

## EPM Third Quarter Report: Business Plan Initiatives Summary Dashboard

The CalPERS 2017-22 Strategic Plan encompasses 26 Business Plan Initiatives (Initiatives) that assist us in achieving our strategic goals and objectives. The Business Plan Initiatives Summary Dashboard provides a brief synopsis of how all 26 initiatives are performing for the third quarter (January 1, 2022 – March 31, 2022). Additional performance details can be found on the summary sheets for each Initiative.

### Third Quarter Measure Performance:

- 20 On-Target
- 2 At-Risk
- 2 Off-Target
- 1 Closed Session item
- 1 Complete

### Progress Status Criteria for Business Plan Initiatives:

Progress on Business Plan Initiatives is based on deliverables, tactics, and risks. The status criteria are listed below:

#### On-Target (Green):

- All deliverables and tactics will be completed by the due dates
- No risks have materialized
- Initiative will be completed by the established end date

#### At-Risk (Yellow):





























- One or more tactics may not be completed by the due dates – no impact to the deliverable due date
- Risks become issues and are being mitigated
- Initiative will be completed by the established end date

#### Off-Target (Red):

- Critical tactics have yellow indicators – deliverable will not be completed by the due date
- Issues cannot be mitigated
- Initiative may not be completed by the established due date

The Business Plan Initiatives Summary Dashboard also provides trend analysis data that captures performance from year four (FY 2020-21).




















## Enterprise Performance Reporting – Third Quarter Report CalPERS 2021-22 Business Plan Initiatives

Fund Sustainability	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Alignment of asset liability management					    Q1 Q2 Q3 Q4	15
Total fund portfolio design (Portfolio)					    Q1 Q2 Q3 Q4	16
Total fund investment strategy (Performance)					    Q1 Q2 Q3 Q4	11
Stakeholder education on system risks and mitigation					    Q1 Q2 Q3 Q4	17

High Quality Affordable Health Care	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Update health plan contract measures	●	●	●		●●●● Q1 Q2 Q3 Q4	19
Health data quality management	●	●	●		●●●● Q1 Q2 Q3 Q4	20
Behavioral health access & quality	●	●	●		●●●● Q1 Q2 Q3 Q4	21
Health equity	●	●	●		●●●● Q1 Q2 Q3 Q4	22
Clinical quality improvement programs	●	●	●		●●●● Q1 Q2 Q3 Q4	24
Telehealth access	●	●	●		●●●● Q1 Q2 Q3 Q4	25
Increase competition	●	●	●		●●●● Q1 Q2 Q3 Q4	26
Risk mitigation	<b>Complete</b>	<b>Complete</b>	<b>Complete</b>		●●●● Q1 Q2 Q3 Q4	27
Pharmaceutical strategies	●	●	●		●●●● Q1 Q2 Q3 Q4	28

Reduce Complexity	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Mature targeted information technology capabilities	●	●	●		● ▲ ● ● Q1 Q2 Q3 Q4	29
Complexity reduction	●	●	●		● ● ● ● Q1 Q2 Q3 Q4	30
Continuous process improvement	●	●	●		● ● ● ● Q1 Q2 Q3 Q4	31
Total fund investment decision – making processes (Process)	●	●	●		● ● ■ ● Q1 Q2 Q3 Q4	32

Risk Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Increase enterprise-wide compliance awareness	●	●	●		●●●● Q1 Q2 Q3 Q4	33
Increase compliance program maturity	●	●	●		●●●● Q1 Q2 Q3 Q4	34
Enterprise data management	●	●	●		●●●● Q1 Q2 Q3 Q4	35
Information security strategy	Closed Session	Closed Session	Closed Session		Closed Session	36

Talent Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Implement engagement survey action items					 Q1 Q2 Q3 Q4	7
Develop diversity equity and inclusion framework					<b>New for FY 2021-22</b>	37
Total fund portfolio resources (People)					 Q1 Q2 Q3 Q4	38
Implement 2018-22 workforce plan strategies					 Q1 Q2 Q3 Q4	9
Leadership competency and performance integration					 Q1 Q2 Q3 Q4	13

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Implement Engagement Survey Action Items

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Talent Management

**Strategic Objective:** Recruit and empower a broad range of talents to meet organization priorities

**Strategic Measure(s):** Engagement survey results and action items – performance management; engagement survey results and action items – clarity of direction

**Status:** Off-Target

**Description:** In partnership with senior leaders, develop and implement a plan to address Accountability and Senior & Executive Management Relationships from the Employee Engagement Survey results.

