

## EPR First Quarter Report: Business Plan Initiatives Summary Dashboard

The CalPERS 2017-22 Strategic Plan encompasses 26 Business Plan Initiatives (Initiatives) that assist us in achieving our strategic goals and objectives. The Business Plan Initiatives Summary Dashboard provides a brief synopsis of how all 26 initiatives are performing for the first quarter (July 1, 2020 – September 30, 2020). Additional performance details can be found on the summary sheets for each Initiative.

First Quarter Measure Performance:

- 25 On-Target
- 1 Closed Session item

### Progress Status Criteria for Business Plan Initiatives:

Progress on Business Plan Initiatives is based on deliverables, tactics, and risks. The status criteria are listed below:

On-Target (Green):

- All deliverables and tactics will be completed by the due dates
- No risks have materialized
- Initiative will be completed by the established end date

At-Risk (Yellow):







- One or more tactics may not be completed by the due dates – no impact to the deliverable due date
- Risks become issues and are being mitigated
- Initiative will be completed by the established end date










Off-Target (Red):

- Critical tactics have yellow indicators – deliverable will not be completed by the due date
- Issues cannot be mitigated
- Initiative may not be completed by the established due date

The Business Plan Initiatives Summary Dashboard also provides trend analysis data that captures performance from year three (FY 2019-20). A visual depiction of all Business Plan Initiatives can be found on the [Alignment Map](#).

## Enterprise Performance Reporting – First Quarter Status CalPERS 2020-21 Business Plan Initiatives

Fund Sustainability	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2019-20)	Page Number
Alignment of asset liability management					 Q1 Q2 Q3 Q4	7
Total fund portfolio design (Portfolio)					<b>New for FY 2020-21</b>	8
Total fund investment strategy (Performance)					<b>New for FY 2020-21</b>	9
Stakeholder education on system risks and mitigation					 Q1 Q2 Q3 Q4	10

High – Quality Affordable Health Care	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2019-20)	Page Number
Update health plan contract measures					New for FY 2020-21	11
Health data quality management					New for FY 2020-21	12
Behavioral health access & quality					New for FY 2020-21	13
Health equity					New for FY 2020-21	15
Clinical quality improvement programs					New for FY 2020-21	17
Telehealth access					New for FY 2020-21	18
Increase competition					New for FY 2020-21	19
Risk mitigation					New for FY 2020-21	20
Pharmaceutical strategies					New for FY 2020-21	21

Reduce Complexity	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2019-20)	Page Number
Mature targeted information technology capabilities	●				●●●● Q1 Q2 Q3 Q4	23
Complexity reduction	●				●●●● Q1 Q2 Q3 Q4	24
Continuous process improvement	●				●●●■ Q1 Q2 Q3 Q4	25
Total fund investment decision - making processes (process)	●				New for FY 2020-21	26

Risk Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2019-20)	Page Number
Increase enterprise-wide compliance awareness	●				●●●● Q1 Q2 Q3 Q4	27
Increase compliance program maturity	●				●●●● Q1 Q2 Q3 Q4	28
Enterprise data management	●				●●●● Q1 Q2 Q3 Q4	30
Information security strategy	<b>Closed Session</b>				<b>Closed Session</b>	31

Talent Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2019-20)	Page Number
Implement engagement survey action items	●				●●●● Q1 Q2 Q3 Q4	32
Expand diversity and inclusion program	●				●●●● Q1 Q2 Q3 Q4	33
Total fund portfolio resources (people)	●				New for FY 2020-21	34
Implement 2018-22 workforce plan strategies	●				●●●● Q1 Q2 Q3 Q4	35
Develop leadership competencies measurement tool	●				●▲▲● Q1 Q2 Q3 Q4	36

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Alignment of Asset Liability Management</b>
Executive Owner:	Michael Cohen
Strategic Goal:	Fund Sustainability
Strategic Objective:	Fund the System through an integrated view of pension assets and liabilities
Strategic Measures:	Funded Status, projected Funded Status

<b>Status:</b>	<b>On-Target</b>
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Description:	Incorporate elements of funding risk from both an asset and liability perspective to ensure the sustainability of the fund.
Intent:	To provide an integrated view of pension assets and liability and actively assess and manage funding risk through the Asset Liability Management (ALM) framework in order to strengthen the long-term sustainability of the fund.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input checked="" type="checkbox"/>	ALM Cycle Board Update. (July 2020)
<input type="checkbox"/>	Present Capital Market Assumptions (CMA) to Investment Committee (IC). (June 2021)
<input type="checkbox"/>	Establish Inflation Assumption to be Incorporated into CMAs. (June 2021)
<input type="checkbox"/>	Prepare Communication Plan for Stakeholder Outreach. (June 2021)

### Risks and Mitigations

#### Risk(s):

Economic conditions create uncertainty and turbulence in capital markets and inflation assumptions. Potential to make short term ALM decisions based on market volatility.

