ON POINT TECHNOLOGY, LLC

INTEGRITY BEST PRACTICES

Benefit Overpayment Recovery & Collection

Friday, June 24, 2016 | 2016 National UI Issues Conference

AGENDA

- Welcome & Introduction
- Current UI Landscape: Recovery & Collections
- Preventing Overpayments
- Tools Available to UI Agencies
- How Employers can Help

On Point Technology Overview
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CURRENT UI LANDSCAPE

- UI has been designated a “High-Error Program” by OMB
- State UI programs made $3.53B improper payments in 2015
- 2015 National UI Improper Payment Rate = 10.73%
  - ➔ **31 states are above 9.2% improper payment rate target**
- States collected 68% of *established* Overpayments in 2015
  - ➔ **States collected only 27% of all overpayments in 2015**
- TOP has greatly added to agency collection capability

MISLEADING COLLECTION RATE!

- 38% of UI overpayments are not included!
- USDOL requires states to:
  - ***Attempt*** **to collect 50% of remainder**
  - ***Actually*** **collect 55% of overpayments set up**

THE 68% NATIONAL COLLECTION RATE OBSCURES REALITY

- Actual Federal Requirements to Pass USDOL Standards

	All Overpayments	Required Results	Collected vs. Standard
	100%	100%	
Current Overpayment Operational Rate	62%	62%	
Detection of Overpayments Standard	50%	31%	100%
% Established Overpayments Collected	55%	17%	68%

PREVENTING OVERPAYMENTS

- Employers and TPA's are the best resources agencies have to prevent overpayments and cut their own tax rates
- Historically states have detected about half of all overpayments and collected half of overpayment dollars detected
- Identity theft, fictitious employers and other schemes cost UI agencies billions each year
- UI agencies need tools to detect and prevent schemes

NEW HIRE CROSSMATCH FRAUDX

- Detects work and collect overpayments, the #1 OP cause
- Meets requirements of UIPL 19-11
- Derived from analysis of prior NDNH earnings investigations
- Filters out claims already adjudicated
- Scores and delivers highest ranked cases to workflow
- Integrates with current workflows with minimal IT resources
- Captures investigation results for algorithm improvement
- Provides newer addresses to improve overpayment collections

FRAUDX
SUCCESS STORIES

STATE A

PREVENTED
$50+ MILLION
IN OVERPAYMENTS

STATE A & B

STOPPED OVER
100+ CASES
OF FICTITIOUS
EMPLOYER SCHEMES

RECOVER OVERVIEW

Recover is a configurable solution that captures, tracks and recovers UI overpayments and manages collections.

- Auto-generates collection correspondence and billing notices
- Assign delinquent accounts to collections specialists
- Overnight process interacts with mainframe Benefit Systems
- Integrates with modernized benefits systems and third party data sources

RECOVER
SUCCESS STORIES

STATE A

90K
NOTICES
PER MONTH

100%
INCREASE IN
$ COLLECTED

$6 MILLION PER MONTH
UP FROM $2.9 MILLION

STATE B

17K
DOCUMENTS
PER MONTH

90%
INCREASE IN
$ COLLECTED

$800K PER MONTH
UP FROM $420K

ENFORCE OVERVIEW

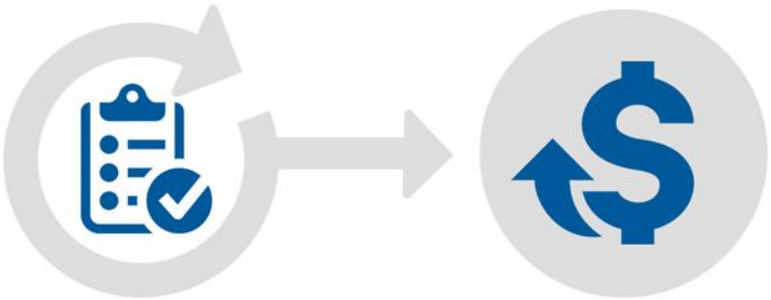
Enforce is a comprehensive case management system that automates the flow of cases as they travel through the legal process and collections in the following ways:

- Identification of enforcement cases
- Creation of liens and prosecution cases
- Assignment of cases to investigation staff
- Track cases and monitor results

ENFORCE
SUCCESS STORIES

WITHIN FIRST 6 MONTHS OF PRODUCTION

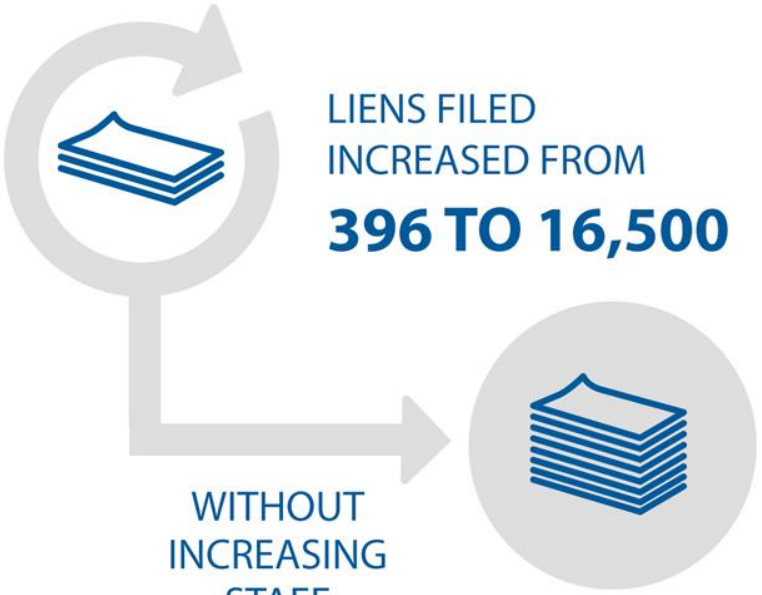
STATE A



1,733
CASES OPENED
IN ENFORCE

$763,212
COLLECTED IN
REPAYMENTS
OF BAD DEBT

STATE B



LIENS FILED
INCREASED FROM
396 TO 16,500

WITHOUT
INCREASING
STAFF

HOW EMPLOYERS CAN HELP

- Earlier employer new hire reporting adds prevention value
- Complete wage audit notices timely
- To stop ID theft, verify the employee has filed for UI
- Ensure UI agency has prevention, detection & collection tools
- Support legislation that protects integrity of the UI Trust Fund

THANK YOU!

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