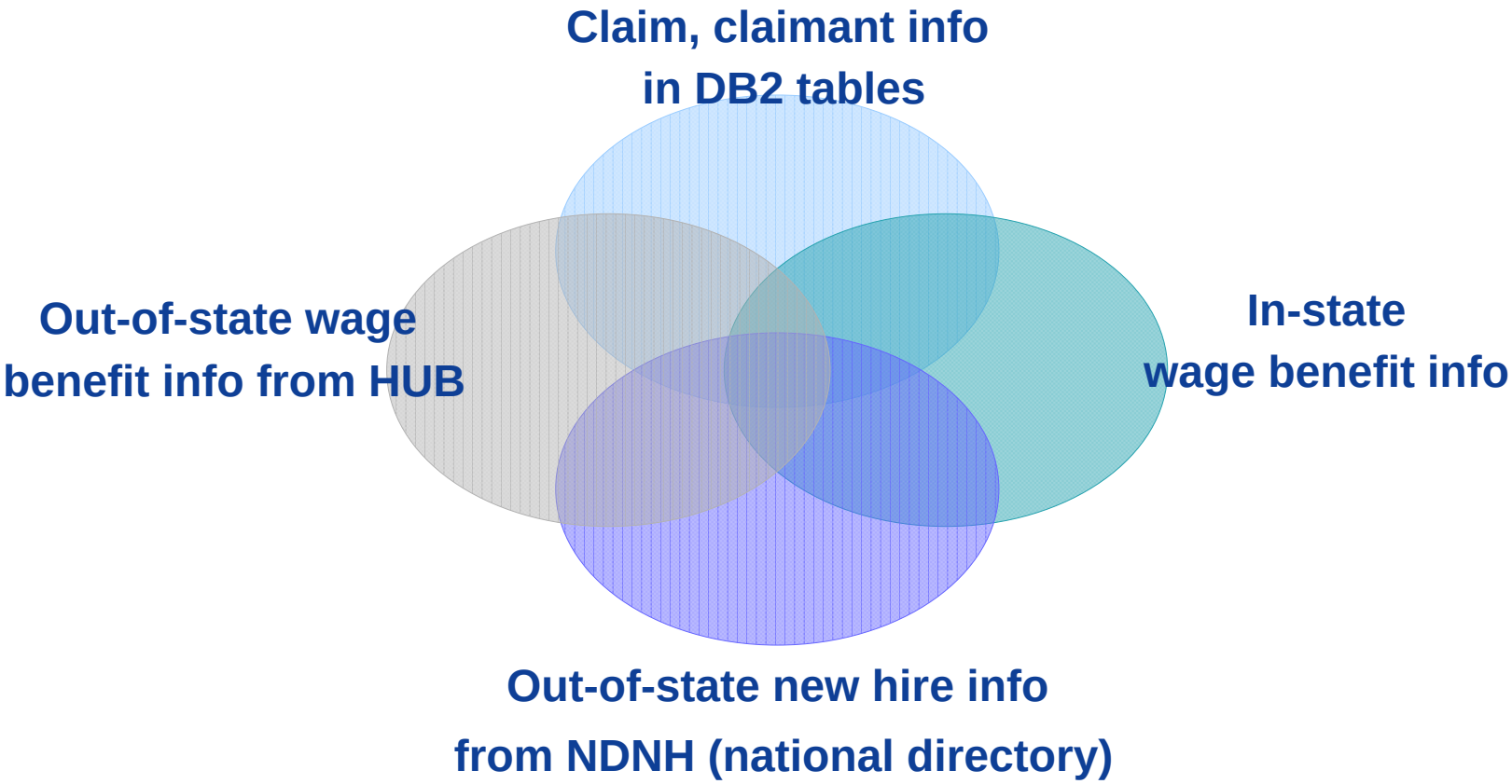
- Allow overpayments to be identified more quickly, efficiently
- Reduce average amount overpaid and increase likelihood of recovery
- Increase the number of overpayments detected
- Facilitate more timely response to claimants and employers upon possible fraud case detection

