

## Core Measures

### Detection of Overpayments

<b>Measure:</b>	Percent of estimated detectable, recoverable overpayments (dollars) established for recovery.
<b>Change:</b>	This measure is new in UI Performs.
<b>Data Source:</b>	Benefit Accuracy Measurement (BAM) and ETA 227, Benefit Payment Control (BPC) reports.
<b>Computation and Criterion:</b>	<p>The measure is a ratio of overpaid dollars a state actually established for recovery as a percent of the estimated amount of detectable recoverable overpayments.</p> <p>The numerator is the amount of actual overpaid dollars that are established for recovery, as reported on the ETA 227 report.</p> <p>The denominator is a sample-based estimate of Operational Overpayments obtained from the BAM data. The denominator is subject to sampling and measurement variability.</p> <p>The ALP for the Detection of Overpayments Core Measure is 50%, using a 3-year average of the measure.</p> <p>The upper limit of performance is 95%.</p>
<b>Reporting Categories:</b>	None.
<b>Reporting Frequency:</b>	Quarterly.

**Reference: Unemployment Insurance Program Letter 14-05 Change 1**  
[http://wdr.doleta.gov/directives/attach/UIPL14-05\\_Change1.pdf](http://wdr.doleta.gov/directives/attach/UIPL14-05_Change1.pdf)

**Performance Report Available:**  
[http://www.workforcesecurity.doleta.gov/unemploy/3yr\\_overpay.asp](http://www.workforcesecurity.doleta.gov/unemploy/3yr_overpay.asp)

**Details for the Computation of the Detection of Overpayments Measure follows.**

## Details for the Computation of the Detection of Overpayments Measure

The amount of overpayments actually established through state BPC operations as a percent of the amount that the BAM program estimates states can detect and establish for recovery through BPC operations.

$$\text{Overpayment Detection Measure} = \frac{\text{Overpayments Established (BPC)}}{\text{Estimated Overpayments (BAM Operational Rate)}} \times 100$$

The data collection period of the numerator (BPC data) begins and ends six months after the denominator (BAM data) to allow sufficient time to detect and establish overpayments identified through the wage-benefit crossmatch and appeals reversals.

### **BAM Operational Overpayment Rate Definition**

The BAM estimate is an “operational overpayment rate.” The operational rate includes those overpayments that are generally agreed to contain overpayment errors that the states can be reasonably expected to detect and establish for recovery. Certain categories of overpayments are excluded from this rate: work search issues, Employment Service registration issues, base period wage issues, and certain miscellaneous causes. The BAM operational overpayment rate includes UI benefits that BAM determined were overpaid and meet the following criteria:

#### **Key Week Action (BAM b\_errisu table data element ei2)**

The code that specifies the type of overpayment error that the BAM investigation identifies for the compensated week of unemployment (referred to in BAM as the key week).

10 = Fraud overpayment / voided offset

11 = Nonfraud recoverable overpayment / voided offset

#### **Error Cause (b\_errisu table data element ei3)**

BAM assigns each payment error a cause code. The following causes are **included** in the BAM operational overpayment rate:

(a) In the **Benefit Year**, unreported or errors in reporting/recording earnings or days/hours of work affecting the Key Week due to:

100 = Unreported (concealed) earnings or days / hours of work

110 = Earnings or days / hours of work incorrectly estimated, reported, recorded or deducted

120 = Errors in reporting or unreported Severance Pay  
130 = Errors in reporting or unreported Vacation Pay  
140 = Errors in reporting or unreported Social Security or Pension Benefits  
150 = Other causes related to reporting or recording of earnings or days / hours of work

(b) **Separation** Issues due to:

300 = Voluntary Quits  
310 = Discharges  
320 = Other causes related to separation issues

(c) **Eligibility** Issues due to:

400 = Ability to work  
410 = Availability for work  
430 = Refusal of suitable work  
440 = Self-employment  
450 = Illegal alien status  
470 = Other causes related to eligibility issues  
480 = Identity theft

(d) **Dependents' Allowances** incorrect due to:

500 = Dependents' information incorrectly reported / recorded or allowance incorrectly calculated  
510 = Other causes related to dependents' allowances

The following overpayment errors are **excluded** from the BAM operational overpayment rate:

**Key Week Action (BAM b\_errisu table data element ei2)**

12 = Nonfraud nonrecoverable overpayment or official action taken to adjust future benefits by decreasing weekly benefit amount (WBA), maximum benefit amount (MBA), dependents' allowance (DA), or remaining balance (RB)  
13 = BAM determines payment was too large, although payment is "technically" proper due to finality rules  
14 = BAM determines payment was too large except for formal warning rule that prohibits official action. Payment "technically" proper due to law / rules requiring formal warnings for unacceptable work search efforts  
15 = BAM determines payment was too large, although payment "technically" proper due to rules other than finality or formal warning rule

16 = Overpayment established or WBA, MBA, DA or RB decreased which was later "officially" reversed, revised, adjusted, or modified and BAM disagrees with "official" action (e.g., Appeals unit reverses BAM determination and BAM disagrees)

The following causes are **excluded** from the BAM operational overpayment rate:

**Error Cause (b\_errisu table data element ei3)**

(a) In the **Base Period**, errors in reporting / recording earnings or weeks, days, or hours of work affecting the key week due to:

200 = Earnings or weeks / days / hours of work incorrectly estimated, reported, or recorded

210 = One or more base period employers not reported by claimant

220 = Other causes related to errors in reporting or recording earnings or weeks / days / hours of work for base period

(b) **Eligibility** Issues due to:

420 = Active work search

460 = Job Service registration

(c) **Other** Causes due to:

600 = Benefits paid during a period of disqualification, even though a stop-pay order was in effect

610 = Redetermination (at deputy level) or reversal (appeal or higher authority)

620 = Back pay award

630 = All other causes

**Estimated Amount Overpaid and Weighting**

BAM records the total whole dollar amount of the overpayment error for the compensated week of unemployment (key week) as determined by the BAM investigation. Dollars that affect weeks other than the key week are excluded. This information is coded in **Dollar Amount of Key Week Error (b\_errisu table data element ei1)**.

This amount is multiplied by a weight to estimate the amount that the overpayment error represents in the population. The weight is equal to the number of weeks of unemployment compensation paid during the week that the BAM sample was selected (**b\_comparison table data element cm2**) divided by the number of completed BAM sample cases for that week. For example, if the state issued 5,000 UI payments during the week, and BAM sampled and investigated 10 payments, each completed case would carry a weight of 500 (5,000 / 10).

The weighted amounts overpaid are summed for the 52 weekly samples and divided by the weighted amount of UI benefits paid to the claimants in the sample (**b\_master table data element f13**). This ratio is then multiplied by the amount of UI benefits paid in the population of UI weeks paid from which the samples were selected (**b\_comparison table data element cm4**). The result is the estimated UI overpayments that states should be able to detect and establish for recovery through BPC.

#### **Amount of Overpayments Established**

The amount of UI overpayments established through BPC is reported on the ETA 227 report, line 110, columns 4 (UI) + 5 (UCFE/UCX), excluding penalty assessed for fraud, reported on line 109, columns 4 + 5.