

Deloitte.



**Unemployment Insurance
Modernization**

Driving Results and Delivering Innovation

Agenda

Topic

Introductions

Firm and Labor Practice Overview

Solution Overview

Evaluating UI Modernization Opportunities


Question & Answers




Firm and Labor Practice Overview

Deloitte Overview


Deloitte Touche Tohatsu Limited

 **284,000** global practitioners

across more than **150** countries

 **\$47.6B** aggregate revenue in FY19

Deloitte Consulting LLP

 **30,000+** Consulting practitioners

out of **94,000+** US practitioners




 across **120** offices in **100** cities

Consulting Offering Portfolios

- ▼ Core Business Operations
 - Ops Transformation
 - Systems Engineering
 - Cloud Engineering
 - Sector Packages
- ▶ Customer & Marketing
- ▶ Enterprise Operations
- ▶ Human Capital
- ▶ Mergers & Acquisitions
- ▶ Strategy & Analytics

Government & Public Services

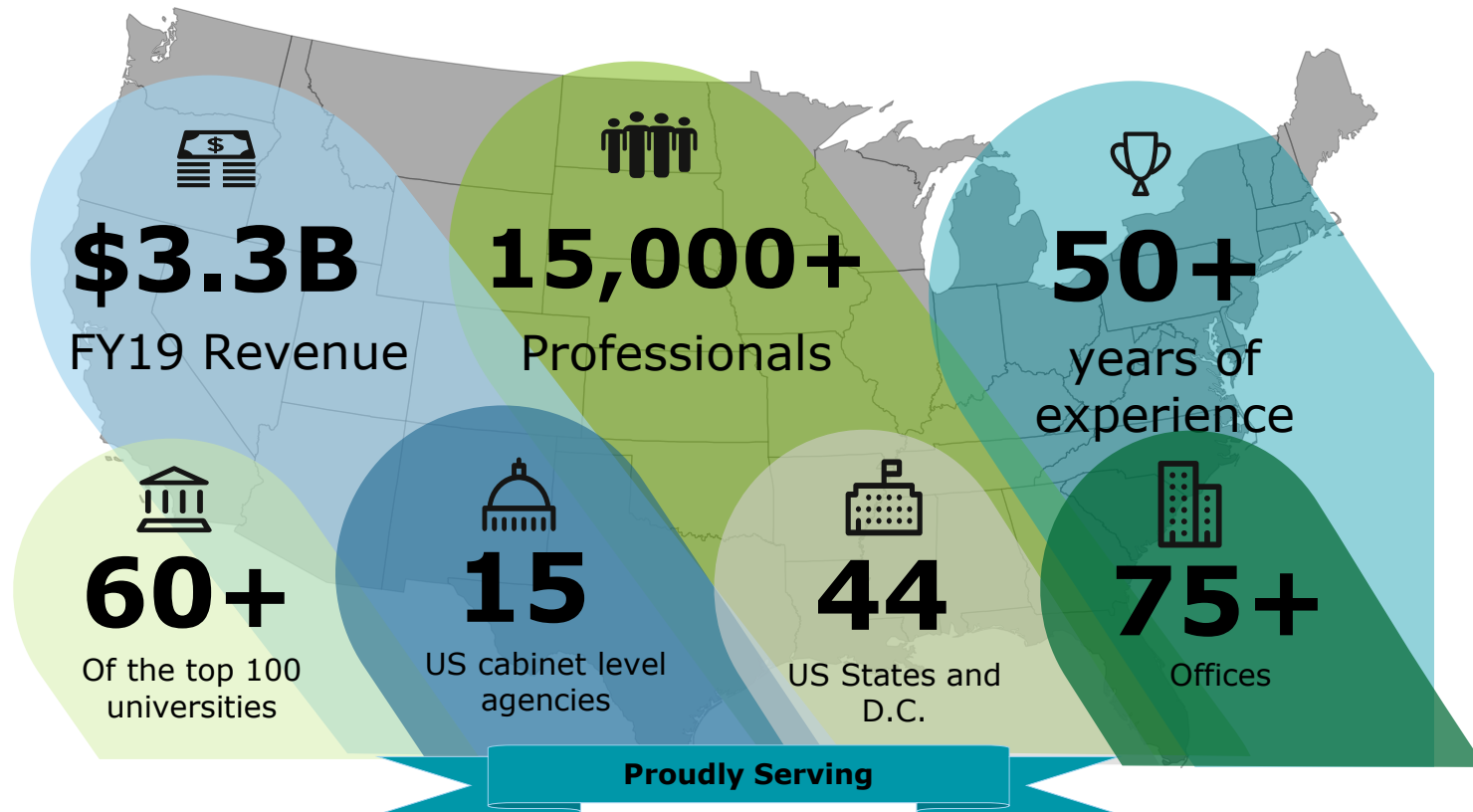
 More than **50 years** state government experience
12,000+ practitioners, and **350+** Labor & Workforce practitioners across **44** states

