

OREGON
PROGRAM
IMPROVEMENT

October 1991

through September 1992

STUDY

Oregon Quality Control

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Executive Summary

In 1991 an examination of the role of the Unemployment Insurance program in Oregon was begun. This process called UI Reform, included an evaluation of the laws, rules, and procedures governing Unemployment Insurance in order to change or eliminate those which were unduly restrictive or cumbersome to administer.

In order to facilitate this process, Oregon's Quality Control Unit proposed a Program Improvement study which would develop a computer model with which the impact of changes to the law or Administrative rule could be evaluated.

Three specific areas were selected for this analysis. These were chosen because input from community meetings across the state had raised them as areas of concern. The three were: 1. Ability to Work, Availability for Work, Active Work Search, 2. Late Report Issues, and 3. Requests to Backdate Initial, Additional, or Reopened Claims.

This summary, as well as the report following, will speak to each of these issues individually.

Ability to Work, Availability for Work Active Work Search

A representative sample of *nonmonetary determinations* written in 1991 on these issues was examined. The reporting system used now does not identify the specific issue in any more detail than "AAA". The staff analyzed the cases to learn the issue, the detection point, and, most importantly, the duration of the circumstances leading up to the determination.

One consideration was the number of eligibility issues which are

- detected either at the time a person files an Initial Claim or when claiming a Continued Claim. Could this study provide insight into the issues which would be overlooked should these filing methods change? Data established that just over 38% of these issues are detected when the Initial Claim is filed and 25% are found from the Continued claim process. Additional analysis was done to learn the number of Issues which might be detected collaterally from the adjudication of separation issues.

Oregon Administrative Rule 471-30-036, specifies that an individual will be eligible for benefits when ill unless they are unable to work for more than the major portion of their customary work week. Possible changes to the rule were considered in which lengthier periods of illness could elapse before a finding of ineligibility would occur.

What was learned was that claimants are, on average, unable to

work for over 6 days during a denied week. In other words, allowing eligibility to a person when they are ill for the major portion of a week plus one or plus two days would not appreciably decrease the number of persons found ineligible.

The study also sought to model the impact on the Unemployment Insurance trust fund should Oregon implement a change which would allow benefits to individuals who **are: ,unable** to work for up to six weeks, as long as their temporary disability did not cause them to refuse work. Data was extrapolated to show that ;1.2 million in additional benefits **would,be** allowed to approximately 3000 people should this change be implemented.

A similar analysis was conducted with claimants in the study who had Availability for Work issues. Administrative Rules regarding Availability for work generally do not consider the major portion of the work week in determining eligibility. Data from this study was analyzed to determine if. using a "major portion" rule , for all eligibility issues might prove more equitable. This was not found to result in any real change. Claimants who have been denied benefits because they are not available for work are almost all unavailable for the greater portion of the week.

The possibility of eliminating the legal requirement for conducting a work search was explored. The belief is that almost all claimants are trying to return to work and will look for work regardless of a specific requirement. Additionally, administrative funds which could be used for verifying the validity of work search contacts are scarce.

The study found that a person's failure to seek work was, in over 95% of the cases, due to a separately -disqualifying ability to work or availability for work issue. Eliminating the work search requirement would not result in a- *finding that* these people were eligible because of the other underlying issue.

Late Reports

There are two parts to the Late Report section of the study.

1. Twelve alternative reporting **timeframes** were compared to each case within the sample of Late Reports to determine the effects of each alternative on the Late Report decisions written **in** 1991.

2. In addition, the sample of Late Reports was reviewed for acceptability of decision, thoroughness of investigation and correct count.

The alternatives ranged from adding an additional two days to the current 7 day timeliness requirement to allowing claimants 28 days to submit their report form. Also considered were four **alternatives which** used several different **timeframes** between the

generation date and the date received by the agency to determine timeliness, and one alternative which looked at reducing by 1/7 the benefits entitled for each **day late**.

