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Statement of Jessica Helt, MBA, SHRM-SCP
Compensation and Benefits Manager, Labette Health
Before the 2021 Special Committee on Economic Recovery

Members of the Committee:

My name is Jessica Helt and I am here today on behalf of the Southeast Kansas Human Resources Association and Labette Health. I am the Compensation and Benefits Manager of Labette Health, that provides critical healthcare needs to our communities and also serves as one of the largest employers in our area. I thank you for this opportunity to testify and submit written testimony to discuss our experience with unemployment insurance during the pandemic and our concerns moving forward.

Prior to the pandemic, the Kansas Unemployment Insurance had made great strides. The implementation of SIDES and SIDES E-Response eliminated mailing delays and created ease in the process of responding to claims. The department had a very balanced approach with employers and claimants when making determinations, as the claims that we were very engaged with had pro-employer determinations when appropriate due to the department's ability to properly investigate claims.

Our experience over the last year has been vastly different. The onset of the pandemic brought in an avalanche of unemployment claims that inundated the UI program. This negatively impacted the staff's ability to continue a balanced approach, and instead caused a reversion of making determinations similar to 12 years ago. Our highly engaged claims that would have been investigated properly were now being approved for benefits despite any documentation submitted, even through use of the appellant letters and hearings due to lack of capacity to thoroughly examine.

Claims Process:

- One employee gave her written resignation stating that she did not need to work due to her husband being the main source of income. She then filed for unemployment. In our response we included the employee's resignation stating her reason for quitting her current position; however, she was still determined to be eligible for unemployment benefits due to COVID-19. Another employee submitted her resignation stating she was going to pursue staying home with her children, also having the same result despite submitting the proper documentation. Both of these individuals were licensed, highly trained, hard to recruit health care professionals that left full time available work voluntarily and were rewarded regular UI benefits as well as the FPUC \$600 weekly.
- Previous to the pandemic when we have had very similar circumstances of an employee resigning voluntarily with continued work available, but still submitted an unemployment claim. We responded to the claim and submitted documentation including the resignation letter through SIDES E-response. Within a few weeks we received a notice of determination stating claimant was not eligible for unemployment benefits based off our documentation and testament.
- As testimony to the change in claims processing over the last three fiscal years our total benefits charged included on average one per year, which were all appropriate determinations. To date this fiscal year, we have experienced several approved claims despite not experiencing a layoff or terminations without cause.
- We also used to receive a determination of benefits for every claim that we responded to, we have received almost no communication on these claims that have been submitted as fraud. For those claims that got approved despite being submitted as fraud, this means we did not

get the opportunity to appeal. This has now lead to many of our employees receiving 1099s which impacts their ability to file their taxes timely, as disputing the 1099 is a cumbersome process.

This has created a grave hardship on our organization's ability to be adequately staffed in order to serve the healthcare needs of our community, and many other industries in Southeast Kansas have also voiced their concerns with staffing during this time. It has also become an administrative burden within our small office. The KDOLs inability to adequately investigate claims due to lack of staffing coupled together with the FPUC and lack of work search requirement has encouraged those with approved unemployment claims not to seek out available employment, as well as those with current full time employment to resign positions and seek unemployment benefits. With unemployment in our region ranging from 7-9%, we have still been unsuccessful recruiting talent during this pandemic leaving us to near critical staffing levels.

Staffing:

- Labette Health is one of the largest employers in our region, with historically low turnover rates for our industry of around 11%, low vacancy rates and short fill times for our open positions. We have never had to rely on recruiters, staffing agencies or external web based posting boards as we have easily filled these positions from our own website. During this time after the onset of the pandemic, we have been very unsuccessful recruiting many of our easy to fill, entry level positions such as medical assistant, reception and registration. We have resorted to spending more than quadruple normal recruitment fees to job posting boards and newspaper ads, with almost no return on applicants.
- Our offer acceptance rate for entry level positions is normally just under 100%, during the pandemic our rate has fallen to under 50%. Some candidates have offered up that this was in part due to currently receiving unemployment benefits.

Many of the members of our Southeast Kansas Human Resource Association that are reimbursing employers, including other hospitals and aerospace manufacturers, have begun receiving their quarterly reports that include charges for reported fraudulent claims. While these can be disputed, we are worried about the future of our unemployment fund and how it will be replenished.

Recommendations:

- In order to reduce administrative burden, allow excel uploads into the fraud reporting site and have an option to select fraud when responding to an unemployment claim through SIDES as well as paper response forms without having to respond to all the other questions indicated that aren't relevant.
- Re-implement work search requirements.
- Provide Economic relief to employers charged with fraudulent determinations.

Thank you for providing this opportunity to testify on the important issue of unemployment insurance and its impacts on local businesses and workers during this difficult time. I am happy to answer any questions.

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