



Lean 6-Sigma Green Belt Project



California Department of Human Resources CalHR

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(Project Green Belt)

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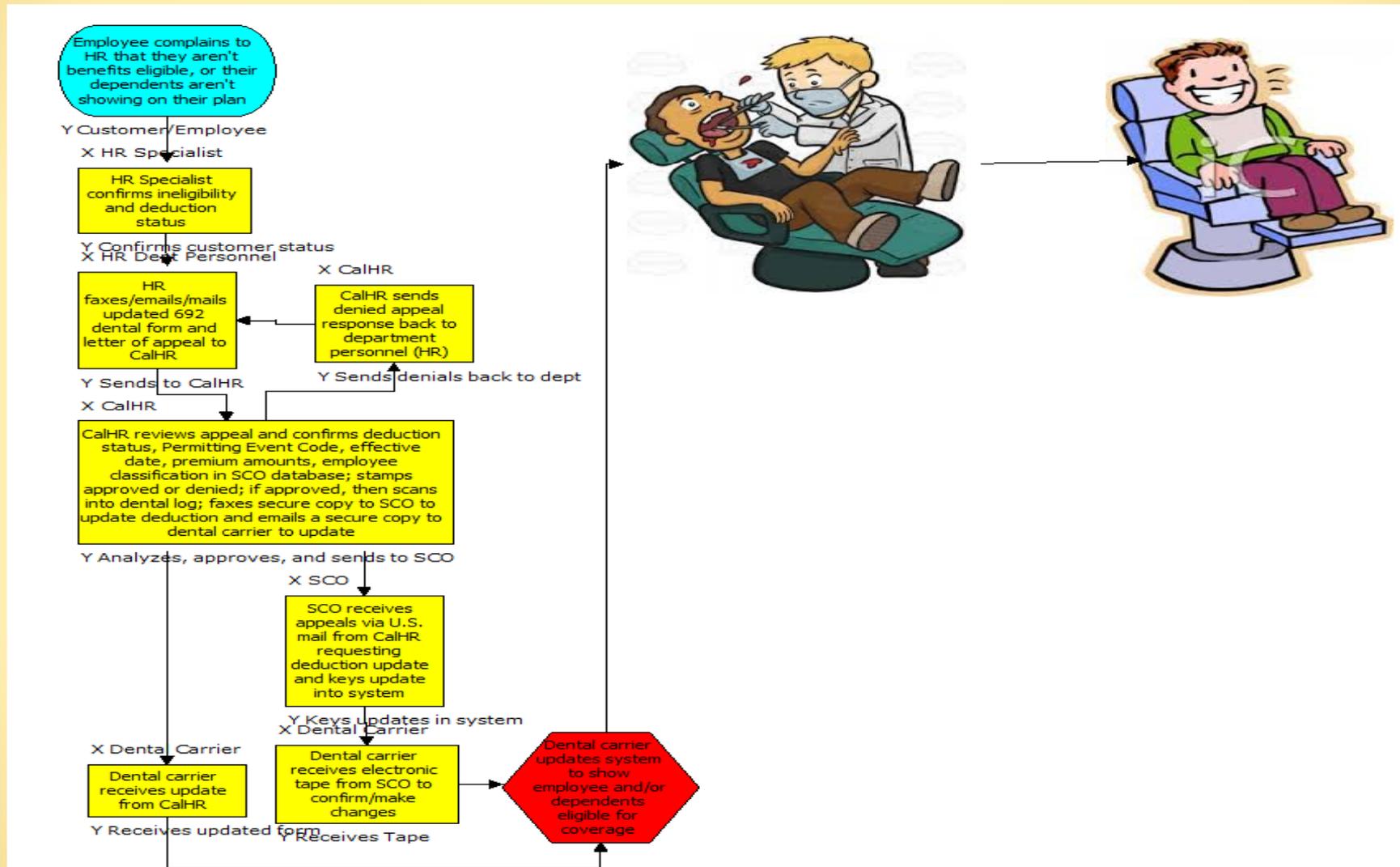
(Project Champion)

Error Reduction in Enrollment Process

- ❖ **Problem Statement:** The average review of departmental requests due to errors and can be in excess of 30 to 40 per month (per analyst), This creates high levels of dissatisfaction for the internal staff, employee and departments and corresponding delays in the processing of enrollments. The excessive processing time also leads to more rework, greater incidences of repeated submissions, and more potential for grievances.
- ❖ **Objective:** To reduce error rates (as measured by number of appeals) by 50%
- ❖ **Project Team:**
 - ❖ *Lisa Hatten – Green Belt*
 - ❖ *Bryan Bruno – Champion*
 - ❖ *Linda McCarthy – Data Collection Analyst*
 - ❖ *Sandra Lobatos – Data Collection Analyst*
 - ❖ *Richard Perrin – Technological Developer*



Process Map



Process Map Follow-up

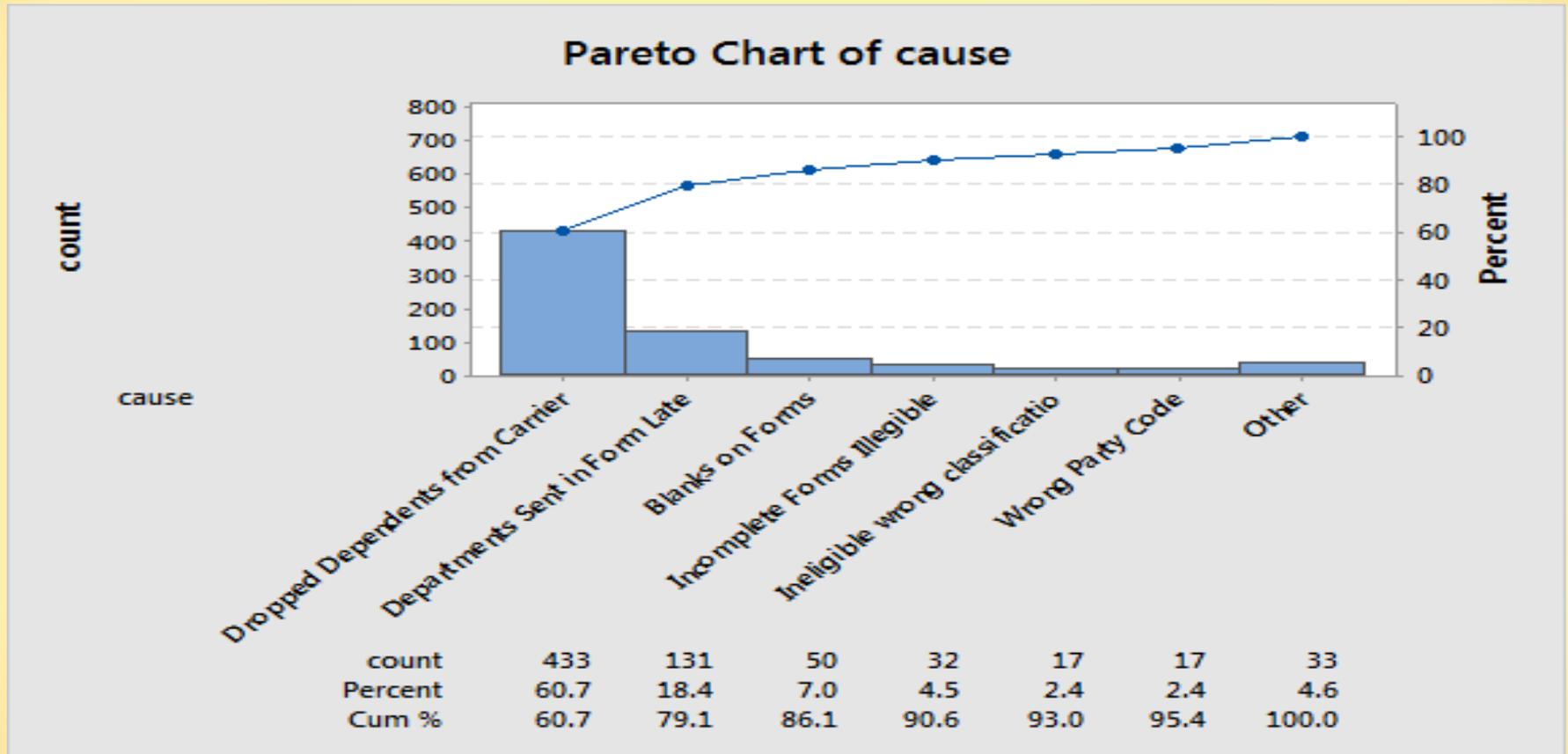
- ✘ Throughout our improvement phase, our next steps will be to eliminate re-work, which result in appeals. We hope to eliminate CalHR and SCO's approval points of each appeal and allow personnel shops to key data directly to the carrier. This would also alleviate backlog at the carrier's end, as the bureaucracy will lessen, as they will have direct communication from the personnel shops.

Analysis Tools

- ❖ Fishbone Diagram helped us to determine what our critical x's were; although we have so many factors, it's hard to keep it simple.
- ❖ FMEA helped us to determine what errors we could face if our improvement ideas are implemented.
- ❖ Hypothesis testing and communication with the dental carriers as well as data samples helped us to determine that State Controller's Office (SCO) is where all of our errors bottleneck and backlog is created which also results in re-work for all.



Causes of Appeals



Dropped dependents and late forms cause 80 percent of appeals

Key Analytical Finding 1

Our first finding was that most of our appeals are from dropped dependents. To minimize this, we decided to update our current dental form, which is used by employees and personnel shops to enroll or to make changes to their dental plan.

- ❖ The updated dental form will include drop-down boxes which will help mistake-proof the process in filling out the form. It will also include formulas to tie corresponding dental plans chosen to specific bargaining units. Some of our employees have a 24 month restriction in their classification, and as a team, we've discussed possibly creating a formula that will also populate the data throughout the form, according to their restrictions as well.*
- ❖ We've discussed the revision of the form to managers and supervisors at the monthly Transaction Supervisor's Forum, and they are excited and eager to see the new form and use it as well!*



Key Analytical Finding 2

Our next finding was that personnel shops are able to view the SCO system and update health benefits; therefore, they should be able to update dental benefits also.

- ❖ We met with SCO at a monthly Supervisor's Forum and asked if SCO could give personnel shops access to key dental transactions. SCO said that was possible. We plan to implement in the fall.
- ❖ In the meantime, our dental form is continuing to be updated for mistake-proofing, and we hope to unveil that upon approval soon.



Critical x's

- ❖ In 27 weeks from mid December through mid June, CalHR has received 715 appeals. Of those 715, 517 are a result of dropped dependents, because SCO's system doesn't report dependent information; therefore, when files from SCO are sent to the carrier, if the files don't match (after personnel shops or CalHR have already approved the dependents are eligible with the carrier), dependents are dropped, because the file needs to match SCO's file. This results in re-work for all.

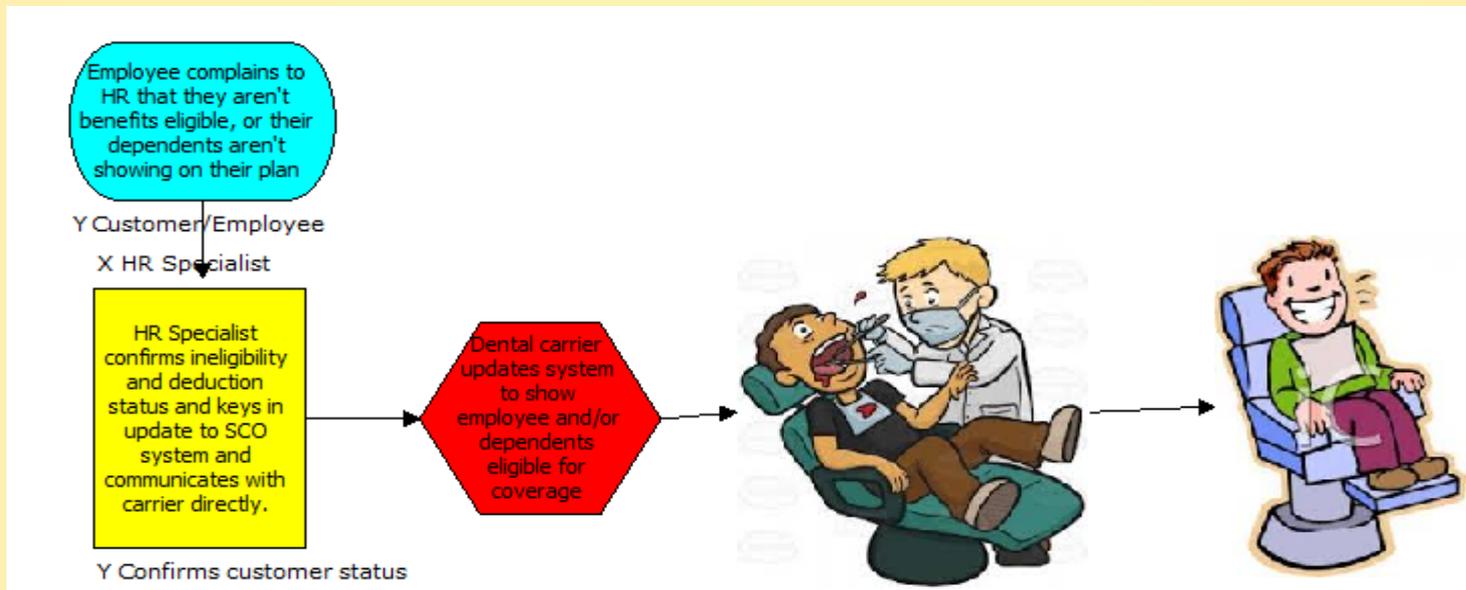


Improvement Techniques

- ❖ Implement mistake-proofing dental form to help minimize human error in keying erroneous information.
- ❖ Continue to communicate with personnel shops and introduce new form via statewide PML (Personnel Management Liaison) memo.
- ❖ Work closely with SCO to get automation for personnel shops, so shops are able to key in data directly for dental transactions, taking two departments out of the process.
- ❖ Train employees via Benefits Administration Manual (BAM) training sessions quarterly on updates on form, as well as updates and planning schedule for each department to have automation of keying implemented.

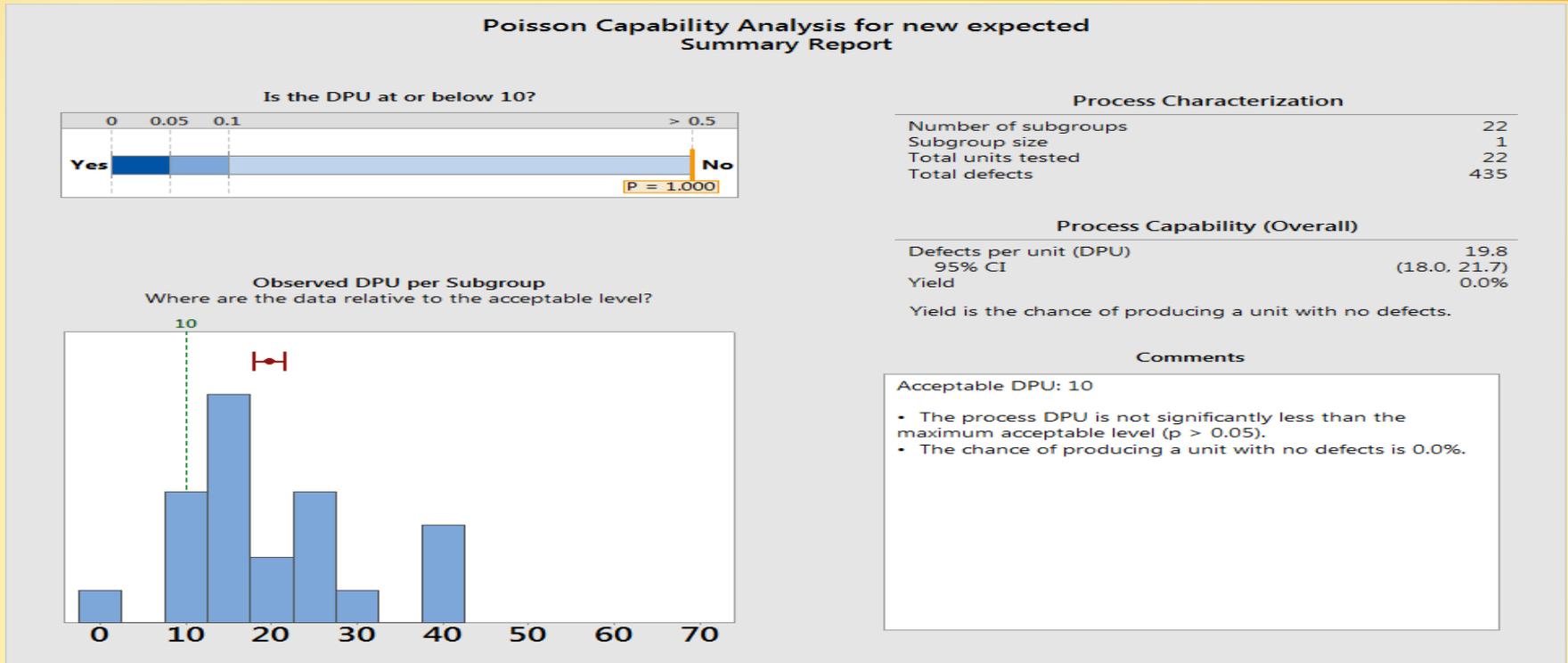


New Process Map



- ❖ Automation for personnel shops to key dental transactions directly will, in most transactions, eliminate the need for CalHR or SCO review/approval, and will result in efficiency for all.
- ❖ Paper will be nearly eliminated throughout the process, as transactions will no longer need to be faxed.
- ❖ Personnel shop specialists might actually stay a while in their job, (there is currently a high turnover in personnel shops), if they were able to better control processes, instead of waiting for SCO to process their transactions, or waiting for CalHR to approve their appeal as a result of re-work from SCO inadequacies.

Projected Capability Analysis



- ❖ Expected defect rate: reduced from 33 to 20 appeals per week without accounting for reduction in dropped dependents
- ❖ New process should also significantly reduce dropped dependents – new capability analysis will be performed upon implementation in fall



Control Plan

- ❖ Implementation of automation will start in mid-October providing access to personnel shops statewide, to key dental transactions directly to the dental carriers.
- ❖ Appeals will be tracked to confirm expected improvements
- ❖ In the meantime, we will update the current dental form to virtually a mistake-proof form for employees and personnel shops to use until key data automation begins in the personnel shops.



Additional Benefits

- ❖ Greater customer satisfaction as fewer people will need to go through the appeals process
- ❖ Better productivity for CalHR personnel as they will be required to process fewer appeals
- ❖ Greater understanding by staff of the value of a team-oriented and data-driven approach to improving processes



CalHR's Error Reduction in the Enrollment Process

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