



# Pension and Health Benefits Committee Agenda Item 7

May 17, 2016

**Item Name:** Customer Services and Support Performance Update

**Program:** Enterprise

**Item Type:** Information

### **Executive Summary**

Customer Services and Support (CSS) is committed to achieving the highest level of service in administering pension and health benefits. We continuously measure and evaluate performance in all business areas so we can adapt to the ever-changing customer service environment and diverse needs of our customers. This information item presents the current state of the customer experience and reports on a few of the initiatives we are undertaking to improve customer service. We have seen strong overall performance, which we expect to continue through the end of the fiscal year.

### **Strategic Plan**

This agenda item supports the California Public Employees' Retirement System (CalPERS) Strategic Plan Goal B to cultivate a high-performing, risk-intelligent, and innovative organization that is responsive to customer needs.

### **Background**

As part of our commitment to ensure effective Board of Administration (Board) oversight of our programs and services, CSS reports on the performance of our customer service areas. The information below includes Fiscal Year (FY) 2015-2016 third quarter performance and project updates.

### **Analysis**

During the third quarter of FY 2015-2016 we maintained a high level of performance across our program areas. The following summary presents metrics which fell below our exception reporting thresholds.

### **Exceptions Related to Strategic Measure 10: Benefit Payments**

The two primary payments of death benefits are those where a beneficiary is entitled to an ongoing monthly allowance and those where a beneficiary is due a lump sum amount. The benefits where a beneficiary is due an ongoing monthly allowance, often a surviving spouse, are the most critical to pay timely to insure an ongoing benefit stream to the beneficiary and for the continuation of health benefits. While ongoing benefit stream processing remained strong, the timeliness of lump sum death benefit payments fell below our strategic measure threshold due to the large volume of deaths reported during the last several months. The increase in deaths reported has been addressed through our budget process with the approval of seven new

positions to handle the ongoing increase in workload. Moving forward we expect to see processing increases in this area.

#### Exceptions Related to Strategic Measure 11: Customer Satisfaction

Payroll Reporting continued to fall slightly below our exception reporting threshold for the quarter. We believe our recent enhancements to payroll reporting are paying dividends as we saw an upward trend, culminating in our highest satisfaction rate for this process in March.

#### Other Exceptions

The Customer Contact Center (CCC) did not meet service levels for call wait time and secure message responses this past quarter as a result of several factors. Throughout this reporting period, the CCC experienced a consistently high vacancy rate, increased handle times due to newly hired staff beginning to answer phone inquiries, and increased volumes experienced due to first-of-the-year cyclical issues. Through various mitigations we were able to maintain an average wait time of 3:30 minutes for those customers who remained on the line, which was consistent with past performance during this peak period.

Service Credit Purchasing fell below exception reporting thresholds due to significant increases in our incoming cost requests each month during the quarter. We attribute this increase to new outreach informing members about service credit conducted through the CalPERS Benefit Education Events as well as an increase in members applying to purchase service credit because they are planning to retire in June. This area expects to improve processing levels over the next few quarters.

#### Customer Experience Enhancement Efforts

As part of our commitment to achieving the best possible customer experience and adapting to our customers' needs, we continued to pursue several projects through which we achieved significant process and service enhancements.

#### Functional Optimization

The Functional Optimization project is a key component of the myCalPERS Optimization Effort, the goal of which is to optimize current functionality and implement important improvements. Third quarter releases implemented various changes related to compliance and financial integrity, annual processes, and customer self-service, as well as efficiencies that led to decreased processing times and increased system performance. These changes will continue to provide customers with convenient ways to conduct CalPERS-related business and enhance the overall customer experience.

#### Event Triggered Outreach

As part of our Event Triggered Outreach Project, we implemented delivery of retirement eligibility postcards to members who became eligible to retire in the past six months. Our first mailing consisted of over 9000 postcards. By providing timely and relevant educational resources to our members during important life events and milestones such as retirement eligibility, we equip our members with the information they need to make decisions on their future retirement.



### Online Health Plan Statements

We are on target to transition our Health Statements process to an on-line delivery through mylCalPERS Member Self-Service. This will enable the online distribution of these materials for 2016 and beyond, while allowing members to opt in to receive a paper statement if they choose. We expect to achieve more flexibility and timeliness in delivering this information to customers and realize cost savings by reducing mailed materials. Design and development is underway for both of these efforts and implementation is scheduled for June 2016.

### **Budget and Fiscal Impacts**

Not applicable.

### **Benefits and Risks**

Regular reporting on customer service performance and customer experience enhancements enables appropriate Board oversight.

We do not anticipate any significant risks in our ability to fulfill customer needs and expectations moving forward.

### **Attachments**

None

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