#### Mitigation(s):

Seek broad input from consultants and CalPERS experts. Reinforce decision making that follows the ALM cycle in alignment with CalPERS long term philosophy.

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Total Fund Portfolio Design (Portfolio)</b>
Executive Owner:	Dan Bienvenue
Strategic Goal:	Fund Sustainability
Strategic Objectives:	Mitigate the risk of significant investment loss; Integrate environmental, social, and governance (ESG) considerations into investment decision making†
Strategic Measures:	One-year total expected fund volatility; investment managers policies and procedures for environmental, social and governance (ESG) factor integration

<b>Status:</b>	<b>On-Target</b>
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Description:	Construct a total fund portfolio positioned to generate the required rate of return over the long term, by ensuring effective allocation of risk, leverage, and liquidity.
Intent:	To fulfill Mission to sustainably pay benefits over the long-term.
Start Date:	July 2020
End Date:	June 2022*
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Allocation Liquidity and Leverage Framework Implementation plan for the PERF total portfolio (June 2021)
<input type="checkbox"/>	Private Equity Strategic Review and internal implementation plan to enhance private market capabilities (June 2021)

†This business plan initiative supports two objectives.

\*Business plan initiative scheduled to end in June 2025 and supports the five-year investment plan.

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A



## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Total Fund Investment Strategy (Performance)</b>
Executive Owner:	Dan Bienvenue
Strategic Goal:	Fund Sustainability
Strategic Objective:	Deliver target risk-adjusted investment returns
Strategic Measure:	Annualized (five-year) excess investment returns relative to total fund policy benchmark

<b>Status:</b>	<b>On-Target</b>
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Description:	Review and assess existing strategies, while researching and implementing new strategies, to ensure alignment in service of delivering our long-term projected rate of return.
Intent:	To fulfill the Mission to sustainably pay benefits over the long-term with goal of absolute 7% return.
Start Date:	July 2020
End Date:	June 2022*
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Implement Investment Performance Platform to migrate to enhanced performance attribution and data analysis (June 2021)

\*Business plan initiative scheduled to end in June 2025 and supports the five-year investment plan.

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Stakeholder Education on System Risks and Mitigation</b>
Executive Owner:	Brad Pacheco
Strategic Goal:	Fund Sustainability
Strategic Objective:	Educate employers, members, and stakeholders on System risks and mitigation strategies
Strategic Measure:	Stakeholder assessment survey - Risk

<b>Status:</b>	<b>On-Target</b>
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Description:	Identify, develop, and implement training, education, and outreach opportunities to educate members, employers, and stakeholders on system risks, mitigation strategies, and compliance enhancements.
Intent:	Provide training, education, and outreach opportunities to our stakeholders and constituencies to enhance understanding of actions and policies that impact our retirement, health, and investment programs
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input checked="" type="checkbox"/>	Host employer webinar on investment returns, employer costs, and payment options (July 2020)
<input checked="" type="checkbox"/>	Produce visuals and messaging to support 7% solution (August 2020)
<input checked="" type="checkbox"/>	Incorporate Asset Liability Management education into online Educational Forum (October 2020)

### Risks and Mitigations

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Update Health Plan Contract Measures</b>
Executive Owner:	Donald Moulds
Strategic Goal:	High-Quality Affordable Health Care
Strategic Objective:	Ensure our members receive high-quality care; Ensure our members have access to care when and where they need it; Ensure the care we provide is affordable
Strategic Measures:	Chronic disease prevention and management; Member experience; Health care premium affordability

<b>Status:</b>	<b>On-Target</b>
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Description:	Establish improved performance measures in our health plan contracts.
Intent:	Ensuring our health plan contracts include improved performance metrics that promote clinical quality, chronic disease prevention and management, behavioral health, access to care, and member experience support health care premium affordability and portfolio stability.
Start Date:	July 2020
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input checked="" type="checkbox"/>	Identify performance measures that promote clinical quality, chronic disease prevention and management, behavioral health, access to care, and member experience support health care premium affordability and portfolio stability (July 2020)
<input type="checkbox"/>	Revise, negotiate and execute performance measures with health plans (December 2020)

### Risks and Mitigations

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Health Data Quality Management</b>
Executive Owner:	Donald Moulds
Strategic Goal:	High-Quality Affordable Health Care
Strategic Objective:	Ensure our members receive high-quality care; Ensure our members have access to care when and where they need it; Ensure the care we provide is affordable
Strategic Measures:	Chronic disease prevention and management; Measuring access to care; Health care premium affordability

