EPR Third Quarter Report: Business Plan Initiatives Summary Dashboard

The CalPERS 2017-22 Strategic Plan encompasses 34 Business Plan Initiatives (Initiatives) that assist us in achieving our strategic goals and objectives. The Business Plan Initiatives Summary Dashboard provides a brief synopsis of how all 34 initiatives are performing for the third quarter (January 1, 2019 – March 31, 2019). Additional performance details can be found on the summary sheets for each Initiative.

Third Quarter Measure Performance:

- 28 On-Target
- 2 Off-Target
- 1 Closed Session item
- 3 Completed

Progress Status Criteria for Business Plan Initiatives:
Progress on Business Plan Initiatives is based on deliverables, tactics, and risks. The status criteria are listed below:
On-Target (Green):
- All deliverables and tactics will be completed by the due dates
- No risks have materialized
- Initiative will be completed by the established end date

At-Risk (Yellow):
- One or more tactics may not be completed by the due dates – no impact to the deliverable due date
- Risks become issues and are being mitigated
- Initiative will be completed by the established end date

Off-Target (Red):
- Critical tactics have yellow indicators – deliverable will not be completed by the due date
- Issues cannot be mitigated
- Initiative may not be completed by the established due date

The Business Plan Initiatives Summary Dashboard also provides trend analysis data that captures performance from year one (FY 2017-18).

Fund Sustainability	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2017-18)	Page Number
Redesign and enhance the actuarial valuation system	🔺	**Completed**	**Completed**		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	10
Actuarial valuation system – advanced analytics	🟢	🟢	🟢		**N/A**	11
Alignment of asset liability management	🟢	🟢	🟢		🔺🟢🟢🟢 **Q1|Q2|Q3|Q4**	12
Investment risk management and performance attribution	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	13
Enhance capital allocation framework	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	14
Enhance investment platform and controls	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	15
Stakeholder education on system risks and mitigation	🟢	🟢	🟥		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	7
Investment beliefs and environmental, social, and governance risk integration	🟢	🟢	🟢		🔺🟢🟢🟢 **Q1|Q2|Q3|Q4**	16

Health Care Affordability	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2017-18)	Page Number
Value-based insurance design: feasibility	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	17
Medical pharmacy site of care management	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	18
Pharmacy benefits management	🔺	🟥	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	19
Medical reference pricing expansion	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	20
Population health alignment with *Let's Get Healthy California* taskforce report dashboard	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	21
Partner with health plans to engage in community activities	🟢	🟢	**Completed**		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	22
Statewide collaboration through *Smart Care California*	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	23
Review and update shared savings accountable care organizations cost and quality targets	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	24

Reduce Complexity	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2017-18)	Page Number
Mature targeted information technology capabilities	🟢	🟢	🟢		**N/A**	25
CEM complexity score maintenance	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	26
Develop and implement continuous process improvement framework	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	27
Enhance business effectiveness, resource allocation, and efficiency of investment programs	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	28
Develop information technology service-level agreements	🟢	🟢	🟢		**N/A**	29

Risk Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2017-18)	Page Number
Increase enterprise-wide risk awareness	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	30
Increase enterprise-wide compliance awareness	🟢	🟢	🟢		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	31
Increase compliance program maturity	🟢	🟢	🟢		**N/A**	32
Enterprise data governance	🟢	🟢	🟢		🟢🟡🟢🟥 **Q1|Q2|Q3|Q4**	33
Strategic risk measures	🟢	🟢	🟢		**N/A**	34
Enterprise business continuity plan, phase II	🟢	🟢 **(Completed)**	🟢 **(Completed)**		🟢🟢🟢🟢 **Q1|Q2|Q3|Q4**	35
Information security roadmap	**Closed Session**	**Closed Session**	**Closed Session**		**Closed Session**	36

Talent Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2017-18)	Page Number
Implement engagement survey action items	🟢	🟢	🟢		N/A	37
Expand diversity and inclusion program	🟢	🟢	🟢		🟢🟢🟢🟢 Q1|Q2|Q3|Q4	38
Talent outreach activities	🟢	🟢	🟢		N/A	39
Implement 2018-22 workforce plan strategies	🟢	🟢	🟢		🟢🟢🟢🟢 Q1|Q2|Q3|Q4	40
Develop leadership competencies measurement tool	🟢	🟥	🟥		N/A	9
Enhance succession planning program and retention strategies for senior leaders	🟢	🟢	🟢		N/A	41

