



Rapid Process Improvement

***Commission Appeals
Texas Workforce Commission***

2012

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1 Summary

Rapid Process Improvement: Senate Bill 563, enacted by the 82nd Texas Legislature, Regular Session (2011), required the Texas Workforce Commission (TWC) to establish a pilot program utilizing a structured process improvement methodology. In August, 2012, TWC's Work Opportunity Tax Credit Program (WOTC) successfully completed the pilot project, having applied the Integrated Theory of Constraints, Lean, Six Sigma (ITLS). Simultaneous with the pilot, TWC initiated a voluntary process improvement training program ("Rapid Process Improvement," or RPI). Following ITLS "practitioner" training in February 2012, the Unemployment Insurance (UI) Division initiated a voluntary process improvement project in Commission Appeals (CA).

Commission Appeals: CA is TWC's higher level authority for UI appeals cases. The United States Department of Labor (DOL) requires CA to maintain an "average case age" (age of inventory) of 40 days or less. Prior to the CA RPI Project, CA's average case age was in the mid-50-day range.

The primary objective of the CA RPI Project (which began in March 2012) was to improve customer service by issuing decisions more rapidly, as measured by the reduction of CA's average case age to meet or exceed DOL's requirements. The problem was defined as follows:

Approximately 30% of appeals are not assigned to an attorney within the first 20 days after being filed, and some cases experience delay in mailing a decision, which increases the average case age beyond DOL's core measure of ≤ 40 days, resulting in fewer cases assigned to attorneys per week, reducing DOL performance relative to other States, increasing risk of DOL remedial action, and delaying resolution of appeals to the public, which combined affect overpayments.

Improvements: CA's targeted approach using ITLS prompted procedural changes in the following major areas:

- 1) Ensuring that all inventory is included in calculation of the average case age.
- 2) Maximizing the number of files received by CA in a timely fashion.
- 3) Eliminating delay during quality review of work product.
- 4) Supplementing tools available to CA's attorneys and facilitating productivity.
- 5) Inventory control procedures.

Results: Between April (baseline month) and October, 2012, the CA RPI Project reduced CA's average case age by 15 days, from 54 days to 39 days, and implemented procedures to maintain improved productivity. If it were possible to exclude cases that CA is required to hold long term, the average case age in October 2012 would have been 26 days.

Although only about 3% of CA decisions result in improper payments (overpayment), average overpayment per case may be expected to improve as decisions are mailed more rapidly. Factors apart from CA procedures that may influence overpayments include: (1) cases held long term for resolution of other issues, and (2) cancellation of docket meetings.

The success of the CA RPI Project in reducing average case age resulted from the effectiveness of the ITLS methodology. ITLS focused efforts on the areas with greatest improvement potential, it engaged management to provide guidance and remove roadblocks to success, and it motivated front line employees to invest in creating positive change.

2 Background

2.1 Senate Bill 563

Senate Bill 563 was enacted by the 82nd Texas Legislature, Regular Session (2011), requiring the Texas Workforce Commission (TWC) to establish a pilot program for the purpose of improving efficiency and quality of services while reducing cost. TWC was directed to adopt a structured process improvement approach, following specified criteria. The Integrated Theory of Constraints, Lean, Six Sigma (ITLS) was the chosen methodology, and on August 1, 2012, TWC’s Work Opportunity Tax Credit (WOTC) Program reported successful completion of the pilot project.

2.2 Sustaining the Initiative: RPI

The development of the mandated pilot project resulted in the simultaneous development of a voluntary training program (named “Rapid Process Improvement,” or RPI) to sustain the process improvement initiative. In February, 2012, thirteen representatives from throughout TWC, including one representative from the Unemployment Insurance (UI) Division, received ITLS “practitioner” training. By March, 2012, approximately 70 Agency leaders, management, supervisors, and staff had been introduced to ITLS/RPI.

2.3 The Commission Appeals Department

The UI Division immediately moved forward with a process improvement project in Commission Appeals (CA). The Project Sponsor was Steve Riley, Deputy Director, UI Service and Operations. The Process Owner was Duncan Harden, Director, Commission Appeals. The Project Manager and Practitioner was Sherri Miller, Supervising Attorney, Commission Appeals.

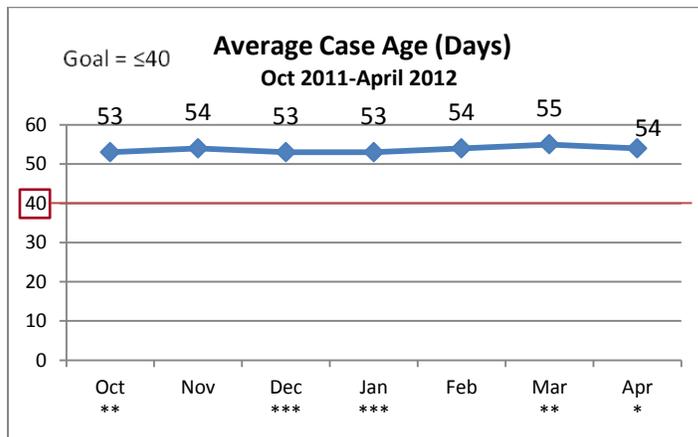
CA is TWC’s higher level authority for UI appeals cases. CA attorneys summarize appealed cases and recommend outcomes to TWC’s Commissioners. CA also prepares and mails the Commissioners’ decisions. CA’s performance is evaluated monthly by the United States Department of Labor (DOL). DOL’s core measure is an “average case age” (average inventory age) of 40 days or less.

2.4 Performance Prior to the CA RPI Project

Prior to the CA RPI Project, as reflected in **Figure 1**, decisions were taking too long to mail, causing CA’s inventory to exceed an average age of 40 days.

Fig. 1—CA Average Case Age prior to the CA RPI Project.

Multiple asterisks represent a double or triple docket during the month. April is the baseline month. The required Average Case Age is ≤40 days.



