






# 2017-22 Strategic Plan | Alignment Map (FY 2017-18) - Status as of 6/30/2018 - Quarter 4

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

**MISSION:** Deliver retirement and health care benefits to members and their beneficiaries

**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

Strategic Goals	<div></div> <div>FUND SUSTAINABILITY</div> <div>Strengthen the long-term sustainability of the pension fund</div>					<div></div> <div>HEALTH CARE AFFORDABILITY</div> <div>Transform health care purchasing and delivery to achieve affordability</div>			<div></div> <div>REDUCE COMPLEXITY</div> <div>Reduce complexity across the enterprise</div>		<div></div> <div>RISK MANAGEMENT</div> <div>Cultivate a risk-intelligent organization</div>		<div></div> <div>TALENT MANAGEMENT</div> <div>Promote a high-performing and diverse workforce</div>	
Strategic Objectives	<div><div>Fund the System through an integrated view of pension assets and liabilities</div><div>Mitigate the risk of significant investment loss</div><div>Deliver target risk-adjusted investment returns</div><div>Educate employers, members, and stakeholders on system risks and mitigation strategies</div><div>Integrate environmental, social, and governance considerations into investment decision making</div></div>					<div><div>Restructure benefit design to promote high-value health care</div><div>Improve the health status of our employees, members and their families, and the communities where they live</div><div>Reduce the overuse of ineffective or unnecessary medical care</div></div>			<div><div>Simplify programs to improve service and/or reduce cost</div><div>Streamline operations to gain efficiencies, improve productivity, and reduce costs</div></div>		<div><div>Enhance compliance and risk functions throughout the enterprise</div><div>Continue to evolve cyber security program</div></div>		<div><div>Recruit and empower a broad range of talents to meet organization priorities</div><div>Cultivate leadership competencies and develop succession plans across the enterprise</div></div>	
Strategic Measures	Probability of PERF falling below 50% funded over the next 30 years ★	1 - year total expected fund volatility	Annualized (5-year) excess investment returns relative to total fund policy benchmark	Stakeholder assessment survey - risk ★	Investment managers policies and procedures for ESG factor integration ★	Rating of health care	Adult obesity ★	Opioids - dose ★	CEM - pension complexity score ★	CEM - cost per member ★	Stakeholder assessment survey - compliance and risk ★	Composite security health score within range (closed session)	Increase diverse recruitment channels ★	Proficiency in CalPERS leadership competencies ★★
	Probability of sharp single year increase in employer contribution rates ★					Access to care	Adult diabetes ★	Opioids - duration	Benefit payment timeliness	Total overhead cost ★★	Risk & compliance employee awareness survey ★		Workforce diversity & inclusion ★	Internal candidates selected to fill senior and executive recruitments ★
	Probability of high employer contribution rates ★					Total health care cost annual increase ★	Diabetes self-management	C-section rate ★	Customer satisfaction	5 - year net value added	Risk & compliance program maturity assessment ★		Employee engagement survey ★	
	Funded Status						Mental health and well being ★	Hospital readmissions ★	External investment manager reduction strategy					
	Projected Funded Status						Self-reported overall health status							
2017-18 Business Plan Initiatives	Alignment of asset liability management	Investment risk management and performance attribution	Enhance capital allocation framework	Stakeholder education on system risks & mitigation	Investment beliefs and environmental, social, and governance risk integration	Value-based insurance design: feasibility	Population health alignment with Let's Get Healthy California taskforce report dashboard	Statewide collaboration through Smart Care California	CEM complexity score reduction	Develop and implement continuous process improvement framework	Enterprise data management	Enterprise business continuity plan phase II	Develop and implement an expanded recruitment strategy	Develop 2017-22 workforce plan
	Employer contracting and collection reporting		Enhance investment platform and controls			Site of care management	Partner with health plans to engage in community activities	Review and update shared savings accountable care organizations cost and quality targets	Customer satisfaction - actionable feedback	Reduce system costs and improve efficiencies	Increase enterprise-wide risk awareness	Information security roadmap (closed session)	Develop and administer team member engagement surveys	Enterprise core competencies
	Redesign and enhance the actuarial valuation system		Investment program long-term planning			Pharmacy benefit design pilot		Research and expand evidence-based medicine	Improve pension benefit payments timeliness	Enhance business effectiveness, resource allocation, and efficiency of investment programs	Increase enterprise-wide compliance awareness		Expand diversity & inclusion program	
						Reference pricing expansion			External manager monitoring, expectations, and reduction strategy				Emerging leader pilot program	
Legend	<div>On-Target</div>	<div>At-Risk</div>	<div>Off-Target</div>	<div>★ Pending refresh</div>	<div>★★ Data not available</div>	<div>Measures under development</div>	<div>CEM Cost Effectiveness Measurement pension administration benchmarking</div>							