**Intent:** Measure the effectiveness of engagement activities.

**Start Date:** July 2018

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Design a pulse survey to measure the effectiveness of the initiatives based on the results of the 2020 Employee Engagement Survey (December 2021)
- Identify an action planning tool and create a timeline to implement enterprise wide initiatives based on the 2021 Employee Engagement Survey results (June 2022)

**Risk(s):**

There is a risk that the BPI cannot be completed on time if the Employee Engagement Survey is postponed until 2022.

**Mitigation(s):**

An opportunity to administer a pulse survey overlapped with the normal Employee Engagement Survey time period. It was decided to deploy the annual Employee Engagement Survey later in 2022. This approach is consistent with other organizations around the nation, who are reevaluating how to use survey tools and other organizational development and culture assessments in a rapidly changing environment.

**Root Cause (if At-Risk or Off-Target):**

This Business Plan Initiative is off-target because the annual Employee Engagement Survey was paused in 2021 to allow the CalPERS team time to transition back to an office-centric work schedule before gathering engagement data. Because of this, the end date of the BPI and the two associated deliverables will need to be extended until June 2023.



## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Implement 2018-22 Workforce Plan Strategies

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Talent Management

**Strategic Objective:** Cultivate leadership competencies and develop succession plans across the enterprise

**Strategic Measure(s):** Proficiency in CalPERS leadership competencies

**Status:** Off-Target

**Description:** Implement workforce planning strategies focused on knowledge transfer of critical positions and the identification of leadership competency gaps.

**Intent:** To identify leadership competency gaps and positions deemed critical to CalPERS business and support team leaders with strategies to minimize organizational risk by ensuring transfer of institutional business knowledge occurs in support of workforce and succession planning.

**Start Date:** July 2018

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Gather, analyze, and report on data derived from the Leadership Competency Assessment Tool pilot and identify leadership competency gaps within the pilot group (December 2021)
- Collect and report on positions deemed critical to CalPERS mission at a Division-level (June 2022)
- Develop and implement knowledge transfer support strategies to assist team leaders with mitigating business operational risk (June 2022)

**Risk(s):**

Deliverables 2 and 3 are at risk of not being completed as written and/or on time due to resource constraints.

**Mitigation(s):**

To mitigate some of the risks that have emerged for Deliverable 2, we have identified alternate ways to collect the data needed, such as a questionnaire to each team leader and/or Division Chief/Executive to obtain current critical position information required. For Deliverable 3, we recommend postponing Workforce Planning until the completion of the CalPERS Strategic Planning cycle and competency gaps are identified through the annual performance review.

**Root Cause (if At-Risk or Off-Target):**

There are several factors that contributed to this BPI being Off-Target. Since the Employee Engagement survey was not conducted in the most recent year the data to populate this BPI as originally expected is not currently available. In addition, team member availability has been severely impacted by the additional workload that the pandemic created specific to the Human Resources Division functions.

## 2021-22 Business Plan Initiative Summary (Quarter 3)

<b>Initiative Title:</b>	Total Fund Investment Strategy (Performance)
<b>Executive Owner:</b>	Nicole Musicco
<b>Strategic Goal:</b>	Fund Sustainability
<b>Strategic Objective:</b>	Deliver target risk-adjusted investment returns
<b>Strategic Measure:</b>	Annualized (five-year) excess investment returns relative to total fund policy benchmark
<b>Status:</b>	At-Risk
<b>Description:</b>	Review and assess existing strategies, while researching and implementing new strategies, to ensure alignment in service of delivering our long-term projected rate of return.
<b>Intent:</b>	To fulfill the Mission to sustainably pay benefits over the long-term with goal of absolute 6.8% return.
<b>Start Date:</b>	July 2020
<b>End Date:</b>	June 2022*
<b>Resources Approved:</b>	N/A

### Completed: Deliverable and Due Date:

- Investment Performance Platform (June 2022)

\*Business plan initiative scheduled to end in June 2025 and supports the five-year investment plan.