State Government Agency Portfolio

Area	# of States
Integrated Eligibility	31
Workforce Development	26
Cyber Risk	34
Finance & Administration	28
Children's Services	20
Child Support Enforcement	21
State Health	37

Who we are




Deloitte's Government and Public Sector Practice



Mapping Labor Modernization Success

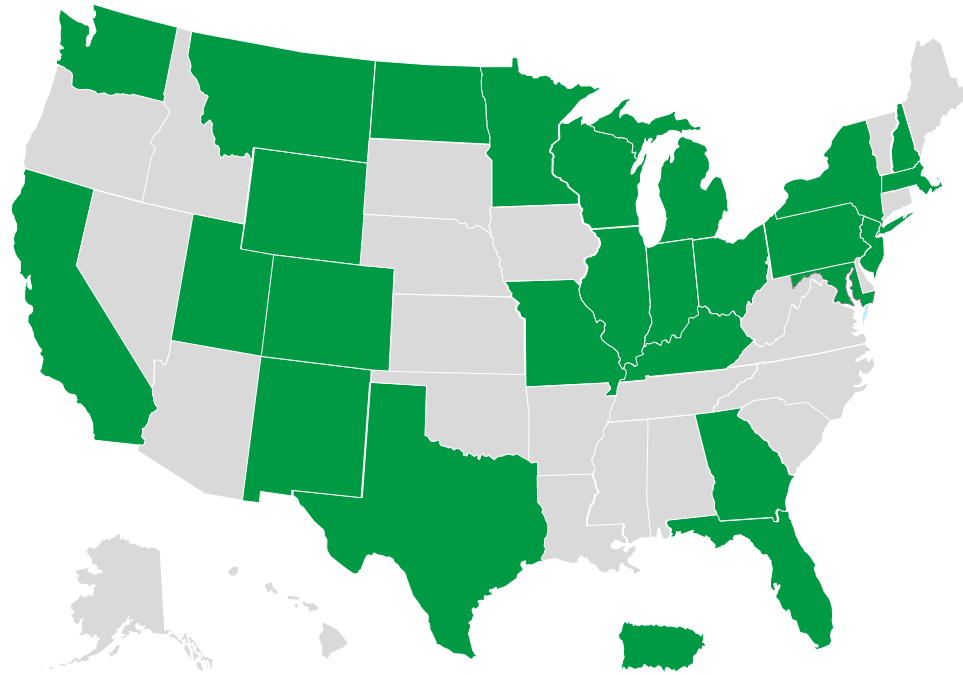
Deloitte has delivered labor modernization results in 26 states

Our approach to labor modernization is built on a foundation of success modernizing and integrating labor agency operations across a multitude of programs. We have emphasized:

-  Integration of business processes
-  Adoption of leading commercial practices
-  Unified customer self-service
-  Innovation

Deloitte's Workforce & Employment Practice

Our 15-year history of implementing W&E solutions with over 350 practitioners give us breadth of experiences and depth of knowledge of labor and employment programs.



