

Versata® Solution: Unemployment Insurance

**CUBS: The Comprehensive
Unemployment Benefits System**

CUBS

CUBS (Comprehensive Unemployment Benefit System) is a new unemployment insurance benefit system jointly developed by the State of Utah and Versata that completely automates the State's claims processing system. CUBS provides the following functionality:

- Streamlines processes and integrates the many business functions of benefit payment processing
- Provides a flexible platform for accommodating future legislative and policy changes
- Reduces costs
- Delivers superior customer service

UI Modernization

Nationwide, many states' unemployment benefit payment systems are at risk. These state-operated systems run on antiquated hardware and software, some more than twenty five years old, that have been repeatedly patched together to support changes in policy, legislation, and customer service. The applications are brittle and break frequently. The technical staff that originally developed them are retiring and their replacements frequently do not understand either the business or the underlying programs. Personnel with requisite technical skills are increasingly difficult to find in the labor market. Experienced Staff that understand unemployment insurance (UI) are also retiring at an alarming rate. The 'knowledge gap' between the retiring staff, and the younger remaining employees means that in the near future states are likely to lack the ability to sustain high levels of customer service, let alone to make the changes mandated by legislation. Costs will skyrocket as customer expectations continue to increase.

Even if the existing UI systems were stable and could be supported, these applications were developed years ago, before the Internet, workflow, IVR (Integrated Voice Response System) and imaging technologies were widely available. There is a huge opportunity for states to modernize

these systems to streamline business processing, improve customer service and provide for future flexibility and adaptability. This modernization translates into significant operational cost savings that can be realized in the near term, when needed most, in the face of today's shrinking budgets.



Simultaneously, expectations of UI claimants and employers are rising. They expect a level of service equal to what the private sector delivers in the 'Internet World' — rapid access to information, and timely and accurate decision-making. Moreover, state officials are driving e-government initiatives determined to provide state front-line staff with the capacity to “delight” customers. Just as the state workforce agencies were among the earliest public enterprises to implement state-wide automated file searches and computer-based inquiry systems, they now have the potential to lead another generational change in building improved service through new technologies.

Significant potential synergies exist between unemployment claims processes and more effective return-to-work services. These may be realized by providing qualified and highly targeted job referrals to claimants during initial and continued UI filings. Results of this integration include lower direct UI benefits costs and superior customer service, delighting both claimants with new jobs and employers with lower UI costs.

CUBS and Versata

The new CUBS application is easily adaptable to changes mandated by legislation, business policy or new technology. CUBS was developed using Versata business rules. Versata shifts the of application development from procedural low level programming to the declarative definition of English-like business rules and models. Rather than requiring complicated and error prone hand coding, most of the logic in CUBS is expressed as simple-to-understand business rules. In a “typical” Versata solution, ninety plus percent of hand coding is eliminated using business rules. In the case of CUBS, these business rules implement the agency’s policies and procedures, via a complete internet-based system required to run a large UI organization. Because Versata does not require legions of programmers for coding or maintenance, CUBS provides a significantly lower total cost of ownership than alternative options such as manual programming or code generators.

One of the most significant advantages of using Versata business rules is realized over the lifetime of the system when modifications to the system are i. System changes are easy to make through

high-level modifications of business rules, versus complicated, low level programming changes. The business rules are simultaneously both the implementation of the system and the documentation used by business and technical users to communicate requirements.

Versata is installed as executable J2EE (running on IBM WebSphere®, BEA WebLogic Server® or JBoss Application Server) and supports customers with more than 15,000 online users. It is based on proven industry-standards and supports the scalability requirements of large UI organizations. The experience of Versata and the State of Utah demonstrated that COBOL programmers were able to effectively leverage Versata to deliver complex J2EE business systems..

CUBS Architectural Goals

Streamline, Automate and Integrate Business Processes

Prior to CUBS, the State of Utah relied on an antiquated system developed more than ten years ago (GUIDE). GUIDE was built on a series of independent modules that interfaced on a batch basis. Business operations were necessarily modeled and constrained by GUIDE design limitations.

From its inception, CUBS was designed to increase the efficiency of benefits processing and reduce the cycle time required to process an individual claim. Instead of moving file folders and documents from one team to another, integrated workflow and case management functions deliver work from one queue to another. Previously manual procedures are automated. Data is passed from one business process to the next, eliminating batch interfaces between modules. CUBS significantly reduces the staff time required to process UI benefits

Real-time

CUBS is a real-time system. Using CUBS, initial claims, monetary determinations, payments, overpayments, non-monetary decisions, continued claims, BPC updates and appeals updates are processed in real-time. CUBS is built on a shared relational database (RDBMS) that updates data used across

business functions whenever it is required. Users always have the most accurate, up-to-date status of claims and business functions. Nightly batch runs to determine a claim's status have been eliminated.

Paperless

From the business user's perspective, CUBS is a completely paperless system. CUBS incorporates and integrates imaging, workflow, automated correspondence and electronic 'sticky notes'. The imaging system and workflow module scans and routes incoming documents to the appropriate staff members or work queues. Outgoing correspondence is generated by the system and bar-coded for automatic handling when documents are returned.

Instead of using paper documents and file folders, CUBS provides instant, online access to all relevant documents for claims and business functions. For example, when a claim is appealed, all applicable files and documents become instantly available to the ALJ responsible for handling the claim. Costly, time consuming and error-prone paper-based processes have been eliminated, resulting in significant cost savings. Consequently, staff previously dedicated to managing the volumes of paper documents including filing, copying, and tracking are now available to service claimants.

Knowledge Capture

CUBS is based on the best practices of the State of Utah, one of the UI sector industry leaders. Utah's practices, policies, and procedures are encapsulated in a series of business rules and models that define the behavior of CUBS. While these practices will vary from state to state, a key advantage of CUBS is that the business rules can be easily customized to meet the needs of a given state.