### Risk(s):

Although the project was re-baselined in February, State Street Bank (SSB)/Solovis are beginning to report delays on interim tasks with no impact yet to key downstream dates. The scope of the first milestone is being revisited for Plan Attribution.

### Mitigation(s):

The following actions have been taken to reduce the impact of the risk:

- Confirm scope of first milestone
- Actively monitor progress
- SSB is implementing action plans to bring interim tasks back in alignment with the plan

### Root Cause (if At-Risk or Off-Target):

- SSB/Solovis assumed that out-of-the-box attribution capabilities would meet CalPERS business needs.
- Lack of appropriate SSB/Solovis resources and/or skills

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Leadership Competency and Performance Integration

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Talent Management

**Strategic Objective:** Cultivate leadership competencies and develop succession plans across the enterprise

**Strategic Measure(s):** Proficiency in CalPERS leadership competencies

**Status:** At-Risk

**Description:** Utilize the leadership competency tool to provide an electronic mechanism to provide feedback to CalPERS leaders.

**Intent:** Provide a consistent feedback and accountability tool so leaders are well-equipped to successfully demonstrate CalPERS competencies.

**Start Date:** July 2021

**End Date:** June 2022

**Resources Approved:** N/A

### Completed: Deliverable and Due Date:

- Evaluate performance of FY 2020-21 Leadership Competency Tool Pilot (December 2021)
- Update team leader EPAD factors/domains to reflect current business trends and HR policy (June 2022)
- Evaluate options to integrate Leadership Competency Tool with existing EPAD process for team leaders (June 2022)
- Develop a plan to integrate the new evaluation process for team leaders (June 2022)
- Establish a plan to educate team leaders on the changes to the new evaluation process (June 2022)

### Risk(s):

For Deliverable 3, Tactic 3.5 (Update HR policy as needed based on approvals from 3.4, including noticing the Union as appropriate), the project team has not yet gained the approval of the Senior Leadership Council (SLC). In the event it is approved, this process will take roughly 60 days to complete from the approval date, which will push the completion of this deliverable into June.

### Mitigation(s):

Present to the SLC in late April or early May. Gain approval or denial to adopt the proposal. If approved, immediately submit drafted policy language to update the current policy with an extra effort to fast track the policy updating process.

**Root Cause (if At-Risk or Off-Target):**

Phase one data collection of the Leadership Competency Assessment tool project has taken longer than anticipated. This phase will be completed by April 15, 2022.

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Alignment of Asset Liability Management

**Executive Owner:** Michael Cohen

**Strategic Goal:** Fund Sustainability

**Strategic Objective:** Fund the System through an integrated view of pension assets and liabilities

**Strategic Measure:** Funded Status, Projected Funded Status

**Status:** On-Target

**Description:** Incorporate elements of funding risk from both an asset and liability perspective to ensure the sustainability of the fund.

**Intent:** To provide an integrated view of pension assets and liability and actively assess and manage funding risk through the Asset Liability Management (ALM) framework in order to strengthen the long-term sustainability of the fund.