<b>Status:</b>	<b>On-Target</b>
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Description:	Collaborate with CalPERS health plans to develop and implement data quality improvement plans to improve the quality, relevancy, and consistency of the data in the Health Care Decision Support System (HCDSS).
Intent:	Improving the data in the HCDSS assists CalPERS in its decision-making related to health care costs and quality of care.
Start Date:	July 2020
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input checked="" type="checkbox"/>	Provide leadership with a market basket analysis conducted by Milliman (August 2020)
<input type="checkbox"/>	Implementation of 2021 Health Care Decision Support System (HCDSS) performance measure and issuance of corrective action plans (June 2021)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Behavioral Health Access and Quality</b>
Executive Owner:	Donald Moulds
Strategic Goal:	High-Quality Affordable Health Care
Strategic Objective:	Ensure our members receive high-quality care; Ensure our members have access to care when and where they need it
Strategic Measures:	Behavioral health quality; Measuring access to care; Member experience

<b>Status:</b>	<b>On-Target</b>
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Description:	Assess the feasibility of health plan contractual opportunities, identify partnerships, and develop recommendations to improve behavioral health treatment for CalPERS health care members.
Intent:	Behavioral health access has been identified as an area for improvement across all CalPERS health plans. Successful implementation of specific, clinically-proven strategies will help CalPERS provide accessible and high-quality behavioral health care to CalPERS health care members.
Start Date:	July 2020
End Date:	June 2022
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input checked="" type="checkbox"/>	Develop environmental scan of behavioral health access, quality, and member experience and provide leadership with recommendations for additional action (October 2020)
<input type="checkbox"/>	Provide report on behavioral health member experience related to the 2020 Health Plan Member Survey (HPMS) and behavioral health grievances and appeals to leadership (October 2020)
<input type="checkbox"/>	Collaborate with external partners to increase access to behavioral health services and provide update to leadership (December 2020)
<input type="checkbox"/>	Develop clinical outcomes and quality improvement plan and present to leadership (March 2021)
<input type="checkbox"/>	Develop and implement health plan contract change recommendations and provide update to leadership (January 2022)

### Risks and Mitigations

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Health Equity</b>
Executive Owner:	Donald Moulds
Strategic Goal:	High-Quality Affordable Health Care
Strategic Objective:	Ensure our members receive high-quality care; Ensure our members have access to care when and where they need it
Strategic Measures:	Chronic disease prevention and management; Behavioral health quality; Measuring access to care; Member experience

<b>Status:</b>	<b>On-Target</b>
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Description:	Develop and implement a health equity strategy that will aim to improve the overall clinical quality for CalPERS health care members
Intent:	CalPERS is committed to ensuring that care is individualized and equitable for all members, regardless of race, ethnicity, gender identity or sexual orientation. This is important not only for those people currently needing or receiving treatment, but also for those who are working to stay healthy. CalPERS will engage with stakeholders and use data to better understand the impacts and potential solutions to guide decisions that ensure health equity for all CalPERS health care members.
Start Date:	July 2020
End Date:	June 2021
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Develop communication plan for members (November 2020)
<input type="checkbox"/>	Update Health Plan Member Survey (HPMS) to collect Race, Ethnicity, and Language (REAL) and Sexual Orientation and Gender Identity (SOGI) data (November 2020)
<input type="checkbox"/>	Conduct environmental scan, set data parameters, collection methods, and provide update to leadership (December 2020)
<input type="checkbox"/>	Develop data strategy to identify risks and impacts of health disparities and areas to eliminate health disparities (December 2020)
<input type="checkbox"/>	Implement my CalPERS information technology data solutions to collect and report REAL and SOGI data (January 2021)
<input type="checkbox"/>	Implement information technology data solutions to data warehouse to collect REAL and SOGI data (March 2021)
<input type="checkbox"/>	Improve data collection methods with health plans to include REAL and SOGI data to eliminate health disparities (June 2021)

## Risks and Mitigations

### Risk(s):

None identified at this time.

