

**Maine Department of Labor**  
**Information for Government Oversight Committee Meeting**  
**Re: OPEGA Review of the ReEmployME System**

4/12/19

**Unemployment Insurance (UI) Program Overview & Purpose**

- The unemployment insurance program was implemented in the late 1930's in response to the hardships experienced in the Depression because of widespread unemployment.
- It was created to protect workers and communities from the adverse impact of unemployment. Its purpose is to provide a temporary financial safety net for individuals who are out of work through no fault of their own as well as act as an economic stabilizer for communities during economic downturns.
- It is a federal & state partnership program governed broadly by federal law. Federal law requires that individuals must be able to work, available to accept work and actively seek work each week in which a benefit claim is filed to receive benefits. Maine law adds more specificity around eligibility requirements.
- It is an *insurance* program, not welfare or an entitlement program. The law establishes a set of eligibility requirements that must be met for an individual to receive unemployment benefits. Unlike general public assistance programs, there is no assessment of the individual's financial needs in determining benefit eligibility.

**Background for New UI Benefit & Tax Systems**

- Maine had 2 separate UI systems that were extremely old. The benefit system was at least 25 years old during the last recession and the code was written in Cobalt - a very old computer language that is rarely taught or used in modern systems. The UI tax system was even older and *extremely* brittle. Any changes to either system typically caused serious and costly functionality issues across the system.
- Both systems were at high risk for collapsing which would have meant the loss of all ability to process claims, pay benefits or collect employer contributions. Due to the age of each, neither could be modernized to extend their life cycles. Technically, both systems were well beyond any expected life cycle making them essentially unsupportable.
- At the time, the average combined cost of a new UI benefit system and a new UI tax system nationally was approximately \$100 million. Additionally, the success rate of developing a new UI computer system from scratch was around 20%. Therefore, Maine looked for a newly modernized state UI system that had been successfully implemented. Mississippi's system met this objective and a review of their system was very positive in terms of meeting Maine's needs.
- A long-term objective in replacing these systems was to find a more cost-effective means of support. Technology costs to support these systems had risen to a point beyond what a single state could afford. Maine made the decision to enter into a consortium project with MS & RI initially to expand the MS system into one that could be shared by multiple states. Approximately 70% of the core operations of the UI operations are common across states. In the consortium model, Maine would share the costs required to support the core system, cloud environment and maintenance with the other states and then each state would individually pay for the 30% of the programming that is unique to that state (Maine did not adopt MS laws or policies in the new system). The consortium model is expandable to include additional states, CT plans to come on board in 2020 and we are in talks with OK to come on board as well. (RI had to stop work at one point due to a leadership change but has expressed an interest in completing the project to onboard down the road).

- The consortium used the vendor that had built the MS system because of their expertise in the system architecture and experience in building a business rules engine required to make a shared, multi-state system work. Although there were other consortium projects taking place nationally with different vendors – several that started before the ME, MS & RI consortium, - our consortium has been the only successful one to date.

### Rollout of New Benefit System

- Maine began staff testing the new benefit system functionality in February 2016 and tested a full 1 ½ years before implementation. Testing consists of using the program’s most experienced subject matter experts among staff to literally test every piece of functionality programming to ensure that it functions as expected. The staff testing began after the vendor had done system-wide testing.
- Although the testing performed well, Maine had hoped to do additional testing before rolling out the new benefits system. However, procuring a cloud environment had taken longer than expected leaving Maine in the position of having to move forward or risk the federal funds provided for this initiative expiring. (The consortium received \$90 million in federal grant funds to build the consortium system). If Maine had postponed the rollout, there would not have been funds available to build the new tax system.
- Maine made the decision to implement the new benefits system in December 2017. It was not ideal to rollout a new benefits system at that time of year as historically, Maine’s unemployment demand doubles beginning in December through March. Winter workloads are always difficult to manage due to staff and funding limitations and longer wait times to get through on the phone are generally experienced during the winter months.
- Implementing a system that is unfamiliar to the public and new to the staff at the highest workload time of the year created issues that overwhelmed the clients using the system as well as those trying to assist them. It was a perfect storm.