UI Fraud Detection Enhancement Project

- **New Hire Cross Match:** comparisons identify claimants reported as hired while receiving benefits
- **Wage Benefit Cross Match:** comparisons of claimant earnings versus employer-provided wages (through tax)
  - **"Hits"** receive additional processing
    - **Earnings Verification Form (EVF) to employer**
    - **Claimant Contact Request to claimant**
    - **Information stored, maintained in system**

UI Fraud Detection Enhancement Project

- System utilizes existing cross match data sources



System Overview:

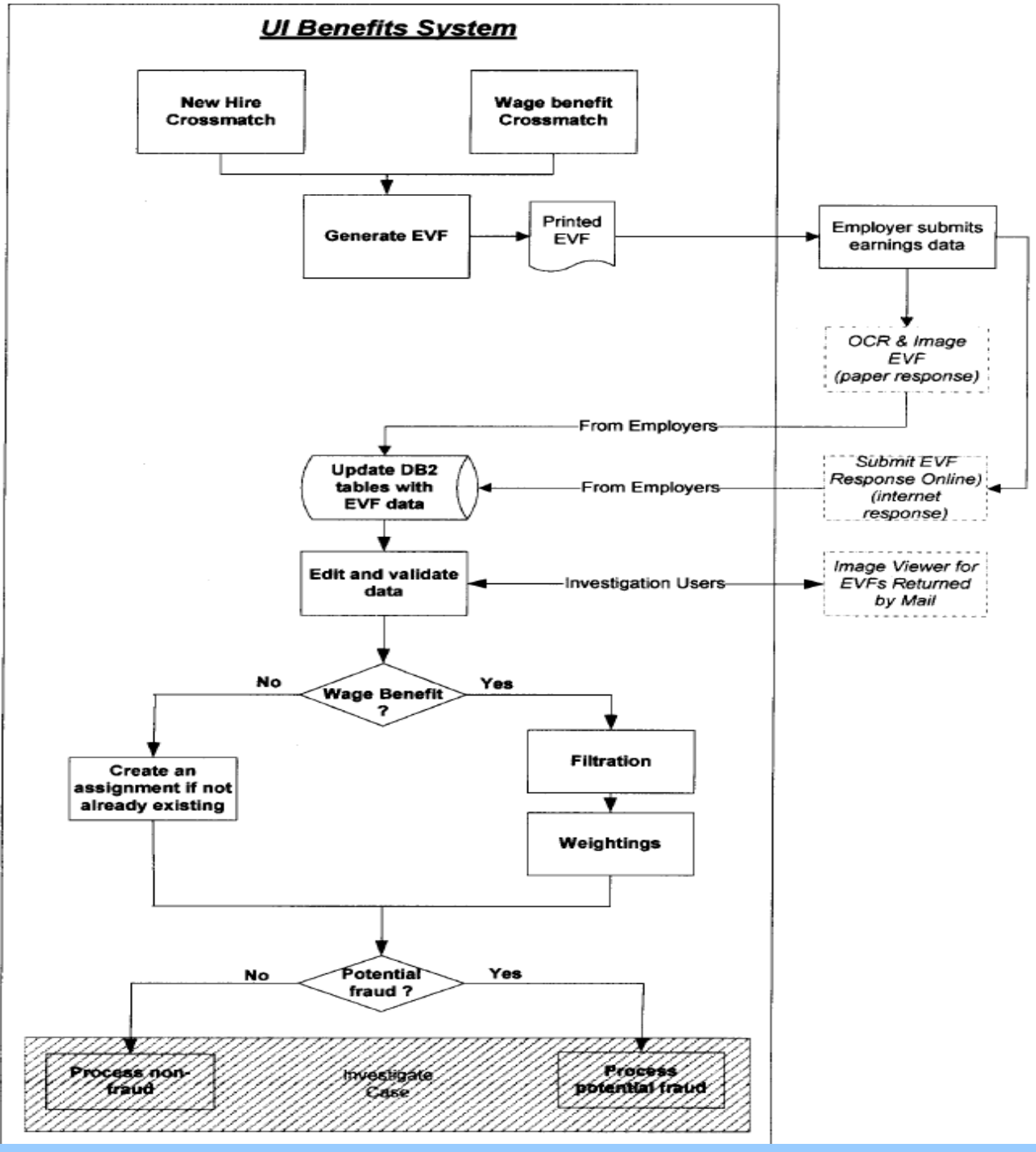
Enhancements that extend the existing UI Benefits System

