



National Unemployment Insurance Integrity Professional Development Conference

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Office of Management and Budget
April 21-23, 2008
Salt Lake City, UT



History of IPIA

- Thompson-Lieberman letter
- Section 57, OMB Circular A-11
- Recovery Auditing Act
- Improper Payments Information Act



President's Management Agenda (PMA)

- 5 government-wide initiatives
 - Human Capital
 - Financial Performance
 - Competitive Sourcing
 - Performance Improvement
 - E-Government



Some agency/program specific initiatives under the PMA

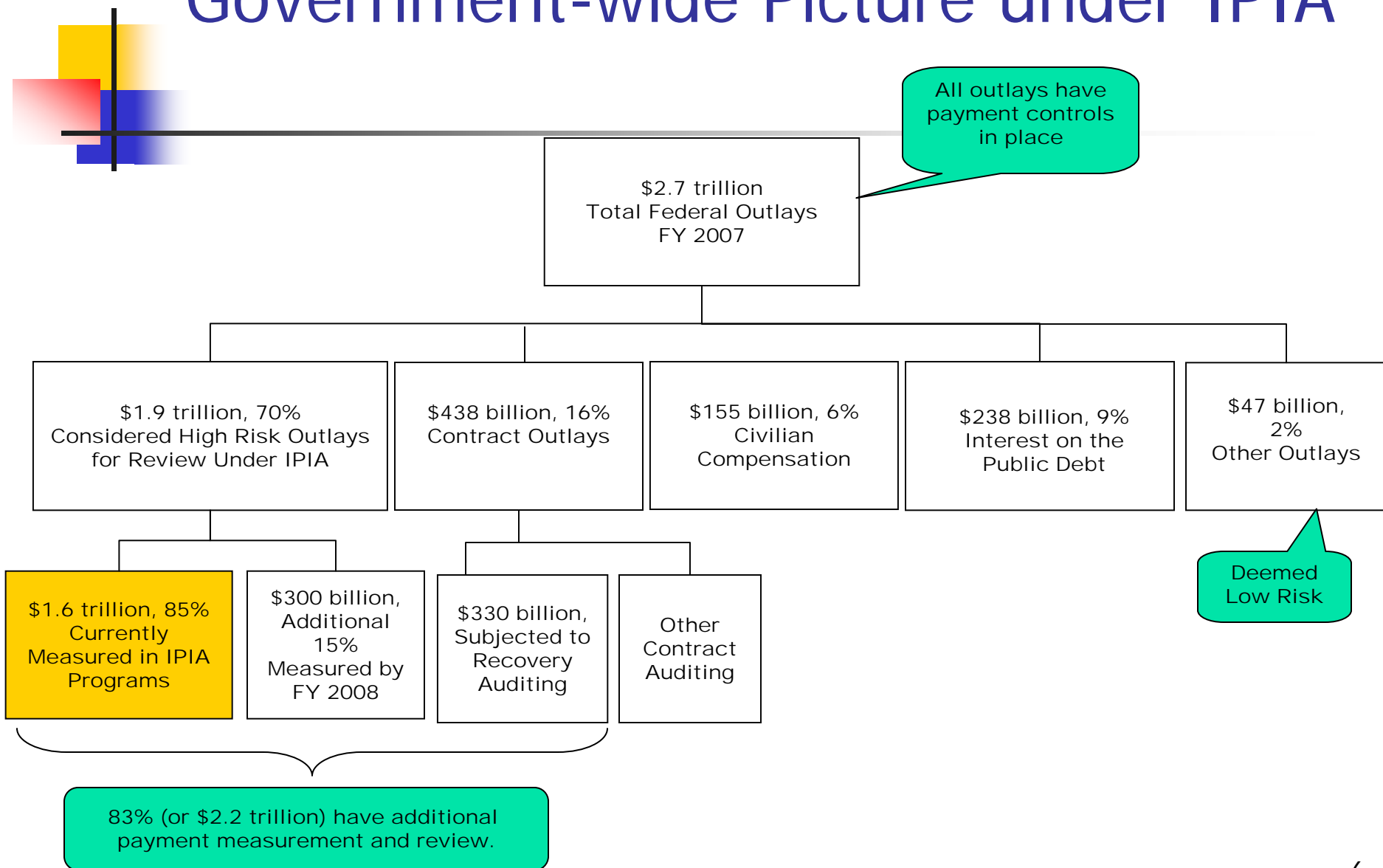
- Eliminating Improper Payments
 - 15 agencies
 - Dept. of Labor is one
 - Red, yellow, green scoring
 - Quarterly updates on progress and status



Government-wide goals

- Strategic Goal
 - Reduce the government-wide improper payment dollar amount and rate
- Fiscal Year 2012 Target
 - Reduce error rate reported in the FY 2004 baseline from 4.4% to 2.5% by 2012
- FY 2007 error rate 3.1% govt-wide