UIB Unemployment Insurance: Benefits
UIT Unemployment Insurance: Tax
PFL Paid Family Leave
PUA Pandemic Unemployment Assistance
CAF Cybersecurity, Analytics & Fraud Prevention

CC Call Center
WC Workers' Compensation
WF Workforce Development
DI Disability Insurance

Dynamic, Accelerated Pandemic Response and Innovation

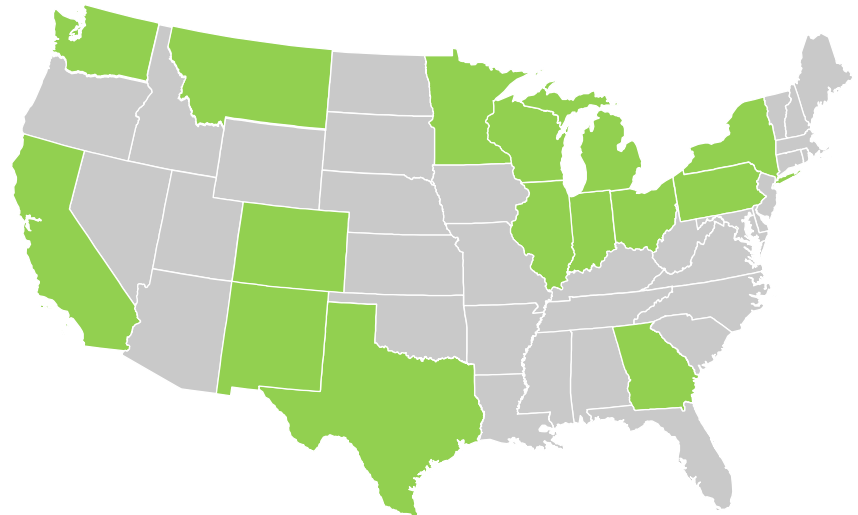
Labor & Workforce Teams helped State UI clients meet the demands of the pandemic at an unprecedented pace

2020 PANDEMIC UNEMPLOYMENT BENEFITS

- ✓ **\$200B+** in **benefits issued**
- ✓ **>6M unemployed workers served**
- ✓ **>\$100B in fraud prevented**
- ✓ **Same day** implementation of American Rescue Plan Act
- ✓ **Scalability** to handle unprecedented volumes
- ✓ Applied **Analytics, Machine Learning and commercial Identity Proofing** in response to Fraud
- ✓ Deployed **Bots** to clear staff backlog

DELOITTE STATES & PANDEMIC UI OFFERINGS

- ❑ UI Claims Solutions - new PUA, Regular UI & Pandemic
- ❑ Fraud Analytics and Prevention
- ❑ Cyber Security Improvements
- ❑ UI System Performance Strike Teams
- ❑ Surge UI Call Centers
- ❑ Operations and Organizational Improvements





Solution Overview

uFACTS Solution

Deloitte. uFACTS™

Unemployment Framework for Automated Claim & Tax Services

Deloitte developed the uFACTS solution framework to support the internal and external business needs defined by states' UI programs and the US Department of Labor



Modern, Human-Centered Design (HCD)-based user interfaces that improve productivity



Comprehensive functionality to support modern UI processes



Open .NET solution with full source code, no annual licensing fees and widely available support



Configuration-centric platform design that reduces the need for custom coding



"Self-Service First" design that drives usage online vs. on the phone and in offices



Employer Self-Service

- Employer Registration
- Employer Profile
- Employer Workflow
- Payroll Reporting
- Tax Payments
- Benefit Charges
- Reports and Correspondence
- Messages
- Claim Notifications and Responses



Claimant Self-Service

- Messages
- Profile
- Claimant Workflow
- Claims (Initial and Continued)
- Correspondence
- Reporting
- Requests for Information



