Service Center Budget and Staffing Review

November 10, 2014

Recommendation

New Developments Impacting Service Center Volumes:

o   The increase in net share for APTC customers and a 45% increase in the number of customers who remained enrolled through 2014 resulted in a significant increase in the number of forecasted calls to the service center

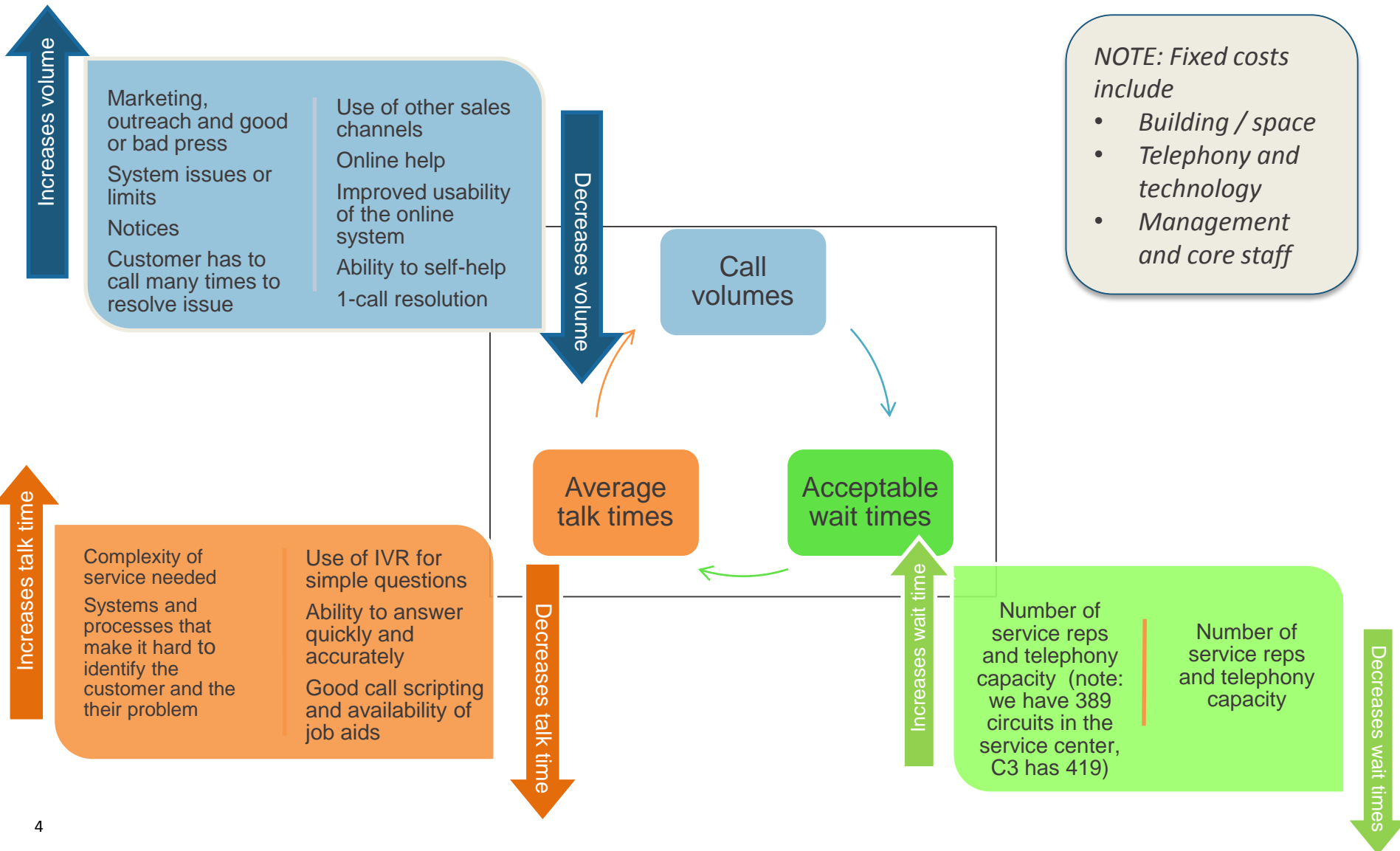   o   Estimated net increase: +60K calls between Nov 15 and Dec 31.