Government-wide Picture under IPIA

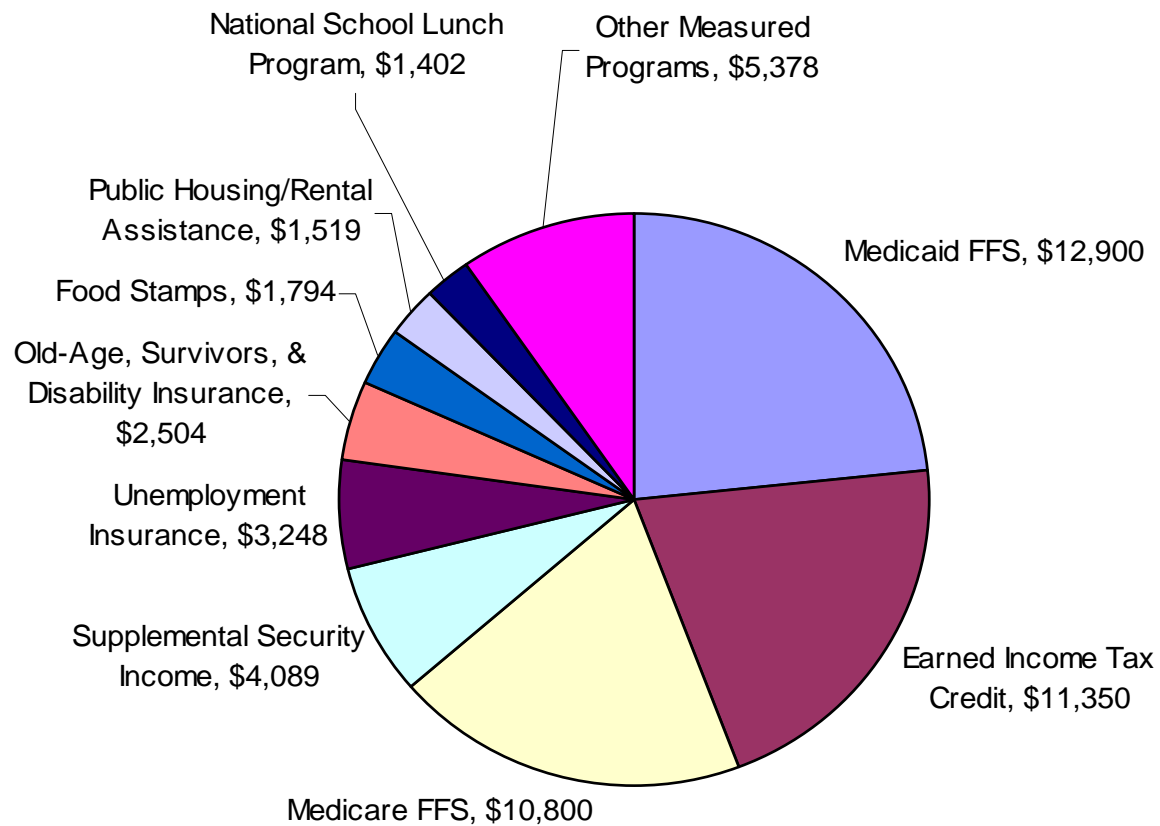




Objectives

1. Identify risk susceptible programs
2. Estimate the annual amount of improper payments
3. Identify root causes of improper payments
4. Correct problems and reduce errors

The Big 9 – 90% of errors



Error Causes in Big 9 Programs

Causes of Error	Programs <i>(with error amounts in millions)</i>							
	Medicare \$ 10,800	EITC \$ 10,700	UI \$ 3,376	OASDI \$ 3,290	SSI \$3,028	Food Stamps \$ 1,645	Medicaid \$12,900	PH/RA \$ 1,464
Documentation \$12,945	\$2,945						\$10,000	
Federal Agency Error \$560				\$560				
Earnings/Income \$8,149		\$2,210	\$1,350	\$1,906	\$1,029	\$1,295		\$359
Assets \$795					\$775	\$20		
State Agency/Third Party Error \$1,105								\$1,105
Other Eligibility Criteria \$12,170	\$4,418	\$5,350	\$1,587	\$367	\$127	\$321		
Medically Unnecessary \$3,436	\$3,436							

NOTE: All figures are from FY 2006 reporting except for Medicaid which is from FY 2007 reporting.



Legislative Changes Included in the President's 2009 Budget

Treasury -

- EITC and Child Care credit simplification

Labor -

- Unemployment Insurance overpayment recoveries
 - Fold in portion of recoveries to additional integrity work
 - Pay private collections agencies to pursue uncollectible accounts
- Requirement for "start work date" field to be completed

SSA -

- Program Integrity Caps and other OASDI offsets

Education –

- Pell Grant/IRS data match
- Doggett Amendment – pre-populate student aid application



What's in it for you?

- More eligible clients are served
- Better customer service provided
- Shorter waiting lists
- Improved audit outcomes

Would it be possible for States to retain part of this savings??



Where do customer service, program integrity, and controlling administrative costs come together?

1. Facilitating the application process to allow those eligible to receive benefits more quickly
2. Reducing administrative costs through more streamlined process flows
3. Defining terms to mean the same thing across different programs (i.e., household, income/earnings)
4. Standardizing (or staggering) the timing of redeterminations and which data sources are used for authentication
5. Revising authorizing legislation to reduce barriers and confusion among programs with similar populations



Possible next steps

- Prioritize program integrity efforts by
 - Calculating return on investment (ROI)
 - Egregiousness of error
- Use of integrated eligibility and common data verification sources to (hopefully) save money and reduce errors
- Beneficial during times of crisis and emergencies to prevent fraud and duplicate payments



Sticking Points

- What about underpayments?
- Who's going to foot the bill?
- How much will States' control?
- Who's going to do the work?



OMB perspective

- Prioritize efforts based on level of risk
- 65% of all outlays have been deemed high risk
- 85% of these high risk programs are now reporting
- Congress remains concerned with outlays not considered high risk



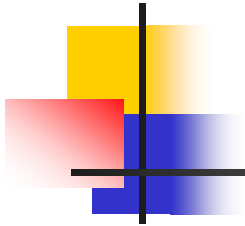
Longer term forecast

- Improper payments will continue to be high profile
- Always important to ensure correct expenditure of taxpayer dollars
- Want to help as many clients as possible
- Do not want to increase the deficit



Additional legislation pending

- Congressional committees do not all see issues in the same way
- Oversight committees see things very differently from Appropriators
- Challenge trying to balance all sides



Questions?
Comments?
Ideas?