Employer Staff Services

- Workflow Inbox
- Payroll Reporting
- Tax Payments
- Rate Determination
- Collections
- Employer Profile and Account Maintenance
- Benefit Charges
- Audit
- Delinquencies and Receivables
- Management Reporting



Claimant Staff Services

- Claimant Profile
- Claims
- Eligibility
- Adjudication
- Appeals
- Wages
- Payments
- Modifications/Adjustments
- Collections



Additional Services

- System Administration
- Document Management
- Management Reporting
- Workflow Management
- Rules Administration
- Advanced Analytics and Behavioral Insights

KY_KYUI_MO202947_2020-0075_2

Key uFACTS Design Philosophies

Open, Transparent, Focused on Client – not vendor - control



Full Open Solution including documentation, development framework and code base provided to our clients with no ongoing license cost – unlike proprietary COTS vendors, this puts the State in control – not the vendor.



Self Service on steroids, including interacting with claimants and employers on their terms, and **responsive web** design so they can access their account from any of their devices



Pre-defined templates for **easy setup and configuration of new programs** (like PUA, PEUC, FPUC and others)



Event-driven Workflows route work items to the right staff at the right time, maximizing worker productivity and enforcing timeliness measures



Cloud Capabilities allow automatic scaling in response to Pandemic-level volume increases



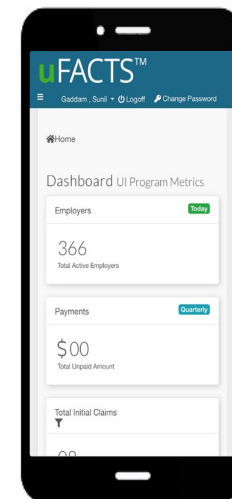
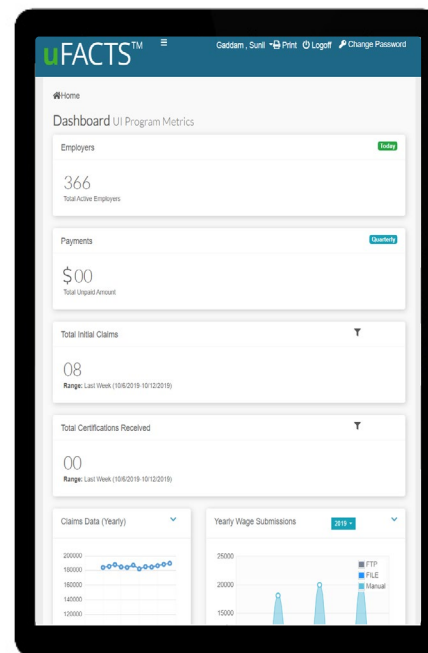
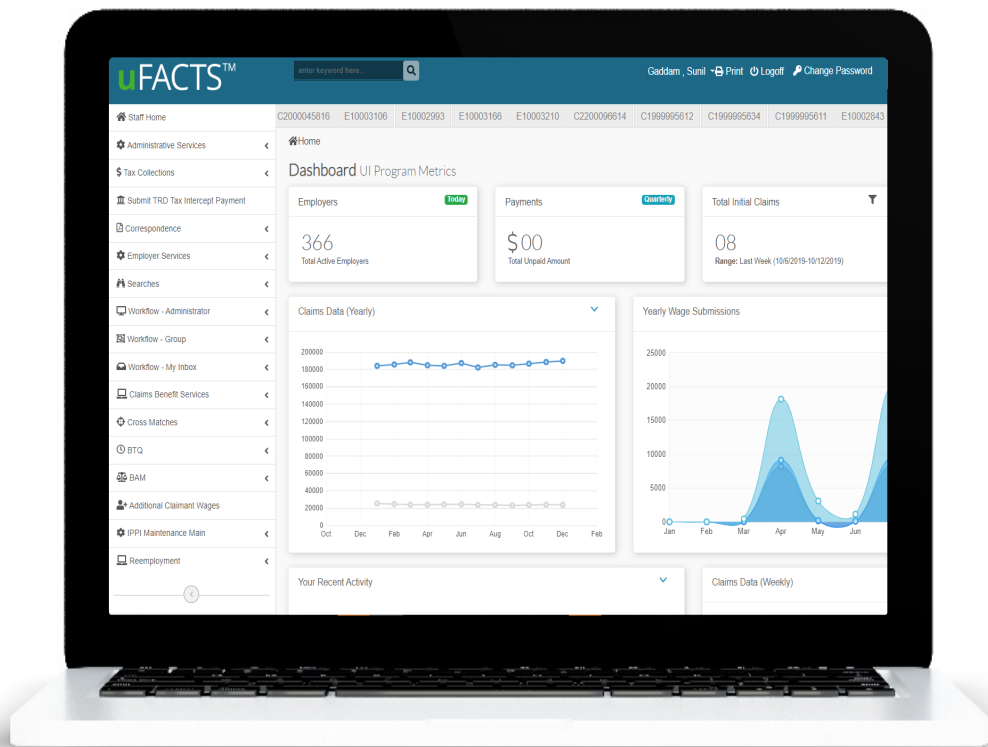
Advanced AI-driven fraud detection capabilities reduce overpayments through claimant “nudging” and stop fraudulent payments from going out the door