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Stakeholder Education on System Risks and Mitigation
Executive Owner:	Brad Pacheco
Strategic Goal:	Fund Sustainability
Strategic Measure(s):	Stakeholder assessment survey - Risk

Status:	Off-Target

Description:	Identify, develop, and implement training, education, and outreach opportunities to educate members, employers, and stakeholders on system risks, mitigation strategies, and compliance enhancements
Intent:	Provide training, education, and outreach opportunities to our stakeholders and constituencies to enhance understanding of actions and policies that impact our retirement, health, and investment programs.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Host an elected officials-focused forum as part of the CalPERS Educational Forum. (October 2018)
☐	Produce and distribute new "Understanding CalPERS: A Primer for Stakeholders" publication (formerly the "Local Elected Officials Toolkit".) (January 2019)
☒	Coordinate executive meetings with employers in conjunction with CEO participation at the CalPERS Benefits Education Events. (June 2019)
☒	Arrange speaking events for the CEO and senior leadership at conferences and events in all stakeholder sectors (employer, member, retiree, industry.) (June 2019)
☐	Produce a "state of the System" webinar in conjunction with PAOF to educate and inform all stakeholders and members on CalPERS updates related to System risks and mitigations. (July 2019)

Risk(s):
Delay on completion of "Understanding CalPERS: A Primer for Stakeholders" publication.

Mitigation(s):
Working with various program areas to refine and complete document.

Root Cause (if At-Risk or Off-Target):
Content continues to be debated and refined. Material is complex and nuanced and needs to have precisely the right information and tone in order to be an effective and positive piece of materials for the stakeholder

community. Currently being formatted by design team and then will be ready for final executive and legal review.

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Develop Leadership Competencies Measurement Tool
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Measure(s):	Proficiency in CalPERS Leadership Competencies

Status:	Off-Target

Description:	Develop and pilot a tool to measure leaders' proficiency in CalPERS competencies
Intent:	Provide a consistent feedback and accountability tool so leaders are well-equipped to successfully demonstrate CalPERS competencies. The expected outcome is to gather data and identify trends, inform, and focus our leadership training and development strategies.
Start Date:	July 2018
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Develop timeline and plan to implement adjustments and/or functionality additions. (June 2019)
☐	Develop and implement communication plan. (June 2019)
☐	Implement Leadership Competencies Measurement Tool. (June 2019)

Risk(s):
Limited project resources and competing organizational priorities.

Mitigation(s):
CalPERS Leadership Competencies have been included on senior and executive leader performance plans for the last two years. Ongoing leadership development has continued, incorporating CalPERS Competencies on leadership-level duty statements, recruitments, and interview questions.

Exploring the possibility of using HR's Learning Management System to include a module that would allow for a consistent feedback and accountability tool for our leaders.

Root Cause (if At-Risk or Off-Target):
This initiative is temporarily off target pending a new Human Resource Management Solution (HRMS) that offers similar functionality.

Having recently completed the request for proposal process for a Human Resource Management System (HRMS) replacement we are currently negotiating with a prospective vendor which has impacted the project delivery schedule. The project timeline will need to be re-visited and aligned to the HRMS development schedule.

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Redesign and Enhance the Actuarial Valuation System
Executive Owner:	Scott Terando
Strategic Goal:	Fund Sustainability
Strategic Measure(s):	Projected funded status

Status:	Complete

Description:	Redesign and enhance Actuarial Valuation System to increase capabilities, streamline processes, and create a more flexible and scalable valuation system
Intent:	To deliver a flexible and scalable solution that supports the business operation of the Actuarial Office (ACTO) in ensuring the ability for CalPERS to support strategic objectives, business goals, and meet its pension obligations. The existing system presents challenges in terms of support, functionality and flexibility. The replacement system will address each of these concerns. The future solution will be developed and supported by CalPERS team members and will include improved valuation processing times and added functionality.
Start Date:	July 2016
End Date:	October 2018
Resources Approved:	$1,684,450.00

Completed:	Deliverable and Due Date:
☒	Replace Legacy (Fortran) actuarial accrued liabilities for 2017. (October 2018)
☒	Establish production database and application environments for the new valuation system. (September 2018)
☒	Establish the actuarial valuation system redesign and enhance the core to calculate and produce employer valuations. (October 2018)

Risk(s):
None. This project is complete.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Actuarial Valuation System – Advanced Analytics
Executive Owner:	Scott Terando
Strategic Goal:	Fund Sustainability
Strategic Measure(s):	Projected Funded Status

