UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Annual Performance Report

Fiscal Year 2012

a New Day for Federal Service

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
FEBRUARY 2013

United States

of America

The United States Office
of Personnel Management

Fiscal Year 2012
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MESSAGE *from the* DIRECTOR

Introduction

It is my pleasure to submit the United States Office of Personnel Management (OPM) Fiscal Year (FY) 2012 Annual Performance Report (APR). OPM has chosen to produce the APR as an alternative to the consolidated Performance and Accountability Report pursuant to OMB Circular A-136. This FY 2012 APR is one in a series of reports used to convey budget, performance, and financial information to constituents.

Reducing the Retirement Claims Inventory

OPM is responsible for the administration of the Federal Retirement Program covering over 2.7 million active employees and 2.5 million annuitants. Due to a number of factors over the past several years, OPM failed to process retirement claims in a timely manner, allowing the inventory of retirement claims to climb above 60,000 cases. This has lengthened the period of time that annuitants have relied on interim, partial payments, creating hardship for many of our retirees who dedicated their lives to a career in public service. To remedy this situation, OPM developed a strategic plan in January 2012, with the goal of eliminating the retirement claims inventory within 18 months and improve the program application process so that 90 percent of all retirement claims will be adjudicated within 60 days. Since that time, many OPM employees have worked tirelessly to improve the procedures and technology we use to process claims. In addition, we have hired 66 new Legal Administrative Specialists to process claims and 22 temporary Customer Service Specialists to assist with incoming inquiries. I am happy to report that OPM is ahead of schedule in meeting our goal. OPM's inventory has been reduced from 61,108 in January 2012 to 41,176 by the end of September 2012 - a reduction of 33 percent. As of December 2012, the inventory has been reduced even further to 31,704 cases.

Improving Access to Healthcare

The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act or ACA) expanded the scope of OPM's mission by assigning OPM the task of contracting with at least two multi-state health insurance issuers to offer health insurance plans in each of the state health insurance exchanges by October 1, 2013. OPM also continued to manage the successful Pre-existing Condition Insurance Program (PCIP) for 23 states and the District of Columbia, applying its health insurance expertise to assure coverage for individuals

who have been refused coverage due to a medical condition. Under the ACA, OPM has extended insurance benefits for the first time to Native American and Alaska Native tribal employees.

At the President's direction, and also for the first time, OPM has also extended eligibility for health insurance coverage under the FEHB program to temporary firefighters and fire protection personnel working on wildland fires. In November 2012, this coverage was also extended to intermittent Federal Emergency Management Agency employees responding to Superstorm Sandy.

Veterans Outreach

In FY 2011, the President's Veteran Employment Initiative achieved an unprecedented level of success, with Veterans making up 28.3 percent of all new hires. Preliminary data for FY 2012 indicate the percentage of Veterans hired remains steady, while the hiring percentage of disabled veterans is trending above the FY 2011 level of nine percent. At the end of FY 2012, the total number of Veterans onboard reached 611,800. This equals 29.7 percent of the workforce – 2.4 percentage points above FY 2011. OPM, through its roles as Vice Chair and Executive Director to the Council on Veterans Employment, in partnership with the White House, the Departments of Defense, Labor, Veterans Affairs, Homeland Security, and other Federal agencies, led the effort to increase the number of Veterans and disabled Veterans employed in the executive branch.

In FY 2012, OPM continued to provide Government-wide leadership and direction and accomplished the following: 1) Developed a pilot program to employ formerly homeless veterans, 2) Launched the second iteration of the "Vets 2 Feds Career Development Program (Information Technology Student Trainee)," and 3) Conducted a collaborative strategic planning session to develop the next Government-wide Veterans Recruitment and Employment Strategic Plan for FY 2013 – 2015. For additional information on these programs and more, please go to: http://www.fedshirevets.gov.

Agency Priority Goals

Agency Priority Goals (APGs) are measurable commitments to deliver specific results for the American people. OPM's goals were announced in February 2012 and are to be completed by September 30, 2013. These goals represent near-term, implementation-focused

high priorities for both the Administration and OPM that can be accomplished without additional funding or new legislation and relate directly to OPM's major performance improvement initiatives. A detailed look at OPM's progress in achieving each of our APGs can be found herein.

Completeness and Reliability of Performance Information

The performance information used by OPM in this APR for FY 2012 is complete and reliable, as defined by the Government Performance and Results Act. If there are instances where full and complete data for a measure are not available, these instances are noted and final data will be updated in the following year's APR.

Conclusion

OPM employees have the talent and creativity to produce positive and tangible results for the American people. We will continue to implement initiatives throughout the organization to improve the performance of our programs and the accountability of our employees. Only by focusing on measured results can we further our ability to meet the unique human resource challenges of the Federal Government and ensure an effective civilian workforce.

Sincerely,

John Berry
Director
February 4, 2013

Introduction

OPM is the central human resources agency for the Federal Government. Its mission is to "Recruit, Retain and Honor a World-Class Workforce to Serve the American People." To carry out this mission, OPM provides human resource advice and leadership to Federal agencies, supports these with human resource policies, holds agencies accountable for their human resource practices, and upholds the merit system principles. Additionally, OPM delivers human resource products and services to agencies on a reimbursable basis, including personnel investigations, leadership development and training, staffing and recruiting assistance, supporting organizational assessments, and training and management assistance. OPM also delivers services directly to Federal employees, those seeking Federal employment, and Federal retirees and their beneficiaries.

OPM operates from its headquarters in the Theodore Roosevelt Federal Office Building at 1900 E Street, NW, Washington, D.C., 20415. OPM delivers a variety of products and services with the help of approximately 5,000 employees in D.C., its field presence in 16 locations across the country, and operating centers in Pittsburgh and Boyers, Pennsylvania; Ft. Meade, Maryland; and Macon, Georgia. OPM's website is www.opm.gov.

About This Report

The FY 2012 APR provides an overview of OPM's program performance and results to help Congress, the President, and the public assess OPM's stewardship over the financial resources entrusted to us. Under separate cover, OPM will submit a Summary of Performance and Financial Information (SPFI). The SPFI is designed to be an executive summary highlighting both financial and performance results. OPM believes this approach will improve reporting by making the information more meaningful and transparent to the public, and by providing a more succinct and understandable reporting of OPM's use of its resources. Both documents are available on the OPM website at http://www.opm.gov/about-us/budget-performance/performance/.

The FY 2012 APR meets a variety of reporting requirements stemming from numerous laws focusing on improved accountability among Federal agencies and guidance described in OMB Circulars A-11 and A-136. This FY 2012 APR provides an accurate and thorough accounting of OPM's program performance accomplishments during FY 2012 in fulfilling its mission.

Suggestions for improving this document can be sent to the following address:

<div align="center">

U.S. Office of Personnel Management
Center for Budget and Performance
Room 5416
1900 E Street NW
Washington, D.C. 20415

</div>

Agency Priority Goals

Agency Priority Goals (APGs) are measurable commitments to deliver specific results for the American people. An APG is a near-term result or achievement that the Administration and OPM want to accomplish by September 30, 2013 that relies on agency implementation, as opposed to budget or legislative accomplishments. These goals are highly relevant to the public and are aligned to the agencies key mission areas in order to produce significant results.

OPM's current set of APGs are the following:

1) Ensure high quality Federal employees
2) Increase health insurance choices for Americans
3) Reduce Federal retirement processing time
4) Maintain speed of national security background investigations
5) Improve performance culture in the five GEAR* pilot agencies to inform the development of government-wide policies

> * *Goals-Engagement-Accountability-Results (GEAR) is intended to be a new way to manage employee performance. The five pilot agencies are OPM, the Coast Guard, and the Energy, Veterans Affairs and Housing and Urban Development departments.*

The progress OPM has made in FY 2012 to accomplish these goals is discussed in the following section of this report. For more information on APGs across the Federal government, please visit the Federal government's performance website at www.performance.gov.

Program Performance Reviews

As part of fulfilling its responsibilities under the GPRA Modernization Act of 2010, OPM is committed to conducting a program review process, which we have named OPM Performance Point. The goal of OPM Performance Point, which was initiated in October 2011, is to conduct inclusive, evidence-based reviews to evaluate agency priority goal progress, identify issues and potential solutions that will improve program performance. Performance reviews are undertaken in all program areas and occur on a rotating basis every six to seven weeks. The reviews are conducted with participation from the OPM senior management team, including the Director and all Associate Directors. Action items resulting from the reviews are recorded and tracked.

Priority Goal #1: Ensure High Quality Federal Employees

Goal Statement: By September 30, 2013, increase Federal manager satisfaction with applicant quality (as an indicator of hiring quality) from 7.7 to 8.3 on a scale of 1 to 10, while continually improving timeliness, applicant satisfaction, and other hiring process efficiency and quality measures.

Overview

President Obama's Memorandum of May 11, 2010, *Improving the Federal Recruitment and Hiring Process*, outlined the Administration's comprehensive initiative to address major, long-standing impediments to recruit and hire the best and the brightest into the Federal civilian workforce. OPM is spearheading the Government-wide initiative to reform recruiting, hiring and retention policies and procedures. The reform effort will encompass multiple years and will require sweeping changes to streamline and improve the hiring process. OPM leads the effort to ensure Federal agencies acquire, assess, and retain employees with the specific competencies necessary to achieve agencies' goals and missions.

OPM continues assisting agencies in finding, hiring, and retaining the best talent possible for the Federal government. As the human resources management agency for the Government, OPM is responsible for ensuring the Federal hiring process is merit based and protects veterans' preference. However, inherent in this leadership role, OPM is also responsible for bringing forth new ideas and efficiencies to the Government's hiring system and monitoring and evaluating their effectiveness. Agencies have indicated in their Human Capital Management Reports (HCMR) that they are focusing on data from the manager satisfaction survey for improvement.

FY 2012 Progress

Agencies are working to increase the number of managers who respond to the survey in order to have sufficient responses for decision-making. The data indicates that those efforts are paying off. The number of manager responses to the manager satisfaction survey improved from 7,091 in the first quarter of FY 2012 to 10,166 in fourth quarter FY 2012, an increase of over 43 percent. OPM is continuing to help agencies build on this positive trend to increase manager response rates.

NUMBER OF MANAGER SURVEY RESPONSES BY QUARTER
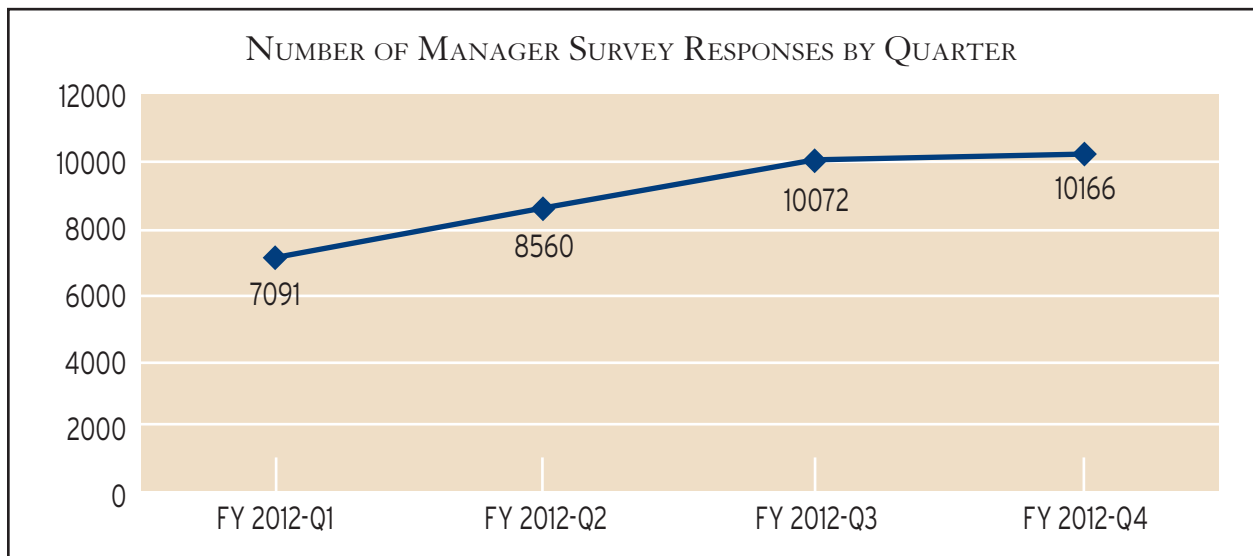
OPM tracks the summary data above by Chief Human Capital Officer (CHCO) agency and provides the information to them on a quarterly basis. Agencies are able to monitor their response rates and institute policies to increase participation in the surveys. Agencies reported in the recent program reviews on hiring reform progress that they have instituted programs to increase the response rates from managers. As an example, the Environmental Protection Agency instituted a policy mandating that hiring managers must complete the survey before a hiring certification would be processed. OPM instituted a similar requirement after our Associate Director of Employee Services raised the idea during an OPM Performance Point meeting.

