



CUSTOMER SERVICE CENTER OPERATIONS UPDATE

Prepared for Operations Committee
February 2015

Topics

- Current Forecast
 - Background
 - Forecast
 - Primary cost drivers
 - Options
 - Next steps

Background

Current approved budget for service center is \$14.9M

\$0.3M Approved in December 2014 for additional HCPF resources

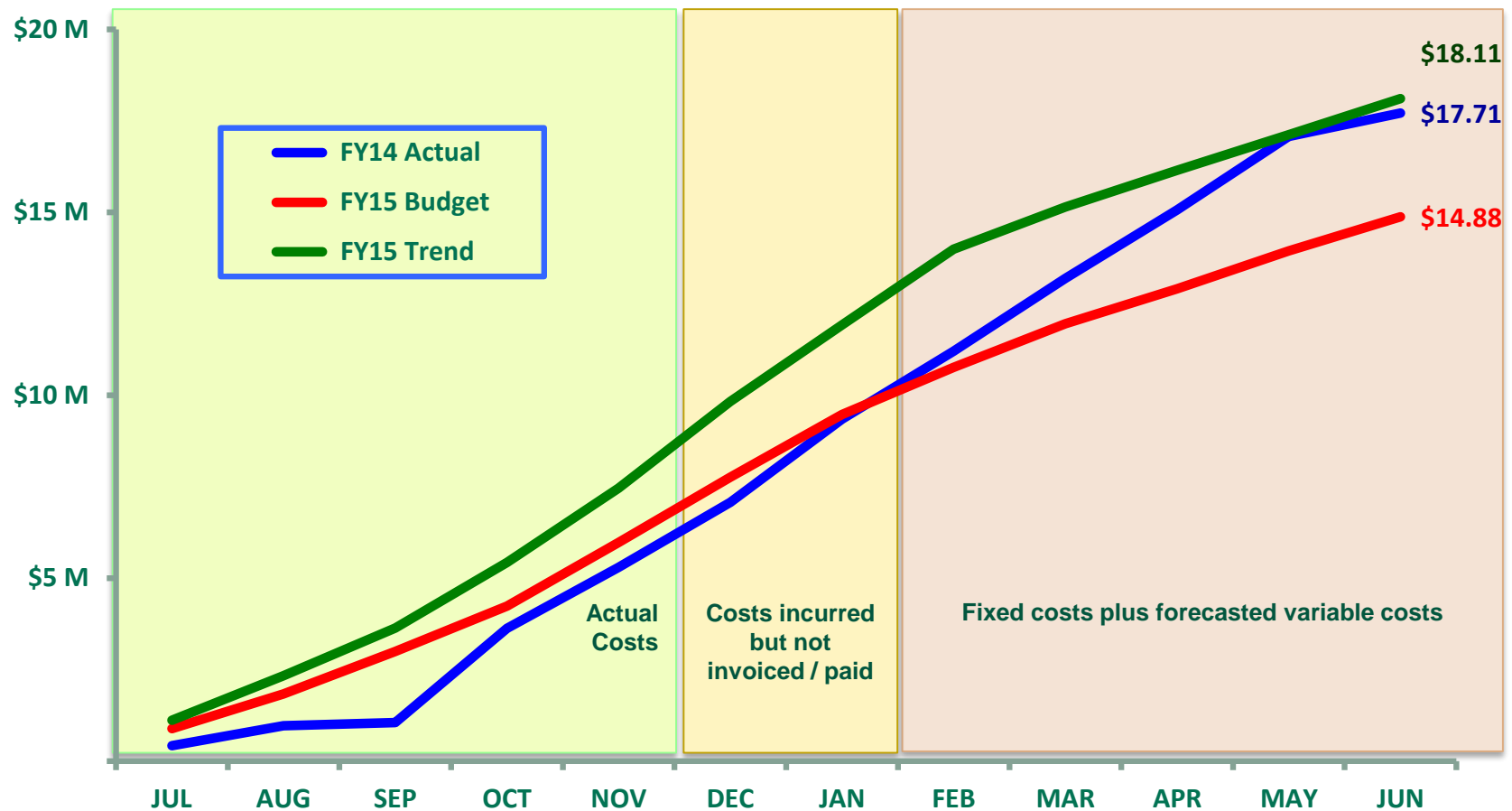
\$0.9M Approved in November 2014 for CGI/C3 due to changes in SCLSP

\$13.7M Approved in initial budget

\$14.9M total approved budget

Throughout the fall, staff presented forecasted costs for FY2015 of between \$15.2M and \$17.9M but recommended that the Board approve incremental increases to allow us to continue to look for ways to reduce costs over time.