Status:	On-Target

Description:	Develop and implement advanced analytic tools to more accurately model CalPERS' liabilities and projected funded status
Intent:	These tools will allow us to better model and obtain the anticipated cashflows of the pension plan. Also, the enhanced reports and graphics will help to educate our stakeholders with less complexity.
Start Date:	November 2018
End Date:	June 2020
Resources Approved:	$3,423,950

Completed:	Deliverable and Due Date:
☒	Update tools and utilities in the new valuation system. (December 2018)
☒	Implement Business and Data Analytics for the new valuation system. (March 2019)
☒	Generate Deterministic Cash Flow Projections in the new valuation system. (June 2019)
☐	Complete Knowledge Transfer and training for ACTO staff. (December 2019)
☐	Incorporate Generational Mortality functionality in the new valuation system. (June 2020)

Risk(s):
The resource issue was address and the project has been extended to June of 2020. The extra time allotted to the project will be paid for with savings from the 18-19 fiscal year. The Actuarial Office made a conscious decision early in the project to move the deliverable of incorporating generational mortality into the valuation system to the end of the project. This timing makes more sense with the workload of the actuarial office because ACTO cannot incorporate generational mortality into the system until our next experience study in 2022.

Mitigation(s):
The team reshuffled the deliverables above. Items that were not due until mid to late 2019 are nearly complete today.

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Alignment of Asset Liability Management
Executive Owner:	Michael Cohen
Strategic Goal:	Fund Sustainability
Strategic Measure(s):	Funded status; Projected funded status

Status:	On-Target

Description:	Incorporate elements of funding risk from both an asset and liability perspective to ensure the sustainability of the fund
Intent:	To provide an integrated view of pension assets and liability and actively assess and manage funding risk through the Asset Liability Management (ALM) framework in order to strengthen the long-term sustainability of the pension fund.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Review and finalize the Asset Liability Management Advisory Committee (ALMAC) Charter. (December 2018)
☐	Implement Strategic Asset Allocation Targets. (July 2019)
☐	Review and update ALM Policy as needed. (June 2021)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Investment Risk Management and Performance Attribution
Executive Owner:	Ben Meng
Strategic Goal:	Fund Sustainability
Strategic Measure(s):	1-year total expected fund volatility

Status:	On-Target

Description:	Build effective investment risk and performance attribution review and decision processes within and across asset classes to ensure risks are fully understood, intended, and compensated
Intent:	To ensure our investment activities are supported by a solid platform of effective risk management and performance attribution processes.
Start Date:	July 2015
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Development of Active Risk Decision Measurement Framework. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Enhance Capital Allocation Framework
Executive Owner:	Ben Meng
Strategic Goal:	Fund Sustainability
Strategic Measure(s):	Annualized (5-year) excess investment returns relative to Total Fund policy benchmark

Status:	On-Target

Description:	Enhance the Capital Allocation framework through improved risk factor modeling and greater understanding and ownership of trust-level investment risk and performance
Intent:	Manage the CalPERS investment portfolio in a cost effective, transparent, and risk-aware manner in order to generate returns to pay benefits.
Start Date:	July 2015
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Asset Allocation Implementation. (June 2019)
☐	Growth Allocation Implementation. (June 2019)

Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At-Risk or Off-Target):

N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Enhance Investment Platform and Controls
Executive Owner:	Ben Meng
Strategic Goal:	Fund Sustainability
Strategic Measure(s):	Annualized (5-year) excess investment returns relative to Total Fund policy benchmark

Status:	On-Target

Description:	Enhance the investment platform and internal controls environment to achieve optimum efficiency
Intent:	To ensure our investment and business activities are supported by a solid platform of effective risk management and controls.
Start Date:	July 2015
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Investment Data Strategy. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Investment Beliefs and Environmental, Social, and Governance (ESG) Risk Integration
Executive Owner:	Ben Meng
Strategic Goal:	Fund Sustainability
Strategic Measure(s):	Investment managers policies and procedures for ESG factor integration

Status:	On-Target

Description:	Develop a framework for the integration of CalPERS Investment Beliefs and ESG risk considerations into the investment decision-making process
Intent:	To integrate ESG considerations into the investment decision-making process to strengthen the long-term sustainability of the pension fund.
Start Date:	July 2015
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Complete Diversity and Inclusion – External/Internal Managers Survey. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Value-Based Insurance Design: Feasibility
Executive Owner:	Liana Bailey-Crimmins
Strategic Goal:	Health Care Affordability
Strategic Measure(s):	Total health care cost annual change

