



## Agenda Item 7

October 16, 2012

**ITEM NAME:** Customer Service Update

**PROGRAM:** Customer Services and Support

**ITEM TYPE:** Information

### **EXECUTIVE SUMMARY**

This informational item seeks to provide an update on certain customer service delivery areas within Customer Services and Support (CSS) and the supplemental efforts being made to make improvements in the customer service arena.

### **BACKGROUND**

Each division within CSS plays an integral role in the customer service experience our customers and stakeholders will have when conducting business with the California Public Employees' Retirement System (CalPERS). Front line personnel, back office staff, outreach areas and all other CSS representatives are systematically working together to create positive outcomes during each customer touch point.

The measurement of success for each service and product CSS delivers and offers varies, but the overarching goal – the creation of positive customer experiences – remains the same throughout CSS and CalPERS. An important aspect of the achievement of our primary customer service goal heavily relies on the desire to improve our business processing and customer interactions. CSS is committed to this effort as we have embarked on a number of initiatives focused on gaining efficiencies.

An initiative currently underway is the development and implementation of a business intelligence service which uses customer service data to improve customer service delivery. Mining and analyzing member and employer data to better serve our customers is not a new endeavor. However, the myCalPERS platform will enable us to enhance the examination of our data and identify trends, provide historical context and predictive views of operations, while supporting better decision making across the organization.

Another customer service delivery improvement initiative already in-flight is the alignment of core business processes with myCalPERS functionality. Aligning technology to processes sounds like business as usual, but the capabilities of our single operating system are only now being fully realized after this past stabilization period. Other efforts within CSS which will allow us to gain operational efficiencies include the elimination of large backlogs/inventories, optimization of staff competencies and the establishment of a business processing informational resource.

An organizational initiative which is allowing us to better serve our customers is Member Self Service (MSS). The next release for MSS is on schedule for October 28, 2012. As reported previously, this release includes new functionality that will allow members to send information to a third party (such as a bank). The terminology is improved and easier to understand – members will be able to click on “Document Request” and select from four documents: Member Account Balance, Verification of Income, Social Security Breakdown, and Verification of Deposit.

Other new features include “Find a Medical Plan” – which will include health premiums; Secure Messaging Enhancements, which will allow our contact center to split up a multiple question message and forward the segments to appropriate Program areas for response; Retirement estimate calculator will be enhanced to include a CalPERS (or system) generated final compensation amount; and annual member statements will be generated by myCalPERS –previously they were generated by our legacy systems. New for Judges and Legislator members: this will be the first year their annual member statement will be available to them online. MSS Release 3, scheduled for January 27, 2013, is moving forward as planned.

CSS will continue to develop strategies for improved customer service delivery as adapting to the ever changing needs of our customers is necessary.

## **ANALYSIS**

Operational improvement initiatives will allow us to better service our customers, but these initiatives do not detract from our core business processing. A discussion on specific core processes within CSS is featured below:

### 1) Benefit Services Division

Each year from September through December an influx of service retirement applications are received by Benefit Services Division (BNSD) due to many members electing to retire at the end of the calendar year. As in years past we have anticipated this influx and we are poised to meet the demand this increase creates.

A regular element of the service retirement process is the adjustment of a member’s allowance after retirement when additional information is received by myCalPERS. Generally, the additional information is submitted via payroll. A backlog currently exists regarding Retirement allowance adjustments due to payroll. Additional functionality to correct system issues will be implemented at the end of October and will allow us to meet our goal of reducing the backlog by January 2013.

BNSD’s Death Processing Units have been diligently working to eliminate existing inventories and backlogs. We were able to meet our goal of having all inventory aged less than 30 days by October. This will allow us to pay all Death benefits more timely.

