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Correspondence Memorandum

Date: March 3, 2023

To: Employee Trust Funds Board

From: Pam Henning, Assistant Deputy Secretary

Subject: ETF Organizational North Star Metrics

This memo is for informational purposes only. No Board action is required.

Attached is the Department of Employee Trust Funds scorecard for the period ending December 30, 2022. These performance measurements provide the Board an objective way to measure progress toward ETF's four strategic goals and represent the second reporting period for the FY23 ETF Scorecard. Of the 11 measurements for which we have available data, 10 measurements are on track, and one measurement is significantly off-track. Some notable developments during this reporting period include:

Goal 1: Create an effortless customer experience.

The following new measurement has been added:

- **Customer Experience Phase 1 Roadmap Milestones**: This new initiative continues the work of developing ETF's customer experience roadmap components including the strategy, programs, and organizational structure needed to drive customer experience improvements. Phase 1 is focused on developing the governance structure, a customer experience communication and change management plan, and expanding the agency's customer-centric focus through existing meetings, activities, and events. The intended outcome of the customer experience Phase 1 is a foundation for organization-wide understanding, buy-in and oversight and is a precursor to move into the customer experience roadmap Phase 2 strategic initiatives, projects, and activities.

The following measurement changed reporting status from "on-hold" to "active":

- **Percent of Group Insurance Board-approved projects on schedule**: This measurement resumed "active" status after being "on-hold" (highlighted in the FY22 Q4 Memo) and is exceeding its annual target by 5%. Key accomplishments during this period include:
  - Prepared the Mental Health Parity webpages for publication with ETF's Office of Communications.

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- o Completed preparatory work for Specialty Drugs and Site of Care clear-bagging initiative, allowing qualifying members to use the benefit as designed.
- o Resumed teamwork for the High Deductible Health Plan (HDHP) and Social Determinants of Health projects, including a partnership with the UW School of Business to support the HDHP Team's work.

Goal 2: Implement outcomes-driven performance management and process management.

The following new measurement has been added:

- **Percent of Enterprise Business Intelligence building block milestones met**: This initiative is intended to first develop a roadmap that prioritizes business intelligence implementations and take an enterprise approach to connect data across different systems and business processes. The roadmap will include enterprise business intelligence building blocks primarily to support:
  - o Performance measurement (Goal 2)
  - o Customer experience (Goal 1)
  - o Optimization of data within modernized business applications through enhanced data extract and reporting when enhanced business reporting is not inherent in the commercial-off-the-shelf application (Goal 4)
  - o Other prioritized strategic goals and operations

  The roadmap will serve as the foundation for planning activities, events, and projects

The following measurement is significantly off-track this quarter:

- **Cumulative number of IAS future state processes that have been identified, optimized, and documented with appropriate performance measures and controls in place:** Due to limited resources, competing priorities and delays within the Insurance Administration System implementation project, this measurement is significantly off-track. An adjustment has been made extending the future state documentation through 2024.

I will be available at the Board meeting to answer any questions.

