

2017-22 Strategic Plan | Alignment Map (FY 2018-19) - Status as of 3/31/2019 - Quarter 3



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	FUND SUSTAINABILITY Strengthen the long-term sustainability of the pension fund					HEALTH CARE AFFORDABILITY Transform health care purchasing and delivery to achieve affordability			REDUCE COMPLEXITY Reduce complexity across the enterprise		RISK MANAGEMENT Cultivate a risk-intelligent organization		TALENT MANAGEMENT Promote a high-performing and diverse workforce	
Strategic Objectives	Fund the System through an integrated view of pension assets and liabilities	Mitigate the risk of significant investment loss	Deliver target risk-adjusted investment returns	Educate employers, members, and stakeholders on system risks and mitigation strategies	Integrate environmental, social, and governance considerations into investment decision making	Restructure benefit design to promote high-value health care	Improve the health status of our employees, members and their families, and the communities where they live	Reduce the overuse of ineffective or unnecessary medical care	Simplify programs to improve service and/or reduce cost	Streamline operations to gain efficiencies, improve productivity, and reduce costs	Enhance compliance and risk functions throughout the enterprise	Continue to evolve cyber security program	Recruit and empower a broad range of talents to meet organization priorities	Cultivate leadership competencies and develop succession plans across the enterprise
Strategic Measures	Funded status *	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 *	Access to care *	Diabetes self-management *	Opioids - dose *	CEM pension complexity score *	CEM cost per member *	Stakeholder assessment survey - compliance and risk *	Composite security health score within range (closed session)	Effectiveness of outreach activities	Proficiency in CalPERS leadership competencies
2018-19 Business Plan Initiatives	Redesign and enhance the actuarial valuation system	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	Mature targeted information technology capabilities	Develop and implement continuous process improvement framework	Increase enterprise-wide risk awareness	Enterprise business continuity plan, phase II	Implement engagement survey action items	Implement 2018-22 workforce plan strategies
Legend	■ On-Target	■ At-Risk	■ Off-Target	*	**	 Measures under development	 Initiative Completed							
	Projected funded status *					Total health care cost annual change	Mental health and well being *	Opioids - duration	External investment manager reduction strategy *	Overhead operational cost *	Risk employee awareness survey		Workforce diversity & inclusion *	
							Self-reported overall health status *	C-section rate *	CEM information technology capability score *	5 - year net value added *	Risk program maturity assessment		Engagement survey results & action items - accountability *	
								Acute onset lower back pain and related opioid use			Compliance employee awareness survey		Enhance survey results & action items - senior & executive management relationships *	
								Acute onset lower back pain and physical therapy			Compliance program maturity assessment *			
								Overuse of imaging for back pain *						
	Actuarial valuation system - advanced analytics		Enhance investment platform and controls			Medical pharmacy 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	CEM complexity score maintenance	Enhance business effectiveness, resource allocation, and efficiency of investment programs	Increase enterprise-wide compliance awareness	Information security roadmap (closed session)	Expand diversity and inclusion program	Develop leadership competencies measurement tool
	Alignment of asset liability management					Pharmacy benefit management				Develop information technology service-level agreements	Increase compliance program maturity		Talent outreach activities	Enhance succession planning program & retention strategies for senior leaders
						Medical reference pricing expansion					Enterprise data governance			
											Strategic risk measures			