Recommendation:

o   The Operations committee reviewed the attached material on November 7th 2014 and conditionally approved moving forward with the recommended 'Option 2' to increase call center staff in November and December.

    o   The conditions included preparing:

        o   an estimate of impact on service level agreements (SLA's)

        o   A review of overall impact on the financial forecast

Background

- **<u>Background</u>**
  - In September, the Operations & Finance Committees reviewed variances relative to the original 2015 budget
  - New factors were identified that will drive up costs in the service center, including
    - Renewal activity: increase of 45% over projections
    - Renewal rating information: many customers are receiving notices that will stimulate questions about current coverage and prices; expecting over 30K people will require assistance calling us twice
    - Several manual processes have been identified as we have fully tested the system that require labor in the service center
  - Commitments by the vendor to increase efficiency 30% have been implemented, but will take time to effectuate; an anticipated budget overage of $1.5m minimum was discussed
  - The Committee recommended driving towards efficiencies, but recognized that in order to be properly staffed for open enrollment, the service center may continue to run a variance.

Increases volume

Marketing, outreach and good or bad press

System issues or limits

Notices

Customer has to call many times to resolve issue

Use of other sales channels

Online help

Improved usability of the online system

Ability to self-help

1-call resolution

Decreases volume

Call volumes

NOTE: Fixed costs include
- *Building / space*
- *Telephony and technology*
- *Management and core staff*

Average talk times

Acceptable wait times

Increases talk time

Complexity of service needed

Systems and processes that make it hard to identify the customer and the their problem

Use of IVR for simple questions

Ability to answer quickly and accurately

Good call scripting and availability of job aids

Decreases talk time

Increases wait time

Number of service reps and telephony capacity (note: we have 389 circuits in the service center, C3 has 419)

Number of service reps and telephony capacity

Decreases wait times

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Call Volume Assumptions

Item	Original Assumptions	Current Data and Assumptions	Net change
Total renewal population	69,835	101,147	45%
Auto renew population	41,901	77,005	84%
Non-Auto Renew population	27,934	24,142	-14%
Assumptions	50% of auto renew population will call for assists 90% of non-auto renew population will call for help	90% of all FA auto renew population will call for assists 50% of all NFA auto renew population will call for help 90% of non-auto renew population will call	
Total number of renewal calls	98,182	158,656	72%

Call Volume Assumptions

Variable	Assumptions used to develop forecast	Updated Assumptions – Assuming Option 2 Staffing level for Nov and Dec
Call Volumes	• Renewals: 98K calls in Nov / Dec • New enrollments:133K calls • IRS reporting: 26K calls • Other (maintenance): 108K calls • TOTAL: 365K calls	• Renewals: 158K calls in Nov / Dec • New enrollments:133K calls • IRS reporting: 26K calls • Other (maintenance): 108K calls TOTAL: 425K calls
Acceptable Wait Time	Average Speed to Answer (ASA) SLA • 80% of all calls handled in 90 seconds or less	• We are targeting to have an average speed to answer (ASA) within the 15 to 30 minute range across all Centers for the period between Nov 15 and Dec 15. • ASA should improve to the 80/90 SLA by early January if all other assumptions remain valid.
Average Talk time	Average OE talk time Nov / Dec 2013: 18:37 to 21:28	Average OE talk time across all calls for Nov / Dec 2014 : 14 to 16 minutes

Call Volume Mitigations

Call Volume Mitigation Initiatives:

- Equipped brokers and assistance networks with tools and training to scale capacity for enrolling renewing and new customers
- Increased outbound call campaign to targeted efforts
- Modified on-hold messaging to direct customers to local brokers, enrollment events, assistance sites
- Changed the interactive voice response (IVR) system to provide scripted information to customers calling in with questions about auto renewals

Financial Implications

Long-Term Directional Financial Influences

Market-driven:

• Market pricing variances year-to-year

• Renewals: 2nd Lowest Cost Silver Plan Pricing Changes Impacting APTC

• Plan Choices (# of plans, carriers)

• Proportion new enrollments to renewals

• Sales Channel Participation: Assistance Network, Brokers, Hubs, Carrier brokers

• Product diversity

• SHOP volumes

Controllable:

• Completion of programming & IT systems

• Decision Support Tools

• Improved Noticing and Messaging

• Staff training, retention, optimization

• Experience, data analysis

Forecast	Budget	Staffing Increase Forecast	Staffing Trend Continued to Y/E	Renewals Volume Adjustments	Mitigations Impact	Year-end Forecast
	2014-2015	September	July-September Actuals	November	September-June '15	June 2015.
Service Center	$ 13,640,000	$ 1,500,000	$ 1,800,000	$ 875,000	TBD	$ 17,815,000

Options to add more Tier 2 staff

Option 1:

Add enough staff to maintain service level; cost ~$1.4M
Pros – expected to maintain SLA
Cons – unrealistic, no space for staff, very costly

Option 2:

Utilize all available CGI staff with overtime and bring on 2 new classes of C3 staff; cost $875K
Pros – achievable if we move quickly, improves preparedness and
reduces risk that we will be overwhelmed in early December with no options
Cons – SLA is well over 80/90, but similar to the experience customers had during peak times last year.
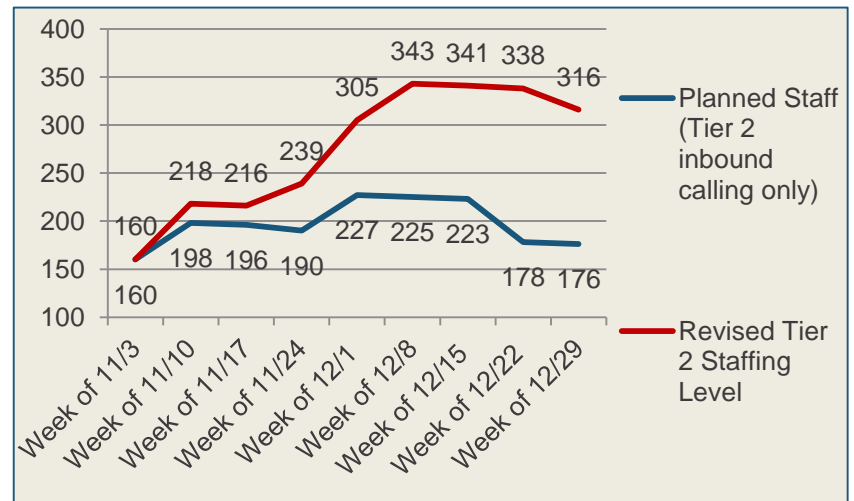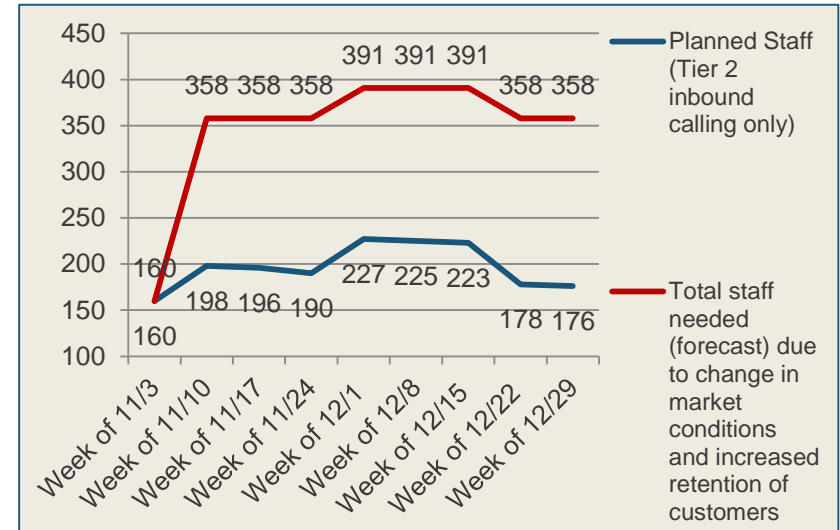
NOTE: ways to 'add more FTEs to the Tier 2 'front line:
- *Overtime for current staff*
- *Repurpose trained back office /QA staff to be Tier 2 reps*
- *Bring on new staff*
- *Use trained staff available from other related call centers*

Recommendation

Recommendation:

- Continue the service philosophy of: provide responsive, cost effective customer service while managing to the current SLAs as volume permits

- Adopt Option 2 to increase call capacity to maximum optimal: estimate $875K additional for November/December