### Current Operational Status of the ReEmployME Benefits System

- Any new system – especially one as complex as an unemployment benefit system – is going to have unanticipated bugs or glitches that require fixing after rollout, despite extensive pre-implementation testing.
- Additionally, there is an adjustment period for those using the system – for both customers and staff (think about the adjustment period that you go through when Microsoft puts out a new version of Word or Windows).
- The initial system defects identified following the roll out of the new system that impacted workers and caused benefit delays have been resolved. However as with any complex system, additional issues or glitches still come to light. Desired changes also get identified over time as the system is used. The bureau has in place a process for collecting and prioritizing issues and changes identified by staff and users of the system so that they can be scheduled for the system support team to address. These are initially triaged to determine whether they represent actual defects (where the system does not function as expected), or desired enhancements or even represent a need for additional user training. Priority is given to system defects and user training. Enhancements are considered based on cost, return on investment and the availability of resources to accomplish the task.
- Time delays in getting through to the phone system to speak with a claims representative have also dropped significantly compared to the months initially following the implementation of the new system:

	2017- 2018 # Calls	2017 - 2018 Average Wait time	2018-2019 # Calls	2017 - 2018 Average Wait time
December	6,694	38:01 minutes	8,682	19:52 minutes
January	11,056	38:01 minutes	9,198	21:56 minutes
February	7,775	33:35 minutes	8,602	16:01 minutes
March	9,853	23:53 minutes	7,701	9:21 minutes

- Call times continue to come down and there are periods of time throughout the week where individuals calling UI can get through to a claims representative immediately. Wait times during the summer and fall months are generally measured in seconds.
- Of the calls received, approximately 12% involve a request to reset someone's system password because they have forgotten it (this seems to track with password resets requested using the old benefit system as well).
- The primary challenge in getting this number down through the heavy workload months of the winter is staffing. The UI program is federally funded using a workload model based on a state's unemployment rate and claim numbers. With the unemployment rate in Maine being so low, new claims being filed are also at record lows as is the bureau's administrative funding.
- Assuming no absences, we have 15 claims representatives to answer the phones for the entire state and 18 adjudicators who resolve eligibility issues to determine if benefits can be allowed.

## **Assessment of Current Level of Customer Service Provided Individuals Filing Benefit Claims**

### **A. Efforts Taken to Improve Service Levels**

- Cross-trained all adjudicators claims processes.
- Mondays are the heaviest call volume day so all adjudicators staff the phones that day with the claims staff. Tuesdays are the next highest volume day so ½ of the adjudicators staff the phone with the claims staff.
- Set up a two-tiered phone system to triage the calls coming in between those with information needs and those with specific claim concerns or problems:
  - Tier 1 is staffed by temporary workers (up to six through the busy period from November through mid-April), as well as merit staff. Merit staff provide all claims services for callers. Temporary workers are restricted as to the work they can perform by federal law and primarily deal with general information inquiries. Calls taken by temporary workers that require a merit staff help are transferred to Tier 2.
  - Tier 2 staffed by experienced claims representatives and adjudicators only.
- Customers filing unemployment claims can now access their own claim account information online 24 hours a day, 7 days a week.

### **B. Customer Messaging Portal (CMP)**

- Implemented an online Customer Messaging Portal (CMP) for claim issues or questions. Customers that want to use the online system or do not want to wait to talk to claims staff by phone, can submit their questions or issues online through the customer messaging portal using weblinks on both the MDOL & UC websites. Most CMP entries come through the weblinks but the MDOL reception staff also submit them from callers.
- The main reception desk for MDOL also can enter information received from callers into the CMP for follow up. Individuals going into CareerCenters that require additional UI assistance leave messages on a dedicated phone line to be followed up by the contact person of the day. These calls are also entered into the CMP queue so that they receive attention in the order received.

- Cases are assigned to claims representatives for follow up. Typically, they are resolved within a couple of hours of receipt, usually in the afternoons when the telephone lines are not open to the public. Most are responded to by email per customer request, others receive call backs.
- The CMP has greatly improved the centers ability to manage inquiries that used to be taken on paper and accumulated until someone was able to get to them. It reduces duplication of inquiries (which used to result in multiple staff working on the same issue) and strengthens security of sensitive information. Additionally, all inquiries submitted in this fashion are logged and tracked to ensure that they are handled in as expeditious a manner as possible. Cases are responded to in the order received. This has also improved timeliness of response.
- The Customer Messaging Portal is available 24 hrs a day, 7 days a week. Some recent statistics for inquiries and speed to Resolve:

Month	CMP Cases Created	Ave. Speed to Resolve*
Jan-19	1973	4.1 days
Feb-19	1188	.75 days
Mar-19	699	.5 days

\* The average speed times include inquiries filed after business hours either at night or on the weekend - when received during the week, the cases are typically resolved within a couple of hours of filing or in the same day.