Built in security features, including Multi-Factor Authentication (MFA), prevent unauthorized activity

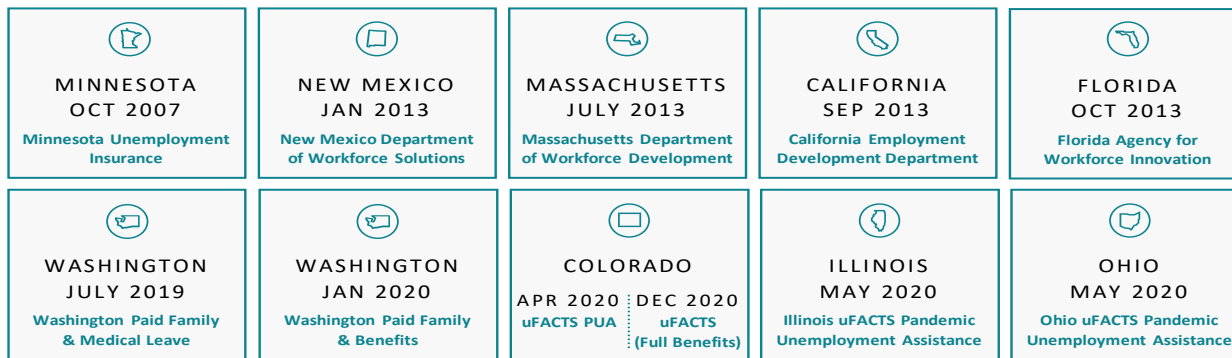
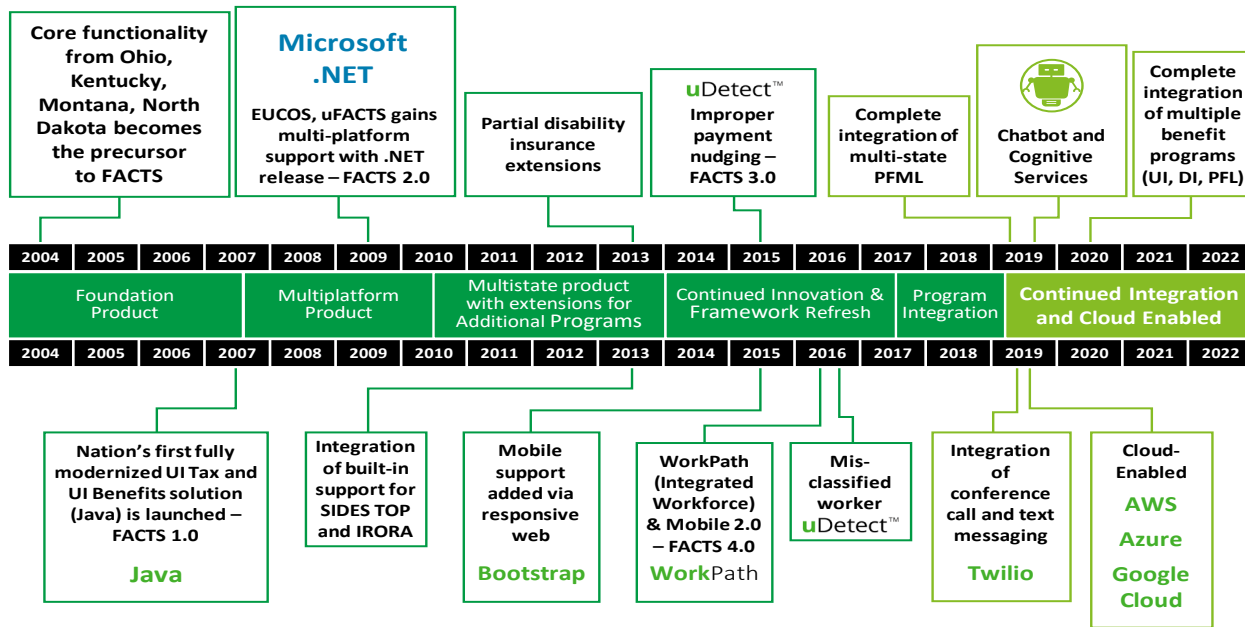
Mobile Ready Responsive Web Design