OPM actively encourages agencies to promote participation in the Managers' Satisfaction Surveys as a means to measure whether other hiring reform measures are having the desired results. Additionally, the surveys provide important data on managers' involvement in workforce planning, recruitment and interview process, and in collaboration with their Human Resources (HR) organization.

While still below expectations, manager response rates continue to improve across the Federal government. Government-wide, the response rate is nearly 17 percent. This is a significant improvement compared with pre-hiring reform implementation of 5 percent or less. To correct this deficiency, OPM facilitated a discussion between Deputy CHCOs on the barriers to managers completing the survey. Results of the barrier analysis were briefed to

the Deputy CHCO Council and other HR professionals. OPM data shows that managers who are involved in the hiring process rate the quality of applicants higher than those who are not involved; consequently, OPM promotes and supports agency strategies to increase managers' participation in the hiring process.

The government-wide average for manager satisfaction with applicant quality has continued to increase for the first three quarters of 2012 - up almost two percent from the first quarter of 2012 (7.60) to the third quarter of 2012 (7.74). Fourth quarter results (7.59) dropped for the first time in 2012. With a few exceptions, most agencies are showing incremental improvement in their efforts. Two agencies that declined represent 53 percent of the total fourth quarter 2012 manager responses, and, therefore, have a significant impact on the overall result. OPM continues to assist those agencies in determining the root cause of the decline – in the form of direct engagement by OPM subject matter experts working with agency representatives – to analyze this area of performance.

MANAGER SATISFACTION WITH APPLICANT QUALITY - GOVERNMENT-WIDE AVERAGE (0-10 SCALE)

	FY 2012-Q1	FY 2012-Q2	FY 2012-Q3	FY 2012-Q4
	7.6	7.64	7.74	7.59
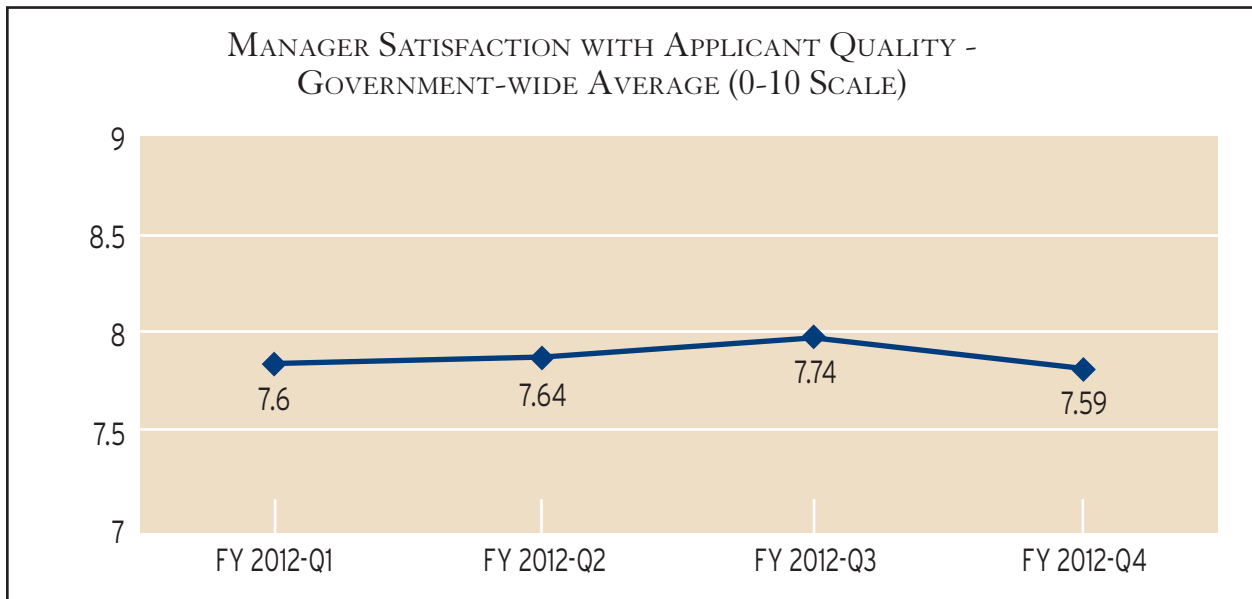
Priority Goal #2: Increase Health Insurance Choices for Americans

Goal Statement: By October 1, 2013 expand competition within health insurance markets by ensuring participation of at least 2 multi-state health plans in State Affordable Insurance Exchanges.

Overview

Under the Affordable Care Act (ACA), OPM has been designated as the agency responsible for implementing and overseeing the Multi-State Plan Program (MSPP). In accordance with the Act, OPM will contract with at least two health insurance issuers (one of which must be a non-profit) to offer MSPs on each Affordable Insurance Exchange in every state. The law requires that MSPs be offered in at least 31 states in the first year, with coverage expanding to all 50 states and the District of Columbia by year four.

The initial enrollment period will begin on October 1, 2013, and coverage for enrollees will first become effective on January 1, 2014. We expect that multi-state plans (MSPs) will be one of several health insurance options from which individuals and small employers will be able to choose. Affordable Insurance Exchanges are expected to provide health insurance coverage for as many as 25 million Americans.

A MSP is a new type of insurance product that has never been offered before in the private insurance market or through public programs. As a general rule, MSPs are subject to the same State and Federal laws and regulations as are the qualified health plans that are also to be offered through the Exchanges. A MSP offered under a contract with OPM will be deemed certified to be offered on Affordable Insurance Exchanges. MSP issuers will not have to apply separately to each State to offer coverage on that State's Exchange.

States are in the process of establishing their Exchanges and some States are farther along in this process than others. Many states have chosen not to create their own Exchanges and will instead be serviced by Federally Facilitated Exchanges established by the U.S. Department of Health and Human Services (HHS). OPM is implementing the MSPP during the same time period that Exchanges are being established, both by individual States and by HHS.

FY 2012 Progress

OPM established a new organization, National Healthcare Operations (NHO), to handle OPM's responsibilities under the Affordable Care Act. OPM recruited and hired staff with private health insurance experience as well as knowledge of the ACA and health insurance plan contracting.

 On September 20, 2012, OPM published a draft MSPP issuer application on the Federal Business Opportunities website and subsequently received numerous comments from issuers, States, consumer and industry representatives, tribal organizations, and healthcare accrediting organizations. OPM is reviewing those comments and will publish a written version of the final application shortly. At the same time, OPM has been working to develop an on-line application tool for issuers interested in participating in the MSPP. OPM has also been developing a standard MSPP contract.

On November 30, 2012, OPM published a notice of proposed rulemaking to implement the MSPP on its website. The comment period opened on December 5, 2012 and ran through January 4, 2013.

Throughout 2012, OPM fully participated in the inter-agency process to implement the ACA, including attending senior leadership level inter-agency implementation strategy meetings with the Domestic Policy Council (DPC), the Office of Management and Budget (OMB), the Department of Health and Human Services (HHS), and the Departments of Labor and Treasury. OPM is also serving on the Inter-Agency Exchanges Information Technology (IT) Steering Committee as well as the committee's workgroups. OPM is participating in the Centers for Medicare and Medicaid Services Exchanges Communications Workgroup.

OPM is closely coordinating MSPP implementation activities with management and staff at HHS and the Centers for Medicare and Medicaid Services (CMS) involved in implementing Affordable Insurance Exchanges, including coordination of policy, operational, and systems development activities.

OPM reviewed and commented on HHS, Treasury, and Labor regulations with respect to their impact on MSPs, and negotiated provisions in these regulations to facilitate successful implementation of the MSPP.

OPM continued outreach to stakeholders, including potential issuers, providers, consumers, and State officials. OPM held discussions with National Association of Insurance Commissioners (NAIC) staff on MSPP implementation, and attended NAIC and National Governors Association meetings. OPM has held discussions with 30 States on the MSPP. OPM also coordinated with the Center for Consumer Information and Insurance Oversight (CCIIO) State Exchange Team to answer questions from State officials on MSPP, and participated in 12 CCIIO State Exchange Design Review meetings.

Priority Goal #3: Reduce Federal Retirement Processing Time

Goal Statement: By July 31, 2013, Retirement Services will have eliminated its case backlog so that 90 percent of all claims will be adjudicated within 60 days.

Overview

The Office of Personnel Management (OPM) is responsible for the administration of the Federal Retirement Program covering over 2.7 million active employees and 2.5 million annuitants. This responsibility is shared with agency partners who counsel their employees and administer the initial retirement application process, and submit the employee's application, with all supporting documentation, to OPM's Retirement Services. Because some of the information contained in retirement applications is payroll data, this process is coordinated with Payroll Shared Service Centers (SSC), with whom agencies contract to provide payroll services. When the records submitted by the agencies and the SSCs are accurate and complete, processing is much faster. However, when data elements are missing, OPM must request the documentation necessary to process the request—a significant time and labor burden, which contributes to OPM's current inventory. In order to reduce the inventory within 18 months so that all but the most complex retirement cases are processed within 60 days, OPM will focus on the following four pillars: People; Productivity and Process Improvement; Partnerships with Agencies; and Partial, Progressive IT Improvements.

FY 2012 Progress

In January 2012, OPM developed a strategic plan to reduce the retirement claims inventory within 18 months and improve the program application process so that 90 percent of all retirement claims will be adjudicated within 60 days. The plan focused on four areas that we call the four pillars:

1. People

- Bring "all hands on deck" to add claims production capacity immediately;
- Hire new Legal Administrative Specialists (LAS); and,
- Hire new Customer Service Specialists (CSS).

2. Productivity and Process Improvement

- Review process enhancements with the goal of increasing production;
- Expand work hours with the effective use of overtime;
- Complete a Lean Six Sigma review of the claims process; and,
- Improve LAS production capabilities by providing complete cases and removing superfluous duties.

3.   Partnering with Agencies

- Improve the accuracy and completeness of incoming claims;
- Involve agency Chief Human Capital Officers; and,
- Provide more frequent feedback to agencies on claims deficiencies.

4. Partial, Progressive Information Technology (IT) Improvements

- Pursue a long-term data flow strategy;
- Explore a short-term strategy to leverage the work agencies do now; and,
- Review and upgrade systems used by LAS.