2.5 Project Objective

The primary purpose of the CA RPI Project was to improve customer service by mailing decisions more quickly, as shown by a reduction in CA's average case age to meet or exceed DOL's requirements. The problem was defined as follows:

Approximately 30% of appeals are not assigned to an attorney within the first 20 days after being filed, and some cases experience delay in mailing a decision, which increases the average case age beyond DOL's core measure of ≤ 40 days, resulting in fewer cases assigned to attorneys per week, reducing DOL performance relative to other States, increasing risk of DOL remedial action, and delaying resolution of appeals to the public, which combined affect overpayments.

3 Methodology

3.1 Integrated Theory of Constraints, Lean, Six Sigma

The Integrated Theory of Constraints, Lean, Six Sigma (ITLS) is a structured, continuous process improvement model which incorporates tools from three proven methodologies. The Theory of Constraints provides a focusing mechanism (Throughput Operating Strategy, or TOS) through which the principles of Lean and Six Sigma may be applied.

The Theory of Constraints is an approach seeking to maximize overall system output by identifying and removing bottlenecks. The approach assumes that at least one bottleneck always exists. The Theory is applied by means of the Five Focusing Steps: (1) Identify the constraint, (2) Exploit the constraint to its maximum, (3) Subordinate other processes to the constraint, (4) Elevate (remove) the constraint, and (5) Repeat (to find the next constraint).

Lean is a strategy seeking to smooth and eliminate waste from a process, focusing on improving the flow of the overall system rather than improvement of individual assets within the system. Anything that does not add value from the *customer's* perspective is deemed to be waste. The Lean approach promotes concentration of resources on value-added process elements and the elimination of non-value-added process elements. Production levels are determined by customer pull rather than forecasting.

Six Sigma is a methodology seeking to improve the quality of output by minimizing variation and errors/defects. It emphasizes planning based on verifiable data and reaching quantifiable results. It depends on organization-wide commitment to improvement, but particularly on enthusiastic management leadership. Application of the methodology is focused by (1) defining the problem, (2) documenting and measuring the current process, (3) analyzing the data to determine relationships and root causes of the problem, (4) improving the current process, and (5) controlling the process through monitoring and specific intervention.

3.2 Project Phases

After consulting with interim RPI leadership, the CA RPI Project was organized into phases of development. In practice, the phases overlapped, as new issues were identified and addressed. Not all phases were required by the end of the project on October 31, 2012. The general project structure was:

1. Initiation (March 2012).
2. Throughput Operating Strategy (May 2012).

3. Additional ITLS Tools (n/a).
4. Implementation (June 2012-October 2012).
5. Control (June 2012-October 2012 & continuing).

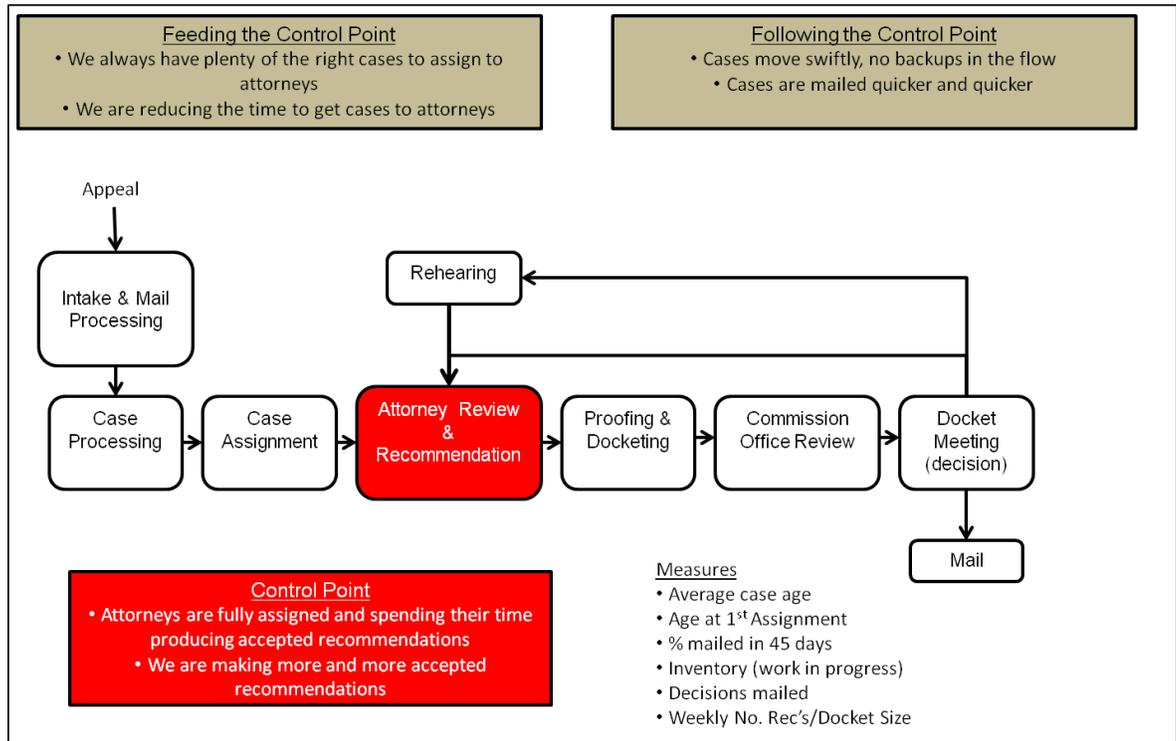
3.3 Initiation (March 2012)

Following ITLS “practitioner” training in February 2012, CA was chosen by the Project Sponsor as the first project in the UI Division. In March, 2012, a project plan and problem statement were initially drafted. Average case age was determined to be the primary measure. Secondary measures were also identified (see next section). April 2012 was chosen as the baseline month.