Status:	On-Target

Description:	Research and develop health benefit design strategies to improve member health, and value of care, while decreasing costs in Preferred Provider Organization (PPO) plans
Intent:	This initiative is intended to contain the overall employer and employee health benefit premium increases by: promoting access to and use of higher value providers, treatments, and services; reducing use of low value care; and improving health outcomes for members over the long term.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Create communication and outreach materials to prepare for the January 2019 launch of the PERS Select VBID plan. (December 2018)
☐	Launch PERS Select VBID plan. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Medical Pharmacy Site of Care Management
Executive Owner:	Liana Bailey-Crimmins
Strategic Goal:	Health Care Affordability
Strategic Measure(s):	Access to care

Status:	On-Target

Description:	Leverage current Integrated Health Care and Population Health delivery models to contain health care costs in PPO plans for possible expansion to Health Maintenance Organizations
Intent:	This initiative is intended to reduce health care expenditures for both members and the CalPERS health plans by steering members to lower cost sites of care when medically appropriate.
Start Date:	July 2017
End Date:	June 2021
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Provide report to the Pension & Health Benefits Committee on the medical pharmacy pilot. (June 2019)
☐	Provide report to the Pension & Health Benefits Committee on possible expansion of medical pharmacy pilot or home pharmacy program to HMO plans. (Pharmacy Medical Home). (June 2020)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Pharmacy Benefits Management
Executive Owner:	Liana Bailey-Crimmins
Strategic Goal:	Health Care Affordability
Strategic Measure(s):	Total health care cost annual change

Status:	On-Target

Description:	Develop and implement strategies to align our pharmacy benefit manager with our reference pricing model
Intent:	This initiative is intended to reduce prescription drug expenditures for both members and the CalPERS health plans by guiding members to lower cost therapeutic equivalent drugs, redefining drug tiering structure based on drug prices, and modifying prescription drug copayment structure.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Implement reference pricing strategy for selected drug therapeutic classifications for health plans with pharmacy benefits managed by CalPERS Pharmacy Benefit Manager (PBM). (January 2020)
☐	Evaluate effectiveness through cost/benefit analysis and present to the Pension & health Benefits Committee. (June 2021)

Risk(s):
The Board may not approve selected vendor which could impact implementation in 2020.

Mitigation(s):
Develop alternative solutions and present to the Board such as:

1. Allow current PBM to manage current program without vendor's assistance.

2. Select alternative vendor.

3. Sync with next PBM solicitation that begins in 2020 for an implementation in 2022.

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Medical Reference Pricing Expansion
Executive Owner:	Liana Bailey-Crimmins
Strategic Goal:	Health Care Affordability
Strategic Measure(s):	Total health care cost annual change

Status:	On-Target

Description:	Leverage existing efforts to reduce health care costs by expanding the use of reference pricing for routine non-emergency procedures with price variation in the PPOs
Intent:	This initiative is intended to reduce the overall cost of health care for CalPERS members and employers as part of our goal to make health care affordable.
Start Date:	July 2017
End Date:	June 2021
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Develop comprehensive approach to Medical Reference Pricing for the PPO health plans. (March 2019)
☐	Evaluate reference priced procedures implemented in 2018. (June 2019)
☐	Develop criteria/framework for additional in-patient hospital procedures such as bundled payments. (June 2020)
☐	Develop ongoing processes for assessing Quality Assurance (QA) of ASCs. (June 2020)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Population Health Alignment with Let's Get Healthy California Taskforce Report Dashboard
Executive Owner:	Liana Bailey-Crimmins
Strategic Goal:	Health Care Affordability
Strategic Measure(s):	Diabetes self-management; Mental health and well being; Self-reported overall health status

Status:	On-Target

Description:	Provide employers with aggregate health care data to identify major health care costs and enhance population Health Management (PHM)
Intent:	Educate stakeholders about the Population Health of the CalPERS health Program pool and work to align pertinent information with the Let's Get Healthy California dashboard. By identifying and focusing on specific population health indicators, we can improve the overall health status.
Start Date:	July 2017
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Draft the Population Health Alignment with Let's Get Healthy California Taskforce Report: Chronic Conditions in Health Care, for presentation to CalPERS leadership in the fourth quarter of 2019. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Partner with Health Plans to Engage in Community Activities
Executive Owner:	Liana Bailey-Crimmins
Strategic Goal:	Health Care Affordability
Strategic Measure(s):	Self-reported overall health status

