



Agenda Item 7

August 19, 2014

ITEM NAME: Customer Services and Support Performance Update

PROGRAM: Customer Services and Support

ITEM TYPE: Information

EXECUTIVE SUMMARY

Customer Services and Support (CSS) is committed to achieving the highest level of service in administering health and retirement benefits. This information item provides the CSS Performance Dashboard for the fourth quarter of Fiscal Year 2013-2014, as well as a status update on the CSS Service Delivery Transformation Roadmap (Roadmap).

STRATEGIC PLAN

This item supports the California Public Employees' Retirement System (CalPERS) Strategic Plan Goal B: "Cultivate a high-performing, risk-intelligent, and innovative organization," and the objective to "Deliver superior, end-to-end customer service that is adaptive to customer needs."

BACKGROUND

The CSS Performance Dashboard is designed to assess service levels and measure the impact of service and process improvements on our operations and customer satisfaction.

In 2012, CSS developed a three-year Roadmap to improve the access, quality, effectiveness and services provided by CalPERS.

ANALYSIS

CSS Performance Dashboard

To allow the Board of Administration to evaluate whole programs most effectively, broad indicators of performance and exceptions are reported in our Performance Dashboard (Attachment 1). For the fourth quarter of fiscal year (FY) 2013-2014, CSS reflects a green status in all attributes. This level of performance has been achieved for the past three consecutive quarters.

Although the Timeliness Attribute under the Service Delivery Business Strategy continues in green status, tax withholding election and membership determination processing fall within exception reporting parameters and are discussed below.

Tax Withholding Election Processing

The Benefit Services Division (BNSD) experienced a large increase in workload associated with the Specified Dollar Tax Withholding Project. As part of this project, staff sent out over 90,000 letters and forms to payees who had elected withholding of specified dollar amounts, requesting they complete and return new withholding elections. The large volumes of returned forms have impacted overall processing, as anticipated. However, the team implemented a plan to enable a return to normal processing during the first quarter of FY 2014-2015.

Membership Determination Processing

Membership determination processing continues to be impacted by large inventories of work items. The team has developed a method to identify high priority and critical membership issues to ensure their timely resolution as they reduce the workload. Productivity has increased in this area and more processing gains are anticipated during the first quarter of FY 2014-2015.

Service Delivery Transformation Roadmap

Progress Update

The Roadmap is a multi-faceted strategy of service delivery transformation comprised of focus areas designed to increase access, enhance quality and effectiveness, and expand services (Attachment 2). Several underlying initiatives support each area (Attachment 3). CSS completed the first two years of the Roadmap, and made outstanding progress. Of the 21 initiatives, 13 are complete, seven are in progress and one is scheduled to begin this fiscal year. The key accomplishments within each area are described below.

Access

This focus area includes initiatives designed to enhance customer access to our services and products.

Through the Employer Access Improvement initiative, the Employer Response Team was established to serve as the single point of contact for employers with critical and/or time-sensitive issues. Employer Response Dialogues were also launched to allow senior leaders from CalPERS and contracting agencies to meet face-to-face to exchange relevant information.

Under the Web Event and Computer-Based Training (CBT) Expansion initiative, educational access was improved by significantly expanding the catalog of computer-based training classes offered to our employers. Over the course of the initiative, 39 new computer-based employer training classes were developed, increasing the total number of CBTs offered to 67. These classes assist employers in conducting business with CalPERS in areas such as how to perform payroll adjustments, contract management, and health premium billing transactions. The initiative also added webinars to the channels of educational offerings, which included six employer and 18 member webinars. Member webinars encompassed a variety of health and

retirement topics designed to assist members in making well-informed choices. Examples of webinar offerings include Retirement Income Sources, Service Credit Purchase and Employer Business Rules Training.

Quality

Initiatives under the Quality area advance our desire to achieve the highest quality customer experience by delivering value-added, accurate services using customer care principles.

The mylCalPERS Efficiencies initiative aligned system functionality with operations and processes. Eight core process improvements have been implemented ranging from the consolidation of the health and retirement contract units into one business area to streamline the contracting process, to the implementation of an opt-in policy for Annual Member Statements in which members must elect to receive a printed statement to encourage use of Member Self-Service and reduce costs.

Under the Full Voice of the Customer initiative, five new customer satisfaction surveys were implemented covering the Member Self-Service processes of Address Change, Maintain Payment Options, Retirement Estimate Calculator, Apply for Retirement, and Designate a Beneficiary. These surveys provide our customers the opportunity to give feedback on our business processes, and give us a mechanism to gauge our success and make appropriate changes if necessary. Initial responses to these surveys have been positive.