- Pursue additional mitigations:
    - Aggressively monitor activity, strategies, forecasts and opportunities for efficiencies within the service center
    - Accelerate deployment of the avatar and other low-cost decision support tools to improve customer self-service capabilities.
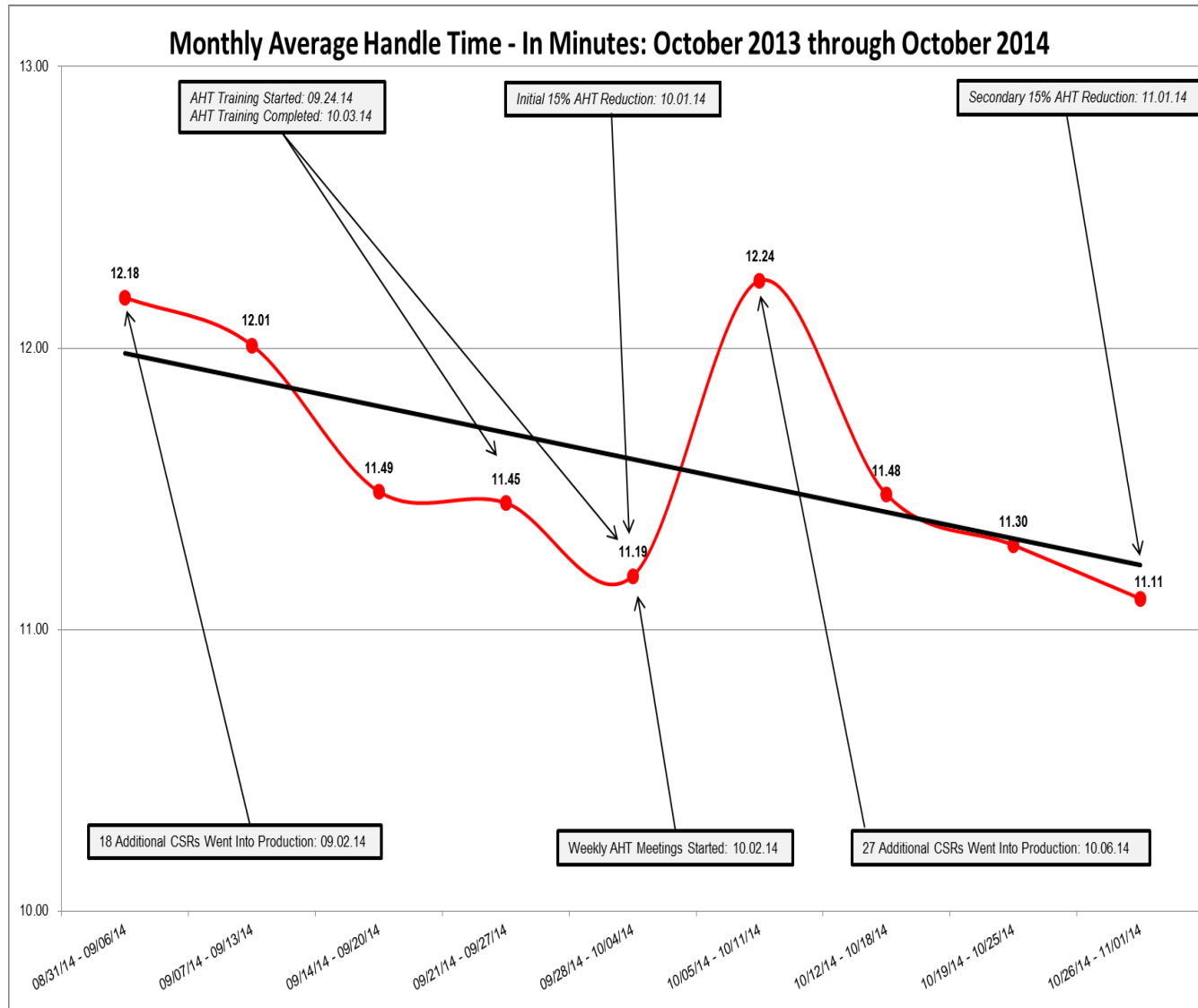
Questions

Update on Activities to improve efficiencies
AHT and 1st Call Resolution

- Self Serve Through IVR – ***Messaging revised and on Track for 11/10/2014. Self service component in development for January 2015 implementation***
  - Customers can self serve 24X7 via IVR to receive renewal and enrollment information, reset passwords, unlock accounts etc.