Status:	Complete

Description:	Collaborate with health plans to positively impact the health of our members by engaging in community activities which create a culture of good health
Intent:	Engage at the community level to positively impact the health of members where they live or work.
Start Date:	July 2017
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Publish Online Health Plan Activity Calendar. (December 2018)
☒	Enhance Health Plan Member Survey. (January 2019)
☒	Operationalize quarterly calendar. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Statewide Collaboration through Smart Care California
Executive Owner:	Liana Bailey-Crimmins
Strategic Goal:	Health Care Affordability
Strategic Measure(s):	Opioid – dose; Opioid – duration; C-section rate; Acute onset lower back pain and physical therapy; Acute onset lower back pain and related opioid use; Overuse of imaging for back pain

Status:	On-Target

Description:	Partner with Covered California and Department of Health Care Services through the Smart Care California coalition to promote safe, affordable care in the areas of opioid use, Cesarean sections, and spinal/back disorders
Intent:	This initiative is intended to reduce barriers to health care access and coordination of care which will improve health outcomes for members over the long term. By reducing use of low value services, this program will reduce health care expenditures for both members and the health plans.
Start Date:	July 2017
End Date:	June 2021
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Collaborate with health plans partners to implement lower back pain (LBP) strategies among CalPERS health plans. (December 2018)
☒	Develop clinical measures to assess appropriate use of low back pain (LBP) therapies. (June 2019)
☐	Provide annual report to Pension & Health Benefits Committee on Smart Care progress. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Review and Update Shared Savings Accountable Care Organizations Cost and Quality Targets
Executive Owner:	Liana Bailey-Crimmins
Strategic Goal:	Health Care Affordability
Strategic Measure(s):	Aligned to overall Health Care Affordability goal

Status:	On-Target

Description:	Research, analyze, and update shared savings cost and quality targets and expand the use of evidence-based medicine in improving outcomes while decreasing costs
Intent:	CalPERS health plan carriers contain several shared savings agreements with providers for which quality and total cost of care lacks assessment. Evaluation of these arrangements will improve understanding of alternative payment models in integrated health management systems.
Start Date:	July 2017
End Date:	June 2021
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Integrated Healthcare Model (IHM) Patient Experience Evaluation. (June 2019)
☐	Finalize Preferred Provider Organization (PPO) measure set and targets. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Mature Targeted Information Technology Capabilities
Executive Owner:	Doug Hoffner
Strategic Goal:	Reduce Complexity
Strategic Measure(s):	CEM IT capability score

Status:	On-Target

Description:	Mature targeted Information Technology capabilities to enhance delivery of core services, as well as anticipate and meet emerging business needs of the future
Intent:	Strengthen and maximize our competencies to better serve our partners and customers.
Start Date:	July 2018
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Identify priority capabilities to mature – create project plan. (July 2018)
☒	Assign ownership and create action plans. (August 2018)
☒	Capability validation – develop baseline rating. (August 2018)
☐	Phase I - Increase maturity of identified capabilities and develop education materials, revised procedures, and tool configuration as needed. (June 2019)
☐	Phase II - Increase maturity of identified capabilities and develop education materials, revised procedures, and tool configuration as needed. (June 2020)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	CEM Complexity Score Maintenance
Executive Owner:	Doug Hoffner
Strategic Goal:	Reduce Complexity
Strategic Measure(s):	CEM pension complexity score

Status:	On-Target

Description:	Assess complexity-related questions in the CEM report and conduct feasibility analysis to determine opportunities to maintain the CEM complexity score within identified target range
Intent:	To assess and identify opportunities to reduce complexity in our business processes in an effort to gain and maintain efficiencies in the services we provide to our members and business partners and maintain our CEM Complexity score.
Start Date:	July 2018
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Complexity related questions matrix. (December 2018)
☐	Report on recommendations for targeted initiatives for maintaining the CEM complexity score within identified targeted range. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Develop and Implement Continuous Process Improvement Framework
Executive Owner:	Doug Hoffner
Strategic Goal:	Reduce Complexity
Strategic Measure(s):	CEM cost per member; Overhead Operational Cost

Status:	On-Target

Description:	Develop and implement a framework to identify and support continuous process improvement opportunities that increase efficiency and reduce complexity throughout the enterprise
Intent:	As a complex agency, our goal is to develop a culture of continuous business process improvement by empowering our team members with a common methodology to define our processes, identify opportunities to increase efficiency and reduce complexity, and ensure we provide the most value to our customers.
Start Date:	July 2017
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Expand Lean education opportunities. (June 2019)
☐	Incorporate Lean in workforce planning. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):