3.4 Throughput Operating Strategy (May 2012)

On May 16, 2012, a group of subject matter experts (CA front line employees) developed a Throughput Operating Strategy (TOS), with the facilitation of Kevin Fox of Viable Vision, a contractor initially engaged to assist with the WOTC pilot project. CA’s TOS is represented in **Figure 2**.

Fig. 2—CA’s TOS
A picture of optimal performance used to highlight system constraints.



The TOS is a picture of “what good looks like” (optimal performance). It is a high level view of major processes as they *should* operate. The TOS follows an appeal as it flows through CA, from beginning to end, in order to highlight system constraints. Since a system will always have a constraint, the ideal location for that constraint was designated in red on the TOS as the *control point*. “Attorney Review” was determined to be CA’s control point because that portion of CA’s processes requires the most expertise and is the most costly. The processes preceding and following Attorney Review should operate to maximize Attorney Review.

Figure 2 also lists the measures used during the project to evaluate CA's performance. These measures are:

1. Primary Measure—DOL's average case age (reflects CA's efficiency and level of customer service).
2. Secondary Measures
 - a. Age of case at time of first assignment to an attorney (efficiency in feeding the control point).
 - b. Percentage of decisions mailed within 45 days (changes in output).
 - c. Amount of inventory (measure of backlog).
 - d. Number of decisions mailed (total output).
 - e. Number of recommendations per week (output of control point).

Using the TOS, subject matter experts (CA front line employees) identified target areas, in order to maximize the control point. The number of target areas was intentionally limited to focus on those with greatest improvement potential. "Tiger Teams" (groups of subject matter experts gathered to attack a problem) from each identified area were formed to define the problems and develop solutions. Management implemented appropriate solutions immediately. Tiger teams met regularly (usually weekly) to report the results of implementation and to refine solutions.

3.5 Implementation (June 2012-October 2012)

The CA RPI Project ultimately formed three Tiger Teams.

The Intake Tiger Team began developing solutions in June and July 2012. Due to the critical nature of Intake to CA's success, the team will continue meeting weekly, even beyond the CA RPI project, to provide maximum flexibility in changing conditions.

The Proofing/Docketing Tiger Team began developing solutions in June 2012. With the resolution of the issue upon which that team focused, the Proofing/Docketing Tiger Team dissolved in late July 2012.

The Attorney Tiger Team began providing solutions for the control point in August 2012. The Attorney Tiger Team dissolved at the end of October 2012, when the CA RPI Project ended.

Inventory control measures were implemented by management in July and August 2012. These measures arose directly from management and were not associated with a tiger team.

3.6 Control (June 2012-October 2012 and continuing)

The measures identified in **Figure 2** are benchmarked on a regular basis. Weekly and monthly measures allow rapid intervention, as necessary.

4 Improvements

4.1 Intake

Background: Intake is the portion of CA that receives incoming appeals. Intake then requests the corresponding paper files from the Records Management Center (RMC). Most files are received within 24 hours. A few files may be received from other sources. When files are received timely, they are passed on to the next stages in CA for "case

processing” (inputting into CA’s database) and assignment to an attorney. Files that are not received within 24 hours are deemed “NF” (“not found” or missing). NF’s cannot proceed beyond Intake until the paper file is either received or reconstructed. NF’s are case processed by Intake, instead of the regular case processing staff.

4.1.1 Issue: NF Case Processing Backlog

Challenges: Cases are not used in the calculation of CA’s average case age until they are “case processed” (entered into CA’s database). Also, until a case is case processed, there is no indication that an appeal has been filed. Prior to the CA RPI Project, case processing NF files was considered a lower priority than tasks involving available files. The NF inventory tends to comprise the most recent (youngest) appeals. These circumstances resulted in the following challenges:

- CA was unable to take advantage of the youngest cases in determining average case age because full inventory was not case processed rapidly.
- By June 8, 2012, approximately 250 NF cases were waiting to be case processed.
- Duplicate file requests were often inadvertently submitted to RMC due to lack of information.
- NF appeal documentation had to be sorted multiple times.
- CA staff members answering status calls from the public were unable to provide current appeal information.

Improvements/Results: Beginning on June 22, 2012, the Process Owner established a policy requiring NF files to be case processed within 24 hours of receipt of the appeal. Additional Intake resources were allocated to accomplish this task. The following results were achieved:

- By June 28, 2012, the unofficial weekly average case age had dropped by 4 days.
- By August 2, 2012, all NF cases had been case processed.
- Inadvertent, duplicate requests to RMC were eliminated, allowing redirection of staff resources.
- Unnecessary sorting of documents was eliminated, allowing redirection of staff resources elsewhere.
- Improved customer service was provided to status callers. Calls are now more positive and productive.

4.1.2 Issue: Excessive Missing Files

Challenges: CA typically receives approximately 100 new appeals per day. When an appeal is received, the paper file for the case is requested from RMC. Prior to the CA RPI project, in excess of 20% of requested files were not received in a timely fashion. Intake staff generated a “second request” to RMC if a file had not been received within 2 weeks of the initial request. The location of missing files was often difficult to determine due to a lack of documentation in appeals software. Intake staff reconstructed files on an irregular basis. On occasion, although sufficient appeals had been received, a full-time assignment could not be given to the attorneys due to a lack of files. These circumstances resulted in the following challenges:

- On May 17, 2012, an average of 22% of files requested from RMC was not received timely.
- By June 7, 2012 an inventory of 59 case-processed NF files had accumulated.
- CA risked starving the control point due to lack of files.
- Some NF files aged excessively.

- Staff engaged in additional tasks to make repeated file requests from RMC.
- The location of many missing files could not be determined because file locations were not consistently documented by other departments.

Improvements/Results: CA began taking initiative to locate and obtain missing files. CA assembled a database of missing files, and coordinated with the departments presumably in possession of the files. An ongoing process was established in which CA management communicates weekly, as needed, with relevant departments. The second request to RMC for files, previously made by CA staff, was eliminated.