**Start Date:** July 2017

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Conduct July Offsite ALM educational session. (July 2021)
- Present candidate portfolios to the board. (November 2021)
- Present the experience study results, actuarial assumptions, and proposed discount rates to the board. (November 2021)
- Conduct post ALM process quality review (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

<b>Initiative Title:</b>	Total Fund Portfolio Design (Portfolio)
<b>Executive Owner:</b>	Nicole Musicco
<b>Strategic Goal:</b>	Fund Sustainability
<b>Strategic Objective:</b>	Mitigate the risk of significant investment loss; Integrate environmental, social, and governance (ESG) considerations into investment decision making†
<b>Strategic Measure:</b>	One-year total expected fund volatility; Investment managers policies and procedures for ESG factor integration
<b>Status:</b>	On-Target
<b>Description:</b>	Construct a Total Fund Portfolio positioned to generate the required rate of return over the long term, by ensuring effective allocation of risk, leverage, and liquidity.
<b>Intent:</b>	To fulfill Mission to sustainably pay benefits over the long-term.
<b>Start Date:</b>	July 2020
<b>End Date:</b>	June 2022*
<b>Resources Approved:</b>	N/A

**Completed: Deliverable and Due Date:**

Total Fund Portfolio Management (June 2022)

†This business plan initiative supports two objectives.

\*Business plan initiative scheduled to end in June 2025 and supports the five-year investment plan.

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A



## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Stakeholder Education on System Risks and Mitigation

**Executive Owner:** Brad Pacheco

**Strategic Goal:** Fund Sustainability

**Strategic Objective:** Educate employers, members, and stakeholders on System risks and mitigation strategies

**Strategic Measure:** Stakeholder assessment survey – Risk

**Status:** On-Target

**Description:** Identify, develop, and implement training, education, and outreach opportunities to educate members, employers, and stakeholders on system risks, mitigation strategies, and compliance enhancements.

**Intent:** Provide training, education, and outreach opportunities to our stakeholders and constituencies to enhance understanding of actions and policies that impact our retirement, health, and investment programs.

**Start Date:** July 2017

**End Date:** June 2022

**Resources Approved:** N/A

### Completed: Deliverable and Due Date:

- Host Stakeholder Forum on Asset Liability Management (ALM) process and investment strategy (January 2021)
- Create new centralized page on CalPERS external website to provide easy access to all ALM-related materials (June 2021)
- Conduct series of webinars for stakeholders updating the on the progress of the ALM process (September 2021)
- Produce final webinar that explains the outcome of the ALM decision on stakeholders of the System (December 2021)
- Provide information on ALM Outcomes through Stakeholder Forum (January 2022)

### Risk(s):

PERF investment returns are increasingly unlikely to meet target goal of 6.8%.

**Mitigation(s):**

Stakeholder Relations will partner with the Investment Office, the Financial Office, and the Actuarial Office to develop appropriate communications out stakeholders on impacts to employer and member cost and funded status of plans and the System.

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Update Health Plan Contract Measures

**Executive Owner:** Donald Moulds

**Strategic Goal:** High-Quality Affordable Health Care

**Strategic Objective:** Ensure our members receive high-quality care; Ensure our members have access to care when and where they need it; Ensure the care we provide is affordable

**Strategic Measure:** Chronic disease prevention and management; Member experience; Health care premium affordability

**Status:** On-Target

**Description:** Establish improved performance measures in our health plan contracts.

**Intent:** Ensuring our health plan contracts include improved performance metrics that promote clinical quality, chronic disease prevention and management, behavioral health, access to care, and member experience support health care premium affordability and portfolio stability.

**Start Date:** July 2020

**End Date:** June 2022

**Resources Approved:** N/A

**Completed:** **Deliverable and Due Date:**

Identify and implement alignment opportunities for performance measures and contract requirements across purchasers and provide update to leadership. (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

<b>Initiative Title:</b>	Health Data Quality Management
<b>Executive Owner:</b>	Donald Moulds
<b>Strategic Goal:</b>	High-Quality Affordable Health Care
<b>Strategic Objective:</b>	Ensure our members receive high-quality care; Ensure our members have access to care when and where they need it; Ensure the care we provide is affordable
<b>Strategic Measure:</b>	Chronic disease prevention and management; Measuring access to care; Health care premium affordability
<b>Status:</b>	On-Target
<b>Description:</b>	Collaborate with CalPERS health plans to develop and implement data quality improvement plans to improve the quality, relevancy, and consistency of the data in the Health Care Decision Support System (HCDSS).
<b>Intent:</b>	Improving the data in the HCDSS assists CalPERS in its decision-making related to health care costs and quality of care.
<b>Start Date:</b>	July 2020
<b>End Date:</b>	June 2022
<b>Resources Approved:</b>	N/A
<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Implementation of the 2021 Health Care Decision Support System (HCDSS) performance measures and issuance of corrective action plans (June 2022)
<b>Risk(s):</b>	None identified at this time.
<b>Mitigation(s):</b>	N/A
<b>Root Cause (if At-Risk or Off-Target):</b>	N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