To increase processing capacity, OPM hired 66 new Legal Administrative Specialists (LAS) and 22 temporary Customer Service Specialists (CSS). In addition, employees from other parts of Retirement Services and recent retirees are being brought back into claims processing. These critical resources will focus efforts on analyzing claims and adjudicating cases; thereby reducing the case inventory.

OPM is committed to improving our processes within Retirement Services. As part of this effort, the Department of Navy assisted OPM in conducting a Lean Six Sigma review in our Boyers, PA office to determine where we could streamline procedures and enhance outputs. The Washington, D.C. office will undergo a Lean Six Sigma review performed by a private firm in FY 2013.

Based on the recommendations of the Lean Six Sigma review in Boyers, PA, we have implemented new strategies to create a more streamlined workflow. For example, OPM has re-allocated staff to create a case development team focused on case assembly. This group contributes to reducing overall processing time by fully developing cases (gathering essential employee data into case files) before the cases are adjudicated; thus freeing up critical LAS time from case assembly to case analysis and adjudication. This team also provides resolution support to the cases which tend to be our most complex and for cases where customers have experienced the longest delays. CSS personnel ensure that all cases sent to the Legal Administrative Specialists are complete and ready to be adjudicated.

Another improvement, known as Tier II Process or escalation management, involves the practice of handing off complex phone inquiries to a higher level staffer. The higher level staffer creates an escalation form and then designated branches within the Retirement Services organization are responsible for responding to the inquiry within five business days.

In addition, we have instituted a new process within our call center so that LAS are not burdened by calls that should be answered by others. OPM is also streamlining the administrative case review and audit process. Previously, all adjudicated cases were reviewed prior to the finalization of the full annuity payment amount. OPM is pilot testing an enhanced review and audit process that will automatically approve adjudicated cases for finalization where the risk of error is minimal.

To improve the quality and completeness of retirement packages, OPM is working with agencies to ensure the cases we receive are complete. In December 2011, OPM's Retirement Services organization briefed the Chief Human Capital Officers Council where agency CHCOs agreed to the need for additional training for their agency human resources employees. OPM then conducted training on the retirement claims application process in February and June 2012. Customer Service Specialists will complete a review of agency submitted information and convey the errors back to individual agencies to improve their application submissions. OPM's training efforts to date have made an impact as the rate of complete retirement submissions has increased from 82 to 85 percent during FY 2012.

As a result of our efforts to date, OPM is ahead of schedule in meeting our inventory reduction targets. As can be seen in the graph below, OPM's inventory has been reduced from 61,108 in January 2012 to 41,176 by the end of September 2012 - a reduction of 33 percent.

PROJECTED/ACTUAL CSRS/FERS NEW CLAIMS, PROCESSED, AND INVENTORY
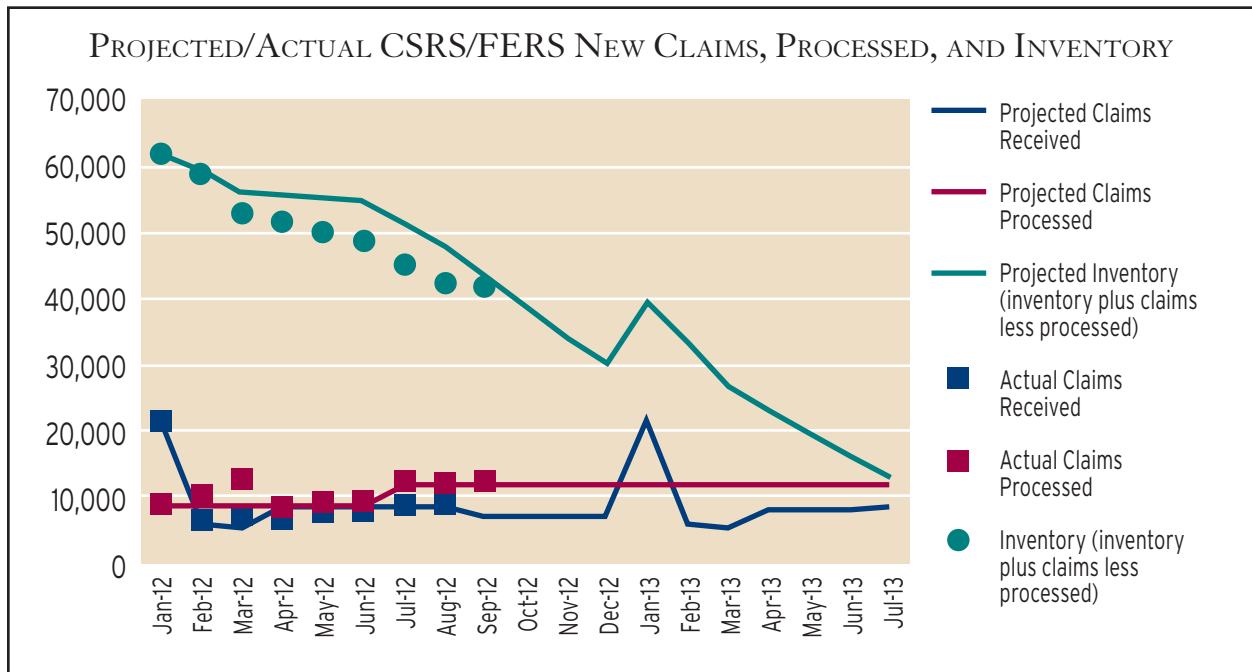
Priority Goal #4: Maintain Speed of National Security Background Investigations

Goal Statement: Through September 30, 2013, maintain a 40 day or less average completion time for the fastest 90 percent of initial national security investigations.

Overview

OPM provides background investigations for more than 100 Federal agencies. These background investigations are used as a basis for making security clearance, suitability, or fitness determinations. To support high-volume investigative requirements, OPM manages a complex suite of automated systems. In 2004, the year Congress passed the Intelligence Reform and Terrorism Prevention Act (IRTPA), initial clearance investigations for Top Secret clearances took an average of 392 days and all initial clearances took 179 days. At the end of FY 2012, the fastest 90 percent of all initial investigations took an average of only 36 days to complete. Over the last few years, the Federal government has made critical advances in reforming the security clearance process. While there is still work to be done, individuals seeking to work for the Federal government now face a substantially different clearance experience than they did just a few years ago.

FY 2012 Progress

OPM's partnership with the Office of the Director of National Intelligence (ODNI) and the Department of Defense (DOD) in leading Security and Suitability Process Reforms has given the Executive Branch a roadmap to sustain timeliness, and OPM will continue to insure the recommended process reforms are successfully implemented.

Although the priority goal of investigative timeliness is a legal mandate outlined in IRTPA, optimal investigative performance is dependent on a proper balance of quality and cost along with timeliness. FY 2012

milestones were established to support the priority goal, understanding that effective support of reciprocity policies which permit agencies to quickly accept the investigative and adjudicative work of other agencies without additional resource investments, will always provide the best value to the American taxpayer.

As of the end of FY 2012, OPM exceeded its timeliness mandate by completing the fastest 90 percent of initial national security investigations in only 36 days. Not only did this beat the target by four days, but 99.93 percent of all our investigations met quality standards and were accepted by our customer agencies. The average timeliness for the slowest 10 percent of the initial national security investigations for FY 2012 was 113 days, which was a 10-day improvement from the 123 days seen for FY 2011.

Additionally, in an effort to be more transparent in the way OPM establishes its pricing, Federal Investigative Services obtained contractor support to assist with business management planning, developing a cost allocation model, and organizing monetary resources.

Priority Goal #5: Improve Performance Culture in the Five GEAR Pilot Agencies to Inform the Development of Government-wide Policies

Goal Statement: By September 30, 2013, employee responses to the Employee Viewpoint Survey in each of 5 agencies participating in a performance culture pilot project will increase by 5 percent or greater on the results-oriented culture index and the conditions for employee engagement index, using 2011 survey results as the baseline.

Overview

Goals-Engagement-Accountability-Results (GEAR) began with the goal of improving the federal performance management system; the goal evolved to be a set of recommendations for changing the performance culture of Federal agencies. By engaging front-line employees and agency managers through their labor unions and chief human capital officers (CHCO's), a working group of the National Council on Federal Labor-Management Relations and the Chief Human Capital Officers Council (CHCOC) developed a report on better ways of selecting the right people for supervisory opportunities, adequately training them, and subsequently supporting them in the conduct of their supervisory responsibilities. GEAR provides ways to drive the importance of employee performance management up to the highest levels of our agencies by promoting accountability through Open Government and driving agencies' top priorities.

OPM is the lead on a test of the GEAR system underway at five agencies: OPM, the U.S. Coast Guard, and the Departments of Energy (DOE), Veterans Affairs (VA), and Housing and Urban Development (HUD).

FY 2012 Progress

In conjunction with the CHCOC, OPM is providing extensive support to the pilot agencies in implementing the GEAR recommendations developed by the National Council on Federal Labor-Management Relations. The American people expect its Federal employees to be engaged and well equipped to deliver and improve government services – GEAR will facilitate reaching this goal.

OPM convenes meetings of all five pilot agencies on at least a quarterly basis. The purpose of these meetings is for each pilot agency to: 1) provide a progress report on implementation; 2) share examples of tools and practices being developed; and 3) share lessons learned of challenges encountered in implementing the pilot and how these challenges were and are being addressed.

OPM has also established a GEAR Pilot page on OMB's MAX website to facilitate the sharing of information among the pilot agencies and allowing other agencies to have access to GEAR pilot information, tools and resources.

DOE, HUD and OPM provided updates on their pilots to the National Council on Federal Labor-Management Relations on September 19, 2012. The VA and the Coast Guard updated the National Council on November 28, 2012.

Finally, OPM offers on-going technical assistance and leadership to all GEAR pilot agencies. This is being achieved in a variety of ways. As an example, OPM policy experts on GEAR and performance management have participated in pilot agency rollout activities (i.e. employee town hall meetings, internal agency planning meetings, etc.); have provided technical advice and assistance on performance management; and facilitated access to training resources to support GEAR implementation.

OPM's key indicators for this agency priority goal come from the results of the 2012 Employee Viewpoint Survey (EVS). A specific set of EVS questions or survey sub-factors make up the Performance Culture Index and the Employee Engagement Index respectively (see Appendix B for more information). These indexes measure how well agencies are engaging employees to create an effective results-oriented performance culture. Agency specific results for OPM, HUD, and DOE are shown below.

Key Indicator – Performance Culture	FY 2011 Baseline	FY 2012 Interim Result	FY 2013 Target
Performance Culture Index - OPM	60.23	59.40	63.24
Performance Culture Index - HUD	49.30	49.60	51.76
Performance Culture Index - DOE	52.77	53.30	55.41

Key Indicator – Employee Engagement	FY 2011 Baseline	FY 2012 Interim Result	FY 2013 Target
Employee Engagement Index - OPM	71.67	70.70	75.25
Employee Engagement Index - HUD	61.39	62.00	64.46
Employee Engagement Index - DOE	63.44	64.90	66.61

The pilot agencies meet regularly to discuss their progress in implementing GEAR and to share lessons learned and best practices. Each pilot agency has developed a comprehensive action plan using the report framework. The pilot agencies provide a progress report of their action plans on at least a quarterly basis. The pilot agencies meet regularly to achieve the following:

- Articulate a high performance culture;

- Align employee performance management with organizational performance management;

- Implement accountability at all levels;

- Create a culture of engagement; and,

- Improve the assessment, selection, development and training of supervisors.