- Modifications to Scripting – ***Complete with continued ongoing refinements***
  - Quickly identify and refer Medicaid customers to the appropriate agency
  - Minimize disclosure language
  - Redirects to website

- Incorporate Specific Information into CRM Tool – ***Development activities on-going***
  - Enables faster look-ups regarding items like renewals, verification data, adds text templates that can be cut and paste into a customer communication

- Move Channels to Self Serve – ***C4 team conducted webinars with other service channels***
  - Uptraining for specific organizations and individuals that drive calls

- Refined Communications to Drive Self Service – ***Completed via C4 communications emphasizing the Marketplace site, Broker/HCG assistance, and other channels of service***.
  - Target communications to promote self service and consider messaging that tackles different issues at the appropriate time (e.g., tax time)

- Agentless Campaigns – ***Agentless Dialer testing successfully completed. On track for first campaign to Brokers within the next week***.
  - Reduces headcount need
  - Provides up-front communication

- Level of Support During a Call – ***Training for all the existing staff completed as of 10/3/14. Incorporated into new hire training***
  - Increased focus on efficiency of a call while balancing customer service need

- Efficient and Appropriate Transfer of Medicaid Related Calls – ***Job aid developed and distributed to staff***
  - Increased focus on transferring calls that pertain to Medicaid benefits .

- Employee Performance – ***Continual monitoring and coaching resulted in a 90% occupancy rate in October***
  - Scorecards, desktop timers and focus on Quality Assurance as a reinforcement tool

- Chat - ***Expanded the Chat team's scope and updated procedures to enable***
  - Open chat to more extensive services including enrollments

- Employee Recognition – ***New recognition programs developed and in place***
  - Reward behavior that encourages lower AHT and first call resolution

** Early results = 5% reduction in average handle time

Monthly Average Handle Time - In Minutes: October 2013 through October 2014

- AHT Training Started: 09.24.14
  AHT Training Completed: 10.03.14
- Initial 15% AHT Reduction: 10.01.14
- Secondary 15% AHT Reduction: 11.01.14
- 18 Additional CSRs Went Into Production: 09.02.14
- Weekly AHT Meetings Started: 10.02.14
- 27 Additional CSRs Went Into Production: 10.06.14

Data points: 12.18, 12.01, 11.49, 11.45, 11.19, 12.24, 11.48, 11.30, 11.11

X-axis labels: 08/31/14 - 09/06/14, 09/07/14 - 09/13/14, 09/14/14 - 09/20/14, 09/21/14 - 09/27/14, 09/28/14 - 10/04/14, 10/05/14 - 10/11/14, 10/12/14 - 10/18/14, 10/19/14 - 10/25/14, 10/26/14 - 11/01/14
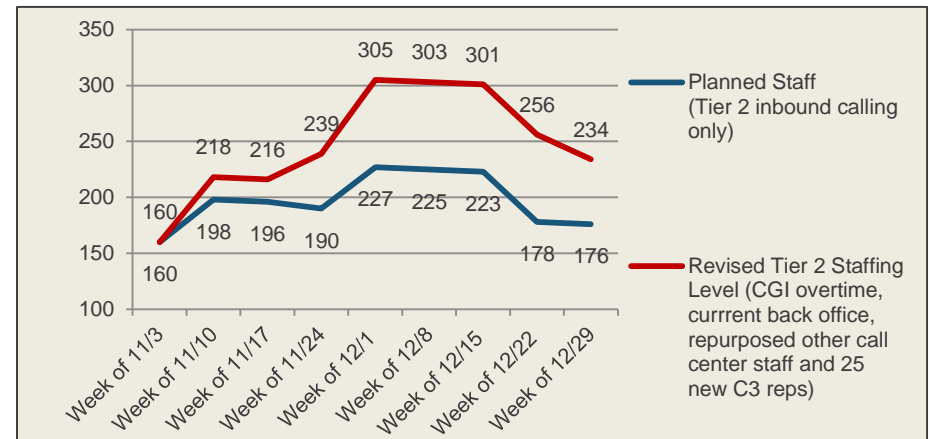
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Alternative Ramp up strategies

Option 2A:

More overtime and move current CGI back office staff to Tier 2 positions; cost $275K
(Note: we are preparing to implement this option starting next week)
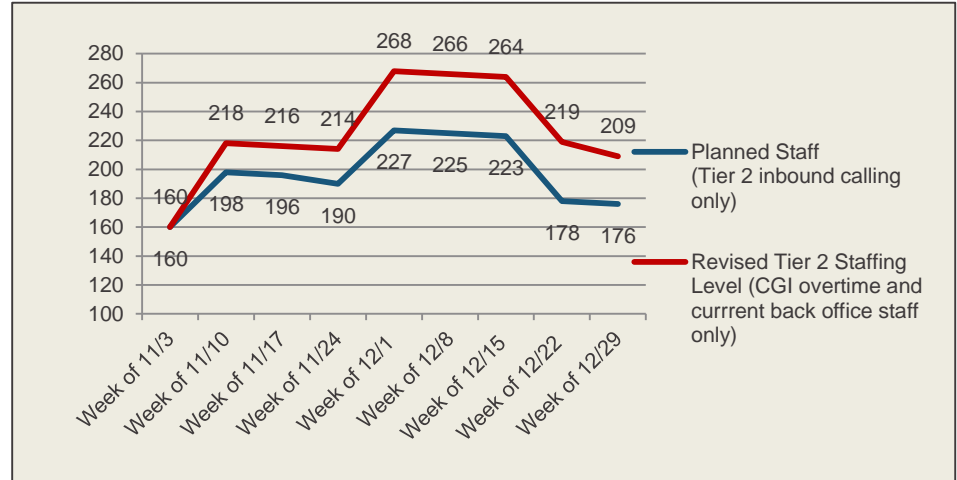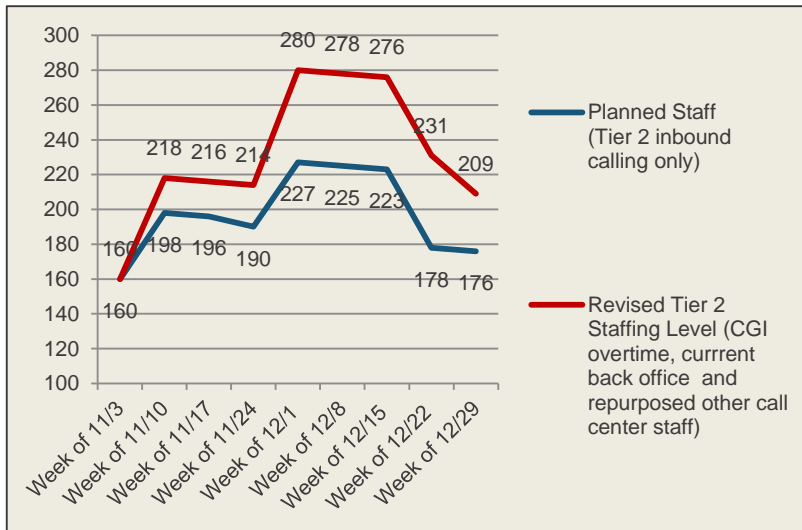
Option 2B:

More overtime and move current CGI back office staff to Tier 2 positions; redirect trained CGI call center staff from KY call center to CGI call center; cost $325K

Option 2C:

More overtime and move current CGI back office staff to Tier 2 positions; redirect trained CGI call center staff from KY call center to CGI call center, add only one new C3 class of 25 people; cost $550K

Details on changes to assumptions regarding renewals calls

Item	Original Assumptions	Current Data and Assumptions	Net change
Total renewal population	69,835	101,147	45%
Auto renew population	41,901	77,005	84%
Auto Renew Non-Financial Assistance (NFA)	18,855	29,262	55%
Auto Renew Financial Assistance (FA)	23,046	47,743	107%
Non-Auto Renew population	27,934	24,142	-14%
Renewals calls to Service Center			
Assumptions	50% of all auto renew population will call for help 90% of non-auto renew population will call for help	90% of all FA auto renew population will call for help 50% of all NFA auto renew population will call for help 90% of all non-auto renew population will call for help	
Total number of customers calling for assistance with renewal	46,091	79,328	72%
Number of calls/customer	2	2	
Total number of renewal calls	98,182	158,656	72%

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Actuals Continue to Trend Above Budget