<b>Initiative Title:</b>	Behavioral Health Access and Quality
<b>Executive Owner:</b>	Donald Moulds
<b>Strategic Goal:</b>	High-Quality Affordable Health Care
<b>Strategic Objective:</b>	Ensure our members receive high-quality care; Ensure our members have access to care when and where they need it
<b>Strategic Measure:</b>	Behavioral health quality; Measuring access to care; Member experience
<b>Status:</b>	On-Target
<b>Description:</b>	Assess the feasibility of health plan contractual opportunities, identify partnerships, and develop recommendations to improve behavioral health treatment for CalPERS health care members.
<b>Intent:</b>	Behavioral health access has been identified as an area for improvement across all CalPERS health plans. Successful implementation of specific, clinically-proven strategies will help CalPERS provide accessible and high-quality behavioral health care to CalPERS health care members.
<b>Start Date:</b>	July 2020
<b>End Date:</b>	June 2022
<b>Resources Approved:</b>	N/A
<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Develop and implement health plan contract change recommendations and provide update to leadership (June 2022)
<input type="checkbox"/>	Provide report to leadership to improve access to high-quality and effective behavioral health (June 2022)
<b>Risk(s):</b>	None identified at this time.
<b>Mitigation(s):</b>	N/A
<b>Root Cause (if At-Risk or Off-Target):</b>	N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

<b>Initiative Title:</b>	Health Equity
<b>Executive Owner:</b>	Donald Moulds
<b>Strategic Goal:</b>	High-Quality Affordable Health Care
<b>Strategic Objective:</b>	Ensure our members receive high-quality care; Ensure our members have access to care when and where they need it
<b>Strategic Measure:</b>	Chronic disease prevention and management; Behavioral health quality; Measuring access to care; Member experience
<b>Status:</b>	On-Target
<b>Description:</b>	Develop and implement a health equity strategy that will aim to improve the overall clinical quality for CalPERS health care members.
<b>Intent:</b>	CalPERS is committed to ensuring that care is individualized and equitable for all members, regardless of race, ethnicity, gender identity or sexual orientation. This is important not only for those people currently needing or receiving treatment, but also for those who are working to stay healthy. CalPERS will engage with stakeholders and use data to better understand the impacts and potential solutions to guide decisions that ensure health equity for all CalPERS health care members.
<b>Start Date:</b>	July 2020
<b>End Date:</b>	June 2022
<b>Resources Approved:</b>	N/A
<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input checked="" type="checkbox"/>	Create recommendations to influence health equity integration and provide findings report to leadership (December 2021)
<input checked="" type="checkbox"/>	Develop and implement a data collection platform to collect health demographic information to support grievances and appeals and report to leadership (March 2022)
<input type="checkbox"/>	Integrate existing health demographic profile questions in the health enrollment process in myCalPERS (June 2022)
<input type="checkbox"/>	Coordinate with health plans and statewide partners to address health impacts from the COVID-19 pandemic, develop coordinated strategy for engagement and communication, and report to leadership (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Clinical Quality Improvement Programs

**Executive Owner:** Donald Moulds

**Strategic Goal:** High-Quality Affordable Health Care

**Strategic Objective:** Ensure our members receive high-quality care

**Strategic Measure:** Chronic disease prevention and management

**Status:** On-Target

**Description:** Assess the effectiveness of current quality requirements and implement strategies to ensure CalPERS health plans effectively engage their provider networks to support continuous quality improvement opportunities and activities so CalPERS health care members can receive high-quality clinical care.

**Intent:** CalPERS is committed to providing quality in all its programs, including health care. To support this, CalPERS will ensure that our health plans continue to engage in quality improvement activities to deliver high-quality and effective clinical care.