It should be noted that only OPM, HUD, and DOE are implementing GEAR at sufficient scale in order to currently rely on EVS results as a measure. OPM will continue to monitor the progress of the VA National Cemetery Administration and the U.S. Coast Guard (USCG). Results from the EVS are not available for VA and the Coast Guard because the GEAR implementation in those organizations is not agency-wide and data from the

EVS cannot be segregated for individual agency components. As the VA and USCG refine and implement their processes and procedures across the full scope of their subordinate elements, they will be tracked and measured in the same manner as the other three pilot agencies.

Beginning in January 2013, OPM will assess and develop a set of recommendations for implementing the GEAR program across Federal agencies.

OPM's Mission and Strategic Goals

The OPM Strategic Plan 2010-2015 (updated for 2012 – 2015) is the starting point for performance and accountability. The strategic plan includes the Agency's mission statement and also describes OPM's five strategic goals. These strategic goals are as shown in the table below. The strategic goals are supported by a series of implementation strategies and performance indicators to gauge progress. OPM also reviews its performance measures as part of the annual budget planning, which ensures both internal and external stakeholders understand the level of program performance expected for the resources.

OPM's Mission: Recruit, Retain, and Honor a World-Class Workforce to Serve the American People	
Strategic Goals	**Goal Statements**
Hire the Best	Recruit and hire the most talented and diverse Federal workforce possible to serve the American people
Respect the Workforce	Provide the training, benefits, and work-life balance necessary for Federal employees to succeed, prosper, and advance in their careers
Expect the Best	Ensure the Federal workforce and its leaders are fully accountable and are fairly appraised while having the tools, systems, and resources to perform at the highest levels to achieve superior results
Honor Service	Ensure comparable recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees
Improve Access to Health Insurance	Develop and administer programs that provide high quality and affordable health insurance to uninsured Americans through Affordable Insurance Exchanges, uninsured Americans with pre-existing medical conditions who cannot otherwise purchase coverage, and employees of tribes or tribal organizations

Organizational Structure

OPM's organizational structure reflects primary business lines through which OPM carries out its programs and implements its strategic goals and related implementation strategies. As shown in the figure below, OPM is comprised of the following components:

| Chief Financial Officer
Chief Information Officer
Executive Secretariat & Ombudsman
Facilities, Security, & Contracting
Equal Employment Opportunity
Diversity & Inclusion | **Office of the Director** | General Counsel
Congressional & Legislative Affairs
Communications & Public Liaison
Planning & Policy Analysis
Federal Prevailing Rate Advisory Committee
Executive Director, Chief Human Capital Officer Council |

Office of the Inspector General

Employee Services	**Retirement Services**	**Healthcare & Insurance**	**Merit System Audit & Compliance**	**Federal Investigative Services**	**Human Resources Solutions**
OPM HR (Dep CHCO)	Retirement Operations	National Healthcare Operations	Voting Rights	Technical Services	Leadership & Talent Management Solutions
Pay & Leave	Retirement Policy	Federal Employees Insurance Operations	Oversight & Accountability Groups	Administrative Services	Emerging Solutions/HR Innovation
Executive Resources & Employee Development	Benefits Officers Training & Development	Healthcare Program Development & Implementation	Combined Federal Campaign	External Affairs	Administrative Law Judges
Partnerships & Labor Relations	Quality Assurance		Internal Oversight & Compliance	Operations	
Agency & Veterans Support					
Recruitment & Hiring					

EXECUTIVE OFFICES

- The *Office of the Director (OD)* provides guidance, leadership and direction necessary to make the Federal Government the model employer in the United States, and OPM its model agency. OD looks to provide increased oversight concerning Civil Service Hiring Reform, Retirement Stabilization, Work/Life and Wellness, and moving to an "active purchaser" model for the Federal Employees Health Benefits Program.

- *Communications and Public Liaison (CPL)* is responsible for coordinating a comprehensive effort to inform the public of the President's and the Director's goals, plans and activities through various media outlets. CPL is also responsible for planning and coordinating the publication and production of all printed materials that are generated from OPM offices and develops briefing materials for Congress, the Director and other OPM officials for various briefings and events.

- *Congressional and Legislative Affairs (CLA)* advocates for the legislative and policy priorities of the Director and the Administration. CLA is the focal point for all congressional and legislative activities for the Office of Personnel Management. CLA educates, responds to, interacts with, and advises Congress on Federal human resources management policy. CLA also counsels and advises the Director and other OPM officials on policy, and congressional and legislative matters.

- *Executive Secretariat and Ombudsman (ESO)* is responsible for the administrative management and support for the Office of the Director, including coordination and review of agency correspondence, policy and program proposals, regulations and legislation. ESO is responsible for the Agency's Ombudsman function, which is necessary to provide a neutral, independent and confidential resource for customers and employees of OPM to raise issues of concern or complaints that their requests are not being addressed in a timely manner.

- *Equal Employment Opportunity (EEO)* provides a fair, legally-correct and expedient EEO complaints process (i.e., EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). EEO designs and implements all required Special Observance and Special Emphasis initiatives, to promote diversity management.

- *Diversity and Inclusion (D&I)* examines policy options, government-wide data trends, and employee survey findings that affect OPM's management of HR policy, specifically including diversity and inclusion throughout the Federal government. D&I develops comprehensive strategies to drive and integrate diversity and inclusion practices throughout the Federal government and to help build a diverse and inclusive workforce, respecting individual and organizational cultures, while complying with merit principles and applicable Federal laws.

PROGRAM DIVISIONS

- *Employee Services (ES)* Provides policy direction and leadership in designing, developing and promulgating Government-wide human resources systems and programs for recruitment, pay, leave, performance management and recognition, employee development, work/life/wellness programs and labor and employee relations. ES provides technical support to agencies regarding the full range of human resources management policies and practices, to include veterans' employment as well as the evaulation of their human resource programs. ES manages the operation of OPM's internal human resources program.

- *Retirement Services (RS)* is responsible for Government-wide administration of developing and providing Federal employees, retirees and their families with benefits programs and services that offer choice, value and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments.

- *Healthcare & Insurance (HI)* consolidates all of OPM's healthcare and insurance responsibilities into a single organization. This includes new functions such as the Affordable Care Act's Multi-State Plan Option, the work performed by OPM in support of the Pre-existing Condition Insurance Plan (PCIP) program, plus existing responsibilities for the Federal Employees Health Benefits Program (FEHBP), Federal Employee Group Life Insurance (FEGLI), Federal Long Term Care Insurance Program (FLTCIP), and the Federal Employee Dental Vision Insurance Plan (FEDVIP). HI comprises Healthcare Program Development and Implementation, National Healthcare Operations, and Federal Employee Insurance Operations.

- *Merit System Audit & Compliance (MSAC)* ensures through rigorous oversight that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements. MSAC carries out this responsibility with a staff of employees in five field offices across the nation and Washington, D.C. The three key components of the oversight and compliance programs are (1) Delegated Examining Unit Evaluations, (2) Large Agency Human Resources (HR) Evaluations, and (3) Small Agency HR Evaluations. MSAC also manages the classification appeals program, which provides Federal employees with an independent third-party review of the classification of their decisions and provides evidence as to whether agencies are technically accurate in the use of delegated classification and job grading authority. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights (VR) programs. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. The Voting Rights Program provides observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General. Finally, MSAC manages OPM's Office of Internal Oversight and Compliance (IOC). IOC drives the resolution of audit recommendations, conducts program evaluations, and oversees the review of capital investments to strengthen OPM's risk management and operational performance.

- *Federal Investigative Services (FIS)* mission is to ensure the Federal Government has a suitable workforce that protects National Security and is worthy of their Public Trust. FIS is responsible for providing investigative products and services for over 100 Federal agencies to use as the basis for security clearance or suitability decisions as required by Executive Orders and other rules and regulations. Over 90 percent of the Government's background investigations are provided by OPM.

- *Human Resource Solutions (HRS)* provides services that assist Federal agencies in achieving their missions by partnering with them to provide effective human resource solutions that develop leaders, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. HRS also offers services that enhance agencies' ability to attract and acquire specific talent.

COMMON SERVICES

- *Chief Financial Officer (CFO)* manages and oversees OPM accounting, billing, vendor payments, budgeting, strategic planning, performance, program evaluation, financial systems, internal control and financial policy functions which enable the Agency to achieve its mission. CFO also ensures the completion of timely and accurate financial reports that improve decision making, comply with Federal requirements and demonstrate effective management of taxpayer dollars.

- *Chief Information Officer (CIO)* develops the Information Resource Management Plan and defines the information technology (IT) vision and strategy to include IT policy and security for OPM. CIO shapes the application of technology in support of the Agency's strategic plan including the IT architecture that outlines the long term strategic architecture and systems plans for the Agency and includes Agency IT capital planning.

CIO supports and manages pre- and post-implementation reviews of major IT programs and projects, as well as, project tracking at critical review points. CIO provides oversight of major IT acquisitions to ensure they are consistent with the Agency's architecture and the IT budget, and is responsible for the development of the Agency's IT security policies. CIO directs the realization of the Agency's IT Architecture to guarantee architecture integration, design consistency, and compliance with Federal standards, works with other agencies on Government-wide projects such as e-Government, and develops long range planning for IT human resource strategies.

- *Office of the General Counsel (OGC)* provides expert legal advice to the Director and senior OPM officials to ensure that policies, programs and procedures are consistent with applicable rules, regulations, and statues affecting civil service personnel law and human resources management. OGC also provides expert legal representation to OPM managers and leaders in an attempt to mitigate the agency's risk of litigation and ensure agency actions are in compliance with applicable statues, rules, and regulations, and to ensure that agency actions are not unlawful.

- *Facilities Security & Contracting (FSC)* is composed of the following seven subcomponents and manages a broad array of OPM's key day-to-day programs:

  1. Facilities Management manages the agency's personal and real property, building operations, space design and layout, realty, safety and occupational health programs.

  2. Emergency Actions directs the operations and oversight of OPM's preparedness and emergency response programs.

  3. Contracting Management provides centralized contract management that supports the operations and Government-wide mission of OPM. It also manages OPM's Purchase Card program.

  4. Office of Small and Disadvantaged Business Utilization manages OPM's small business program in conjunction with public law, Federal regulations, and OPM Contracting policies.

  5. Publications Management establishes and oversees OPM's nationwide publishing and printing management system for internal/external design and reproduction, its Government Printing Office (GPO)/commercial print ordering program, publications management, and electronic/office publishing systems.

  6. Security Services provides a safe and secure environment for OPM's information, personnel, and operations.

  7. Personnel Security provides personnel security and suitability and national security clearance determinations for OPM personnel.

OTHER OFFICES

- *Planning and Policy Analysis (PPA)* provides planning and analytical support to the Director and the Agency. PPA assesses issues that affect OPM across the full array of human resources programs and benefits. A particular area of responsibility is the analysis of policy options, legislative changes and trends that affect OPM's management of health and retirement benefits for Federal employees. To assure benefits provide maximum value and are secure, the office conducts actuarial analysis, as well as statistical analyses using large databases such as the Statistical Data Mart (containing Federal employee data) and the Health Claims Data Warehouse.

  OPM's Performance Improvement Officer (PIO) is also the director of Planning and Policy Analysis. The Deputy PIO, who is a senior advisor to the OPM Director, supports the PIO in conducting program performance reviews and fostering innovative practice. Staff in the CFO's Budget and Performance Office helps the PIO monitor agency performance, report on agency performance and conduct performance reviews.

- *Federal Prevailing Rate Advisory Committee (FPRAC)* studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of Title 5, United States Code, and advises the Director of OPM on the Government-wide administration of the pay system for blue-collar Federal employees.