2) Customer Account Services Division

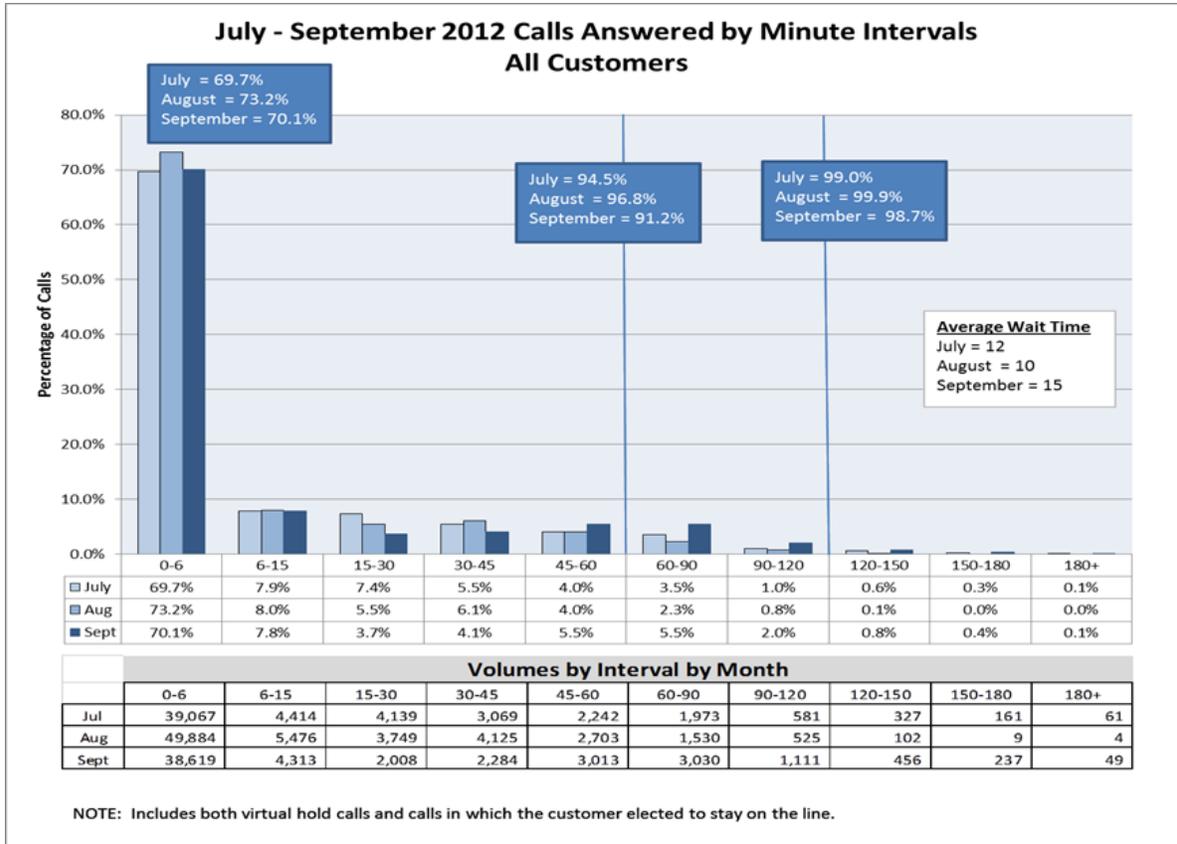
The Service Credit Purchase (SCP) processing areas reside within Customer Account Services Division (CASD). Over the past few months SCP has been making significant strides in reducing their backlog. In July this area had over 17,000 backlogged items. SCP has been able to reduce that number of backlogged items to roughly 12,500 and are on track to meet their January 2013 goal of eliminating those backlogged items.

SCP's most concentrated effort since the implementation of the backlog elimination plan was to reduce the Service Prior to Membership (SPM) backlog and standing inventory by 4,000 requests. To effectuate this goal, we launched a Rapid Results project. This team consisted of redirection of staff from within the enterprise as well as staff who were familiar with the process. The SPM Rapid Results project ends in October. This team has already met their goal. SCP is anticipating receipt of a large volume of Additional Retirement Service Credit (ARSC) requests over the next few months as member's ability to purchase this type of service credit ends January 1, 2013.

Recently in CASD, Health Account Services staff have been focusing on Health Open Enrollment. The process began September 10, 2012 and to date we have seen very positive results. Health Account Services staff continue to keep up with incoming requests for health plan changes. Staff reporting preliminary numbers indicate members are making full use of member self-service and the Interactive Voice Response (IVR) system.

The Health Lab (Lab) continues to work with the project team to identify the root causes of warrant deduction discrepancies. In addition, the Lab assists with health file validations and discrepancy identification which may impact Public Agency contracts, billing and operational processes.

3) Customer Service and Outreach Division



The Customer Service and Outreach Division (CSOD) formed in April 2011 as part of the enterprise reorganization, consolidating all forms of front line customer contact within a single division. Since then CSOD has been migrating processes and procedures for telephone response for member and employer inquiries to unify service delivery. Beginning in the month of September, service level metrics will be reported as one Contact Center, combining statistical information for all telephone service. Moving to this consolidated approach gives a true reflection of the overall customer experience. The chart reflects a combined measure.

Average wait times increased from an August average of 10 minutes to 15 minutes in September. The chart illustrates the volume and percentage of calls answered within various minute intervals for the past three months (July through September), which shows an increase in wait times due to Open Enrollment activity, typical during this time of the year. In September, 70.1 percent of customers waited less than 6 minutes to be assisted, declining from 73.2 percent in August.

Work continues on the Contact Center technology upgrade initiative. With this initiative, our platform will be upgraded to the latest software versions, and the current end of life IVR) application will be replaced in December of 2012. This foundational upgrade will bring the Contact Center's technology current with private

and public sector communication standards. This modernization effort will set the groundwork for enhanced functionality, in addition to delivering the immediate benefits of a high availability architecture ensuring service remains in the event of system or hardware failure.

Efficiencies are being realized from the latest myCalPERS release. The ability to receive and respond to Ask CalPERS inquiries is now available through the myCalPERS system. The process is now fully automated, eliminating manual workarounds to assign, categorize, respond and document responses to the inquiries in the system.

#### Conclusion

Creating a positive customer service experience for our customers and stakeholders is a vital undertaking requiring the coordination and dedication from hundreds of CalPERS staff. As technology is leveraged, processes refined and staff skills optimized our customer service delivery will continue to improve.

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