

A woman with dark hair and glasses, wearing a blue sweater, is sitting at a desk. She is looking down at a laptop screen. On the desk, there are papers, a yellow pen, and a calculator. The background is a blurred office setting.

Rescuing state unemployment insurance systems with **modern benefits processes**

Systems that were already outdated
are now facing a performance crisis

The economic consequences of the COVID-19 pandemic have forced many state government unemployment insurance (UI) programs into crisis mode, as administrators grapple with legacy computer systems that are unable to meet today's demands for scalability and flexibility.

As states look to modernize their systems, it's tempting to start by drafting a long list of technology requirements. A better approach is to articulate a clear vision of what represents successful outcomes for the various stakeholders – including UI recipients, businesses, and the state employees who deliver the services. With this in hand, a state can work with an implementation partner to identify a solution built around core business processes and then configure it to achieve the desired outcomes.

Even before the pandemic disrupted the global economy, many states found their systems ill-equipped to tackle current labor-market issues. States have grappled with the ability to scale service delivery up or down as required to match changes in the workforce. They've also struggled to adapt legacy systems quickly enough to effectively implement new programs, such as the Coronavirus Aid, Relief and Economic Security (CARES) Act. Overpayment of benefits can be an issue, as can fraud – ultimately costing taxpayers millions of dollars.

COVID-19 has made these challenges worse as millions of Americans this year found themselves needing UI assistance – including many first-time applicants such as self-employed individuals, non-profit workers, contractors and gig workers, and citizens who exhausted their UI benefits prior to the pandemic. At the same time, COVID-19 has put pressure on states to ensure their own employees and contractors are able to work safely – including by having more of them work remotely. Often, legacy processes and systems are simply not set up for that.

Modern solutions, modern benefits

What's needed is a modern solution that's flexible, adaptable, safe, and secure, and that supports faster claims processing.

This system would:

-  use AI and robotic process automation tools to reduce human interaction during claim processing
-  have flexible interfaces that enable administrators to quickly integrate legislative changes
-  provide early fraud detection and the ability to track usage and prepare reports for the federal government
-  support the quick training of UI agents on all aspects of their work, such as setting up a file for a new recipient or sending a claim to adjudication.

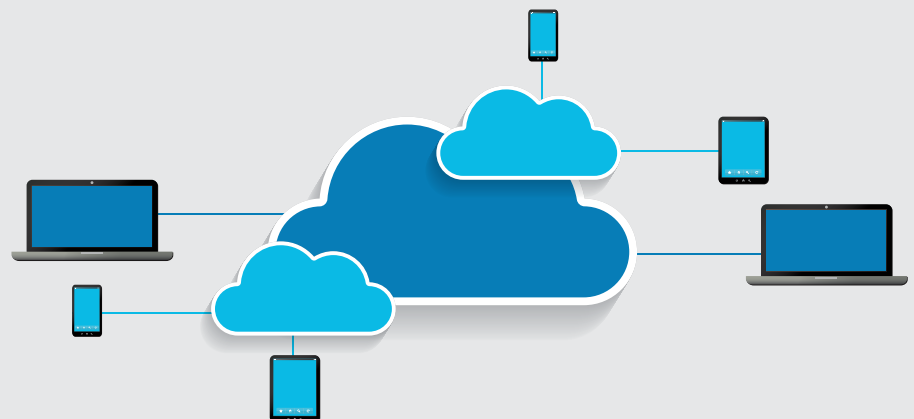
Configuration over customization

Fortunately, implementing this functionality does not require custom software. America's unemployment system consists mostly of standardized processes because every state's system must work with the federal government. Where variations exist, they tend to be minor and easily addressable through configuration of state-specified thresholds, such as setting the amount of child support to deduct from a recipient's benefit check.

The best route for states is services-based UI solutions. These are built on well-defined business processes that

may be faster to deploy and easier to integrate and configure to address almost all state-level variations. This frees up UI administrators and vendors to concentrate on solving problems rather than investing time and resources building custom code.

These modern, services-oriented, cloud-based packages also scale easily and are more flexible when needs change or new programs, such as the CARES Act, must be integrated. What's more, systems administrators can update and manage these processes remotely.



Lifetime cost savings

Services-based approaches also offer significant cost benefits over the lifetime of the solution. This is a more important measure than the upfront cost of implementation, yet it is often overlooked. There's a false economy in pursuing the lowest implementation cost in the same way that investing a little more in a higher-quality vehicle can pay big dividends in the form of fewer repair bills over its lifetime.

Savings come from scalability and flexibility, which help future-proof the solution, and from the ability to automate processes. For example, a claim can be processed and then automatically pushed forward along the workflow path to the next person who needs to interact with it.

Such process automation confers many benefits. Building expertise into the system makes it easier to familiarize staff on its use – reducing training times and increasing staff efficiency. Managing the workflow within the solution itself also enables UI administrators to apply artificial intelligence and modern data analytics to the processes to help forecast demand and adjust programs, workforce, and operating procedures to match.

Define success, then enhance the user experience

Finally – and perhaps most importantly – implementation of a modern UI solution is not an end in and of itself. It's a powerful tool, designed to help all stakeholders in a state's UI program. The real strength lies in its design, which is why it's important to define what success looks like for all who interact with the program.

Capgemini works with unemployment insurance administrators and vendors to enhance the user experience, recognizing that different users will have different needs. A services-based solution is adaptable to support a range of clients, from low-skill workers who need help onto a path towards greater self-sufficiency to business owners or independent professionals who need support because of a traumatic change in the economy.

In both cases, the goal is to provide an experience that encourages the recipients to place less of a burden on the system and return to work. But while they're in the UI system, it must also provide those citizens with a human, dignified experience.



**For more information,
please contact:**

Randy Bogart
Vice President,
Capgemini North America
randall.bogart@capgemini.com

Anne Woodley
Senior Sales Executive,
Capgemini North America
anne.woodley@capgemini.com



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