Bolstering states' fraud and equity programs

When unemployment insurance modernization is equity-centered, better outcomes can be achieved for all

On August 17, 2021, the Department of Labor (DOL) issued Unemployment Insurance Program Letter (UIPL) 23-21 to address equitable access to unemployment compensation (UC) programs. The UIPL notifies states that the DOL is providing grants to states that promote equitable access to UC programs, which includes eliminating administrative barriers to benefit applications, reducing state workload backlogs, improving the timeliness of UC payments to eligible individuals, and ensuring equity in fraud prevention, detection, and recovery activities. States may use the funding to support innovative strategies and solutions to promote equitable access to UC programs. Among those efforts include:

- Expanding and improving collection of demographic data
- Improving claimant communications
- Improving claimant outreach
- Measuring delivery of benefits and claimant experience
- Improving fraud-related activity accuracy using document-based ID proofing with facial recognition
- Building out workforce applications that provide citizen engagement for better reporting

Expanding and improving collection of demographic data

As labor agencies seek to address the social determinants of UC equity, they face longstanding and persistent challenges in collecting complete, accurate, and consistent demographic data. Deficiencies in demographic data have changed over time from one of accuracy to one of completeness. The most cited data collection challenges include:

- Voluntary reporting
- Evolution in how people self-identify
- Lack of understanding on why the data is important
- Mistrust and concerns about how data will be used.

UC claimants may be sensitive about answering questions about their race, ethnicity, preferred language, or disability because of concerns about discrimination. Applying the following strategies can help states increase demographic data completeness in their UC program:

- Conduct Voice of the Claimant outreach
- Develop a communication strategy focused on the importance of demographic data collection and on providing enrollees information on how the data is and is *not* used
- Train state staff on data collection
- Modify the state UC system interface to provide messaging explaining the value of demographic data collection and to increase opportunities for claimants to provide missing data
- Leverage alternative data sources, such as vital records data or data from other state agencies.

Improving claimant communications

To improve reach and access for all potential claimants, states can consider communications strategies to target underrepresented populations. Communications should be simplified and not difficult to comprehend to help underserved citizens gain access to UC benefits. Strategies to increase communication effectiveness include:

- Assess current communications to determine reading grade level and 508 compliance
- Develop a communications plan that clearly communicates activities required to meet equity and access requirements
- Implement communications improvements to develop and roll out communications incrementally using agile and change management principles
- Develop a communications equity and sustainment plan to embed capabilities within the state.

Improving claimant outreach

Targeted outreach campaigns are needed to improve and increase a cross-section of applicants that represent the state's demographics. The approach to outreach begins through targeting or stratifying a segment of the targeted

claimants. Some of these segments may include claimants with language barriers, transportation barriers, or disabilities.

It is important to leverage both administrative and publicly available data to identify population gaps and compare to UC claimants. States can develop strategies to prioritize targeted groups and identify the most effective outreach methods for each group. Outreach campaigns will differ based on each subpopulation. From in-person community ambassadors and events to a simplified online application, to multilingual call center support, to text message and mobile application support—these are a few strategies that can expand and improve outreach.

Measuring delivery of benefits and claimant experience

To identify new insights into better service delivery, states can focus on gaining a better understanding of claimants' perception of the claims process and engineer service encounters to enhance claimants' experiences during the claims process, as well as their recollections of the process after it is completed. To accomplish this, states can:

- Assess current metrics and measures being used for internal and external reporting and map to their equity mission, goals, and objectives
- Prepare a gap assessment and recommendations for metrics to keep, remove, or add to maximize outcomes toward improved equity
- Implement updated metrics using agile and change management methodology principles
- Develop a metrics sustainment plan to embed campabilities and empower the organization with a common set of tools and target goals.

Improving fraud-related activity accuracy using document-based ID proofing with facial recognition

States are exploring expanding their current fraud detection capabilities by adding document-based ID proofing with facial recognition to their current list of fraud detection tools. Strategies include:

- Assess current technology infrastructure and fraud detection capabilities
- Evaluate the areas of interest to expand fraud detection capabilities across the agency
- Assess current metrics and measures being used by leadership for reporting and map to overall fraud KPIs
- Implement the fraud detection capabilitiy
- Integrate the solution with the state system
- Monitor and improve the fraud detection capability to perform continuous process and technology improvement as new and undetected fraud scenarios arise.

Building out workforce applications that provide citizen engagement for better reporting

A modern government understands its citizens' needs and preferences and can offer the seamless digital experience they expect in all aspects of their lives. As such, states are implementing workforce applications to improve the citizen experience and in turn, have better means of reporting and validating citizen engagement in the job market.

How KPMG can help

At KPMG, we work with you to enable and accelerate your UI modernization journey, leveraging over 10 years of experience transforming UI and other complex system environments in more than 26 states. We bring the skill sets, tools, focus on equity, and the qualified resources to quickly adapt to and support your agency's UI transformation initiatives. Our professionals help clients navigate both the expected and unexpected obstacles that frequently exist in these experiences and we bring proprietary tools that are enriched by each implementation to accelerate the realization of improved outcomes for citizens served.

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