Also, to limit the age of NF inventory, the Process Owner established a policy providing for automatic reconstruction of NF files once they reached a specified age, to be reduced over time. Initially, the age of automatic reconstruction was 60 days, but it has been reduced to 45 days.

The following results were achieved:

- Between June 14, 2012, and July 26, 2012, total NF inventory was reduced by 49%.
- Between June 14, 2012, and July 26, 2012, the weekly number of missing files was reduced by 44%.
- Since July 12, 2012, NF files have consistently been limited in age to 60 days or less.
- Intake resources are free for redirection to other tasks.
- Files are more readily located.
- Management of CA and relevant departments maintain regular contact to insure continued success.

4.1.3 Intake Improvement Summary

In summary, the improvements implemented regarding Intake include the following:

- Policy requiring rapid case processing of NF files.
- Increased resources dedicated to case processing NF files.
- Continuing, regular cooperation between CA and the departments from which CA receives files.
- Elimination of duplicate/unnecessary tasks.
- Automatic reconstruction of some NF files.

4.2 Proofing/Docketing

Background: Proofing/Docketing is the stage within CA that includes review of attorney work product by supervisors. Numerous files are reviewed weekly. Acceptable work is forwarded to appropriate clerical staff for circulation among the Commissioners' offices. Corrections are made by attorneys and returned to the supervisor for a second review. File review is frequently interrupted by other duties.

Cases are assigned to attorneys on a weekly basis. All cases, including corrections, must be completed and submitted for circulation to the Commissioners' offices by the end of the assignment week. The majority of work product is submitted for review in the last days of the assignment week.

4.2.1 Issue: Proofing Backlog

Challenges: Due to the large number of files requiring review and strict time constraints, cases requiring extensive review were prioritized below more readily completed cases, to maximize output. A small number of files tended to age extensively. The following challenge resulted:

- As of June 21, 2012, a proofing backlog had accumulated consisting of 45 cases, 38 of which had aged beyond 75 days.

Improvements/Results: As of June 21, 2012, the Process Owner established a policy prohibiting the existence of a proofing backlog. A weekly report documenting proofing backlog was established, and a procedural technique for backlog reduction was established. The following results were achieved:

- Within 1 week the proofing backlog was reduced by 53%.
- Supervisors subsequently eliminated their backlog.

Note: Any effect on average case age at this time was obscured by the cancellation of docket meetings on June 26, 2012, and July 3, 2012.

4.2.2 Issue: Insufficient Administrative Support

Challenges: Supervisors are responsible for personnel and administrative tasks. Some paper-intensive personnel-related tasks had been formerly performed by an administrative staff member. Beginning in approximately March 2012, administrative support was discontinued, resulting in the following challenges:

- Increased workload for supervisors.
- Increased difficulty for supervisors to comply with mandatory deadlines.

Improvements/Results: In late July 2012, an open attorney position was converted to an administrative position to provide support for supervisors, as well as produce a cost savings. The new administrative position was filled in September 2012. However, it has not been possible to devote the administrative support to supervisors, as intended, due to unavoidable circumstances that increased the workload of clerical staff. CA management plans to continue addressing the clerical issue. In July 2012, the Process Owner also determined that CA attorneys would be required to provide assistance to supervisors. This additional support is expected to be available in November 2012.

Improvements intended to address insufficient administrative support for supervisors have currently resulted in:

- Cost savings due to conversion of an attorney position to an administrative position.

4.2.3 Proofing/Docketing Improvement Summary

In summary, the improvements implemented regarding Proofing/Docketing include:

- Establishment of a policy prohibiting proofing backlog.
- Establishment of a weekly report to maintain backlog transparency.
- Establishment of a procedure for eliminating backlog.
- Conversion of attorney position to an administrative position.

Planned improvements in the immediate near future include:

- Establishment of additional support duties for attorneys.

4.3 Attorney Review

Background: Attorney Review is the stage at which CA's attorneys review their assigned files and write a summary/recommendation (and sometimes a decision) for the consideration of the Commissioners. The assignment week begins on Tuesday and ends the following Monday. (This assignment cycle coincides with the Commissioners' docket cycle.)

Approximately half of CA's attorneys are telecommuters. In August 2012, a policy decision established paperless offices for telecommuters. Telecommuting attorneys now work directly from the FileNet image database.

The Attorney Tiger Team was formed latest in the CA RPI Project and with a different purpose than the other tiger teams. Instead of immediately increasing throughput, improvements in this area were intended (1) to increase the quality of work product and (2) to reduce the effort required to produce work product, in preparation for potential future adjustments to assignment strategy.

4.3.1 Issue: Inefficient Use of Benefits System/Mainframe

Challenges: A primary source of UI information used by CA's attorneys is the TWC Benefits Mainframe. After initial training, CA's attorneys have traditionally learned the system on-the-job. CA's institutional knowledge of the Mainframe has been depleted by increased telecommuting and staff turnover. These circumstances resulted in the following challenges:

- Attorneys needed to frequently consult supervisors for Mainframe instruction, slowing completion of work for both the attorney and supervisor.
- Attorney file review using the Mainframe could be slow and incomplete.
- Inability to use the Mainframe masked the need for substantive training in some cases.

Improvements/Results: Mainframe resource materials, obtained by collaboration with Call Center Operations and the Tax Department, were adapted to CA's needs. Call Center Operations also made available a recently-developed Mainframe screen that removes the need to navigate multiple screens for basic information. Also, additional desk aids and reference materials were developed by CA. All of these materials were released for regular use throughout September and October 2012. Current results include:

- More efficient use of Mainframe (as reported by attorneys).
- Reduced need to consult supervisors.
- Areas for potential substantive training are emerging.

