Benefit Accuracy Measurement
Methodology and Program Description

The Benefit Accuracy Measurement (BAM) program (before 1996 called Benefits Quality Control) is designed to determine the accuracy of paid and denied claims in three major Unemployment Insurance (UI) programs. It does this by reconstructing the UI claims process for samples of weekly payments and denied claims using data verified by trained investigators.

For claims that were overpaid, underpaid, or improperly denied, BAM determines the cause of and the party responsible for the error, the point in the UI claims process at which the error was detected, and actions taken by the agency and employers prior to the error. For erroneous paid claims, BAM determines the amount of benefits the claimant should have received.

Coverage

BAM covers the three largest permanently authorized unemployment compensation (UC) programs: State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Service Members (UCX). BAM data for paid claims are available for the 50 states, the District of Columbia, and Puerto Rico from January 1988 through the present. BAM Denied Claims Accuracy (DCA), which investigates the accuracy of denied UC claims, began in August 2001.

Sample Design

State BAM samples are randomly selected from the populations of UI, UCFE, and UCX payments and determinations denying eligibility issued by the state each week. BAM refers to this weekly sampling interval as a batch. Each batch begins at midnight Sunday and runs until 11:59 p.m. Saturday. BAM records the number of UI weeks and dollars that were paid in the population from which the sample was selected and the number of denied claims for DCA so that the sample data can be weighted to make inferences concerning the population.

Sample Sizes

Before 1997, BAM paid claims sample sizes ranged from 400 to 1800 cases per year per state. Since 1997, allocated sample sizes range from 360 cases per year in the 10 states with the smallest UI workloads to 480 cases in the remainder of the states. Several states have chosen to select larger samples. For DCA, states sample 150 cases for each of the three types of denials -- monetary, separation, and nonseparation.

Database

The BAM database includes about 110 data elements for each sampled payment or denial. Data for 15 of these elements are captured twice (before and after the investigation), and eight are completed only for erroneous payments or denials. Aggregate data for each batch are collected for 42 additional data elements, most of which are demographic characteristics of the sample and population.

Methodology Considerations

Estimates based on BAM data are subject to the usual sampling and non-sampling errors that can affect survey data. BAM has implemented several quality assurance procedures to minimize non-sampling errors, such as incomplete or improperly defined sampling frames, errors of interpretation and data entry errors. Nonresponse bias is not significant. Nationally, BAM program staffs gather sufficient information from claimants, employers and third parties to complete their investigations for over 99 percent of the UI payments that are sampled (response rates for DCA are somewhat lower); sample case completion rates are 100 percent in most states. When the program began, all BAM verifications were done in person. Since 1993, investigators may use telephone, mail, and fax to collect their data. Studies have shown that although such methods yield somewhat less information than in-person contacts, the overall accuracy rate estimates are not significantly affected.

BAM Case Completion and Claimant Interview Method -- CY 2007								
Sample Type	Cases Sampled	Valid Cases*	Cases Completed	Percent Completed	In-Person	Tele-Phone	Mail	No Clmnt. Inter.
Paid Claims	24,815	24,811	24,802	99.96%	20.99%	38.16%	29.65%	11.19%
Monetary	8,218	7,963	7,960	99.96%	1.38%	48.42%	16.17%	34.02%
Separation	8,037	7,999	7,997	99.97%	1.49%	46.09%	20.08%	32.34%
Nonseparation	8,129	7,994	7,992	99.97%	1.63%	50.88%	21.81%	25.69%

* Cases sampled minus cases deleted because they did not meet the definition for inclusion in the survey population and denied claims that were withdrawn by the claimant.

To evaluate the accuracy of each sampled payment, the BAM program investigates the UI claimant's monetary and separation eligibility, as well as all information relevant to the compensated week of unemployment that was sampled, including the claimant's availability for work, efforts to find suitable work, and earnings from casual employment or other income sources, such as Social Security or pensions. Investigations of denied claims are limited to the issue for which eligibility was denied. For example, if a claimant was denied UC because of a voluntary quit separation issue, DCA will investigate only that issue, not the claimant's monetary or nonseparation eligibility. Both BAM paid and denied claims accuracy record demographic, UI program, and labor market data on each claimant. BAM does not maintain longitudinal data on the claimant's UI benefit history subsequent to the compensated week sampled.