Any device or operating system



Solution History and Clients

uFACTS Product Roadmap



KY_KYUI_MO202947_2020-0057_8

Driving Modernization Results



Call Center Impact



48% Reduction in call volumes

25% Reduction in max wait times

4 weeks

Average reduction in benefits paid due to targeted work search audits



Appeals

44 days

14 days

Average age of appeals reduced by 68%



Using science to nudge more honest answers

+15%

Improvement in separation self-reported accuracy

25-200%

Improvement in self-report earnings

-50%

Reduction in fraud related to misreported earnings



Payment Timeliness

+15%

Payment timeliness improved 15 percentage points

#38 → #10

Improvement in national payment timeliness ranking

Over **80%** of PUA claims stopped as Fraudulent



Adjudication

#19 → #5

Improvement in national adjudication timeliness ranking

#31 → #8

Improvement in national adjudication quality ranking

Evaluating UI Modernization Opportunities – our POV

UI Modernization Proposal Efforts

- We evaluate UI Modernization Opportunities very carefully; UI modernization is perhaps the most complex, high risk system integration area in State government
- Responding to UI Opportunities is time consuming and expensive
- We do not bid on opportunities that do not appear balanced and open, or do not offer the possibility of a win/win for client and us
- We consider the client and their pre-RFP activities as well as the RFP itself
- We do not bid on projects that we do not have the confidence we can deliver on-time and on-budget, with measurable and sustainable business impacts

Opportunity Evaluation Checklist Examples

- ✓ Has the client reached out and engaged with the vendor community?
- ✓ Have they issued RFIs and gathered information to establish good requirements?
- ✓ Have they asked for and conducted system demonstration sessions?
- ✓ Do they understand the importance of UI experience and business knowledge in this high-risk domain?
- ✓ Have they demonstrated internal stakeholder consensus on Project goals and objectives?
- ✓ Are requirements well articulated and thoughtful?
- ✓ Is the RFP written to be open to multiple vendors and solutions?
- ✓ Does the client demonstrate an understanding of their responsibilities on the Project?
- ✓ Is there a favorable history of the client accomplishing project work?
- ✓ Does the client represent risk must be appropriately shared, or is it trying to export all risk to the vendor?
- ✓ Is the client open to negotiating commercially reasonable contract terms and conditions in areas like limitation of liability and indemnification provisions?



Questions & Answers

Deloitte.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a detailed description of DTTL and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting