



**National Healthcare
Provider**

Customer Experience Center

Incentive Compensation Plan

6.14.2018



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Executive Summary | Background, Objective, & Approach

BACKGROUND

The CEC's goal is to make each customer service experience outstanding at every interaction and to create an inclusive culture to improve employee engagement, performance, and retention.

OBJECTIVE

A&M was engaged to create a CEC agent incentive compensation plan that will help perfect the customer experience and improve employee engagement and retention.

APPROACH

A&M conducted a current state assessment, identified key agent performance metrics, developed a CEC agent scorecard, and created a business case & roadmap.

Current State Assessment

Current State Assessment | Agent Performance Measurement

Different locations have made varying levels of progress in developing, measuring, and implementing quality monitoring methods and agent performance scorecards.

Region	Current State
AZ East & West	A quality monitoring program has existed, but agent scorecard has not been defined, and agent metrics have been proposed.
Western Division	No quality monitoring agent scorecard in place. Other: managers watch NPS & CSAT metrics from State Reporting.

Current State Assessment | Agent Performance Measurement

Different locations measure agent performance in various ways, including quality monitoring, productivity metrics, and customer satisfaction.

Region	Quality Monitoring	Agent Performance	Customer Satisfaction & Retention
AZ East/West	1. Quality monitoring is not used as a primary metric for agent performance. 2. Quality monitoring is used for coaching purposes. 3. Quality monitoring is used for training purposes. 4. Quality monitoring is used for performance management.	1. Quality monitoring is used as a primary metric for agent performance. 2. Quality monitoring is used for coaching purposes. 3. Quality monitoring is used for training purposes. 4. Quality monitoring is used for performance management.	1. Quality monitoring is used as a primary metric for agent performance. 2. Quality monitoring is used for coaching purposes. 3. Quality monitoring is used for training purposes. 4. Quality monitoring is used for performance management.

Identify Performance Metrics & Create Agent Scorecard

Agent Metric Development | Banner's Core Values

Agent personal attributes translate into individual and group metrics that work together to measure Banner's core values.

Banner Core Values

- Customer Obsession
- Customer Feedback
- Continuous Build Trust

Metrics

- Customer Feedback Satisfaction
- Agent CSAT Assessment (CSAT)
- Call Center Customer Score

Variable Compensation | Performance Scoring

Setting performance targets requires a strong understanding of baseline metrics and the impact of variable compensation on agent performance. A pilot program can be used to measure the impact on customer experience.

These are possible performance targets. Performance targets can be adjusted to CEC metrics (Customer Agent Scorecard).

CEC Variable Compensation Agent Scorecard	Agent Score	Performance Target	Weight	Points	Points Target
Customer Experience (Customer Service CSAT, CSAT)	85%	85%	20%	17	17
Agent Feedback (Agent CSAT)	85%	85%	15%	12.75	12.75
Call Center Customer Score	85%	85%	15%	12.75	12.75
Quality Metrics (Customer Feedback Satisfaction)	85%	85%	15%	12.75	12.75
Agent Retention (Agent Retention)	75%	75%	10%	7.5	7.5
Team Score	85%	85%	10%	8.5	8.5

Performance Scoring

The approach to setting and measuring agent scorecard metrics should be used to measure agent performance distribution.

Business Case & Roadmap

Incentive Compensation | Business Value Proposition

An agent incentive compensation plan can improve customer satisfaction and employee engagement while reducing attrition costs and mitigating future call volume.

Roadmap

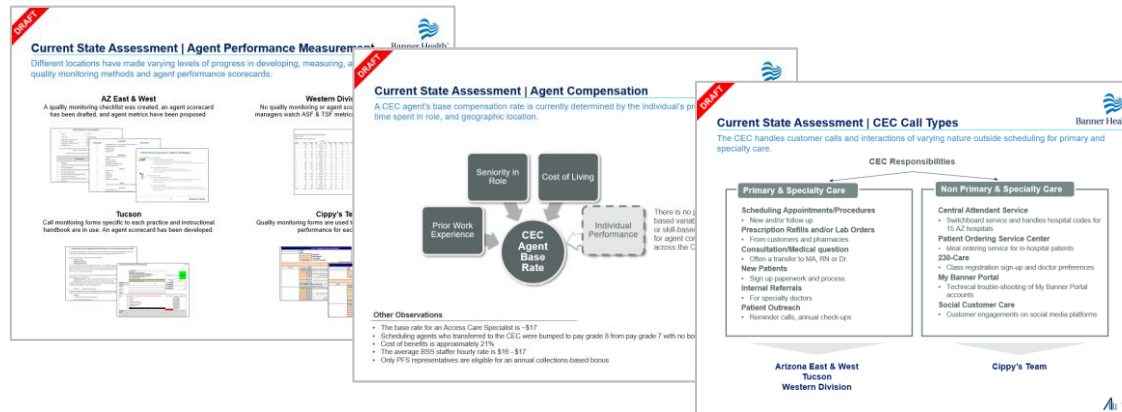
A high-level roadmap for the Incentive Compensation Implementation is below.

Phase	2018	Q4	Q1	Q2	2019	Q3	Q4	2020
Business Case & Roadmap								
Define Metrics & Scorecard								
Develop Incentive Compensation Plan								
Implement Incentive Compensation Plan								
Monitor & Adjust Incentive Compensation Plan								

Executive Summary | Current State Assessment

CURRENT STATE DISCOVERY PROCESS

A&M conducted 45+ stakeholder interviews, visited primary care, specialty care, and non-scheduling CEC locations (Phoenix, Tucson, Northern Colorado), observed agent monitoring processes, and reviewed agent Q/A and scorecard templates.



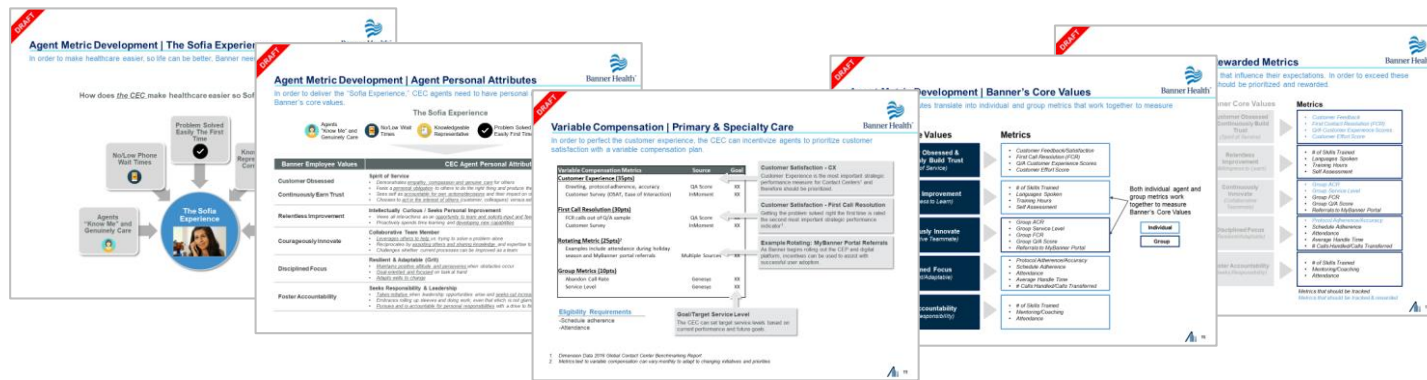
CURRENT STATE FINDINGS

- The CEC is responsible for customer care interactions (from or contacting hospitals) in addition to scheduling for primary and specialty care
- There is currently no performance-based variable component or skill-based pay differential for agent compensation across the CEC
- Different CEC locations measure agent performance in various ways across quality monitoring, productivity metrics, and customer satisfaction

Executive Summary | Recommendations & Roadmap

FUTURE STATE PERFORMANCE METRICS

A&M developed agent performance metrics tied to variable compensation by translating National Health’s core values into agent personal attributes that would perfect the customer experience.



RECOMMENDATIONS & ROADMAP

- Due to National’s customer focus, metrics related to Customer Satisfaction, First Call Resolution, and Group Service Levels should be tied to an incentive compensation plan
- An incentive compensation plan can be self-sustaining by reducing agent attrition costs and increasing First Call Resolution, reducing future call volume
- Agent performance targets should be developed based on baseline performance levels and future customer experience goals
- In order to implement an incentive compensation plan, next steps include aligning & standardizing CEC functions across regional CEC leaders and rolling out CEC-enabling technologies

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- Removed for confidentiality*



Appendix

Supporting Documents

Supporting information for the Incentive Compensation Plan can be found in the following documents.

Incentive Compensation Cost Benefit Analysis.xlsx

A model with variable inputs has been created to analyze the cost/benefits of an incentive compensation plan.

Business Case Inputs		Estimated Benefits	
Business Case Assumptions			
CEC Agent Headcount	131	Revenue Generation	Revenue Generated
CEC Cost Per Call	\$6.3	Increase in Annual Encounters per Consumer	\$140,000
CEC Annual Call Volume	\$1,483,000	Total Revenue Generation	\$140,000
Revenue Generation Assumptions			
Increase in Annual Encounters per Consumer Benefit attributable to CEC	\$1,483,000	Cost Deflection	Annual Cost Deflected
% of CEC Increase in Annual Encounters per Consumer Benefit realized	25%	% Calls Deflected/Increased (FCR)	\$711,347
Cost Deflection Assumptions			
% Increase in First Call Resolution	1%	Decrease in Agent Attrition (Headcount)	\$307,348
% Attrition Decrease	2%	Calls Deflected to MyBanner Portal	\$711,347
Attrition Cost per Agent	\$3,418	Total Cost Deflected	\$1,018,695
% Calls Deflected to MyBanner Portal	7%	Annual Cost	
Payment Assumptions			
Maximum Annual Payout	\$2,000	Incentive Compensation Payout	Cost
% of Agents receiving max payout	50%	Agents receiving maximum payout (headcount)	423
% of Agents receiving half payout	50%	Agents receiving half payout (headcount)	423
		Total Cost	\$1,379,000
		Annual Cost Deflection & Revenue - Annual Payout Cost	\$718,695

*Assumes % of benefit (\$1,483 in revenue from increase in Annual Encounters per Consumer by the CEC) realized by CEC Incentive Compensation through preventative check-in reminders.

CEC Incentive Compensation Agent Scorecard.xlsx

An incentive compensation agent scorecard with variable performance targets has been drafted.

Customer Experience Center Incentive Compensation Business Case				
Overview:				
The purpose of this agent scorecard is to track performance metrics to improve the customer experience and reward strong agent performance metrics in this scorecard were developed to define how agents can demonstrate Banner's core values and achieve the company vision of "making health care easier, so life can be better."				
Banner's Core Values:				
1 - Customer Obsessed				
2 - Community Built Trust				
3 - Remarkless Improvement				
4 - Growth/Innovate				
5 - Disruptive Focus				
6 - Never Satisfied				
The metrics on this scorecard measure agents ability to improve the customer experience and reward strong agent performance metrics in this scorecard for Primary and Specialty Care agents. There are two separate scorecards based on the type of work.				
Instructions:				
1 - The top agent scores of primary specialty agent performance metrics in monthly meeting reports, and group metrics. The adherence because a large percentage of the calls are CEC and then the agent is not eligible for a bonus regardless of the score.				
2 - The performance targets highlighted in yellow on the scorecard for agents. The measurement of these targets needs to be in order to be "in control" of earning a bonus.				
3 - Based on total points earned the agents will be awarded a bonus that is possible performance bonus. A "Meeting Goal" is required.				
CEC Primary and Specialty Agent Variable Compensation Scorecard				
Agent Name:	John Doe	Eligibility	Required Target	Actual
Agent Supervisor:	Jane Smith	Attendance	95%	100%
Agent Location:	Banner Corporate Center Mesa	Schedule Adherence	95%	95%
Date Range:	1/1/2018 - 1/31/2018	Eligible for Bonus?	Yes	
Customer Experience				
Customer Survey (Ease of Interaction, CSAT)	95%	95%	95%	
Customer Survey (Tone of Voice, Empathy)	95%	95%	95%	
First Call Resolution	95%	95%	95%	
First call resolution from Q/A	95%	95%	95%	
Customer Survey	95%	95%	95%	
Referral Metric				
Group Metric	95%	95%	95%	
Abandon Call Rate	7%	7%	7%	
Service Level	85%	85%	85%	
Total Score	Exceeding			
CEC Non Primary and Specialty Agent Variable Compensation Scorecard				
Agent Name:	John Doe	Eligibility	Required Target	Actual
Agent Supervisor:	Jane Smith	Attendance	95%	100%
Agent Location:	Banner Corporate Center Mesa	Schedule Adherence	95%	100%
Date Range:	1/1/2018 - 1/31/2018	Eligible for Bonus?	Yes	
Customer Experience				
Customer Survey (Ease of Interaction, CSAT)	95%	85%	95%	25
Customer Survey (Tone of Voice, Empathy)	95%	85%	95%	15
Protocol Adherence	95%	85%	95%	30
Accuracy, Protocol Adherence, etc.	95%	85%	95%	30
Referral Metric				
Group Metric	95%	85%	95%	20
Abandon Call Rate	7%	3%	2%	5
Service Level	85%	85%	85%	2.5
Total Score	Exceeding	75	90	100
				92.5

CEC WD Consolidation & Incentive Comp Interview List

National Stakeholder	Business Area	Interview Date
-	Sr. Director - Resource Optimization Center	2/26/18, 3/6/18, 5/31/18 +
-	Sr. Director - Patient Access Contact Center	2/27/18, 4/24/18, 6/7/18 +
-	Sr. Director - Customer Experience Strategy & Insights	3/5/18
-	Sr. Operations Director – BMG	3/5/18
-	Sr. Operations Director – Specialty	3/6/18
-	Consumer Care Center Dir - Consumer Care-Corp	3/6/18, 5/8/18, 6/4/18
-	Phys Exec - BMG WR, WR Admin-Region-Clinic	3/8/18, 5/15/18
-	CEO - Western Division	3/9/18
-	Contact Center Director – PSC Tucson	3/12/18, 5/30/18
-	Practice Coordinator – Call Center	3/14/18
-	Practice Managers	3/14/18, 3/15/18
-	Primary Care/Specialty Agent Schedulers	3/14/18, 3/15/18
-	Western Division Telecommunications Analyst	3/14/18
-	IT Systems Engineer	3/14/18
-	HR consultant	3/19/18, 5/7/18
-	Exec Dir Exec Talent & Corp HR, System HR Admin-Corp	3/20/18
-	VP Total Rewards & HRSS, System HR Admin-Corp	3/20/18
-	COO NOCO Ambul/Clin Svcs, Admin-Hosp	3/20/18
-	Director of Compensation and Employee Benefits	3/20/18

CEC WD Consolidation & Incentive Comp Interview List

National Stakeholder	Business Area	Interview Date
-	Compensation Sr. Consultant	3/20/18, 3/22/18
-	WD Rural Operations Directors	3/21/18
-	CFO NOCO/Rurals	3/21/18, 3/29/18
-	VP Finance	3/26/18
-	Finance Program Director	3/26/18
-	Operations Team + Schedulers	3/27/18
-	Division CEO-Rural, Admin-Hosp	3/28/18
-	Practice Managers and Scheduling Agents	4/5/18
-	Practice Managers and Scheduling Agents	4/6/18
-	Lease Program Director	4/17/18
-	System VP Design and Construction	4/25/18
-	CFO BMG/BUMG	5/1/18
-	Executive Director Facilities Operations	5/3/18
-	Senior Manager Property Operations	5/3/18
-	CEO BMG	5/4/18
-	CEC Recruiter	5/7/18
-	Medical Specialties Western Division	5/25/18
-	Regional Medical Director of Specialty Clinics, National Medical Group, Western Division	5/26/18
-	Western Division HR Business Partner	6/7/18
-	Patient Experience Research Program Director	6/12/18