### Mitigation(s):

N/A

### Root Cause (if At-Risk or Off-Target):

N/A



## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Clinical Quality Improvement Programs</b>
Executive Owner:	Donald Moulds
Strategic Goal:	High-Quality Affordable Health Care
Strategic Objective:	Ensure our members receive high-quality care
Strategic Measures:	Chronic disease prevention and management

<b>Status:</b>	<b>On-Target</b>
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Description:	Assess the effectiveness of current quality requirements and implement strategies to ensure CalPERS health plans effectively engage their provider networks to support continuous quality improvement opportunities and activities so CalPERS health care members can receive high-quality clinical care.
Intent:	CalPERS is committed to providing quality in all its programs, including health care. To support this, CalPERS will ensure that our health plans continue to engage in quality improvement activities to deliver high-quality and effective clinical care.
Start Date:	July 2020
End Date:	December 2021
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Develop and provide analysis report of clinical quality improvement opportunities to leadership (December 2020)
<input type="checkbox"/>	Develop a gap analysis of health plan clinical requirements and present findings to leadership (March 2021)
<input type="checkbox"/>	Develop and provide a clinical quality improvement plan to leadership for approval (June 2021)
<input type="checkbox"/>	Implement clinical quality improvement plan with CalPERS health plans (December 2021)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Telehealth Access</b>
Executive Owner:	Donald Moulds
Strategic Goal:	High-Quality Affordable Health Care
Strategic Objective:	Ensure our members have access to care when and where they need it
Strategic Measures:	Measuring access to care; Member experience

<b>Status:</b>	<b>On-Target</b>
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Description:	Study the utilization and quality of telehealth to improve access and quality of care provided to CalPERS health care members.
Intent:	Developing telehealth access and quality strategies to ensure CalPERS health care members have access to high-quality health care.
Start Date:	July 2020
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Present report to leadership from research partners on current telehealth best practices, member utilization and access to telehealth services and impacts of COVID-19 (June 2021)
<input type="checkbox"/>	Deliver summary of member reported 2020 experience with telehealth services to leadership (December 2021)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Increase Competition</b>
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Ensure the care we provide is affordable
Strategic Measures:	Health care premium affordability

<b>Status:</b>	<b>On-Target</b>
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Description:	In regions of the state that have low competition among health care providers, CalPERS aims to increase competition using a variety of strategies.
Intent:	Large variation in prices for the same services within a geographic area is largely explained by market forces. The bargaining strength of a hospital, provider group, or insurer is determined by the amount and type of competition in a region. CalPERS is analyzing options for improving provider competition or mitigating costs in low competition areas. These include using “Centers of Excellence” for procedures with high variation in cost across regions, increasing the use of telehealth in areas with fewer providers, and utilizing appropriate level of care for routine services.
Start Date:	July 2020
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Present recommendations to the Board on strategies to address health care competition (December 2020)
<input type="checkbox"/>	Receive Board approval to implement strategies to address health care competition (June 2022)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Risk Mitigation</b>
Executive Owner:	Donald Moulds
Strategic Goal:	High-Quality Affordable Health Care
Strategic Objective:	Ensure the care we provide is affordable
Strategic Measures:	Health care premium affordability

<b>Status:</b>	<b>On-Target</b>
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Description:	Develop and implement a new health risk mitigation strategy and determine health plan premium disparities in preparation for the 2022 rate-setting process.
Intent:	Enable CalPERS to price its HMO and PPO Basic Health Plan premiums based on covered benefits and the quality of provider networks; manage population health risk and control costs across the entire Basic portfolio; reduce year-over-year premium volatility.
Start Date:	July 2020
End Date:	June 2021
Resources Approved:	(TBD)

Completed:	Deliverable and Due Date:
<input checked="" type="checkbox"/>	Develop initial risk mitigation strategies and discuss with the Board (July 2020)
<input checked="" type="checkbox"/>	Model and provide updates on the new risk mitigation strategies to the Board (September 2020)
<input type="checkbox"/>	Recommend new risk mitigation strategies for Board approval (November 2020)
<input type="checkbox"/>	Implement new risk mitigation strategies in the final proposed 2022 Premiums (June 2021)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Pharmaceutical Strategies</b>
Executive Owner:	Donald Moulds
Strategic Goal:	High-Quality Affordable Health Care
Strategic Objective:	Ensure the care we provide is affordable
Strategic Measures:	Health care premium affordability

<b>Status:</b>	<b>On-Target</b>
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Description:	Using expert clinical input from nationally-recognized organizations and CalPERS utilization data, develop formulary management strategies that balance member choice, quality, safety, affordability and prescription drug access.
Intent:	Continue to provide outpatient pharmacy drug benefits that represent value and safety toward members and safeguard against sudden market impacts and unwarranted drug prices.
Start Date:	July 2020
End Date:	June 2022
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Develop evaluation methodology for the Biosimilar First Program (December 2020)
<input type="checkbox"/>	Implement phase one of the Biosimilar First Program for Preferred Provider Organization (PPO) health plans (January 2021)
<input type="checkbox"/>	Secure acquisition-based contract with Pharmacy Benefit Manager (PBM) to increase transparency and reduce pharmacy costs (January 2021)
<input type="checkbox"/>	Research best practices, innovative strategies of specialty medications, develop dashboard to monitor CalPERS specialty medication costs and provide report to leadership (April 2021)
<input type="checkbox"/>	Develop evaluation methodology for pharmacy reference pricing program (December 2021)
<input type="checkbox"/>	Develop, coordinate and launch pharmacy reference pricing program (January 2022)
<input type="checkbox"/>	Launch evaluation of pharmacy reference pricing program and provide update to leadership (January 2022)
<input type="checkbox"/>	Launch evaluation of the Biosimilar First Program and provide update to leadership (January 2022)

## Risks and Mitigations

### Risk(s):

COVID-19 pandemic impacting the deployment of pharmacy reference pricing program.