4.3.2 Issue: Inefficient Use of FileNet

Challenges: CA scans most of its appeal documentation into the FileNet database. However, one routine document is not scanned. Scanned documentation is initially organized only by claimant social security number, as an independent application is needed to further categorize and label the image files. CA's attorneys search primarily by case number, not social security number. Search results are available in limited formats. No user handbook exists for FileNet. These circumstances resulted in the following challenges:

- Considerable delay during file review due to search and display limitations.
- Necessity of opening multiple irrelevant files to locate relevant information.
- Some documents not available in a paperless environment.

- FileNet difficulties not easily resolved.

Improvements/Results: In late August 2012, coordination with FileNet administrators resulted in development of immediate and long term improvements. Quick wins included an email address to FileNet administrators, for use in rapid resolution of FileNet difficulties, and two new search templates tailored to the needs of CA's attorneys. In the longer term, a CA Scanning Improvement Project was begun. The scanning project will automate and streamline CA's scanning and labeling, resulting in all documents being scanned within 24 hours of receipt and being immediately labeled and organized by both social security number and case number. The scanning project is independent of the CA RPI project, and is expected to be completed in early 2013. Presently, the following results have been achieved:

- File review is speeded by new search templates/ability to display search results more meaningfully.
- Rapid resolution of FileNet difficulties is available by direct email contact with FileNet administrators.

4.3.3 Issue: Paperless Office Transition

Challenges: Paperless office policies prohibit simultaneous viewing of paper documents and work product. The following challenges resulted:

- Reduced productivity due to the necessity of toggling screen views between a word processor and the visual database.

Improvements/Results: In October 2012, second computer monitors were provided to attorneys. Results include:

- Substantial reduction in delays due to paperless environment.

4.3.4 Issue: Recommendation Format

Challenges: The recommendation and cover sheet produced by CA's attorneys have standardized formats, relied upon by the Commissioners' offices. These formats include redundant presentation of information. These circumstances resulted in:

- Reduced productivity due to the necessity of restating the same information multiple ways.

Improvements/Results: In late October 2012, after consultation with the Commissioners' staff, a redundant portion of the cover sheet was eliminated. Current results have been:

- Small, but cumulative, reduction of work in every case reviewed.

4.3.5 Attorney Review Improvement Summary

In summary, the improvements implemented regarding Attorney Review include the following:

- Provision of a new Mainframe screen.
- Development of desk aids and reference materials.
- Provision of direct access to FileNet administrators via email.
- Additional FileNet search templates.
- Provision of a second computer monitor.
- Simplification of cover sheet format.
- Initiation of a separate CA Scanning Improvement project.

Unsolicited feedback from attorneys indicates that these improvements have simplified their jobs, reduced frustration and improved the quality of their work lives. Importantly, the active participation of CA's attorneys in the CA RPI project, with positive results, appears to have produced an increased sense of positive motivation in the control point.

4.4 Inventory Control Procedures

Inventory control procedures were initiated directly by management, without consultation with a tiger team.

4.4.1 Issue: Cases Held Long Term

Challenges: CA's average case age is calculated based on the current case inventory. A case remains in the inventory, and is counted, even if a docket meeting results in the case being held pending the resolution of other matters. CA has no discretion regarding the number and age of held cases.

Improvements/Results: The CA RPI management team consulted DOL regarding an exception to reporting "long term hold" cases as part of the average case age. DOL denied the request to exclude these cases from the average case age.

Beginning in July 2012, a monthly report was established that calculates the portion of the average case age attributable to long term hold cases. In July 2012, 80 held files (3% of total inventory) accounted for 11 days (29%) of July's average case age of 49 days. In August 2012, CA improved follow-up efforts on the oldest held cases and identified several ready for further action. By the end of the CA RPI Project on October 31, 2012, the total number of held cases was 92 (3.8% of inventory), which accounted for 13 days (33%) of October's average case age of 39 days. CA will continue monitoring these cases.

4.4.2 Issue: Case Tracking and General Audit Procedures

Challenges: CA weekly submits between 400 and 500 recommendations for the Commissioners' consideration. A portion of these cases are "pulled" by the Commissioners' offices for discussion at the docket meeting. After the Commissioners' vote, decisions in cases *not* pulled are automatically mailed by CA. Pulled decisions requiring changes are edited by CA and circulated among the Commissioners' offices for approval, prior to mailing. An audit of CA's files on hand in August, 2012, revealed that, due to filing errors, some pulled cases from prior dockets had not yet been circulated to the Commissioners' offices for review.

Improvements/Results: The discovered files were immediately circulated, and decisions were mailed shortly thereafter, correlating with a 3-day reduction in the average case age. A detailed tracking system was established, documenting the circulation process of contested case decisions. Regular review of the tracking information allows rapid intervention if a case does not appear to be progressing as expected. Additionally, a regular audit of all inventory by age has been established.

4.4.3 Inventory Control Improvement Summary

In summary, the following inventory control improvements were implemented:

- Tracking of long term hold cases.
- Detailed tracking of decisions in contested cases.
- Regular general inventory audit.