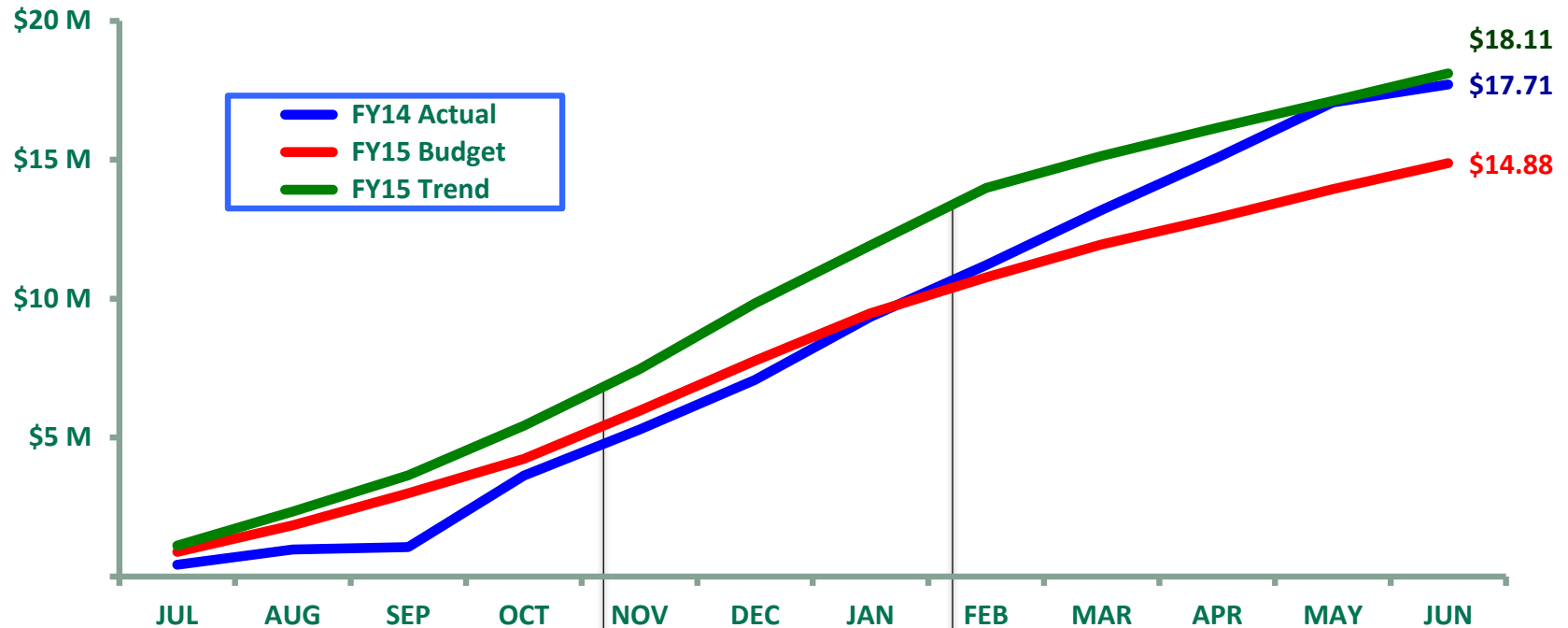
Current Customer Service Center Trend – FY2015



Key Assumption:

- Maintain current ASA, AHT and abandon rates throughout FY 2015 (i.e., not aiming for 80/90 SLA). This is in line with decisions made by Board in November.