N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Enhance Business Effectiveness, Resource Allocation, and Efficiency of Investment Programs
Executive Owner:	Ben Meng
Strategic Goal:	Reduce Complexity
Strategic Measure(s):	5-year net value added

Status:	On-Target

Description:	Enhance cost effectiveness, resource allocation, and efficiency of the investment program to increase net returns on assets
Intent:	Manage the CalPERS investment portfolio in a cost effective, transparent, and risk-aware manner in order to generate returns to pay benefits.
Start Date:	July 2015
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Private Equity Business Model Design – Implementation. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Develop Information Technology Service Level Agreements
Executive Owner:	Doug Hoffner
Strategic Goal:	Reduce Complexity
Strategic Measure(s):	CEM cost per member

Status:	On-Target

Description:	Develop and implement Service Level Agreements (SLA) for services within the ITSB Services Catalog
Intent:	With agreed upon metrics, developed with our business partners, ITSB can measure and improve performance and ensure value delivery.
Start Date:	July 2018
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Re-Prioritize Service Level Agreement deployment with business partners. (October 2018)
☐	Develop SLA for Information Security Services, Remote Access, and Actuarial Services Suite. (June 2019)
☐	Develop Service Level Reporting. (June 2019)
☐	Develop SLA for Data Analytics & Reporting, Pension & Health Services Suite, Administrative Corporate Services Suite, Investment Services Suite, and Enterprise Content Management Suite. (December 2019)
☐	Develop SLA for Laptop Services, Print Services, Video Conferencing, Additional Software, Tablet Series, Project Management, and Special Event Services. (June 2020)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Increase Enterprise-Wide Risk Awareness
Executive Owner:	Michael Cohen
Strategic Goal:	Risk Management
Strategic Measure(s):	Risk program maturity assessment; Risk employee awareness survey

Status:	On-Target

Description:	Educate the CalPERS' team members and stakeholders on the importance of a risk-intelligent organization through the implementation of the ERMD Communication Plan
Intent:	To enhance and mature risk functions throughout the enterprise by implementing a communication plan intended to cultivate a more risk-intelligent organization in alignment with the Strategic Plan Risk Management goal.
Start Date:	July 2017
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Present Enterprise Risk Framework at the Educational Forum. (October 2018)
☒	Publish an Inside CalPERS article. (December 2018)
☐	Perform monthly team member outreach. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Increase Enterprise-Wide Compliance Awareness
Executive Owner:	Marlene Timberlake D'Adamo
Strategic Goal:	Risk Management
Strategic Measure(s):	Compliance employee awareness survey; Compliance program maturity assessment; Stakeholder assessment survey- compliance and risk

Status:	On-Target

Description:	Develop compliance communication and training plans to increase awareness throughout the enterprise
Intent:	The purpose of the Enterprise Compliance Plan is to ensure that CalPERS strives to maintain compliance with the letter and spirit of all applicable laws, regulations and policies in partnership with program areas.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Create and implement an internal compliance and ethics communication plan for FY 2018-19 to increase awareness of the compliance program throughout the enterprise. (April 2019)
☐	Create and implement an external compliance and ethics communication plan for FY 2018-19 to create awareness of CalPERS' compliance functions and programs among our members and stakeholders. (May 2019)
☒	Enhance compliance and ethics education by developing and implementing a compliance and ethics training plan for FY 2018-19 that combines web-based and instructor-led formats. (June 2019)

Risk(s):

Lack of business partner buy in. Limited channels to allow the Enterprise Compliance Office to reach out to stakeholders (Stakeholder Engagement Briefing is the Thursday before Board Week and Risk/Audit Committee doesn't meet every month/Employer Executive Round Tables occur 3 times a year/Retiree Round Tables occur quarterly/limited publishing times for PERSpectives Articles).

Mitigation(s):

Meet with business partners early to let them know how our initiatives will impact them. Reach out to STRL to be included in their calendars.