### Mitigation(s):

Modify deliverables or adjust go-live dates.

### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Mature Targeted Information Technology (IT) Capabilities</b>
Executive Owner:	Doug Hoffner
Strategic Goal:	Reduce Complexity
Strategic Objective:	Simplify programs to improve service and/or reduce cost
Strategic Measure:	CEM information technology capability score

<b>Status:</b>	<b>On-Target</b>
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Description:	Mature targeted IT capabilities to enhance the delivery of core services, as well as anticipate and meet emerging business needs of the future (June 2022).
Intent:	Strengthen and maximize our competencies to better serve our partners and customers.
Start Date:	July 2018
End Date:	June 2022
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Develop and implement remote telephony solution (January 2021)
<input type="checkbox"/>	Develop end point support model for remote and on-premise team member (June 2021)
<input type="checkbox"/>	Develop and Implement Stable Infrastructure to support remote and on-premise workforce (June 2021)
<input type="checkbox"/>	Design and Enhance remote and on-premise collaboration and meeting solutions (June 2021)

### Risks and Mitigations

#### Risk(s):

Current budget and supply chain limitations may impact the ability to deliver new technology solutions

#### Mitigation(s):

When possible, these efforts will build on investments CalPERS has already made.

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Complexity Reduction</b>
Executive Owner:	Doug Hoffner
Strategic Goal:	Reduce Complexity
Strategic Objective:	Simplify programs to improve service and/or reduce cost
Strategic Measures:	CEM pension complexity score, CEM cost per member; overhead operational cost

<b>Status:</b>	<b>On-Target</b>
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Description:	Conduct research and analysis of complexity reduction opportunities and initiate process or policy changes.
Intent:	To reduce complexity in our business processes in an effort to gain and maintain efficiencies in the services we provide to our members and business partners and maintain our CEM Complexity score.
Start Date:	July 2018
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Written Pension Estimates Process Improvement Report (June 2021)
<input type="checkbox"/>	Appeals Process Improvement Report (June 2022)

### Risks and Mitigations

#### Risk(s):

None identified at this time

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A



## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Continuous Process Improvement</b>
Executive Owner:	Doug Hoffner
Strategic Goal:	Reduce Complexity
Strategic Objective:	Streamline operations to gain efficiencies, improve productivity, and reduce costs
Strategic Measures:	CEM cost per member; overhead operational cost

<b>Status:</b>	<b>On-Target</b>
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Description:	Support implementation of continuous process improvement opportunities that increase efficiency and reduce complexity through the enterprise.
Intent:	As a complex agency our goal is to develop a culture of continuous business process improvements by empowering our team members with a common methodology to define our processes, identify opportunities to increase efficiency and reduce complexity, and ensure we provide the most value to our customers.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	Not applicable

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input checked="" type="checkbox"/>	Expanded White Belt Education (December 2020)
<input type="checkbox"/>	Standardized Process for Improvement Sustainability (December 2020)
<input type="checkbox"/>	Green Belt Training Pilot (December 2020)
<input type="checkbox"/>	OSSD Procurement Process Improvement (June 2021)
<input type="checkbox"/>	OSSD Contracting Process Improvement (September 2021)

### Risks and Mitigations

**Risk(s):**

None identified at this time

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Total Fund Investment Decision-Making Processes (Process)</b>
Executive Owner:	Dan Bienvenue
Strategic Goal:	Reduce Complexity
Strategic Objective:	Streamline operations to gain efficiencies, improve productivity, and reduce costs
Strategic Measure:	Five-year net value added

<b>Status:</b>	<b>On-Target</b>
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Description:	Develop, refine, and institutionalize transparent, disciplined, and clear investment decision-making processes to increase organizational effectiveness for total fund and support a culture of accountability.
Intent:	To reflect our “one fund-focused, cost effective, net return-based thinking” with coherent and effective integration of investment-decision making across the fund.
Start Date:	July 2020
End Date:	June 2022*
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Implement Multi-Asset Trading Platform system to achieve efficiencies and reduce operational risks (June 2021)
<input type="checkbox"/>	Deliver Investment Data Strategy Milestone 2 to improve business outcomes for the Total Fund (June 2021)

\*Business plan initiative scheduled to end in June 2025 and supports the five-year investment plan.