**Start Date:** July 2020

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Implement clinical quality improvement strategy with CalPERS' health plans (December 2021)
- Coordinate with health plans and statewide partners to implement clinical quality improvement plans to address health equity and provide report to leadership (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A



## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Telehealth Access

**Executive Owner:** Donald Moulds

**Strategic Goal:** High-Quality Affordable Health Care

**Strategic Objective:** Ensure our members have access to care when and where they need it

**Strategic Measure:** Measuring access to care; Member experience

**Status:** On-Target

**Description:** Study the utilization and quality of telehealth to improve access and quality of care provided to CalPERS health care members.

**Intent:** Developing telehealth access and quality strategies to ensure CalPERS health care members have access to high-quality health care.

**Start Date:** July 2020

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Deliver summary of member reported 2020 experience with telehealth services to leadership (December 2021)
- Present report to leadership from research partners on current telehealth best practices, member utilization and access to telehealth services and impacts of COVID-19 (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Increase Competition  
**Executive Owner:** Donald Moulds  
**Strategic Goal:** Health Care Affordability  
**Strategic Objective:** Ensure the care we provide is affordable  
**Strategic Measure:** Health care premium affordability

**Status:** On-Target

**Description:** In regions of the state that have low competition among health care providers, CalPERS aims to increase competition using a variety of strategies.

**Intent:** Large variation in prices for the same services within a geographic area is largely explained by market forces. The bargaining strength of a hospital, provider group, or insurer is determined by the amount and type of competition in a region. CalPERS is analyzing options for improving provider competition or mitigating costs in low competition areas. These include using “Centers of Excellence” for procedures with high variation in cost across regions, increasing the use of telehealth in areas with fewer providers, and utilizing appropriate level of care for routine services.

**Start Date:** July 2020

**End Date:** June 2022

**Resources Approved:** N/A

**Completed:** **Deliverable and Due Date:**

- Receive Board approval to implement strategies to address health care competition (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 1)

**Initiative Title:** Risk Mitigation  
**Executive Owner:** Donald Moulds  
**Strategic Goal:** High-Quality Affordable Health Care  
**Strategic Objective:** Ensure the care we provide is affordable  
**Strategic Measure:** Health care premium affordability

**Status:** Complete

**Description:** Develop and implement a new health risk mitigation strategy and determine health plan premium disparities in preparation for the 2022 rate-setting process.

**Intent:** Enable CalPERS to price its HMO and PPO Basic Health Plan premiums based on covered benefits and the quality of provider networks; manage population health risk and control costs across the entire Basic portfolio; reduce year-over-year premium volatility.

**Start Date:** July 2020

**End Date:** July 2021

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Implement new risk mitigation strategies in the final proposed 2022 health premiums (July 2021)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Pharmaceutical Strategies

**Executive Owner:** Donald Moulds

**Strategic Goal:** High-Quality Affordable Health Care

**Strategic Objective:** Ensure the care we provide is affordable

**Strategic Measure:** Health care premium affordability

**Status:** On-Target

**Description:** Using expert clinical input from nationally-recognized organizations and CalPERS utilization data, develop formulary management strategies that balance member choice, quality, safety, affordability and prescription drug access.

**Intent:** Continue to provide outpatient pharmacy drug benefits that represent value and safety toward members and safeguard against sudden market impacts and unwarranted drug prices.

**Start Date:** July 2020

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Launch evaluation of the Biosimilar First Program and provide update to leadership (January 2022)
- Develop and implement Pharmacy Benefit Manager (PBM)/health plan contract change recommendations and provide update to leadership (March 2022)
- Evaluate cost-efficiency programs and provide report to leadership (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Mature Targeted Information Technology (IT) Capabilities  
**Executive Owner:** Doug Hoffner  
**Strategic Goal:** Reduce Complexity  
**Strategic Objective:** Simplify programs to improve service and/or reduce cost  
**Strategic Measure:** CEM information technology capability score

**Status:** On-Target

**Description:** Mature targeted IT capabilities to enhance the delivery of core services, as well as anticipate and meet emerging business needs of the future.