## Description of Claim Filing and Work Search Reporting Methods

### A. *Methods for Filing Claims*

- Individuals wishing to file initial or weekly claims can do so online, by telephone, and by paper (although receipt of paper claims is rare, these are typically temporary claims for annual business/plant maintenance shutdowns where the claims for employees are filed by the employer – these are referred to as 'greenslips').
- Initial claims filed over the phone are done with the assistance of a claims representative using the same claim filing screens that an individual would use filing an online claim. Weekly claims filed by telephone can be done with the assistance of a claims or by using an automated telephone application which is available 24 hours a day, 7 days a week.
- For January through March 2019, 59.5% of initial claims were filed using the online system, 30.2% were filed by telephone with a claims representative, and 10.3% were temporary claims (greenslips) filed on paper.
- For January through March 2019, 85.5% of weekly claims were filed online, 6.5% by telephone with a claims representative, 6.4% used the automated telephone system and 1.6% were on paper (greenslips).

### B. *Work Search Reporting*

- Federal law requires individuals to actively seek work each week in which a claim is filed to be able to receive unemployment benefits.
- When an initial claim is filed, all claimants are sent information by mail that outlines the process and available options to file their weekly benefit claims and work search efforts.

- Under the new benefits system, there are 3 ways in which an individual can provide their weekly work search efforts:
  - Online as part of their weekly claim application. The weekly claim cannot be completed without including the individual's work search efforts for that week.
  - Claimants call the 800# to file their complete weekly certification with a claims representative including the work search details.
  - If individuals file their weekly certification using the automated telephone claim application (IVR), they receive a letter with options for submitting their work search activities to complete the weekly claim. They can provide their work search activities to a claims representative by telephone, provide this detail online or mail or fax in their work search activities.
    - Between January and March of 2019, 7,328 weekly claims were filed using the IVR. To report their work search, 54.7% of these used the online system, 24.8% reported work search activities by phone to a claims representative, and 20.5% did not report their work search efforts. These individuals would have been scheduled for a fact-finding interview with an adjudicator to determine if the work search requirement had been met before benefits could be paid.

**C. Access to Claim Account Information & Online Activities**

- Under the new benefit system, individuals filing unemployment claims have expanded access to their own account information. They can now access the following information online 24 hours a day, 7 days a week:
  - Benefit year start and end dates.
  - Weekly Benefit Amount (WBA) they will receive for weekly claims filed
  - Maximum Amount of Benefits for Claim Benefits (MBA) that is available during their benefit year
  - Remaining balance of benefits
  - Verification of waiting week served
  - Claimant Identification Information
  - Base period earnings used to establish benefit eligibility as well as weekly and maximum benefits payable
  - Week claim certification(s) received but pending payment
  - Weekly claim certification(s) received, processed and paid
  - All correspondences sent to the claimant, including monetary decisions, nonmonetary decisions, medical forms, B-17 requests for approved training, etc.
  - View and print 1099G (form issued by January 31<sup>st</sup> each year showing benefits paid in the prior calendar year and amount of taxes withheld for federal or state taxes).
  - History transcript of claim activity
- Individuals also have expanded ability to update their contact information, payment options and create or change a PIN number
- Online applications allow individuals to file initial and weekly claims for regular benefits, dislocated worker benefits and extended benefits (when activated) as well as report their work search activities. Additionally, individuals can file appeals of benefit eligibility decisions denying benefits online.

## **New Unemployment Insurance Tax System**

- The new UI tax system went live on 11/16/2018 and has gone very smoothly.
- Over 95% of existing employers created their portal accounts in the first 3 to 4 months.
- Over 90% of new employers have registered with the UI program using the online, self-service registration application.
- Over 90% of the contributions received to date have been paid electronically.
- Under the prior UI tax system, employers could not access any account information. Employers can now log into their account to see report and payment history, account information and any correspondence between the business and the department. They can submit inquiries, file their tax and wage reports, make amendments to reports and make online payments. They can also perform account maintenance activities such as address changes or requests to close an account.
- Employer feedback has been very positive on ease of use and having direct access to their own account information.