5 Results

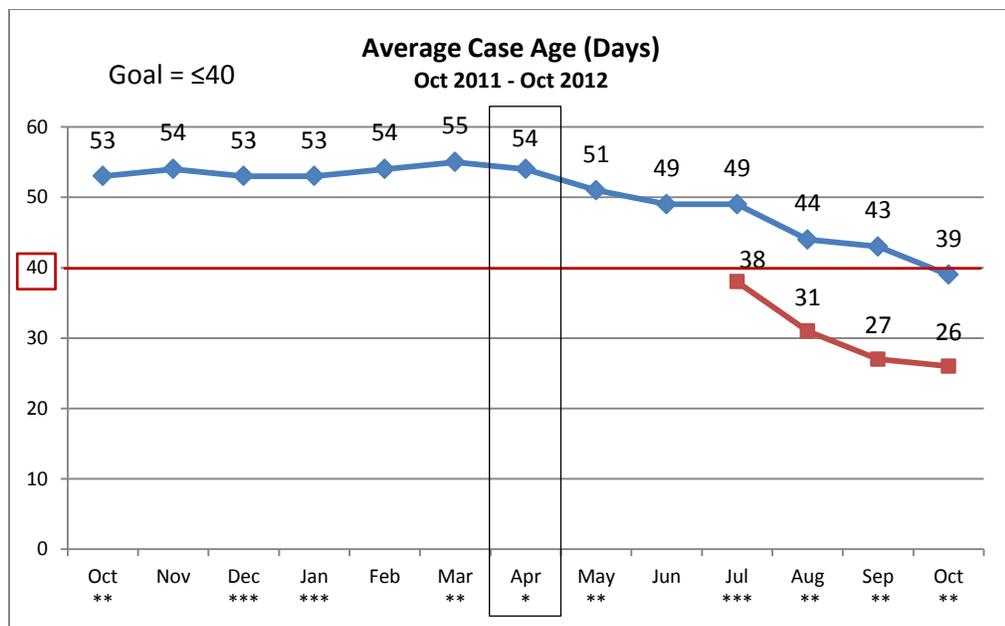
5.1 Average case age

DOL's Average case age: Improvements implemented during the CA RPI Project resulted in a 15-day reduction in the average case age, to 39 days, by October 31, 2012. The blue data points in **Figure 3** reflect the improvement of CA's average case age.

Average Age without Long Term Holds: A small percentage of CA's inventory (approximately 3%) accounts for a large portion (approximately 33%) of the average case age, as calculated by DOL. Examination of the 97% of CA's inventory participating in regular work flow reveals that October's average case age would have been 26 days, absent the long term hold cases. The red data points in **Figure 3** represent what CA's average case age would have been without the cases being held long term.

Fig. 3—CA's Average Case Age

Blue data is DOL's measure. Red data excludes cases held long term. Multiple asterisks reflect a double or triple docket. April is the baseline month.



Docket Cycle and Average case age: CA's work product is submitted to the Commissioners' offices two weeks before the scheduled docket meeting at which it will be voted. Docket meetings normally occur weekly, and the majority of decisions are mailed immediately following. This cycle results in 14 days of unavoidable case age. It also influences when the effects of improvements may be observed.

On occasion, docket meetings are canceled, and the following docket meeting covers the affected cases in addition to its own. A double docket results in a minimum 7 day increase in case age for 400 to 500 cases. A triple docket results in approximately triple that amount. In **Figure 3**, months marked with double or triple asterisks are months in which a double or triple docket potentially impacted CA's performance. April, the baseline month, is marked with a single asterisk.

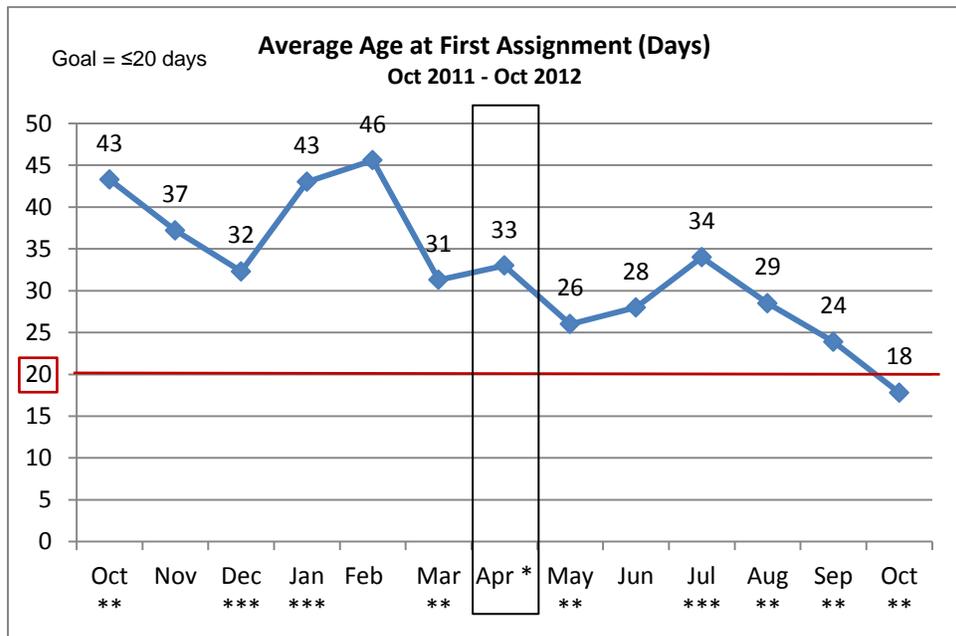
5.2 Other Measures

5.2.1 Average Age at First Assignment

Cases not assigned to an attorney within approximately 20 days of appeal are unlikely to have decisions mailed in a timely fashion (due to the 21 days involved in the assignment and docket cycles). Prior to the CA RPI Project, the average age at first assignment varied between 31 to 46 days, with an average of 33 days in the baseline month of April. Improvements implemented during the project resulted in a 15-day reduction in the monthly average age at first assignment, from 33 to 18 days. Preliminary increases through July 2012 resulted from intentional assignment of older cases. **Figure 4** reflects these results. It should be noted that this measure tracks only the age at *first* assignment. Cases not successfully completed, which require re-assignment, are not included.

Fig. 4—Average Age at First Assignment

First assignment beyond 20 days will likely result in an untimely decision. Increases through July 2012 result from intentional efforts to assign older cases.

