

Iowa Public Employees Retirement System Refund Team



LUMP SUM PAYMENT PROCESS REPORT-OUT SEPTEMBER 25-28, 2017



Why Are We Here?



- Identify opportunities for efficiencies and consistency
- Reduce staff stress
- Learn the process for Lean methodology

Sponsor:

David Martin,
Division of Benefits
Chief Benefit Officer

Darla Iverson,
Financial Dept.
Chief Financial Officer



Team “Batching Bad”

Kathy



- Jan Hawkins, IPERS
- Steve Burk, IPERS
- Kathy Carter, IPERS
- Renita Veverka, IPERS
- Jon Nelson, IPERS
- James Norman, IPERS
- Todd Kroll, IPERS

Facilitators:

- Marcia Tope, DOM
- Joy Harris, IDPH

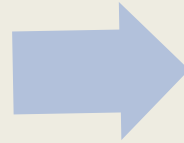


Event Scope

Renita



Receiving an
application



Dropping off
the application
for scanning

This event will address the lump sum payment process beginning with the initial process step of receiving an application to the final process step of dropping off the application for scanning.

Baseline – Where We Are Today

Jan



Current State

- The number of lump sum payment applications prepped, pended and authorized weekly is within – **1% - 40% of each refund team member**
- Members who have an email address are kept informed of where their application is – **0% members**
- Reduction in overtime after statements are released – **450 hrs total FY 17**
- Maintain a timeliness benchmark after annual statements are released - TBD

Goals for future state

- The number of lump sum payment applications prepped, pended and authorized weekly is within - **5% of each refund team member**
- Members who have an email address are kept informed of where their application is – **100% members**
- Reduction in overtime after statements are released by - **25%**
- Maintain a timeliness benchmark after annual statements are released - TBD

How Do We Get There?

Todd



1. Address how faxed applications are distributed.
2. Have the member kept informed of where their refund is at in the process.
3. Create a process that reduces staff's stress in reaching deadlines for processing applications.
4. Identify and implement efficiencies in the process.
5. Identify the essential steps to complete the process in order to develop a standard documented operating procedure.
6. Develop a process that balances workload among refund team members.

What is Kaizen?

Kathy



- Kai = “Change”
- Zen = “for the better”
- Continuous Improvement
- A rapid approach to improvement



Kaizen Event Schedule

Jon



Pre-event
Planning

Follow-up &
Implementation

**Kaizen
Overview**

**Review
Charter**

**Map Current
Process**

**Analyze
Current
Process
Performance**

**Brainstorm
Improvement
Ideas**

**Prioritize and
Select
Improvement
Ideas**

**Design New
Process Map**

**Analyze New
Process
Performance**

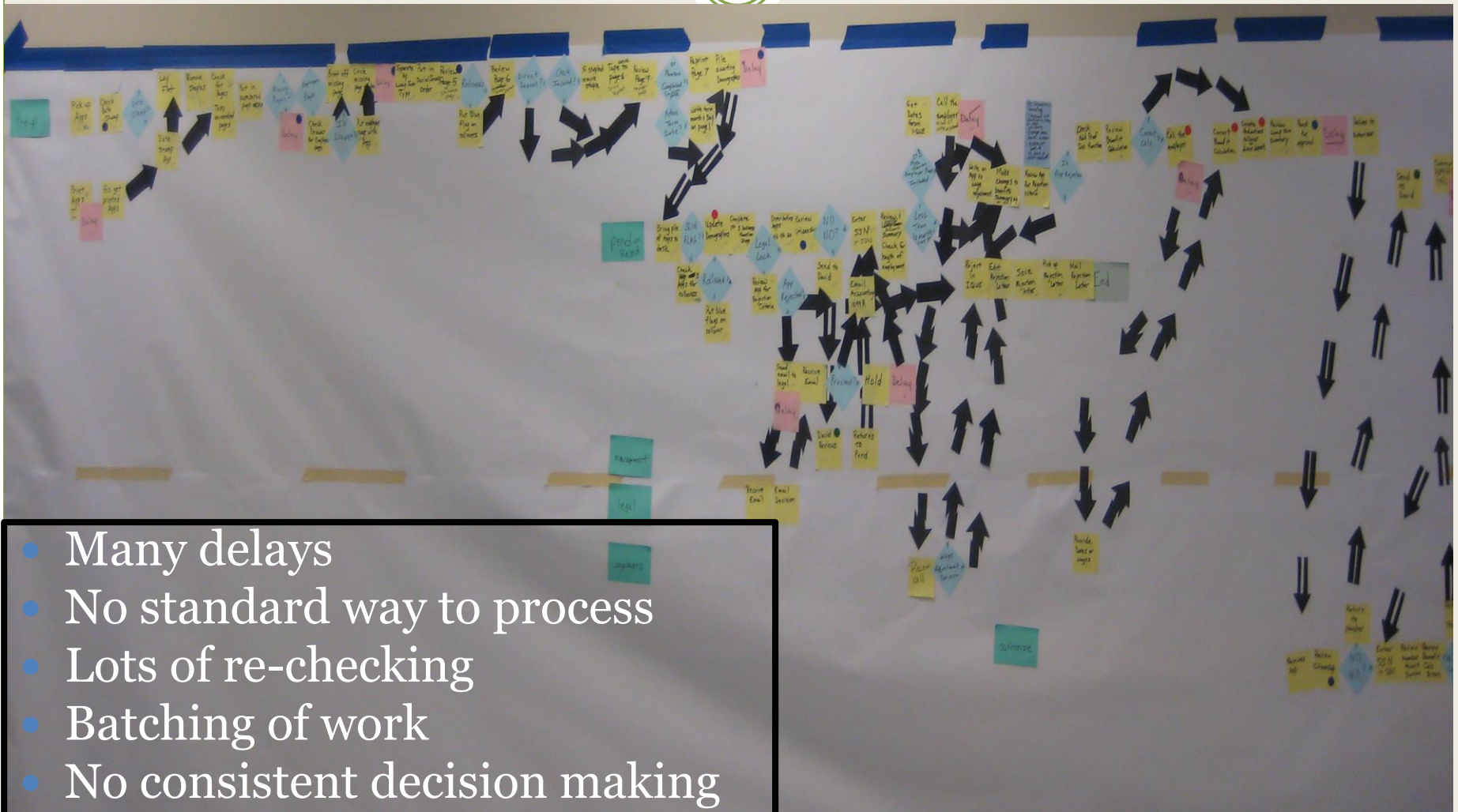
**Identify What
Needs to be
Done to
Implement
New Process**

Report Out

Celebrate!

Current State

Jon



- Many delays
- No standard way to process
- Lots of re-checking
- Batching of work
- No consistent decision making

Discussion & Consensus

James



- Identified waste
- Value added discussion
- Brainstorming of improvements
- Deselection of ideas

Future State Map

Steve

Key Changes:

- Less batching of work
- Delays will be shorter
- Standardized process
- More secure process
- Removed duplicative reviews
- Payroll approved sooner
- Answers to questions that delayed processing
- Members notified of application status



Simpler – Faster - Better

Steve



- Removing duplicative reviews and batching created a better flow, which will allow for processing of applications in the same day
- Created an efficient paper process, which allow for smoother transition to an electronic process
- Process is not dependent upon one person as everyone will be trained on processing all lump sum application types
- Member updates will lessen phone calls
- Well defined policies for this team which can provide clarity for other IPERS processes

Current vs Future State

Renita



Day 1	Day 2	Day 3	Day 4	Day 5-6
CURRENT STATE				
Prep	Pend	Authorize	Verify Payroll	Take to scanning
FUTURE STATE				
*Prep *Pend *Authorize	*Verify Payroll *Take to scanning			

James

[illegible]

Time Line

Jan



Oct. 2,
2017

- Payroll processed by first person in office

Oct. 2,
2017

- Equal distribution of work

Oct. 9, 2017

- Go live with standardized process

90 Days

- Member application status notification

Communication Plan

Todd



WHAT	WHO	WHEN
Develop communication plan	Jon	ongoing
Implementation Status	Team members from Lean Event	30 days 60 days 90 days 6 months 1 year

Team Member Experience



Steve Burk
Kathy Carter
Renita Veverka