OFFICE OF THE INSPECTOR GENERAL

- *Office of the Inspector General (OIG)* conducts comprehensive and independent audits, investigations, and evaluations relating to OPM programs and operations. It is responsible for administrative actions against health care providers that commit sanctionable offenses with respect to the FEHBP or other OPM programs. The OIG keeps the Director and Congress fully informed about problems and deficiencies in the administration of agency programs and operations, and the need for corrective action.

FY 2012 Performance Results

Our goal at OPM is to improve performance in areas where we set targets, surpass those targets when we can and making tremendous progress toward them, even when the targets themselves are missed. It is not about meeting targets for their own sake, but to advance a larger purpose and usually with multiple external factors affecting prospects for success. With this perspective in mind, the figure below shows a year-over-year comparison of OPM's performance measure results.

OPM FY 2012 MEASURE RESULTS: YEAR-OVER-YEAR TRENDS BY NUMBER OF MEASURES
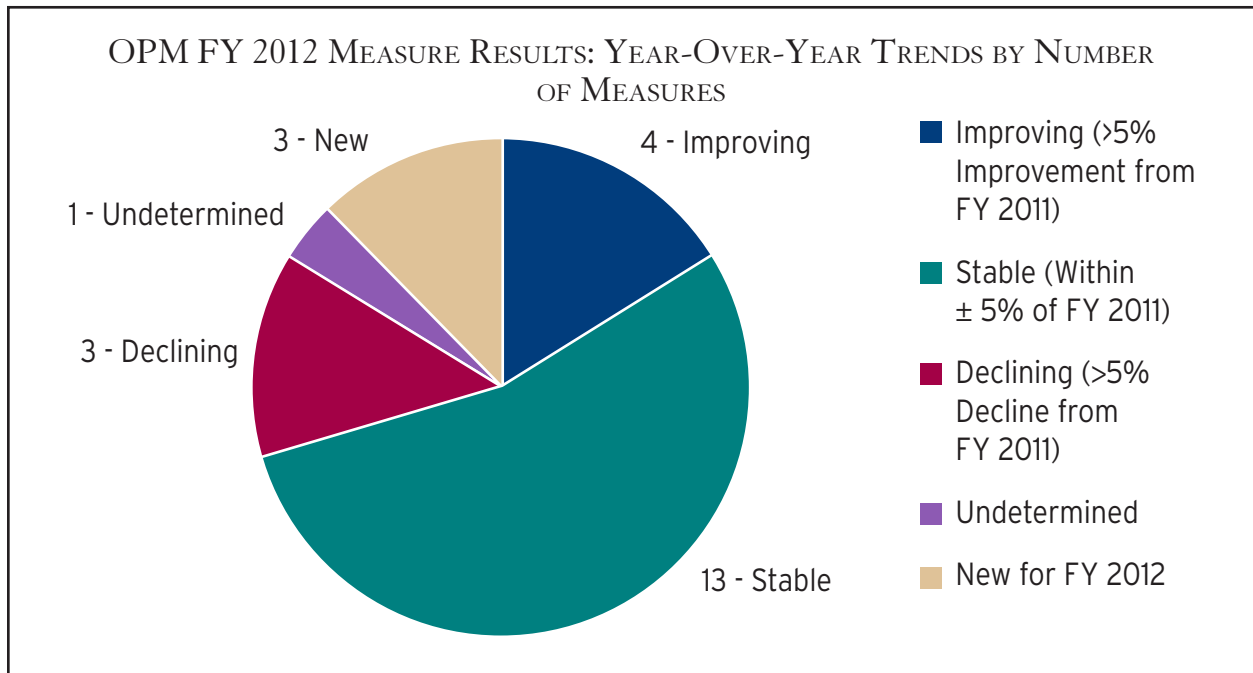
Of the 21 measures being reported in FY 2012 that were also reported in FY 2011 (3 are new measures), 17 measure results are either stable or improving, and only three results declined by more than five percent from FY 2011. Areas where OPM has improved in FY 2012 include: 1) Improving the timeliness of security investigations; 2) Reducing the errors in investigation processing; 3) Reducing the number of financial material weaknesses; and 4) Reducing the cost of processing retirement claims. Areas where results have declined from the previous year include: 1) Delegated examining units identified with severe problems showing improvement after one year; 2) CHCO agencies maintaining a performance culture; and 3) Decreasing training of Federal agency benefits officers.

This perspective of the data should offer a level of comfort to the reader knowing that although OPM did not meet 11 performance targets in FY 2012, only three performance measures are in the declining category. This information will allow OPM managers to focus their efforts in the upcoming year to improve our performance in FY 2013 and beyond. The GPRA Modernization Act requires agencies to report whether they met, or are on track to meet, specific targets. This information is provided in the following summary tables.

Summary Performance Tables by Strategic Goal

Strategic Goal #1: Hire *the* Best

Performance Measure	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
For CHCO agencies, percent of applicants that respond to the Chief Human Capital Officer (CHCO) survey with a positive rating indicating satisfaction with the job application process	n/a	70%	70%	69%	70%	72%	Not Met	↔ Stable
Percent of agencies that meet or exceed their baseline goal for hiring veterans	n/a	n/a	n/a	91%	Unde-termined	83%	Unde-termined	Unde-termined
Percent of employees in the Federal Government with targeted disabilities	0.96% (r)	0.94% (r)	0.95%	0.96% (r)	0.99%	1.25%	Not Met	↔ Stable
Average number of days to complete the fastest 90 percent of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Act	n/a	n/a	39	40	36	40	Met	↗ Improving
Investigations determined to be deficient due to errors in investigations processing	0.10%	0.08%	0.16%	0.15%	0.07%	≤ 0.3%	Met	↗ Improving

(r) Revised from the FY 2011 OPM Annual Performance Report
n/a - Not Applicable - no historical data available for this period.

Strategic Goal #2: Respect *the* Workforce

Performance Measure	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year- over- Year Trend
Percent increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	n/a	n/a	7.3%	3.8%	3.4%	FEHBP ≤ Industry Standard ——— 2012 Target ≤ 5.5% to 7%	Met	↔ Stable
Percent of FEHBP enrollees satisfied vs. health industry standard	FEHBP 78% Industry 60%	FEHBP 77% Industry 62%	FEHBP 77% Industry 63%	FEHBP 76% Industry 64%	FEHBP 78% Industry 66%	FEHBP ≥ Industry Standard	Met	↔ Stable
Percent of health benefits claims processed within 30 working days	99%	98%	99%	98%	97%	95%	Met	↔ Stable
Average number of days to pay Federal Employees Group Life Insurance claims	6.3	5.5	4.3	4.4	4.2	‹ 10 day industry standard	Met	↔ Stable
Percent of Federal Long Term Care Insurance Program customers satisfied with overall customer service	98%	99%	93%	92%	91%	90%	Met	↔ Stable
FEHBP prescription drug cost growth as a percentage of the private sector industry average.	n/a	n/a	n/a	n/a	2.2%	‹ 80% of Industry Cost Growth ——— 2012 Target ≤ 2.0%	Not Met	n/a

n/a - Not Applicable - no historical data available for this period.

Strategic Goal #3: Expect *the* Best

Performance Measure	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year- over- Year Trend
Percent of delegated examining units found to have severe problems with their competitive examining programs demonstrate satisfactory level of competence or cease to operate independently within one year following completion of an audit	n/a	n/a	n/a	100%	91%	85%	Met	↘ Declining
Index score of customer satisfaction with HR Solutions products and services (ACSI-Equivalent Index)	84	84	80	75	76	80	Not Met	↔ Stable
Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness	94%	99%	93%	87%	88%	90%	Not Met	↔ Stable
Percentage of payments within Prompt Pay Act guidelines	99.9%	92.9%	85.3%	98.3% (r)	96.2%	98%	Not Met	↔ Stable
Number of financial material weaknesses	0	0	1	1	0	0	Met	↗ Improving
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more	n/a	n/a	52%	56%	48%	38%	Met	↘ Declining

(r) Revised from the FY 2011 OPM Annual Performance Report
n/a - Not Applicable - no historical data available for this period.

Strategic Goal #4: Honor Service

Performance Measure	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year- over- Year Trend
Percent of agency benefit officers trained per year	52%	52%	61%	60%	55%	54%	Met	↘ Declining
Percent of retirement and survivor claims processed accurately	95%	91%	94%	94%	92%	95%	Not Met	↔ Stable
Average unit cost for processing retirement claims	$74.28	$81.97	$105.94	$107.62	$101.89	$99.79	Not Met	↗ Improving
Rate of improper payments in the retirement program	0.39%	0.32%	0.35%	0.34%	0.36%	0.34%	Not Met	↔ Stable
Percent of customers satisfied with overall retirement services	83%	85%	81%	76%	73%	85%	Not Met	↔ Stable

Strategic Goal #5: Improve Access to Health Insurance

Performance Measure	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
Achieve a Pre-Existing Condition Insurance Plan customer satisfaction level equivalent to the top-ten Federal Employee Health Benefit Program plans	n/a	n/a	n/a	n/a	74%	70%	Met	n/a
Number of tribal enrollees in the Federal Employees Health Benefits Program	n/a	n/a	n/a	n/a	3,323	18,000	Not Met	n/a

n/a - Not Applicable - no historical data available for this period.

Detailed Performance Results

Strategic Goal: Hire *the* Best

Strategy: *Reform the Federal Hiring Process*

Background: OPM's Federal Hiring Reform promotes innovative and coordinated approaches to recruiting and hiring students, mid-career professionals, and retirees to meet agency talent needs. The goals of the Hiring Reform Initiative are to create a hiring process that ensures the right person is in the right job, provide timely hiring of applicants, is easy to use and understand, involves hiring managers in the process, respects merit principles and respects veterans.

PERFORMANCE MEASURE: For CHCO agencies, percent of applicants that respond to the Chief Human Capital Officer (CHCO) survey with a positive rating indicating satisfaction with the job application process							
FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
n/a	70%	70%	69%	70%	72%	Not Met	↔ Stable

n/a - Not Applicable - no historical data available for this period.

FY 2012 RESULTS

Applicant satisfaction with the application process is about more than just the speed of hiring. It also considers how cumbersome and long the application is, whether the application questions appear relevant, and how well applicants are kept aware of their status during the process.

The Applicant Satisfaction Survey provides information on how the applicant views the Federal Hiring Process. Although the FY 2012 target of 72 percent was not met, results did improve by a full percentage point, up from 69 percent in FY 2011 to 70 percent in FY 2012.

This measure tracks performance based on positive survey responses from applicants using a 10-point scale. A positive response is defined as an applicant rating of 8, 9 or 10. Several agencies made significant improvements in their overall average response score, but the improvement is not necessarily reflected as positive responses (8, 9 or 10). For example, the Department of Energy improved its average response score by almost 10 percent from the first quarter of FY 2012 to the fourth quarter of FY 2012, even though the percent of positive responses did not change in that time period. The Department of Transportation improved its average response score by more than 11 percent over the same time period, including a 2 percent improvement in positive responses. Large annual improvements in government-wide averages are extremely rare in this type of measure. OPM and agencies monitor the average response score for applicant satisfaction as a measure of success in improving the hiring process to encourage top talent to apply for government positions. Based on survey results, OPM works with agencies to improve the job application experience for applicants. Survey results are reported on a quarterly basis and are available on Performance.gov.

Improving the overall job application process involves more than just improving the applicant experience. Because OPM considers manager satisfaction with applicants a key indicator of overall hiring quality, we track progress in this area under OPM's Priority Goal: Ensure High Quality Federal Employees. Current efforts and status related to this goal can be found in the Priority Goal section of this report.