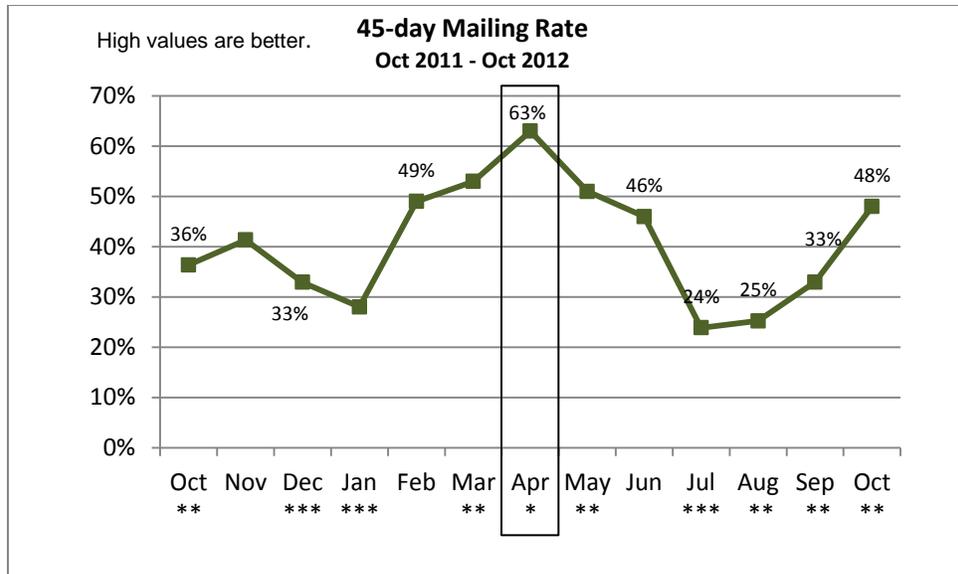


5.2.2 Decisions Mailed within 45 Days

A secondary measure taken by DOL, and used by the CA RPI Project, is the percentage of decisions mailed within 45 days of the appeal date. This output statistic compliments average case age (which measures inventory remaining after decisions are mailed). Prior to the CA RPI Project, the percentage of decisions mailed within 45 days reached as high as 63% (baseline month). However, during the Project, the intentional mailing of older decisions resulted in a decline. As older inventory is processed, this statistic is recovering, reaching 48% in October 2012, and it is expected shortly to significantly outperform the baseline month. **Figure 5** (below) reflects these results. Apparent disagreement between **Figure 5** and **Figure 4** results from the mailing of decisions that were assigned more than once.

Fig. 5—Percentage of Decisions mailed within 45 days

Elimination of old cases temporarily reduced this measure, which is recovering and expected to significantly outperform the baseline month.

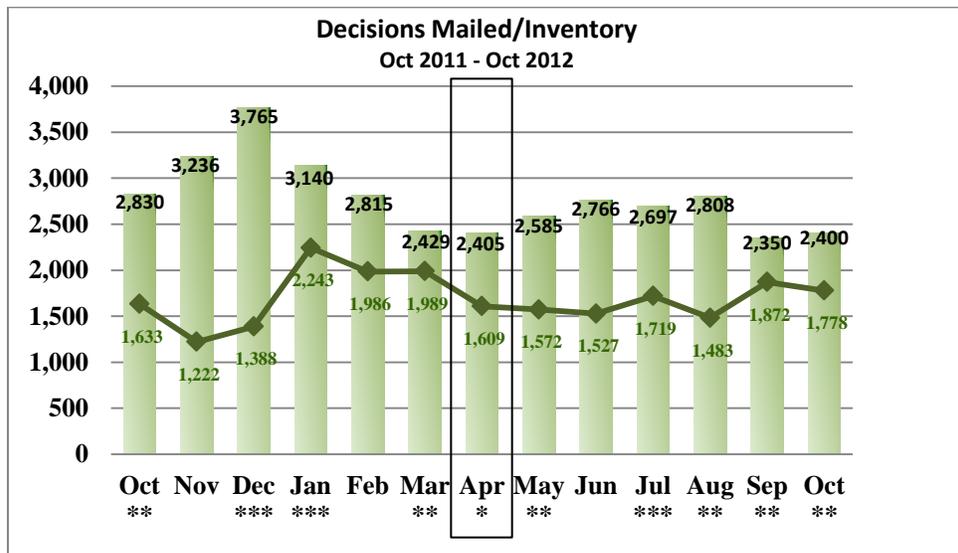


5.2.3 Inventory Size and Output Rate

CA’s inventory levels and output rate were tracked in order to gauge the overall condition of CA’s throughput. However, these measures were not the subject of concentrated improvement efforts, as focus of the project was intentionally limited to areas with greatest improvement leverage. Nevertheless, the ratio of output to inventory improved slightly during the project, from 0.669 in the baseline month of April to 0.741 in October. These results are reflected in **Figure 6**.

Fig. 6—Inventory and Output

Columns represent monthly inventory levels. Data points reflect the number of decisions mailed per month.

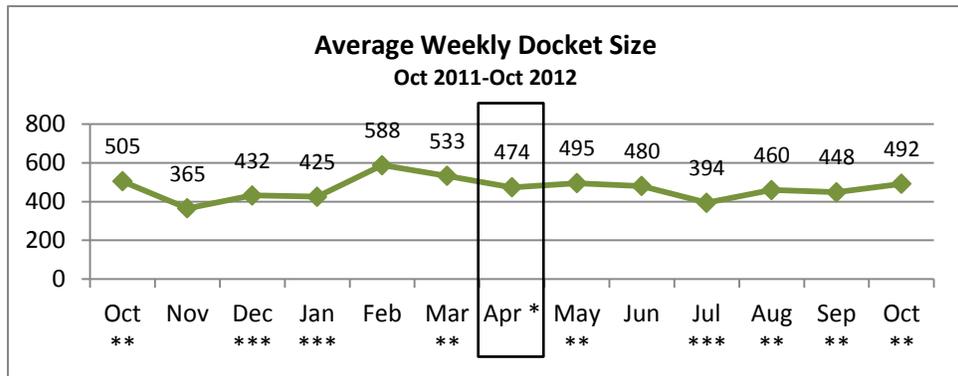


5.2.4 Recommendations per Week (Docket Size)

As with inventory and output levels, the number of recommendations per week (equal to docket size each week) was measured in order to gauge the condition of throughput, but it was not the subject of concentrated improvement efforts. Although occasionally, prior to the CA RPI Project, Intake inefficiency prevented attorneys from

receiving a full weekly assignment, this circumstance did not occur during the project. **Figure 7** reflects the average weekly docket size.