Root Cause (if At-Risk or Off-Target):

N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Increase Compliance Program Maturity
Executive Owner:	Marlene Timberlake D'Adamo
Strategic Goal:	Risk Management
Strategic Measure(s):	Stakeholder assessment survey – compliance and risk; Compliance program maturity assessment

Status:	On-Target

Description:	Enhance the Compliance Program maturity and performance by annually identifying and completing initiatives across a broad set of functional objectives and activities that strengthen CalPERS compliance and ethics culture
Intent:	To continue to mature CalPERS compliance function to prevent, detect, and correct compliance failure within the organization. The annual assessment will help Enterprise Compliance: • Understand how well the function is performing in its current state • Support short-term and long-term planning by clearly identifying next steps and associated resources • Ensure alignment of strategy and resources with market opportunities and business needs
Start Date:	July 2018
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Compliance Maturity Benchmark Survey. (June 2019)

Risk(s):

The Enterprise Compliance Office (ECOM) is expanding the number of participants who will be taking the assessment. Members include the Senior Leadership Council and Compliance and Risk Liaisons. Depending on each program area's workload, timely completion might impact the deadline of June 2019. The results are tabulated by the vendor, the data is then analyzed by ECOM team members. Lack of available resource since the timeline has been pushed out to another quarter.

Additionally, the assessment is quite detailed and non-ECOM team members may have difficulty in accurately assessing ECOM's activities and functions.

Mitigation(s):

ECOM will facilitate the sessions with each impacted business partner, questions will be provided in advance to give ample review time.

Root Cause (if At-Risk or Off-Target):

N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Enterprise Data Governance
Executive Owner:	Michael Cohen
Strategic Goal:	Risk Management
Strategic Measure(s):	Aligned to overall Risk Management Goal

Status:	On-Target

Description:	Create/enhance policies and processes to strengthen appropriately defined data-driven decisions, ensure intent is understood, and improve the consistency of data use across the enterprise which includes people, process, technology and culture dimensions
Intent:	This initiative will help drive change across people, process, technology, and culture dimensions to achieve the following objectives:

Value Statements:	Risk Statements:
-Improve data consistency and integrity across organization	-Minimize the risk of reputational harm to the CalPERS brand
-Improve enterprise transparency into data	-Minimize the risk of loss of trust in our information
-Reduce complexity inherent in data silos	-Minimize the risk of poor communication and knowledge sharing
-Provide data-driven insights and decision-making	-Minimize the risk of misuse of resources
-Facilitate enterprise collaboration and data-sharing	

Start Date:	July 2017
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Refine Data Governance roles and responsibilities. (December 2018)
☐	Develop Draft Data Governance Policy. (April 2019)
☐	Provide current state and risk assessment of Data Governance to Senior Leadership and Executive Team. (May 2019)
☐	Finalize Data Governance Policy and define scope. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3))

Initiative Title:	Strategic Risk Measures
Executive Owner:	Michael Cohen
Strategic Goal:	Risk Management
Strategic Measure(s):	Risk program maturity assessment; Risk employee awareness survey

Status:	On-Target

Description:	Finalize Strategic Risk Measures by developing thresholds that reflect the Board's appetite for risk
Intent:	To monitor and report risks that may impact achievement of the strategic objectives. This will serve the dual purpose of maturing the enterprise risks management program and provide more risk-intelligent decision-making capability.
Start Date:	July 2018
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Establish thresholds. (December 2018)
☐	Provide Board with Strategic Risk Measure Dashboard. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Enterprise Business Continuity Plan, Phase II
Executive Owner:	Doug Hoffner
Strategic Goal:	Risk Management
Strategic Measure(s):	Aligned to overall Risk Management goal

Status:	Complete

Description:	Develop a comprehensive Enterprise Business Continuity Plan that identifies operational needs, business functions, procedures and applications needed for all business operations beginning 31-days post disaster through full resumption
Intent:	Design comprehensive and functional Business Continuity Plans to ensure that CalPERS is prepared to resume business operations post-disaster by identifying resources and system requirements to restore critical and non-critical business operations to reduce risk to the organization in an emergency.
Start Date:	July 2017
End Date:	December 2018
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Update ITSB Gap Analysis that identifies the gaps between the program areas' requests and Information Technology Services Branch's capabilities. (August 2018)
☒	Update Master Enterprise Business Continuity Plan, which will include the updated Enterprise Business Processes and Critical Systems spreadsheet, a calendar identifying the "time of year" sensitive processes, and Integrated Key Process Plans. (November 2018)
☒	Develop operational procedures in the event CalPERS' Headquarters is uninhabitable for longer than six months. (December 2018)

Risk(s):
None. This project is complete.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Information Security Roadmap
Executive Owner:	Doug Hoffner
Strategic Goal:	Risk Management
Strategic Measure(s):	Composite security health score within range

Status:	Information to be provided in closed session.