Customer Service Center Cost Drivers



Pre-OEP Cost Drivers

- Life change events (4K/month)
- Changes in APTC due to market dynamics in Oct

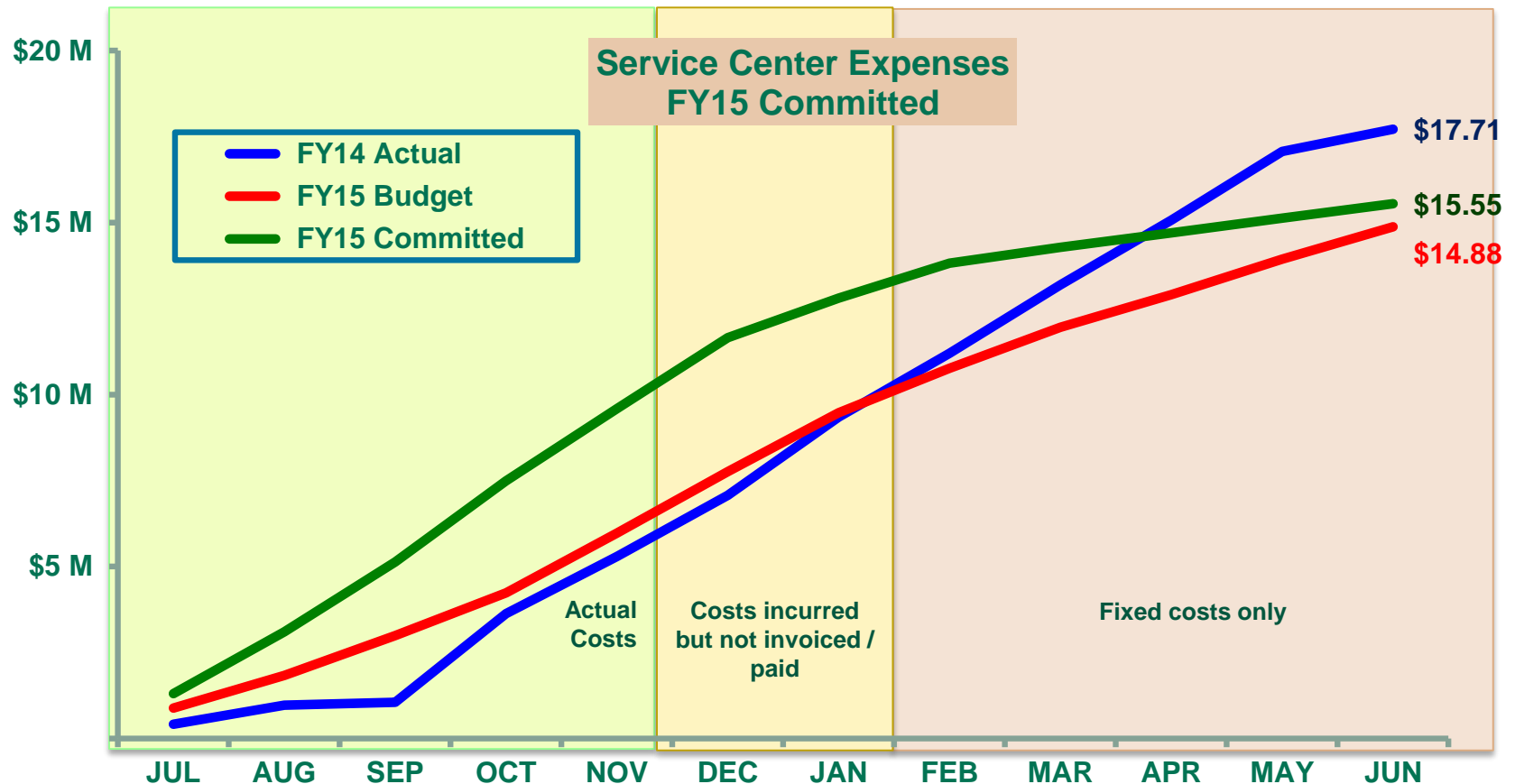
Open Enrollment Cost Drivers

- Eligibility determination issues
- Completing enrollments
- Renewals
- Life and account changes

Post OEP Predicted Cost Drivers

- Eligibility determination issues and backlog cleanup
- Completing enrollments
- 1095 questions
- Verifications processing
- Life and account changes

Current Customer Service Center 'Committed' Costs – lowest cost option available



Key Assumption:

- Reduce number of people able to answer the phone to 20 and eliminate all staff currently working the eligibility backlog and supporting HCG, Brokers and Carriers beginning 2/16/2015

Options to reduce FY2015 costs

- **Option 1: Staff to current forecast based on call volumes and ASA < 12-13 minutes**
 - Variation 1: Work with HCPF to determine appropriate allocation of costs due to eligibility issues; may require us to also look at paying for some Maximus and County customer support costs
 - Variation 2: With above or separately, continue to closely monitor call volumes and costs and scale down FTEs earlier if opportunities arise, while working to maintain a SLA closer to 80/90
 - Variation 3: with above or separately, reduce number of QA staff by 1 (could result in savings of \$35K)
 - Variation 4: With above or separately, close our customer service center on weekends beginning 3/7 to eliminate utility and staff costs (could result in \$80K savings). May result in increased customer frustration due to inability to reach customer service center outside normal business hours.
 - NOTE: As we near the end of the Open Enrollment Period, we will not replace staff who terminate and we do not intend to replace attrition through 3Q2015.
- **Option 2: Reduce staff level to current 'committed level'**
 - Not recommended due to projected poor customer service and potential increase in escalations
- **Option 3: (not represented in deck) Ramp up staff to meet 80/90 SLA (expected total cost for FY 2015 ~\$18.75M using forecasted call volumes)**