Fig. 7—Average Weekly Docket Size
Equal to the number of recommendations produced by the control point.



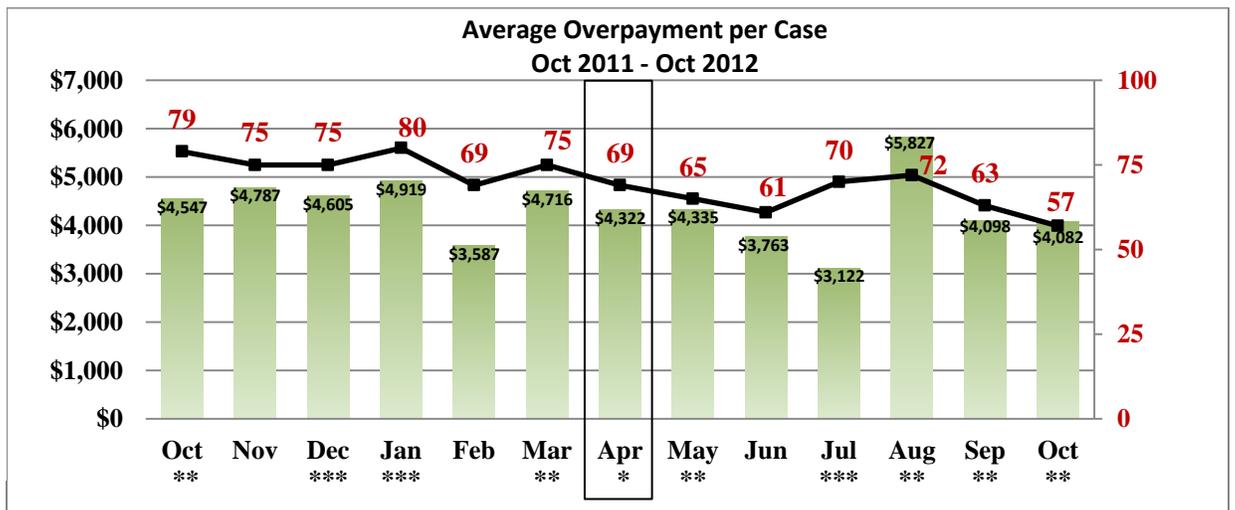
5.3 Improper Payments (Overpayments)

An improper payment (overpayment) is a benefit paid to a claimant to which the claimant is later deemed disqualified or ineligible. Overpayments (OP) may result at any level of the UI process. At the CA level, overpayments generally result from employer appeals. If otherwise able to be paid benefits, the claimant is entitled to continue receiving benefits until a decision is made on the employer’s appeal. Therefore, some overpayment is a necessary consequence of the appeal process.

Approximately 20% of Appeal Tribunal decisions are appealed to CA each month. On average, approximately 20% of CA decisions result from employer appeals. Only about 16% of employer’s prevail, potentially resulting in overpayment. Overall, approximately 3% of decisions issued by CA result in overpayment. 97% of CA’s decisions do not generate overpayment.

To gauge the relationship of CA RPI improvements to overpayments, the average age of all CA decisions at the time of mailing was compared to the average amount of overpayment per decision. The data is reflected in **Figure 8**.

Fig. 8—Average OP per Case
Columns show average OP per case, resulting from about 3% of CA decisions. Red labels show average age of all mailed decisions (days).



Apart from CA procedures, the amount of overpayment is impacted by (1) cases held long term for the resolution of other issues, and (2) delayed docket meetings. Cases held long term generally result in exhaustion of benefits for qualified claimants. Based on an average of 11 overpayment decisions per week during 2012 and a maximum weekly benefit amount of \$426, a double docket could result, on average, in an estimated overpayment increase of \$4,686. A triple docket could result, on average, in an estimated overpayment increase of \$14,058.

5.4 Employee Satisfaction

The CA RPI Project did not formally measure employee satisfaction. However, members of all Tiger Teams expressed, as did other (unsolicited) staff and attorneys, that their work conditions were improved by the project. Unnecessary work and frustrating conditions were eliminated. Necessary work was simplified. Employees can more easily see the relationship between their efforts and the performance of the department. Furthermore, the collaborative format of the ITLS methodology encouraged teamwork, positive exchange, and buy-in to departmental procedures. The open and supportive participation by management and upper management conveyed the message, not only that management was committed to improvement, but also that front line employees are valued and respected. Team members who began the project skeptically became engaged over time. This aspect of the ITLS methodology contributed to the success of the project.

5.5 Continuing/Future Improvements

The CA RPI Project formally ended on October 31, 2012, when the average case age officially reached 39 days, in compliance with the DOL requirement of 40 days or less. However, the end of the project does not mark the end of a commitment to improvement. During the course of the project, the Tiger Teams proposed valid areas of improvement that were beyond the scope of the CA RPI Project, such as the scanning improvement project that resulted from the Attorney Tiger Team's feedback, and the issue of sufficient clerical support for supervisors. Valid concerns are currently under consideration by CA management and will be addressed as appropriate in the near future.

6 Conclusion

The CA RPI Project was a success because the average case age was effectively reduced to meet DOL's requirement and mechanisms were implemented to maintain that achievement.

Success resulted from the selection of an effective improvement methodology. The ITLS methodology, adopted by TWC's RPI initiative, was effective because it focused efforts on the areas of greatest potential improvement, it engaged management to provide guidance and remove roadblocks to success, and it engaged front line employees to invest in creating positive change.