**Intent:** Strengthen and maximize our competencies to better serve our partners and customers.

**Start Date:** July 2018

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Develop and Implement Stable Infrastructure to support remote and on-premise workforce (June 2022)
- Design and Enhance remote and on-premise collaboration and meeting solutions (June 2022)
- Implement end point support model for team members (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Complexity Reduction

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Reduce Complexity

**Strategic Objective:** Simplify programs to improve service and/or reduce cost

**Strategic Measure:** CEM pension complexity score; CEM cost per member; Overhead operational cost

**Status:** On-Target

**Description:** Conduct research and analysis of complexity reduction opportunities and initiate process or policy changes.

**Intent:** To reduce complexity in our business processes in an effort to gain and maintain efficiencies in the services we provide to our members and business partners and maintain our CEM Complexity score.

**Start Date:** July 2018

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Decedent and Next of Kin Identification Process Improvement Report (December 2021)
- Secure Messaging Process Improvement Report (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Continuous Process Improvement

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Reduce Complexity

**Strategic Objective:** Streamline operations to gain efficiencies, improve productivity, and reduce costs

**Strategic Measure:** CEM cost per member; Overhead operational cost

**Status:** On-Target

**Description:** Support implementation of continuous process improvement opportunities that increase efficiency and reduce complexity through the enterprise.

**Intent:** As a complex agency our goal is to develop a culture of continuous business process improvements by empowering our team members with a common methodology to define our processes, identify opportunities to increase efficiency and reduce complexity, and ensure we provide the most value to our customers.

**Start Date:** July 2017

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- OSSD Contracting Process Improvement (September 2021)
- OSSD Contracting Process Improvement Phase II (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Total Fund Investment Decision-Making Processes (Process)  
**Executive Owner:** Nicole Musicco  
**Strategic Goal:** Reduce Complexity  
**Strategic Objective:** Streamline operations to gain efficiencies, improve productivity, and reduce costs  
**Strategic Measure:** Five-year net value added

**Status:** On-Target

**Description:** Develop, refine, and institutionalize transparent, disciplined, and clear investment decision-making processes to increase organizational effectiveness for total fund and support a culture of accountability.

**Intent:** To reflect our “one fund-focused, cost effective, net return-based thinking” with coherent and effective integration of investment-decision making across the fund.

**Start Date:** July 2020

**End Date:** June 2022\*

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

INVO Technology and Data (June 2022)

\*Business plan initiative scheduled to end in June 2025 and supports the five-year investment plan.

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A



## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Increase Enterprise-Wide Compliance Awareness

**Executive Owner:** Kevin Fein

**Strategic Goal:** Risk Management

**Strategic Objective:** Enhance compliance and risk functions throughout the enterprise

**Strategic Measure:** Compliance employee awareness survey

**Status:** On-Target

**Description:** Develop compliance communication and training plans to increase awareness throughout the enterprise.

**Intent:** The purpose of the Enterprise Compliance Plan is to ensure that CalPERS strives to maintain compliance with the letter and spirit of all applicable laws, regulations and policies in partnership with program areas.

**Start Date:** July 2017

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Enhance compliance and ethics education by developing and implementing a compliance and ethics training plan for FY 2021-22 that combines web-based and instructor-led formats (March 2022)
- Create and implement an internal compliance and ethics communication plan for FY 2021-22 to increase awareness of the compliance program throughout the enterprise (April 2022)

**Risk(s):**

Enterprise compliance leverages business partners' participation from throughout the enterprise to be successful. This initiative is subject to completion risk if current business partners' efforts are redirected by their program areas and are unable to participate.

**Mitigation(s):**

Wide range participation from throughout the organization creates a broad knowledge base that serves as a strength in addition to the risk cited above.