### Risks and Mitigations

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Increase Enterprise-Wide Compliance Awareness</b>
Executive Owner:	Marlene Timberlake D'Adamo
Strategic Goal:	Risk Management
Strategic Objective:	Enhance compliance and risk functions throughout the enterprise
Strategic Measure:	Compliance employee awareness survey

<b>Status:</b>	<b>On-Target</b>
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Description:	Develop compliance communication and training plans to increase awareness throughout the enterprise
Intent:	The purpose of the Enterprise Compliance Plan is to ensure that CalPERS strives to maintain compliance with the letter and spirit of all applicable laws, regulations and policies in partnership with program areas.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Enhance compliance and ethics education by developing and implementing a compliance and ethics training plan for FY 2020-21 that combines web-based and instructor-led formats (March 2021)
<input type="checkbox"/>	Create and implement and internal compliance and ethics communication plan for FY 2020-21 to increase awareness of the compliance program throughout the enterprise (April 2021)

### Risks and Mitigations

#### Risk(s):

Enterprise compliance leverages business partners participation from throughout the enterprise to be successful. This initiative is subject to completion risk if current business partners efforts are redirected by their program areas and are unable to participate-

#### Mitigation(s):

Wide range participation from throughout the organization creates a broad knowledge base that serves as a strength in addition to the risk cited above

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Increase Compliance Program Maturity</b>
Executive Owner:	Marlene Timberlake D'Adamo
Strategic Goal:	Risk Management
Strategic Objective:	Enhance compliance and risk functions throughout the enterprise
Strategic Measure:	Compliance program maturity assessment

<b>Status:</b>	<b>On-Target</b>
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Description:	Enhance the Compliance Program maturity and performance by annually identifying and completing initiatives across a broad set of functional objectives and activities that strengthen CalPERS compliance and ethics culture.
Intent:	To continue to mature CalPERS compliance function to prevent, detect, and correct compliance failure within the organization. The annual assessment will help Enterprise Compliance: <ul style="list-style-type: none"> <li>• Understand how well the function is performing in its current state</li> <li>• Support short-term and long-term planning by clearly identifying next steps and associated resources</li> <li>• Ensure alignment of strategy and resources with market opportunities and business needs</li> </ul>
Start Date:	July 2018
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Continue to strengthen and enhance oversight of the conflict of interest rules (June 2021)
<input type="checkbox"/>	Outline relevant controls and provide implementation guidance for top compliance risks (June 2021)
<input type="checkbox"/>	Establish a standardized process for third-party risk management (June 2021)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Enterprise Data Management</b>
Executive Owner:	Marlene Timberlake D'Adamo
Strategic Goal:	Risk Management
Strategic Objective:	Enhance compliance and risk functions throughout the enterprise
Strategic Measure:	Aligned to overall Risk Management Goal

<b>Status:</b>	<b>On-Target</b>
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Description:	Create/enhance policies and processes to strengthen appropriately defined data-driven decisions, ensure intent is understood, and improve the consistency of data use across the enterprise which includes people, process, technology, and culture dimensions.
Intent:	This initiative will help drive change across people, process, technology, and culture resulting in improved data consistency, integrity, and transparency, as well as increased collaboration and data driven insights and decision making.
Start Date:	July 2017
End Date:	June 2022
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Data Glossary Governance and Buildout Strategy (June 2021)
<input type="checkbox"/>	Develop Enterprise Data Management Policies (December 2021)

### Risks and Mitigations

#### Risk(s):

The CalPERS Data Management effort leverages team members participation from throughout the enterprise to be successful. This initiative is subject to completion risk if current team members efforts are redirected by their program areas and they are unable to participate.

#### Mitigation(s):

Cross enterprise buy-in for the importance of this effort has been established and ongoing enterprise business plan initiatives are being used to document advancement tactics and deliverables. Enterprise Data Council and Data Steward Committee governance structure has been established. Wide range participation from throughout the organization creates broad knowledge base that serves as a strength in addition to the risk cited above.