The business rules for CUBS are readily available for both the business and technical staff. New-hires and less experienced staff can access business rule reports for clarification about a state's UI business processes. The business rules are the business logic and also create the basis for the documentation.

Additionally, since the logic of CUBS is defined in business rules and models, technical staff, both new and experienced, are able to quickly assess the impact of a given change, estimate the effort required to implement it, and then rapidly make the change. CUBS sets a new standard for system adaptability and flexibility in UI.

Better Decisions

CUBS is designed to ensure correct and consistent decision-making. CUBS enables UI managers to define consistent rules and decision-making across the department. Routine decisions are handled by CUBS in an automated fashion. When policies change, the rules that guide the decisions can easily be changed and implemented in CUBS. For this class of decisions, there is no room for interpretation of management policy — the rules are the policy.

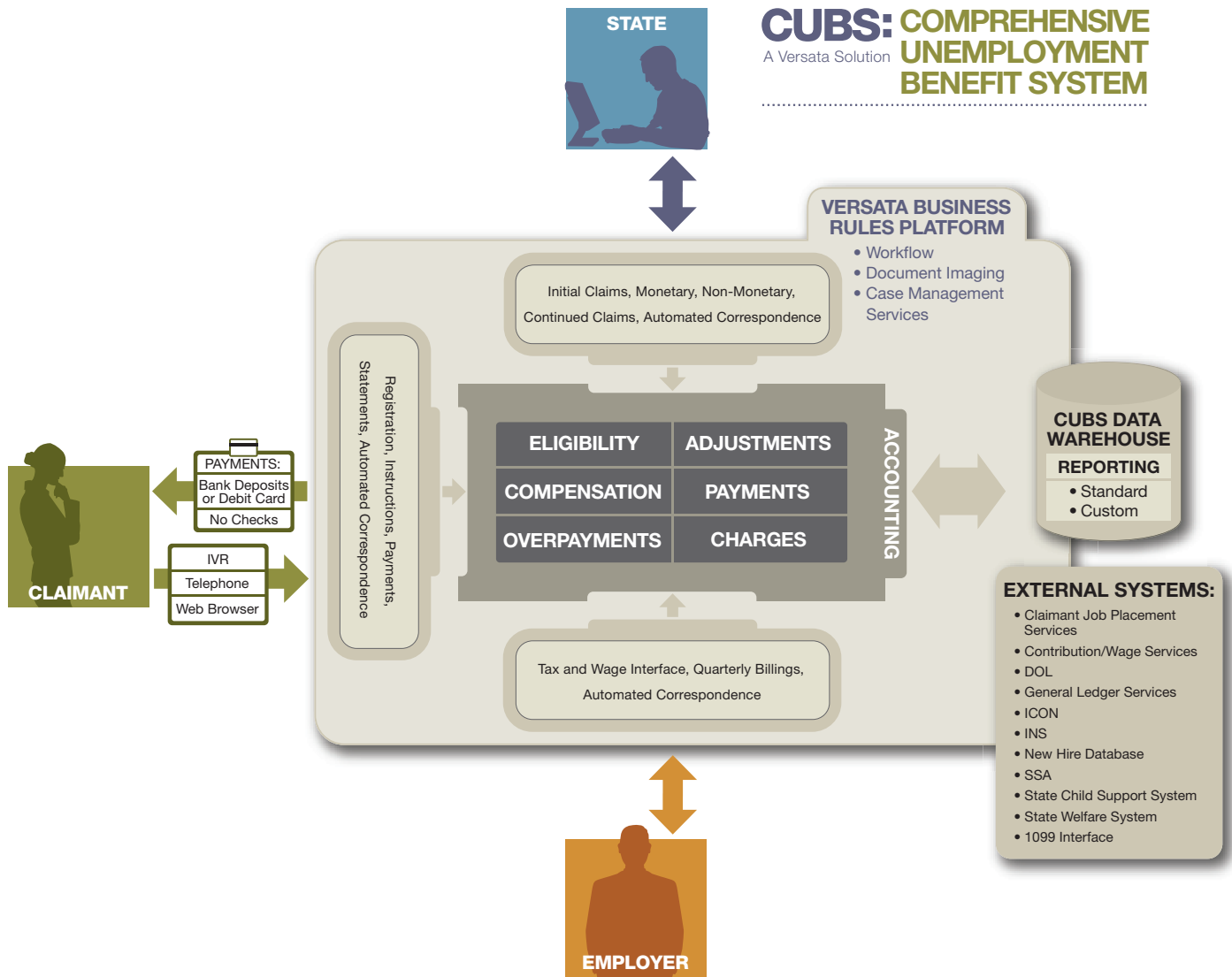
For decisions that are not automated, relevant data is no more than a 'click away'; there are no more overnight batch runs and reconciliations, and no more rush file deliveries and missing documents.

Significant cost savings are realized with better, faster, and more consistent claims decisions due to a reduction in overpayments. In addition, complete and integrated access linked to a comprehensive cross-match system enables the BPC Unit (fraud) to easily detect fraud and minimize overpayments.

Lower cost computing

Based on acquisition costs, operating costs, and maintenance costs, the Versata-based CUBS system offers the lowest cost of ownership of any benefits system available in the market. Instead of costly mainframes, CUBS runs on efficient and cost-effective UNIX and Windows platforms. Since CUBS is based on business rules and models, ongoing maintenance requires considerably less staff to maintain and keep the system up-to-date with current legislative and policy mandates.

For more information, visit the Versata website at www.versata.com, or contact Ron Kaplan, Director of Public Sector, at ron_kaplan@versata.com, or by telephone at 805-988-7632.



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