

Employment and Training Administration
Advisory System
U.S. Department of Labor
Washington, D.C. 20210

CLASSIFICATION
UI/BAM

CORRESPONDENCE SYMBOL
DPM

DATE
December 15, 2009

ADVISORY: ET HANDBOOK NO. 396, 4th EDITION

TO: ETA REGIONAL ADMINISTRATORS
STATE WORKFORCE AGENCIES

FROM: JANE OATES
Assistant Secretary *Jane Oates*

SUBJECT: Revisions to the Federal Monitoring Handbook for the
Unemployment Insurance (UI) Benefit Accuracy
Measurement (BAM) Program

1. **Purpose.** This handbook contains instructions for monitoring the BAM Paid Claims Accuracy (PCA) and Denied Claims Accuracy (DCA) programs.
2. **References.** ET Handbook No. 396, 3rd Edition, UI Quality Control (QC) Monitoring Handbook - January 1994 Revisions; ET Handbook No. 396, 3rd Edition Change 1, UI BAM Monitoring Handbook - January 1997 Revisions; and 20 CFR 602, Quality Control in the Federal-State Unemployment Insurance System.
3. **Background.** This BAM monitoring handbook provides a systematic approach for the Regional Offices in reviewing and supporting state administration of the BAM program for both paid and denied claims. The Department is required to review BAM's QC operational procedures and samples, and validate QC methodology to ensure uniformity in the administration of the QC program and to ensure compliance with the requirements of this part (20 CFR 602.31). The Department shall, for purposes of determining eligibility for QC grants, annually review the adequacy of the administration of a State's QC program. Regional Offices have primary responsibility for monitoring and reviewing BAM operations in the State Workforce Agencies (SWAs). Regional monitoring ensures that each UI BAM program operates in accordance with BAM requirements as set forth in Federal regulation and in ET Handbook No. 395, Benefit Accuracy Measurement State Operations Handbook.
4. **Distribution.** In addition to distribution of ET Handbook No. 396 to the Regional Offices, information copies are provided to the State Workforce Agencies (SWAs).

RESCISSIONS

Handbook No. 396, 3rd Edition

EXPIRATION DATE

Continuing

5. **Handbook Modifications Summary.** The handbook has been modified to accommodate revisions to the BAM program, to clarify instructions, and refine the overall content. These changes are summarized below:
- Chapter I: This chapter has been updated to include language regarding the implementation of states crossmatching BAM paid cases to the National Directory of New Hires (NDNH) and incorporates Field Memorandum No. 5-05 review guidelines.
 - Chapter II: This chapter has been revised to clarify the Method and Procedure (M&P) requirements for "Organization." M&P forms have been updated to include NDNH crossmatch written procedures.
 - Chapter III: This chapter expands instructions on how to verify the sample selection and assignments and includes new instruction on verification of NDNH crossmatch submissions.
 - Chapter V: This chapter has been expanded to include explanations of case review exceptions. It includes procedures for Peer Reviews. A standardized case review form has been included for use.
 - Chapter VI: This chapter has been updated to reflect Office of Unemployment Insurance information technology system changes and provides system screen shots and step-by-step instructions.
 - Chapter VIII: This chapter incorporates reporting procedures via Grants e-Management System and eliminates the semiannual report requirement.
 - Appendix A: The M&P questionnaires have been clarified to promote consistency.
6. **Action Required.** Copies of the attachment should be distributed to all holders of Handbook No. 396. Regional Monitors should review these changes and adjust their procedures as necessary.
7. **Effective Date.** The contents of the handbook are effective immediately.
8. **Handbook Maintenance.** Remove ET Handbook No. 396, 3rd Edition, dated 1-1994 and replace in its entirety.
9. **Attachment.** ET Handbook No. 396, 4th Edition