- Enhance logic of New Hire and Wage Benefit cross matches
- Cross match “hit” audit trail (ability to track the lifecycle of a “hit”)
- Provide automated workflow, predictive analysis, and case weighting

System Overview:

Changes utilizing technologies external to UI Benefits System

- Provide OCR/Imaging solution to automate the capture of earnings data from paper forms
- Provide new Earnings Verification Form to collect appropriate earnings data
- Give employers Internet-accessible Web application to submit earnings data


UI Benefits System
New Hire Crossmatch
Wage benefit Crossmatch
Generate EVF
Printed EVF
Employer submits earnings data
OCR & Image EVF (paper response)
From Employers
Update DB2 tables with EVF data
From Employers
Submit EVF Response Online) (internet response)
Edit and validate data
Investigation Users
Image Viewer for EVFs Returned by Mail
No
Wage Benefit ?
Yes
Create an assignment if not already existing
Filtration
Weightings
No
Potential fraud ?
Yes
Process non-fraud
Investigate Case
Process potential fraud

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BPC Enhancement Projects

Phase 2:
Overpayment (OP) Collections Enhancement Project

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OP Collections Enhancement Project

- Multiple projects developed by one team and managed as one initiative
- Five distinct subprojects designed to address separate areas of functional needs:
    1. Batch Architecture
    2. Comptroller Warrant Hold
    3. Archive Enhancements
    4. On-Line Modifications/Enhancements
    5. Data Integrity/Data Corrections

OP Collections Enhancement Project

1. Batch Architecture Subproject

- Provide redesign and enhancements to the collections-specific batch process
  - Phase I – Re-architecture of existing functionality
  - Phase II – Enhancements and functional redesign
- **Subproject Status**
  - Phase I estimated completion 2nd Quarter 2008
  - Phase II to begin 3rd Quarter 2008

OP Collections Enhancement Project

2. Comptroller Warrant Hold Subproject

- Automated the establishment of warrant holds with the Texas Comptroller of Public Accounts for eligible claimants with overpayments
- Implemented selected modifications for TWC Controller
- **Subproject Status**
  - Completed and in production in 4th Quarter 2007
  - To date, over 17,000 holds established

OP Collections Enhancement Project

3. Archive Enhancements Subproject

- Corrected legacy archive process
- Enhanced to archive claims with cleared overpayments
- Improved performance
- **Subproject Status**
  - Completed and in production in 1st Quarter 2008
  - Archived over 590,000 additional claims, removing over 109M records from system database
  - Improves system performance and likely will result in significant savings

OP Collections Enhancement Project

4. On-Line Modifications/Enhancements Subproject

- Addresses issues, known defects with production collections on-line screens and programs
- Improves function of collections-related system programs to provide significant relief to users
- **Subproject Status**
  - Completed enhancements, fixed defects in 8 sets of on-line screens and programs

OP Collections Enhancement Project

5. Data Integrity/Data Corrections Subproject

- Repairs and corrects bad collections-related data in the Benefits System and programs that create bad data
- **Subproject Status**
  - More than 1,600 critical accounting error corrections completed in 2nd Quarter 2007
  - On-going data integrity supports other subprojects