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

Reported in Closed Session

<b>Initiative Title:</b>	<b>Information Security Strategy</b>
Executive Owner:	Matt Jacobs
Strategic Goal:	Risk Management
Strategic Objective:	Continue to evolve cyber security program
Strategic Measure:	Composite security health score within range

<b>Status:</b>	<b>Information to be provided in closed session.</b>
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Description:	Advance the Information Security Office strategy and mitigate cybersecurity threats and vulnerabilities.
Start Date:	July 2017
End Date:	June 2022

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Implement Engagement Survey Action Items</b>
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Objective:	Recruit and empower a broad range of talents to meet organization priorities
Strategic Measures:	Engagement survey results and action items – accountability; engagement survey results and action items – senior and executive management relationships

<b>Status:</b>	<b>On-Target</b>
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Description:	In partnership with senior leaders, develop and implement a plan to address Accountability and Senior & Executive Management Relationships from the Employee Engagement Survey results.
Intent:	Measure the effectiveness of engagement activities.
Start Date:	July 2018
End Date:	June 2021
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Work with new vendor and stakeholders to implement new survey tool (December 2020)
<input type="checkbox"/>	Introduce Action Planning Tool for Leaders (June 2021)

### Risks and Mitigations

#### Risk(s):

None Identified at this time.

#### Mitigation(s):

N/A.

#### Root Cause (if At-Risk or Off-Target):

N/A



## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Expand Diversity &amp; Inclusion Program</b>
Executive Owner:	Brad Pacheco
Strategic Goal:	Talent Management
Strategic Objective:	Recruit and empower a broad range of talents to meet organizational priorities
Strategic Measure:	Engagement survey results & action items – diversity & inclusion

<b>Status:</b>	<b>On-Target</b>
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Description:	Sustain the strategy to embed Diversity & Inclusion as an enterprise comprehensive approach to be a leader in best practices and to meet organizational goals.
Intent:	This business initiative is intended to be an enterprise approach to implement Diversity and Inclusion (D&I) efforts to increase engagement and integrate best practices across the enterprise.
Start Date:	July 2019
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input checked="" type="checkbox"/>	Develop plan to expand relationships with external D&I stakeholders within the community. (December 2020)
<input type="checkbox"/>	Complete a GAP analysis. (December 2020)
<input type="checkbox"/>	Develop alternate D&I education and training program. (June 2021)
<input type="checkbox"/>	Expand D&I Advisory Council. (June 2021)
<input type="checkbox"/>	Create a work group with HRSD and EEO to discuss how to incorporate demographic data to the board and commitment to D&I report. (June 2021)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Total Fund Portfolio Resources (People)</b>
Executive Owner:	Dan Bienvenue
Strategic Goal:	Talent Management
Strategic Objective:	Recruit and empower a broad range of talents to meet organization priorities
Strategic Measure:	Engagement survey results & action items – accountability

<b>Status:</b>	<b>On-Target</b>
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Description:	Realign Investment Office resources and skills in support of the total fund portfolio to reinforce working as one team, with a culture of trust, respect, and accountability.
Intent:	To fulfill our Vision and reinforce and reflect our “one team, one fund, one culture” approach.
Start Date:	July 2020
End Date:	June 2022*
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Investment Office People Strategy development and implementation plan to support and advance the INVO mission and vision (June 2021)

\*Business plan initiative scheduled to end in June 2025 and supports the five-year investment plan.

### Risks and Mitigations

**Risk(s):**

None identified at this time.

**Mitigation(s):**

N/A

**Root Cause (if At-Risk or Off-Target):**

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Implement 2018-22 Workforce Plan Strategies</b>
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Objective:	Cultivate leadership competencies and develop succession plans across the enterprise
Strategic Measure:	Proficiency in CalPERS leadership competencies

<b>Status:</b>	<b>On-Target</b>
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Description:	Implement two workforce planning strategies focused on knowledge transfer and resource alignment.
Intent:	To develop Branch and Division-level Workforce Analysis reports and transfer critical business knowledge in support of workforce and succession planning.
Start Date:	July 2018
End Date:	June 2022
Resources Approved:	N/A

Completed:	Deliverable and Due Date:
<input type="checkbox"/>	Require a knowledge transfer action plan for each team leader who has been forecasted to separate within 0-2 years, in partnership with our program areas, to instill long-term business continuity and retention of institutional knowledge (June 2021)
<input type="checkbox"/>	Review all workforce related data sources and lean HRSD data gathering activities to develop Branch and Division-level workforce analysis reports (June 2021)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A.

#### Root Cause (if At-Risk or Off-Target):

N/A

## 2020-21 Business Plan Initiative Summary (Quarter 1)

<b>Initiative Title:</b>	<b>Develop Leadership Competencies Measurement Tool</b>
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Objective:	Cultivate leadership competencies and develop succession plans across the enterprise
Strategic Measure:	Proficiency in CalPERS leadership competencies

<b>Status:</b>	<b>On-Target</b>
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Description:	Continue to pilot and refine a tool to measure leaders' proficiency in CalPERS competencies.
Intent:	Provide a consistent feedback and accountability tool so leaders are well-equipped to successfully demonstrate CalPERS competencies. The expected outcome is to gather data and identify trends, inform, and focus our leadership training and development strategies.
Start Date:	July 2018
End Date:	June 2022
Resources Approved:	N/A

<b>Completed:</b>	<b>Deliverable and Due Date:</b>
<input type="checkbox"/>	Expand the tool to include assessment for all levels of leadership (June 2021)
<input type="checkbox"/>	Pilot tool with other areas of CalPERS (June 2021)

### Risks and Mitigations

#### Risk(s):

None identified at this time.