Strategic Goal: Hire *the* Best

Strategy: Assist veterans to find a place in the Federal workplace

Background: On November 9, 2009, President Barack Obama signed Executive Order (EO) 13518, Employment of Veterans in the Federal Government, which establishes the Veterans Employment Initiative (VEI). The Initiative outlines the most comprehensive approach to improving employment opportunities for veterans the Federal Executive Branch has ever undertaken. It seizes on four central themes: 1) honor our sacred obligation and trust to our Nation's veterans; 2) utilize the talents of veterans to help the Government meet today's dynamic challenges; 3) leverage the capacity of the departments and agencies to achieve more than what one agency could do; and 4) build a program worthy of emulation by the private sector.

Under the President's Initiative, OPM and its Federal agency partners have collaborated to develop programs and reduce barriers that impacted the employment of our nation's Veterans. Through effective outreach, better awareness, and broader employment of special hiring authorities, the VEI is significantly increasing the percentage of veteran new hires and number of veterans employed across the Federal Government. A key strategy in hiring veterans has been an increase in the use of special hiring authorities. Special hiring authorities for veterans are designed to assist veterans seeking Federal employment. Agencies are able to use these authorities to expeditiously hire veterans that are eligible for non-competitive appointments.

PERFORMANCE MEASURE: Percent of agencies that meet or exceed their baseline goal for hiring veterans							
FY 2008 Results	**FY 2009 Results**	**FY 2010 Results**	**FY 2011 Results**	**FY 2012 Results**	**FY 2012 Target**	**Met/ Not Met**	**Year-over-Year Trend**
n/a	n/a	n/a	91%	Undertermined	83%	Undertermined	Undertermined

n/a - Not Applicable - no historical data available for this period.

FY 2012 RESULTS

FY 2012 year-end results will not be available until January 2013. However, preliminary FY 2012 data indicates that the overall percentage of veteran new hires is consistent with the levels achieved in FY 2011 (28.3 percent). While 16 of 24 Federal agencies met or exceeded their FY 2011 baseline or hiring goal percentages, eight Federal agencies did not. Of these eight, three agencies achieved hiring percentages above 25 percent, which is the highest tier of success for the Veterans Employment Initiative.

Strategic Goal: Hire *the* Best

Strategy: Promote diversity and inclusion in the Federal workforce

Background: Executive Order (EO) 13583, Establishing a Coordinated Government-Wide Initiative to Promote Diversity and Inclusion in the Federal Workforce (August 2011), requires a agencies to engage in a coordinated, collaborative, and integrated effort to recruit, hire, retain, and develop talented individuals from all communities and create an environment in which the best people do their best work. With shifting workplace demographics, the pipeline of talent is becoming increasingly diverse, producing more women; people with disabilities; people of color; Lesbian, Gay, Bisexual, and Transgender workers; and older workers ready to take on a myriad of challenges. By developing a strategic focus on diversity and inclusion, agencies can hire the best talent and improve their returns on investment in the form of decreased turnover, enhanced customer and employee satisfaction, and improved quality of decision-making at all organizational levels. As agencies begin to embrace the diversity and inclusion

model, the Federal Government will continue to improve services to all populations and foster innovation for the future, allowing them to accomplish their varied missions.

PERFORMANCE MEASURE: Percent of employees in the Federal Government with targeted disabilities							
FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
0.96%(r)	0.94%(r)	0.95%	0.96%(r)	0.99%	1.25%	Not Met	↔ Stable

(r) Revised from the FY 2011 OPM Annual Performance Report

FY 2012 Results

Although the FY 2012 results exceeded FY 2011, OPM did not meet its aggressive FY 2012 target for employees in the Federal government with targeted disabilities. However, people with disabilities and 30 percent or more disabled veterans now represent 11.89 percent of the Federal Workforce, compared to 11 percent in FY 2011.

In FY 2012, representation of Black or African American men and women increased from 18.1 percent to 18.2 percent; Hispanic men and women increased from 8.1 percent to 8.2 percent; Asian American/Pacific Islander men and women increased from 5.9 percent to 6.1 percent; American Indian/Alaska Native men and women remained the same at 2.0 percent; and White men and women decreased from 65.7 percent to 65.3 percent. Women comprised 42.7 percent of all Federal permanent employees, and men comprised 57.3 percent. From FY 2008 to FY 2012, the net number of women in the Federal workforce has trended upward.

During FY 2012, OPM assisted agencies as they implemented their Disability Hiring Plans and developed their agency-specific Diversity and Inclusion Strategic Plans (D&I Strategic Plans), which include strategies on hiring, retaining and developing all employees, including people with disabilities. OPM developed strategies on the recruitment and hiring of individuals with disabilities through the Schedule A hiring authority, as well as strengthened a database available to the entire Federal community with approximately 1,000 Schedule A eligible candidates, who meet qualifications to fill a variety of Federal positions.

In addition, fifty-seven agencies submitted D&I Strategic Plans to OPM, and OPM's Office of Diversity and Inclusion evaluated said plans, provided written and oral guidance, and conducted Feedback Assistance Roundtables (FAR) in agency clusters of three, with each agency's Chief Human Capital Officer (CHCO), Equal Employment Opportunity (EEO) Director, and Diversity and Inclusion Director. In FY 2012, the agencies focused on establishing Diversity and Inclusion Councils, conducting mentoring programs, implementing work life programs, and developing strategies to address possible barriers that may exist to diversity within each agency and within the senior ranks. Finally, OPM provided training to: 1) over 2,050 Federal employees regarding Schedule A hiring authority for people with disabilities and reasonable accommodation; and 2) 9,333 Federal employees and potential candidates on creating a diverse and inclusive Federal workplace.

Related Accomplishments

In order to improve outreach, recruitment, and retention efforts and comply with laws and regulations, OPM continues to collaborate with other agencies, including the Equal Employment Opportunity Commission (EEOC), to:
- address underrepresentation where it exists for historically underrepresented groups, including Hispanics and people with targeted disabilities, who remain the only two underrepresented groups in the Federal Workforce;
- develop applicant flow data collection for Federal positions;
- coordinate recruitment across agencies with a focus on people with disabilities, veterans, and students in underrepresented communities;

- conduct training on the use of Schedule A for people with disabilities and develop related certification for Selective Placement Program Coordinators;
- assist agencies with fully implementing and sustaining efforts on D&I Strategic Plans;
- work with Federal affinity groups to address barriers in the Federal workplace; and,
- spearhead Diversity and Inclusion train-the-trainer classes.

Strategic Goal: Hire *the* Best

Strategy: Ensure agencies have sufficient information to make decisions such as credentialing, suitability, and/or security clearance determinations

Background: OPM conducts high-quality, timely background investigations used to determine an individual's suitability for Federal employment. Completed background investigations are also used by Federal agencies to determine an individual's eligibility for access to classified national security information. Investigations can also be used to determine whether to credential a particular individual to work in a Federal facility or have access to Federal information systems. Military services use investigations to determine whether to enlist an individual into the armed services.

PERFORMANCE MEASURE: Average number of days to complete the fastest 90 percent of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Act							
FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
n/a	n/a	39	40	36	40	Met	↗ Improving

n/a - Not Applicable - no historical data available for this period.

FY 2012 RESULTS

OPM continues to conduct approximately 90 percent of all Federal background investigations. In FY 2012, Federal agencies requested OPM's Federal Investigative Services (FIS) organization to conduct over 2 million investigations; 28 percent of these were initial clearance investigations. FIS completed and delivered to our Federal agency customers the fastest 90 percent of these initial security clearance investigations in an average of 36 days. Completing 90 percent of initial clearance investigations in an average of 40 days is a key element in the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, which calls upon the Executive Branch agencies to take steps to reduce the total time to issue such clearances.

Additionally, OPM continues to invest in the future through procurement of the hardware and software needed to upgrade Federal Investigative Services' core information technology system infrastructure in support of continued improvements in timeliness.

RELATED ACCOMPLISHMENTS

OPM's partnership with the Office of the Director of National Intelligence (ODNI) and the Department of Defense (DOD) in leading Joint Security and Suitability Process Reforms has given the Executive Branch a roadmap to sustain timeliness. In addition, OPM has engaged with agencies across the Executive branch, using working groups to identify and execute the reform activities necessary to achieve and sustain timely background investigations. Internally, OPM continues efforts to streamline processes and modernize our suite of information technology systems with the goal of improving timeliness, quality and efficiency.

PERFORMANCE MEASURE:
Investigations determined to be deficient due to errors in investigations processing

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
0.10%	0.08%	0.16%	0.15%	0.07%	≤ 0.3%	Met	↗ Improving

FY 2012 RESULTS

During FY 2012, OPM met this measure by completing 99.93 percent of investigations meeting quality standards. While OPM has been aggressive in its efforts to meet the timeliness goals set forth by IRTPA, OPM remains equally dedicated to providing the highest quality products to its customer agencies. In FY 2012, OPM developed recommendations for a redesign of the investigative Report of Investigation (ROI) with identified short term improvements. In addition, process improvements had a beneficial effect on the overall quality of investigations.

Beginning in FY 2013, OPM will reword this performance measure to focus on the percentage of investigations completed correctly meeting quality standards as opposed to those done incorrectly. The revised measure statement will be: "Percent of investigations determined to be quality complete." The source data for this measure will remain the same.

Strategic Goal: Respect *the* Workforce

Strategy: Ensure that available benefits align with best practices and employees' needs

Background: Under the Federal Employees Health Benefits (FEHB) Program, OPM offers a comprehensive package of health benefits to employees, retirees and their dependents. In order to contain premium hikes and maintain benefit levels, OPM engages in tough negotiations with health carriers. Federal employees and retirees may also purchase dental and vision insurance through the Federal Employees Dental and Vision Insurance Program (FEDVIP). Customers' health, dental, and vision insurance decisions are enhanced with plan brochures, web-based comparison/decision tools and health plan customer satisfaction survey results. OPM administers the Federal Employees Group Life Insurance (FEGLI) Program which provides group term life insurance and is the largest group life insurance program in the world covering over 4 million Federal employees and retirees as well as many of their family members. OPM also administers the Federal Long Term Care Insurance Program (FLTCIP), which is a voluntary enrollee-pay-all insurance program opened to Federal and U.S. Postal Service employees, annuitants, active and retirement members of the armed services and their qualified relatives. This program is designed to help protect enrollees against the high cost of long-term care.

PERFORMANCE MEASURE:
Percent increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
n/a	n/a	7.3%	3.8%	3.4%	FEHBP ≤ Industry Standard ——— 2012 Target ≤ 5.5% to 7%	Met	↔ Stable

n/a - Not Applicable - no historical data available for this period.

FY 2012 RESULTS

OPM met this target by providing FEHB enrollees an average premium increase that was less than the industry consultant predictions which ranged from 5.5 to 7 percent. The Federal Government's negotiations with health care providers kept premium increases as low as possible without increasing the out of pocket costs for deductibles, co-pays, and coinsurance. The average overall premium increase announced for 2013 was 3.4 percent.

PERFORMANCE MEASURE:
Percent of Federal Employee Health Benefit Program (FEHBP) enrollees satisfied vs. health industry standard

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
FEHBP 78% Industry 60%	FEHBP 77% Industry 62%	FEHBP 77% Industry 63%	FEHBP 76% Industry 64%	FEHBP 78% Industry 66%	FEHBP ≥ Industry Standard	Met	↔ Stable

FY 2012 RESULTS

For FY 2012, OPM achieved a 78 percent satisfaction rate, which exceeded the industry standard of 66 percent. Federal Employees Health Benefits Program (FEHBP) carriers' overall average customer satisfaction scores are consistently higher than the industry average. FEHBP carriers currently report some Consumer Assessment of Healthcare Providers and Systems (CAHPS) and Healthcare Effectiveness Data and Information Sets (HEDIS) measures. CAHPS surveys ask consumers and patients to report on and evaluate their experiences with their health care. HEDIS is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. OPM's goal is to significantly expand on those metrics to improve health plan performance so consumers have more information available to them.