Effectiveness

This focus area includes efforts that improve our ability to effectively utilize our resources to deliver timely, helpful services.

Two major efforts were undertaken within the Operational Efficiency Project; one within BNSD and one within our Customer Service and Outreach Division (CSOD).

Within BNSD, the Disability Retirement Section launched a project introducing the Lean Six Sigma methodology to reduce processing times on disability determinations. Efforts are underway to roll out new processes that can be immediately implemented and to take action on other improvements that will require more time, such as policy changes, educational material updates and technological enhancements in transferring data. Over the course of the next four to six months these improvements are expected to result in better service levels.

In 2013, CSOD engaged KPMG consultant services to assist with an assessment of Contact Center operations, as well as the development of an Action Plan designed to produce efficiencies in its operations. The Action Plan, which contained four targeted work streams, was successfully completed on June 30, 2014. The Workforce Management work stream took advantage of new technology and increased analytical skills, which improved call forecasting, agent scheduling, and intra-day

coordination. The Floor Management work stream enhanced staff and manager collaboration and increased staff engagement in development and performance. New tools and training were provided to our agents under the Call Management work stream to improve customer call interactions. Lastly, within our Electronic Inquiry work stream, processes and technology improvements were implemented to streamline the handling of secure messages and other workflow tasks.

As a result of these four work streams, the Contact Center made several notable achievements. Prior to beginning the Action Plan, target efficiencies were estimated and established, including a handle time reduction of one minute for all calls. This target was exceeded by reducing employer calls by two minutes and member calls by one minute. Overall, the fiscal year average call wait time was reduced to 1.5 minutes for FY 2013-2014, which is the lowest fiscal year average in the history of the Contact Center. Response times for secure messages were also reduced by more than half.

Further, CSOD and KPMG evaluated the target service level for responding to calls, and established a significantly improved call wait time target of answering 80 percent of calls within 60 seconds. The operational efficiencies gained through this initiative better positioned the Contact Center to set this target, effective July 1, 2014. Finally, standard contact center staffing methodology and calculation tools were utilized to determine the permanent staffing level required to meet the service level target, which will be brought forward in the next budget cycle.

Through the myCalPERS Member Self-Service and Enhancements initiative, numerous self-service capabilities were made available to our members including such features as Applying for Retirement and Maintaining Payment Options.

Services

The initiatives under the Service area allow CSS to be responsive to customers' changing service needs.

Through the Complex Case Management initiative, a streamlined end-to-end process was implemented to resolve the more complicated customer cases that fall outside the scope of standard business processing. These new methods will improve coordination between functional areas, and result in faster processing and increased customer satisfaction.

CalPERS education programs were modified and enhanced as part of the Life Cycle Education initiative. Retirement Planning Fairs were repositioned and renamed to CalPERS Benefits Education Events to provide education to members of all ages, not just those close to retirement. The curriculum was revised to support Life Cycle education and was separated into two tracks: those early to mid-career and those near retirement. Marketing strategies were undertaken to draw a more diverse audience and attract younger attendees. These efforts widened the value of attending beyond retirement planning to also include gaining a better understanding of benefits.

Roadmap Look Ahead

Moving into the third year of our Roadmap, CSS will continue to build on the successes made to date on seven initiatives, and begin one new initiative. Several key accomplishments are expected in the coming year.

Within the Access Channel initiative, comprehensive customer input will be obtained regarding the channels they prefer to use to access various CalPERS services. This information will be balanced against cost effectiveness to identify access enhancements, with the target of implementing at least two improvements this fiscal year.

Expansion of customer satisfaction surveys will continue in the Full Voice of the Customer Satisfaction initiative. This expansion will include new surveys targeted to cover business processes outside of Member Self-Service, input from employers as well as members, and the addition of a metric measuring survey results to our Performance Dashboard.

The myCalPERS Optimization initiative will enable CSS to achieve higher performance levels. Optimizing system capabilities for key service areas will increase our ability to deliver services that meet our customers' needs.

BUDGET AND FISCAL IMPACTS

Not Applicable

ATTACHMENTS

Attachment 1 – CSS Fourth Quarter Performance Dashboard

Attachment 2 – Service Delivery Transformation Roadmap 2012-2015

Attachment 3 – Service Delivery Transformation Roadmap Initiatives 2012-2015

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