Description:	Advance the cyber security strategy and roadmap to mitigate cyber security risks
Intent:	This initiative moves from the technology implementation focus of the 2011 Security Roadmap, which built our Defense in Depth foundation, to include people and processes. This initiative will build a 5-Year Security Roadmap, emphasizing processes and security awareness while increasing operational efficiency and leveraging the proper technology of our defense in depth foundation. This focus will increase our ability to respond to and identify new threats, increase awareness, and adopt adaptable processes.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Information to be provided in closed session.

Risk(s):
Information to be provided in closed session.

Mitigation(s):
Information to be provided in closed session.

Root Cause (if At-Risk or Off-Target):
Information to be provided in closed session.

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Implement Engagement Survey Action Items
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Measure(s):	Engagement survey results & action items – accountability, Engagement survey results & action items – senior & executive management relationships

Status:	On-Target

Description:	In partnership with Senior Leaders, develop and implement a plan to address the two lowest scoring drivers from the 2017 Employee Engagement Survey (Accountability and Senior & Executive Management Relationships)
Intent:	To increase the lowest scoring drivers.
Start Date:	July 2018
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Quarterly Brown Bag Engagements with the Senior Leaders. (June 2019)
☐	Quarterly Awareness Campaign Focused on the Four Guiding Behaviors for Accountability. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Expand Diversity and Inclusion Program
Executive Owner:	Brad Pacheco
Strategic Goal:	Talent Management
Strategic Measure(s):	Workforce diversity and inclusion

Status:	On-Target

Description:	Implement the plan to expand the Diversity and Inclusion Program to recruit and empower a broad range of talents to meet organization priorities
Intent:	This business initiative is intended to be an enterprise approach to implement Diversity and Inclusion (D&I) efforts to increase engagement and integrate best practices across the enterprise.
Start Date:	July 2016
End Date:	June 2020
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Implement the D&I Enterprise Strategy to raise engagement of all team members. (June 2019)
☐	Expand partnerships with organizations and educational institutions to share and support CalPERS perspective on D&I. (June 2019)
☐	Implement best practices for hiring and capturing self-identifying data i.e. demographics. (June 2019)
☒	Utilize D&I survey reporting to achieve 2% increase related to the Workforce D&I Strategic Measure. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Talent Outreach Activities
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Measure(s):	Effectiveness of outreach activities

Status:	On-Target

Description:	Develop and implement data collection methods and tools to measure the effectiveness of talent outreach activities
Intent:	HRSD will focus on collecting data to support measuring the effectiveness of talent outreach activities to measure return on investment and recruitment channel viability. The data will help drive decisions on which talent outreach activities are delivering the highest results for the organization.
Start Date:	July 2018
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☒	Develop Talent Outreach Activities Plan for 2018-19. (June 2019)
☐	Develop and Implement Data Collection Methods and Tools for Talent Outreach Activities. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Implement 2018-22 Workforce Plan Strategies
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Measure(s):	Proficiency in CalPERS Leadership Competencies

Status:	On-Target

Description:	Implement two workforce planning strategies focused on expanding the LinkedIn recruiter seats and creating an enterprise-wide business calendar
Intent:	Workforce Planning is good business practice and a statewide CalHR requirement.
Start Date:	July 2018
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Develop Enterprise-Wide Business Calendar. (June 2019)
☐	Explore and develop alternative options for prescreening candidates to streamline the hiring process. (June 2019)
☐	Add CalPERS Competencies to duty statements and job postings for leadership positions. (June 2019)
☒	Expand the use of the LinkedIn recruiter seats recruitment tool to increase the applicant pool for hard-to-recruit positions beyond the executive positions. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A

2018-19 Business Plan Initiative Summary (Quarter 3)

Initiative Title:	Enhance Succession Planning Program and Retention Strategies for Senior Leaders
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Measure(s):	Proficiency in CalPERS Leadership Competencies

Status:	On-Target

Description:	Enhance the Succession Planning Program to retain highly skilled senior leaders
Intent:	Focus the enterprise on the importance of retention of our workforce
Start Date:	July 2018
End Date:	June 2019
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
☐	Develop Exit Survey. (June 2019)
☐	Develop Onboarding Survey. (June 2019)
☐	Develop Succession Planning Performance Metrics. (June 2019)

Risk(s):
None identified at this time.

Mitigation(s):
N/A

Root Cause (if At-Risk or Off-Target):
N/A