PERFORMANCE MEASURE: Percent of health benefits claims processed within 30 working days							
FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
99%	98%	99%	98%	97%	95%	Met	↔ Stable

FY 2012 RESULTS

OPM achieved this performance measure because health plans made key investments in information technology that allowed them to have all the information necessary to pay claims in a timely manner. As a result, Federal Employees Health Benefits Program (FEHBP) carriers processed 97 percent of claims within 30 days, exceeding FEHBP's target by two percent. The slight decline from 99 percent to 97 percent over the last three years can be partly attributed to the increased number of claims being processed by providers in the FEHBP. OPM does not view this as an issue as the 95 percent target has been achieved for many years and slight variations in process results are to be expected. With additional improvements in Health Information Technology (HIT) and the implementation of the electronic requirements for medical providers under the Affordable Care Act, OPM expects the percent of health benefits claims processed within 30 days to increase in coming years.

OPM is committed to expanding the use of HIT in the interests of safety, efficiency and speed. Ongoing initiatives include promoting electronic health records, e-Prescriptions, and disease management programs. These HIT initiatives improve the quality of healthcare and help contain the costs of insurance by reducing manual claims processing, improving coordination of high-quality healthcare and preventing costly medical errors. This technology also allows participants to quickly determine the dollar amount of insurance benefits coverage and the portion an employee will be responsible for contributing.

PERFORMANCE MEASURE: Average number of days to pay Federal Employees Group Life Insurance claims							
FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
6.3	5.5	4.3	4.4	4.2	<10 day industry standard	Met	↔ Stable

FY 2012 RESULTS

OPM did better than the 10 day industry standard by processing and paying Federal Employee Group Life Insurance (FEGLI) claims in an average of 4.2 days. The time required to fully process claims for life insurance beneficiaries remains substantially better than the industry average. OPM continues its contract with MetLife to pay claims using data from the FEGLI Automated Certification of Life Insurance function, which enables OPM to certify life insurance coverage for deceased annuitants electronically. Automating the process has improved life insurance claim processing times as well as eliminated errors common to manual certifications. The FEGLI paid claims accuracy rate is 99.9 percent.

PERFORMANCE MEASURE: Percent of Federal Long-Term Care Insurance Program customers satisfied with overall customer service							
FY 2008 **Results**	**FY 2009** **Results**	**FY 2010** **Results**	**FY 2011** **Results**	**FY 2012** **Results**	**FY 2012** **Target**	**Met/** **Not Met**	**Year-over-** **Year Trend**
98%	99%	93%	92%	91%	90%	Met	↔ Stable

FY 2012 RESULTS

During FY 2012, OPM exceeded its target by one percent for overall customer service satisfaction. This rating illustrates how the Federal Long-Term Care Insurance Program (FLTCIP) provides timely and efficient customer service to enrollees.

Although OPM considers the 90 percent customer satisfaction level an acceptable level or performance, we have been troubled by the decline in customer satisfaction over the previous three years, and have expressed our concerns to the FLTCIP insurance provider regarding this issue. It is important to note that the profile of calls entering the FLTCIP Customer Service Center has changed over the past four years. Calls over this period encompassed challenges to the program including the Special Decision Period/Rate Increase as well as the 2011 Open Season. Also during this period, the FLTCIP transitioned incoming claims calls to the new Customer Service Center in mid-2011 where start-up issues were initially experienced, but have since been remedied.

The FLTCIP survey process itself may have also contributed, in part, to the reported decrease in customer satisfaction. Unlike other companies who segregate calls due to the nature of the request, calls relating to any type of customer inquiry are included in our satisfaction surveys. Although our customer satisfaction survey is intended to rate the customer service experience, those enrollees and applicants who are denied coverage and benefits use our toll free number as an entry point to express their concerns with the program, and we include these in our survey pool. Since claims-related calls now encompass about 30 percent of our in-bound volume, they have a direct impact on the survey results in FY 2012 and will continue to impact future results. As the program matures and enrollees age, claim denials may become a more prominent factor in the customer satisfaction survey results.

The following actions have been taken to ensure the 90 percent service level target for customer satisfaction is maintained:
- Increased staffing to accommodate the call volume and increased length of calls;
- Improved claims training for the call center consultants;
- Implemented a new dedicated claims group within customer service to answer all claims calls; and,
- Implemented a new claims brochure to enhance communication with claimants.

OPM will strive to provide a high-quality, efficient and competitively-valued program. Claims are processed quickly, and payments are sent, received and processed in a timely manner. OPM provides access to enrollees 24-hours-a-day, seven-days-a-week through its websites. Non-enrollees who express interest in FLTCIP are able to quickly access information and rate quotes for the FLTCIP options that interest them.

PERFORMANCE MEASURE:
FEHBP prescription drug cost growth as a percentage of the private sector industry average

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
n/a	n/a	n/a	n/a	2.2%	‹ 80% of Industry Cost Growth ⎯⎯⎯ 2012 Target ≤ 2.0%	Not Met	n/a

n/a - Not Applicable - no historical data available for this period.

FY 2012 RESULTS

Overall, the pharmacy cost trend in 2012 is well below what has been experienced in recent years, with prescription drug costs increasing just 2.5 percent over the previous year. OPM set an ambitious target of keeping the FEHBP's increase in prescription drug costs to a maximum of 80 percent of what was experienced in the private sector. To achieve the target in FY 2012, OPM would have to hold the prescription drug cost increase in the FEHBP to no more than 2.0 percent (80 percent of the 2.5 percent private sector increase). For 2012, the FEHBP prescription drug price increase is estimated to be 2.2 percent for the largest carrier representing over 60 percent of the enrollee population. Although OPM did not meet the target for the FEHBP, prescription cost increases experienced by Federal employees, annuitants and their families were less than the private sector.

Strategic Goal: Expect *the* Best

Strategy: Hold agencies to account for improvements in strategic human resources management

Background: OPM's statutory oversight program ensures activities conducted by agencies, under any delegated examining authority, are in accordance with merit system principles and established standards. OPM conducts a wide variety of oversight and related activities to assess agency effectiveness in carrying out these delegated authorities.

PERFORMANCE MEASURE:
Percent of delegated examining units found to have severe problems with their competitive examining programs demonstrate satisfactory level of competence or cease to operate independently within one year following completion of an audit.

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
n/a	n/a	n/a	100%	91%	85%	Met	↘ Declining

Note: This measure was reworded from the FY 2011 APR to emphasize the actual number of Delegated Examining Units (DEU) improving versus the number of agencies improving. This better reflects the actual improvement across the government as a single agency could potentially have more than one DEU with severe problems.

n/a - Not Applicable - no historical data available for this period.

FY 2012 RESULTS

OPM exceeded the FY 2012 target for this performance measure. In FY 2011, OPM's Merit Systems Audit and Compliance (MSAC) organization conducted or participated in 142 audits of agency delegated examining operations. Agencies are delegated the authority to conduct competitive examining through formal agreement with OPM, and this work is carried out by OPM-certified staff in over 400 individual delegated examining units (DEU). DEU audits focus on the effectiveness of agencies' competitive hiring programs and their level of compliance with merit system principles, law, and regulation under title 5, United States Code. Of the 142 DEUs audited, 11 were found to have severe problems such as illegal appointments, systemic veterans' preference violations, and serious and widespread competency issues among staff. MSAC evaluators, through extensive coordination and continuous engagement, guided agency improvement efforts by developing and monitoring action plans for improvement, providing agency-specific training, reviewing and approving agency examining work products in process, and providing continuous feedback. As a result, 10 of the 11 DEUs (91 percent) no longer have severe problems in FY 2012.

RELATED ACCOMPLISHMENTS

Despite budget, workload, and staffing challenges, MSAC has successfully maintained a comprehensive, rigorous evaluation program by matrixing our audit teams, leveraging technology to allow a portion of the work to be conducted virtually, and focusing our resources on agencies having less than effective accountability systems or DEUs considered to be at risk for becoming severe. MSAC worked with the OIG Human Resources community to establish a peer review protocol for assessing compliance and effectiveness of their DEUs, and we established an Accountability Program Manager Council to discuss agency issues associated with evaluating their agency human resources management programs to ensure they comply with law and effectively help the agency meet its mission objectives.

Strategic Goal: Expect *the* Best

Strategy: Provide leadership and direction to government-wide HR programs

Background: OPM delivers exceptional human resources products and services to meet the dynamic needs of the Federal government. These products and services are designed to help Federal agency customers develop leaders committed to public service values, attract and build a top quality public sector workforce, and aid in their transformation to high-performing organizations. Moreover, OPM manages thousands of individual reimbursable agreements from more than 150 Federal departments and agencies for competitively-priced products and services. Both new and repeat customers cite OPM programs for their strong value commitment, as demonstrated by improved individual and organizational performance.

PERFORMANCE MEASURE:
Index score of customer satisfaction with HR Solutions products and services (ACSI-Equivalent Index)

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
84	84	80	75	76	80	Not Met	↔ Stable

FY 2012 Results

FY 2012 was a challenging year for OPM's Human Resources Solutions (HRS) organization and across the Federal government in general, with increased compliance requirements and widespread static or reduced budgets. Despite this challenge, HRS managed to incrementally improve its customer satisfaction score from the previous year, going from an American Customer Satisfaction Index (ACSI-equivalent index) score of 75 to 76.2 - a score which is nearly ten points above the Federal government-wide ACSI. In FY 2012, HRS worked to improve its Customer Satisfaction Survey scores and associated metrics through improvement in known areas of concern. These changes included finalizing the actions set forth in the re-organization of the management structure for the Account Management group to address and reduce the process inefficiencies and ambiguous communications to clients and vendors by developing standard procedures and auditable documentation. These processes were designed to clearly establish and solidify shifting expectations regarding funding acceptance and financial processes throughout the organization.

While this ACSI-equivalent score doesn't meet the threshold of HRS' initial goals for FY 2012, it is important to note that goals from FY 2011-2013 were set prior to multiple years of process changes, shifts in operating environment and changes in how customers are surveyed. These changes, in aggregate, have had the effect of suppressing HRS' measured level of customer satisfaction. While HRS will continue its focus on improving the customer experience, starting in FY 2014, HRS' goals have been re-baselined to reflect new operational realities. Customer satisfaction scores in FY 2009 were abnormally high, likely due to the increased, resource-intensive business development and emphasis on customer management. Change management challenges in FY 2010 surrounding the implementation and stabilization of a new, OPM-wide consolidated financial system correspond to a dip in customer satisfaction scores, appropriately reflecting difficulties faced by Federal agency customers during this time. Process and system disconnects in funds acceptance of reimbursable customer agreements and timely awards/payments to third party vendors supporting delivery that caused instances of work stoppage have been resolved. Also, customer billing issues created some additional burden.

HRS's flexibility and speed to mission were essential portions of HRS' value proposition for larger-scale projects; stricter requirements on service requests in FY 2011 had a direct and immediate impact on this element of HRS' model. Disaggregated Customer Satisfaction Survey results for these years show a clear distinction between large-scale programs and smaller, more tailored offerings. These larger offerings were disproportionately affected by authority, financial system, and organizational change due to their heavier reliance on the financial systems and processes of OPM. Other HRS offerings were able to maintain relatively steady state, even in the face of organizational challenges. This resilience is likely due to both the ability of these offerings to function on purely Government staff and their focus on individualization.