1. 31% of the Late Reports are claimed within 9 days of the week ending date: *Allowing* two extra days would reduce the number of Late Reports by close to one third. In 1991 field offices wrote 34,697 Late Report decisions. Under this alternative, 23,583* would have been written. An additional x1,448,783** would have been paid from the trust fund.

94% of the Late Reports are claimed within 28 days of the week ending date. *Allowing the extra 21 days* would have reduced the number of Late Report decisions to 2,029*, and would have cost \$4,550,765** to the trust fund.'

There are potential funding issues as well. When decisions are not written, they will not be incorporated into the federal funding formula. Inserting the numbers from the above cases into the formula results in a potential loss of 5.4* positions and . 15.86* positions, respectively (or 5158,409*, and ;465,621*, if overbase position dollars are used).

2. The five major reasons that reports are submitted late are:

1. no information provided by the claimant, 35.4%
2. confusion, 11.1%
3. claimant states that she did mail it on time 10%
4. claimant didn't receive the certification, 9.5%
5. claimant lost the certification, 7.4%

Late Report decisions are not reviewed in the Management Information System (MI5), hence, there*are no standards for an "acceptable decision" as such. We applied similar requirements to these decisions as are required to other decisions, and found 87% would be acceptable.

The major problems found were inconsistency in determining "genuine confusion" and failing to contact the claimant to investigate the Late Report when a different computer message had gone to the claimant, ie., notice of nonvalid claim. The latter problem will be addressed by computer reforms which are already in the works to allow multiple messages to be sent.

The former problem, inconsistency in determining genuine confusion, should be addressed. There were cases given good cause due to "genuine confusion" where the claimant had claimed 28 weeks on the claim, and where the first week on the claim was denied and the claimant alleged he was confused. There is not much consistency from adjudicator to adjudicator in deciding what genuine confusion is. It appears to be .invoked when one wants to

* +5.1% precision
±6.2% precision

clear a Late Report and not mentioned when one wants to deny. . 94% of the Late Report decisions were countable decisions. This was very close to the federal standard of 953. More awareness on the part of the adjudicators would undoubtedly quickly bring this figure into the acceptable range, as it is so close.

Backdating of an Initial, Additional or Reopened Claim

Data was collected from a statistically significant sample of counted nonmonetary determinations which pertained to the specific issue of backdating an Initial, Additional or Reopened Claim. The study *findings, once* compiled and extrapolated to the universe, allowed for the *examination of* various alternatives or proposed changes to current Oregon law. Information was also made available as to whether decisions were being correctly counted and adjudicated.

Current Oregon law requires that all claims for benefits be filed prior to or during the *first, week* for which benefits are claimed. Good cause for backdating up to a maximum of 14 days can be established if conditions were present which were beyond the claimant's reasonable control. Additional and Reopened Claims may also be backdated automatically if the request is made within 7 days of the end of the week in which backdating is requested.

Several proposed system controls were modelled and compared with the results found by application of current Oregon law. The system controls modelled included automatic backdating of an Initial Claim if the request is made within 7 days, automatic backdating of an Initial, Additional or Reopened Claim if the request is made within 14 days, automatic backdating of an Initial, Additional or Reopened Claim if the request is made within 21 days, and repeal of the automatic backdate provision for Additional and Reopened Claims.

The study makes no specific recommendation for changing Oregon law. The most feasible of the proposed system controls would bring some uniformity to Oregon law by allowing Initial Claims to be backdated automatically if the request is made within 7 days . of the end of .the week in which backdating is requested. Adoption of this change to Oregon law also makes some sense in terms of customer service. ,

The study found that 90% of formal decisions written and 623 of the informal clearing decisions were correctly written. These results in addition to other discoveries made during the study, emphasized a need for more complete and accurate *factfinding*, improved awareness of law and policy, and correct counting of nonmonetary decisions.