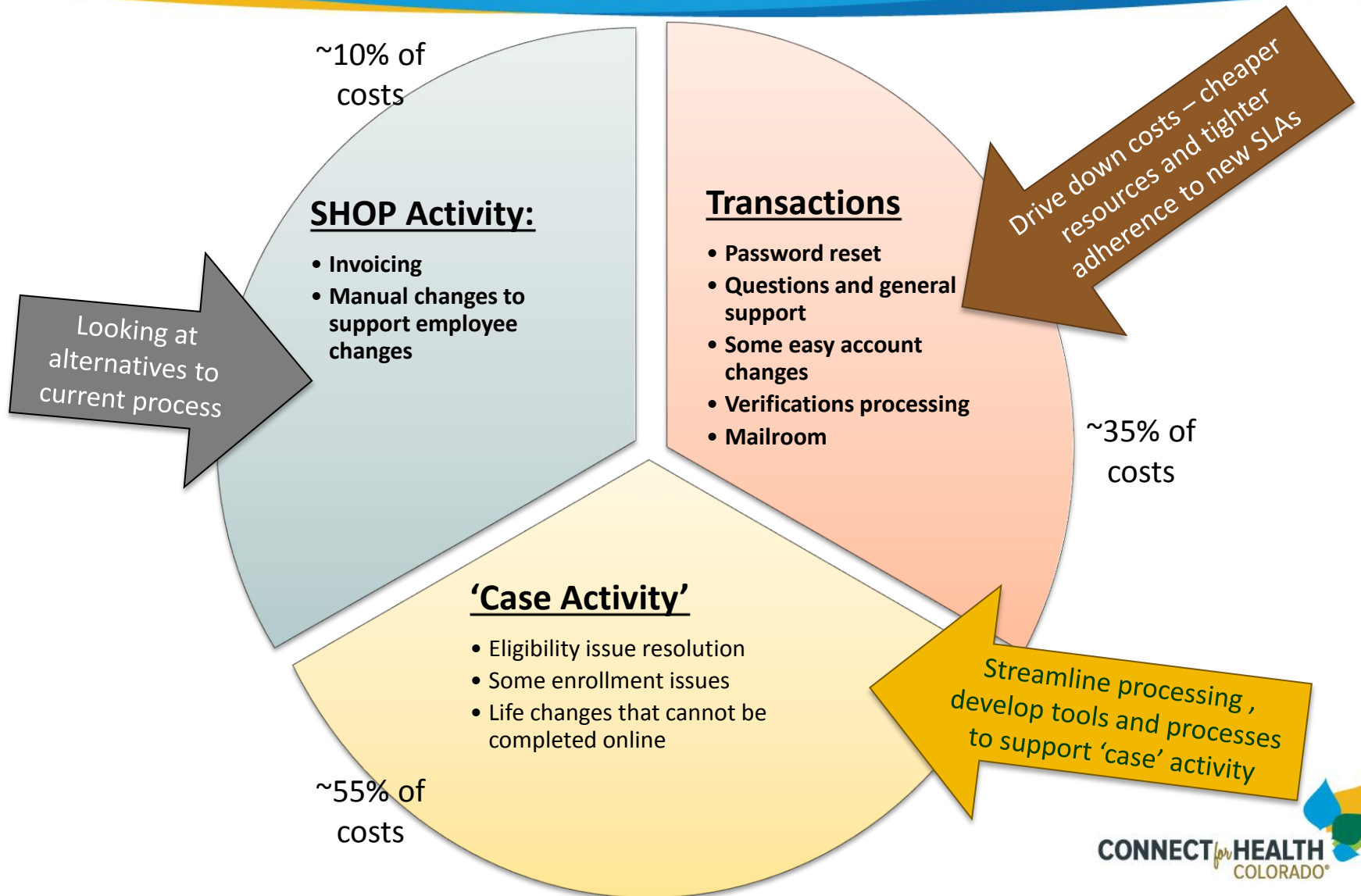
Recommendation for FY2015

- To make sure we meet the needs of our customers and support channels through the rest of the OEP and as we continue to look for ways to automate change processing for customers with Financial Assistance, we **strongly recommend Option 1** with variations 1-3 included.
 - Request guidance from Operations Committee on whether to shut down entirely on weekends. The cost reduction if we close on weekends beginning 3/7 is \$80K for FY 2015.
- **Our ask** – move \$2.8M from Reserves to the Customer Service Center Budget to cover planned service center costs. We will continue to monitor costs closely and present updates monthly with the expectation of trending under budget. Begin process of determining if some of the call center costs can be shared with HCPF.

General actions to reduce costs for FY2016

- Renegotiate contract
 - Tighten SLAs
 - Improved forecasting for predictable 'transactional' activities
 - Renegotiate rates and other cost factors
- Improve technology integration for customer service center functions
 - Incident information available to customers ?
 - hCentive and OCX integration for key data?
 - IVR self-service and authentication?
- Review and rationalize end to end contact management process for complex customer facing activities
- Look at call trends over last two years and determine if hours of operation need to be modified

Specific actions to reduce costs by area



Other thoughts?