#### Mitigation(s):

N/A.

#### Root Cause (if At-Risk or Off-Target):

N/A



# 2017-22 Strategic Plan | Alignment Map (FY 2020-21) - Status as of 9/30/2020 - Quarter 1

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

**MISSION:** Deliver retirement and health care benefits to members and their beneficiaries

**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

Strategic Goals	 <b>FUND SUSTAINABILITY</b> Strengthen the long-term sustainability of the pension fund					 <b>HIGH-QUALITY AFFORDABLE HEALTH CARE</b> Improve health care quality, access & affordability			 <b>REDUCE COMPLEXITY</b> Reduce complexity across the enterprise		 <b>RISK MANAGEMENT</b> Cultivate a risk-intelligent organization		 <b>TALENT MANAGEMENT</b> Promote a high-performing and diverse workforce	
Strategic Objectives	Fund the System through an integrated view of pension assets and liabilities	Mitigate the risk of significant investment loss	Deliver target risk-adjusted investment returns	Educate employers, members, and stakeholders on system risks and mitigation strategies	Integrate environmental, social, and governance (ESG) considerations into investment decision making	Ensure our members receive high-quality care	Ensure our members have access to care when and where they need it	Ensure the care we provide is affordable	Simplify programs to improve service and/or reduce cost	Streamline operations to gain efficiencies, improve productivity, and reduce costs	Enhance compliance and risk functions throughout the enterprise	Continue to evolve cyber security program	Recruit and empower a broad range of talents to meet organization priorities	Cultivate leadership competencies and develop succession plans across the enterprise
Strategic Measures	Funded status <i>Off-Target</i>	1 - year total expected fund volatility <i>At-Risk</i>	Annualized (5-year) excess investment returns relative to total fund policy benchmark <i>At-Risk</i>	Stakeholder assessment survey - risk <i>Off-Target</i>	Investment managers policies and procedures for ESG factor integration <i>On-Target</i>	Chronic disease prevention & management <i>Off-Target</i>	Measuring access to care <i>Off-Target</i>	Health care premium affordability <i>On-Target</i>	Cost effectiveness measurement pension complexity score <i>Off-Target</i>	Cost effectiveness measurement cost per member <i>Off-Target</i>	Stakeholder assessment survey - compliance and risk <i>Off-Target</i>	Composite security health score within range (Closed Session)	Effectiveness of outreach activities <i>On-Target</i>	Proficiency in CalPERS leadership competencies <i>On-Target</i>
2019-20 Business Plan Initiatives	Projected funded status <i>On-Target</i>					Behavioral health quality <i>On-Target</i>	Member experience <i>Off-Target</i>		Cost effectiveness measurement information technology capability score <i>Off-Target</i>	Overhead operational cost <i>Off-Target</i>	Risk employee awareness survey <i>Off-Target</i>		Engagement survey results & action items - diversity & inclusion <i>Off-Target</i>	
	Alignment of asset liability management <i>On-Target</i>	Total fund portfolio design (Portfolio) <i>On-Target</i>	Total fund investment strategy (Performance) <i>On-Target</i>	Stakeholder education on system risks & mitigation <i>On-Target</i>	Total fund portfolio design (Portfolio) <i>On-Target</i>	Update health plan contract measures <i>On-Target</i>	Health data quality management <i>On-Target</i>		Mature targeted information technology capabilities <i>On-Target</i>	Continuous process improvement <i>On-Target</i>	Increase enterprise-wide compliance awareness <i>On-Target</i>	Information security strategy (Closed Session)	Implement engagement survey action items <i>On-Target</i>	Implement 2018-22 workforce plan strategies <i>On-Target</i>
Legend	<span style="background-color: #0070C0; color: white; padding: 2px;">■</span> Strategic Objectives	<span style="background-color: #ADD8E6; color: white; padding: 2px;">■</span> Strategic Measures and Targets	<span style="border: 1px solid black; padding: 2px;">□</span> Business Plan Initiatives	<span style="background-color: #008000; color: white; padding: 2px;">■</span> On-Target	<span style="background-color: #FFD700; color: white; padding: 2px;">■</span> At-Risk	<span style="background-color: #FF0000; color: white; padding: 2px;">■</span> Off-Target	<span style="border: 1px solid black; padding: 2px;">□</span> Measures under development	* Pending refresh	** Data not available					