Although claimant characteristics can be inferred from the data, it is important to keep in mind that the BAM paid claims sampling frames consist of payments. Claimants have an increased chance of selection to the BAM paid claims samples the longer they remain in the UI system and are paid benefits. Estimates of claimant characteristics that are correlated with duration of receiving benefits are subject to bias unless they are weighted to take into account the claimant's probability of sample selection.

BAM Integrity Rate Definitions

The following charts summarize the definitions for the integrity rates included in the BAM analyses.

Paid Claims			
Rate	Sample Type	Action Code	Cause
Annual Report	1 - Paid Claims	10 - Fraud 11 - Nonfraud recoverable 12 - Nonfraud nonrecoverable 13 - Technically proper due to finality rules 15 - Technically proper due to rules other than finality or formal warning rule	All cause codes.
Operational	1 - Paid Claims	10 - Fraud 11 - Nonfraud recoverable	100-159 Benefit year earnings 300-329 Separation 400-419 Able and available 430-439 Refusal of suitable work 440-449 Self-employment 450-459 Illegal alien status 470-479 Other eligibility issues 480-489 Identity theft 500-519 Dependents
Fraud	1 - Paid Claims	10 - Fraud	All cause codes.
Agency Responsibility	1 - Paid Claims	10 - Fraud 11 - Nonfraud recoverable 12 - Nonfraud nonrecoverable 13 - Technically proper due to finality rules 15 - Technically proper due to rules other than finality or formal warning rule Includes only those overpayments for which the agency had full or partial responsibility -- codes 30, 1030, 230, 34, 1230, 1034, 234, 1234.	All cause codes.
Underpayment	1 - Paid Claims	BAM investigation determines that the payment was too small: 20 - Supplemental check issued/offset applied or increase in weekly benefit amount (WBA), dependents' allowance (DA) entitlement, maximum benefit amount (MBA), or remaining balance (RB) 21 - Technically proper due to finality rules 22 - Technically proper due to rules other than finality	All cause codes.

Denied Claims			
Rate	Sample Type	Action Code	Cause
Improperly Denied	2 - Monetary 3 - Separation 4 - Nonseparation	BAM investigation determines that the denial determination was improper or benefit payment was too small: 20 - Official agency action finds the claimant to be eligible for a supplemental check issued/offset applied or increase in WBA, DA, MBA, or RB 21 - Technically proper due to finality rules 22 - Technically proper due to rules other than finality 23 - Supplemental check issued/offset applied which was later officially reversed, revised, adjusted or modified, and BAM disagrees with the official action 24 - No payment is due to the claimant	For Action codes 20-23: All causes except 700 - 729. For Action code 24: 710-719: Claimant not entitled to benefits due to other issues affecting the claim 720-729: Claimant not entitled to benefits because no week was claimed (Codes valid only for Sample Type 3 or 4)
Adjusted Improperly Denied	2 - Monetary 3 - Separation 4 - Nonseparation	Same as Improperly Denied minus: Prior Agency Action codes 20-29: Agency was in the process of resolving issue and took correct action before DCA investigation completed or agency had correctly resolved issue prior to sample being selected .- or – Results of Appeal of Initial Determination codes 1 - affirmed, eligible; or 3 - reversed, eligible	For Action codes 20-23: All causes except 700 - 729. For Action code 24: 710-719: Claimant not entitled to benefits due to other issues affecting the claim. 720-729: Claimant not entitled to benefits because no week was claimed (Codes valid only for Sample Type 3 or 4)
Overpayment	3 - Separation 4 - Nonseparation	Action codes 10-16	All causes except 700 - 729.
Properly Denied	2 - Monetary 3 - Separation 4 - Nonseparation	Action Code 30	Cause codes 700-709

Published Findings

The Department of Labor has published BAM data by state along with supplementary analyses annually since 1988. From 1988 to 1995, the report was called the Unemployment Insurance Benefits

Quality Control Annual Report; 1996 data were published in the UI Benefit Accuracy Measurement Annual Report. Since 1997 BAM data have been published as part of the UI PERFORMS Annual Report, which also includes data from the Benefit Timeliness and Quality program and the Tax Performance System. The BAM Analytical Report and UI Performs Annual Report are available on the U. S. Department of Labor Employment and Training Administration Office of Workforce Security Web site – http://workforcesecurity.doleta.gov/unemploy/.

Contacts

To obtain further information about the BAM program and the use of its database, please contact:

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A list of State contacts is found at the following link:
- BAM State Contacts