GOAL	MEASUREMENT	NORTH STAR TARGET	CURRENT FISCAL YEAR TARGET	CURRENT PERIOD ACTUAL	PREVIOUS PERIOD ACTUAL	STATUS ✅ = On Target ⚠️ = At Risk ⛔ = Significantly off Track	NOTES Indicate dependencies on other metrics or initiatives, reporting frequency (i.e.: monthly, quarterly) along with any changes or issues impacting outcomes
Goal 1: Create an effortless customer experience.	Customer Experience Feedback Score - percent of members who indicate high satisfaction, low effort, and high willingness to recommend ETF services through customer service surveys Customer Experience Feedback = customer perspective/service rating	91.40%	86.4%	79.7%	85.2%	On Target	This measurment score fell by 5.7 points compared to Q1. This was an expected decline, as during this time period last year we saw a decline of 10 points. This is likely due to two factors: • health benefits open enrollment heavily impacting the call center and website • inclusion of the annual member engagement survey results. The annual member engagement survey was sent out to over 200,000 active members. Compared to surveys that are tied to high-touch interactions such as retirement appointments or calls to the call center, the engagement survey receives lower satisfaction and net promoter scores.
	Average Wait Time Service Level Agreement Score of identified transactions Average Wait Time Score = operations/ service delivery time	4 for all trxns	4 for HVHI trxns	3.9	3.9	On Target	The Q2 wait time score did not change from Q1. Consistent with past reports, the two most notable areas ETF is challenged to meet the standard wait times were: • the average speed of answer for member phone calls • the time it takes for a member to meet with a benefit specialist for a retirement appointment. Call volume was exceedingly high this quarter because of the annual health insurance enrollment process and health plan changes. In particular, roughly 50,000 members needed to switch health plans because a major provider exited the health care business. This contributed to an unusually long wait time due to the sheer volume of calls. This is an ongoing pattern as call volume and the number of requests for appointments continues to grow. ETF submitted a budget request for additional positions in these areas.
	Customer experience Phase 1 roadmap milestones met*	100%	100%	100%	10%	On Target	This is the first reporting period for this measurement, which is focused on establishing governance as a foundational piece in preparation for Phase 2. During this period, the Project Charter was approved.
	Percent of Group Insurance Board-approved projects on schedule	100%	60%	65%	50%	On Target	The Q2 score reflects a return to active status after being put on hold in Q1 due to the departure of a large provider from the health care market. Progress this quarter includes: • Finalizing content to publish the Health Parity website • Completing the Specialty Drugs & Site of Care Clear-Bagging initiative, which shifts reimbursement for certain specialty drugs from medical to pharmacy benefits to provide cost savings to qualifying members.
Goal 2: Implement outcomes-driven performance management and process management.	Percent of Enterprise Business Intelligence building blocks milestones met*	100%	100%	50%	N/A	On Target	This is the first reporting period for this measurement, which is focused on developing a roadmap to prioritize ETF's business intelligence implementation. Examples of building blocks from the roadmap include: • Completing the data lake including governance • Providing Customer Experience dashboards to help identify opportunities improvements • Moving to a modern data platform (cloud) • Improving agency data literacy
	Cumulative number of IAS future state processes that have been identified, optimized, and documented with appropriate performance measures and controls in place	100	30	0	1	Significantly Off Track	This measurement remains significantly off track due to the limited resources, competing priorities and delays within the insurance administration system (IAS) implementation project. Documenting future state has been extended through 2024.

Goal 3: Build a talented and agile workforce.	Percent of employees whose expected performance management task(s) are completed by the end of the quarter	100%	100%	100%	100%	On Target	The number of non-probationary permanent employees expected to complete the fall check-in task during Q2 was 232, which was accomplished with a 100% completion rate.
	Percent of competency program tasks completed on schedule	100%	100%	91%	76%	On Target	91% of the overall project effort is complete, a 15% gain over Q1. Items completed this reporting period include: • Completion of the employee performance check-in process regarding individual goal progress. • Completion of functional competency configuration in the performance management system. • Planning for the mid-year evaluation training for Supervisors in early 2023, which included a supervisor survey seeking feedback on the training content.
	Percent of Equity and Inclusion program tasks scheduled to be completed within the quarter that are completed on schedule.	100%	100%	100%	100%	On Target	The 100% complete is based on the tasks scheduled for this quarter being completed on time, including the following: • Communicate/promote existing internal and external training opportunities for ETF staff • Schedule educational sessions to provide opportunities for staff to learn and increase awareness of issues and topics related to diversity.
Goal 4: Implement modern, secure, and resilient information technologies.	Percent of applications in the Invest quadrant of the Gartner TIME model **	60%	29%	28%	28%	On Target	During this reporting period, there were no systems added to the Invest Quadrant and no systems retired from the Eliminate Quadrant.
	Number of Key Risk Indicators that are within established risk thresholds	8 of 9	6 of 9	8 of 9	9 of 9	On Target	The measurement score dropped by one point compared to the Q1 score due to the response timeframe for addressing two vulnerabilities, which have since been fully resolved.

* New measurements being reported for this period.

** The Gartner T.I.M.E model (Tolerate, Invest, Migrate, Eliminate) is the tool used to evaluate and make decisions about ETF's application portfolio (the collection of IT systems used). Applications are evaluated for their ability to produce value at a reasonable cost, to eliminate low-value systems and increase investment in high-value systems. The higher the % of portfolio within the "Invest" quadrant (N. Star metric) indicates greater overall portfolio value meeting ETF's member and employer needs.

Legend

On target - Work accomplished meets or exceeds this period's expectations and represents progress at a pace that will achieve the expected year-end results.

At risk - Expected results for this period have not been met. Performance gaps are not significant enough to impact the expected year-end results.

Significantly off track - Expected results for this period have not been met. Year-end results will not be achieved without intervention.