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Increase Compliance Program Maturity  
**Executive Owner:** Kevin Fein  
**Strategic Goal:** Risk Management  
**Strategic Objective:** Enhance compliance and risk functions throughout the enterprise  
**Strategic Measure:** Compliance program maturity assessment

**Status:** On-Target

**Description:** Enhance the Compliance Program maturity and performance by annually identifying and completing initiatives across a broad set of functional objectives and activities that strengthen CalPERS compliance and ethics culture.

**Intent:** To continue to mature CalPERS compliance function to prevent, detect, and correct compliance failure within the organization. The annual assessment will help Enterprise Compliance:

- Understand how well the function is performing in its current state
- Support short-term and long-term planning by clearly identifying next steps and associated resources
- Ensure alignment of strategy and resources with market opportunities and business needs

**Start Date:** July 2018

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Mature tools and guidelines to strengthen conflict of interest oversight (June 2022)
- Provide conflict of interest education and communication (June 2022)
- Promote Code of Conduct by developing easy to understand guidance and learning aids (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Enterprise Data Management  
**Executive Owner:** Kevin Fein  
**Strategic Goal:** Risk Management  
**Strategic Objective:** Enhance compliance and risk functions throughout the enterprise  
**Strategic Measure:** Aligned to overall Risk Management Goal

**Status:** On-Target

**Description:** Create/enhance policies and processes to strengthen appropriately defined data-driven decisions, ensure intent is understood, and improve the consistency of data use across the enterprise which includes people, process, technology, and culture dimensions.

**Intent:** This initiative will help drive change across people, process, technology, and culture resulting in improved data consistency, integrity, and transparency, as well as increased collaboration and data driven insights and decision making.

**Start Date:** July 2017

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Develop and implement Employer Data Request (EDR) Process (October 2021)
- Develop Enterprise Data Management policies (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**2021-22 Business Plan Initiative Summary (Quarter 3)**

<b>Initiative Title:</b>	Information Security Strategy (closed session)
<b>Executive Owner:</b>	Matt Jacobs
<b>Strategic Goal:</b>	Risk Management
<b>Strategic Objective:</b>	Continue to evolve cyber security program
<b>Strategic Measure:</b>	Composite security health score within range
<b>Status:</b>	Information to be provided in closed session
<b>Description:</b>	Advance the Information Security Office strategy and mitigate cybersecurity threats and vulnerabilities.
<b>Start Date:</b>	July 2017
<b>End Date:</b>	June 2022

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Develop Diversity Equity and Inclusion Framework

**Executive Owner:** Marlene Timberlake D'Adamo

**Strategic Goal:** Talent Management

**Strategic Objective:** Recruit and empower a broad range of talents to meet organization priorities

**Strategic Measure:** Engagement survey results & action items – Diversity & Inclusion

**Status:** On-Target

**Description:** Integrate the DE&I framework to the expand Diversity & Inclusion initiative, as an enterprise comprehensive approach to be a leader in best practices and to meet organizational goals.

**Intent:** This business initiative is intended to be an enterprise approach to implement Diversity Equity and Inclusion (DE&I) efforts to increase engagement and integrate best practices across the enterprise.

**Start Date:** July 2021

**End Date:** June 2022

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

- Expand team member accessibility across the enterprise (December 2021)
- Create a team member DEI Certification Program (June 2022)

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2021-22 Business Plan Initiative Summary (Quarter 3)

**Initiative Title:** Total Fund Portfolio Resources (People)  
**Executive Owner:** Nicole Musicco  
**Strategic Goal:** Talent Management  
**Strategic Objective:** Recruit and empower a broad range of talents to meet organization priorities  
**Strategic Measure:** Engagement survey results & action items – performance management

**Status:** On-Target

**Description:** Realign Investment Office resources and skills in support of the total fund portfolio to reinforce working as one team, with a culture of trust, respect, and accountability.

**Intent:** To fulfill our Vision and reinforce and reflect our “one team, one fund, one culture” approach.

**Start Date:** July 2020

**End Date:** June 2022\*

**Resources Approved:** N/A

**Completed: Deliverable and Due Date:**

INVO People Strategy (June 2022)

\*Business plan initiative scheduled to end in June 2025 and supports the five-year investment plan.

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A