Related Accomplishments

Based on customer feedback, HRS re-aligned its fee structure in its largest service offering to reflect the market environment while still maintaining its ability to fully recover costs associated with operation. This realignment has been successful, allowing HRS to incrementally improve its customer satisfaction scores over the course of the year. Additionally, reorganizations have been approved and implemented in multiple areas of operation within HRS, providing additional oversight, quality control, and standardization of the customer experience. The adjustment to the fee structure was in response to the fluctuation in sales and the need for support staff to ensure efficient delivery with the largest service offering, while the others are much closer to steady state.

PERFORMANCE MEASURE: Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness							
FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
94%	99%	93%	87%	88%	90%	Not Met	↔ Stable

FY 2012 Results

In FY 2012, customers remained hesitant in the midst of continuing improvements in OPM's Human Resources Solutions (HRS) organization, resulting in HRS falling just short of meeting its FY 2012 goal in this area. Despite this caution, HRS customers rated OPM's products and services as contributing to their organizations' effectiveness at a greater rate than in FY 2011. In FY 2012, 88 percent of HRS customers responded positively to the question "have HRS products and services contributed to your organization's effectiveness", compared to 87 percent in FY 2011.

It is important to note goals from FY 2011-2013 were set prior to multiple years of large-scale reorganizations, process changes, and shifts in operating environment, as well as changes in how customers are surveyed. These changes, in aggregate, have had the effect of suppressing scores across the HRS customer satisfaction survey (including level of reported contribution to organizational effectiveness). While HRS will continue its focus on improving the customer experience, starting in FY 2014, HRS goals have been re-baselined to reflect new operational realities. The key changes that were implemented over the course of the past several years to the survey process included: changing the unit of analysis from agencies to individual service requests, standardized follow up to non-respondents and emphasis on pre-notice sent to customers.

Related Accomplishments

In addition to continuing to provide offerings from its current catalog of proven, effective Human Resources-related products and services, HRS was fully engaged in FY 2012 in developing and deploying further improvements to its current offerings, as well as new products and services. Developments include, but are not limited to the following:

- Two-part expansion plan for OPM's USA Staffing Onboarding Manager Entrance-on-Duty Module: an expanded pilot with eight customer agencies followed by implementation with additional USA Staffing customers. The expanded pilot was complete in FY 2012. The expansion with additional USA Staffing customers is taking place in FY 2013.
- Development and implementation of the following in FY 2012: proctored online testing (E-testing) capability utilizing HRS's online testing platform. Additionally, several existing OPM owned paper-based tests are being redesigned for automation and placement on the platform for proctored online delivery. These tests include: Wage Grade Performance Potential Assessment, Law Enforcement, ACWA 775-Benefits Review, Tax & Legal Test, ACWA 975-Questionnaire, and Auditor.
- Throughout FY 2012 provided large-scale, nationwide delivery of mission critical training and transformation services to the largest agencies in the Federal government, including the Department of Defense, Federal Aviation Administration, VA, and Department of Homeland Security. Without the services provided by HRS and through HRS Vendors, critical activities, such as air traffic controller training and work in critical national security arenas, would be endangered.

- During FY 2012, the training centers provided critical education programs to well over 20,000 government participants representing 326 agencies. These unique OPM programs are essential for delivering critical leadership education to thousands of emerging, established and executive government leaders, often alongside their international counterparts.

Strategic Goal: Expect *the* Best

Strategy: OPM will lead by example to implement human resources and financial reforms to achieve results

Background: OPM continues to improve its financial management operations, systems and processes. The implementation of the OPM enterprise-wide Consolidated Business Information System (CBIS) financial system in 2010 was critical to the Agency's ability to produce timely annual financial statements, earn an unqualified audit opinion from independent auditors, maintain financial systems free of material weaknesses, ensure compliance with guidelines for the Prompt Payment Act and the Improper Payments Information Act (as amended by the Improper Payments Elimination and Recovery Act of 2010), address the fundamental deficiencies inherent in the current systems and processes, and provide financial information to OPM program offices to support their efforts in achieving strategic and high priority performance goals. While the agency has seen some major improvements, OPM believes it can benefit from additional improvements and a continued focus of routinely evaluating processes and systems and making appropriate adjustments needed to ensure relevant and reliable financial results.

PERFORMANCE MEASURE:
Percent of payments within Prompt Pay Act guidelines

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
99.9%	92.9%	85.3%	98.3% (r)	96.2%	98%	Not Met	↔ Stable

(r) Revised from the FY 2011 OPM Annual Performance Report

FY 2012 RESULTS

OPM did not meet the Prompt Pay performance target for FY 2012. Based upon a refined interpretation of Prompt Payment Act guidelines and an assessment of how other agencies are measuring prompt pay results, OPM made adjustments in its method of calculating prompt payment percentages during FY 2012. While this change produces more credible and accurate reporting, the impact to the FY 2012 prompt pay result shows a decline from the reported prior-year percentage giving the appearance that on-time payments of invoices decreased from prior years which was not the case. The prompt payment percentage of 96.2 percent for FY 2012 was derived by using the number of invoices that have no interest charges divided by the total number of invoices processed. Interest is paid on invoices not paid within 30 days per the Prompt Payment Act regulations. Had this method been used for prior years, the prompt payment percentages would have been 90.2 percent and 72.0 percent for FY 2011 and FY 2010, respectively. Thus, while not meeting the target, OPM's payment of invoices within the 30-day timeframe actually increased in FY 2012.

RELATED ACCOMPLISHMENTS

The FY 2012 prompt payment percentage is a culmination of substantial improvements in the areas of employee training, Consolidated Business Information System functionalities, communications with suppliers, process improvement, and OPM financial management oversight. In addition to the Prompt Payment Act, the Office of Management and Budget issued Memorandum 11-32, "Accelerating Payments to Small Business for Goods and Services" and Memorandum 12-16, "Providing Prompt Payment to Small Business Subcontractors." These initiatives establish further guidelines to accelerate and improve the timeliness of payments for all invoices and set the goal to make payments within 15 days of receipt which is much more stringent than what is cited in the Prompt Payment Act.

With all of these efforts, OPM expects to yield long-term results not only in the improvement of the prompt payment percentage, but also in the overall efficiency and process improvement at OPM.

PERFORMANCE MEASURE:
Number of financial material weaknesses

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
0	0	1	1	0	0	Met	↗ Improving

FY 2012 RESULTS

OPM received an unqualified opinion on its consolidated financial statements from the Office of the Inspector General (OIG) and its independent public accountant (KPMG LLP). As in prior years' assessments, FY 2012 Appendix A planning, testing, evaluation, and reporting for internal control over financial reporting were done under the direction of OPM's Senior Assessment Board for Internal Control over Financial Reporting (Board). The Board is co-chaired by the CFO and the Associate Director, Merit System Audit and Compliance. The Board includes senior representatives from all major OPM organizations. The Board approved unqualified assurance for internal control over financial reporting as of June 30, 2012. Additionally, the Board decided that CIO had made sufficient progress in addressing IT security deficiencies related to OPM financial systems to reduce the prior-year financial reporting material weakness. That decision was consistent with the assessment by the independent public accountant auditing OPM's consolidated financial statements.

Strategic Goal: Expect *the* Best

Strategy: Help agencies become high-performing organizations

Background: OPM collaborates with agencies on advancing effective employee performance management systems that meet the standard established in OPM's Performance Appraisal Assessment Tool (PAAT). OPM will continue to conduct PAAT evaluations and review agency Human Capital Management Reports (HCMRs) to provide feedback for continuous improvement of performance management systems. Also, OPM designs, develops and implements new and/or improves existing tools to evaluate human resource programs such as: the Chief Human Capital Officer (CHCO) Applicant and Manager Satisfaction Surveys; Federal Competency Assessment Tool; Systems/Standards/Metrics (SSM); End-to-End hiring process protocols; and the HR Dashboard which is housed on Performance.gov and provides key information on government-wide HR metrics. In addition, OPM provides

technical assistance through coordination and collaboration to meet workforce planning challenges and builds agency capacity to meet the evaluation standards for Strategic Human Capital Management as required by Title 5 of the Code of Federal Regulations – 5 CFR 250.

PERFORMANCE MEASURE:
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
n/a	n/a	52%	56%	48%	38%	Met	↘ Declining

n/a - Not Applicable - no historical data available for this period.

FY 2012 RESULTS

In FY 2012, 48 percent of agencies (11 out of 23) achieved a Performance Culture Index score of 55 or better, exceeding the target of 38 percent. Although the current result is down from the previous year, six agencies who did not achieve the target score are within two points or less of achieving a score of 55. Issues of dealing with poor performers and providing adequate recognition for employees continue to be challenges for many agencies.

The Joint Labor-Interagency Employee Performance Management Workgroup has developed recommendations for improving employee performance management and published those recommendations in its draft report titled *Goals, Engagement, Accountability, Results* (GEAR). The Workgroup presented this FY 2011 report to the National Council on Federal Labor-Management Relations on employee performance management and OPM continues to support agencies implementing the GEAR report's recommendations. OPM uses its Performance Appraisal Assessment Tool (PAAT) to evaluate agency appraisal programs and practices regarding the GEAR recommendations, to help agencies improve and address poor performance, provide feedback to employees, and to focus on achieving results that are aligned to organizational goals.   Agencies are required to evaluate their appraisal programs periodically, and OPM advises agencies to use the PAAT at least once every three to five years for this evaluation. OPM continues to assist agencies in creating an effective results-oriented performance culture.

Strategic Goal: Honor Service

Strategy: Improve OPM Service to Federal agency benefit officers

Background: The Federal government makes available a wide array of benefits to its employees including: health, life, dental, vision, and long-term care insurance; flexible spending accounts, retirement plans, and thrift savings plans for retirement. To ensure that employees understand all of the benefit options available to them, agencies within the Federal government must have highly trained human resources benefits officers who can accurately explain these options and answer employee's questions. To assist agency benefits officers, OPM had developed online tools and offers training courses and workshops throughout year.

PERFORMANCE MEASURE:
Percent of agency benefit officers trained per year

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
52%	52%	61%	60%	55%	54%	Met	↘ Declining

FY 2012 Results

OPM trained 55 percent of agency benefits officers in FY 2012, exceeding the target by 1 percent. To meet its goal, OPM provides training and workshops to other agencies' benefits officers that will improve the quality of their retirement application submissions.

To assist in cross-agency coordination, OPM has also been providing regular updates to the Chief Human Capital Officers Council (CHCOC). OPM's Retirement Services (RS) organization is a member of the CHCOC Retirement Working Group. The working group increased agency benefits offices and payroll providers' knowledge of the retirement process and the requirements for a complete retirement application package. OPM collaborated with work group members to develop a new policy on the acceptance of photocopies of signed documents in retirement application packages and other agency submissions. The working group helped OPM produce a job aid to instruct agency benefits officers in documenting five years of Federal Employee Health Benefits coverage, the most frequent retirement application package error. The job aid is available on the HR University web page.

In FY 2012, RS delivered a CHCO Academy webcast on the requirements to submit a complete retirement application. The webcast had the largest audience of any CHCO Academy session.

Related Accomplishments

To measure its success in training benefit officers, OPM tracks the number of complete retirement applications submitted by agencies. When agencies submit incomplete or inaccurate retirement packages, OPM is required to spend additional time and resources developing the claim before it can be processed.

OPM also measures benefits officer satisfaction with the training and materials provided. In FY 2012, 95 percent of customers rated the benefits conference as very good or excellent. One hundred percent of customers rated satisfaction with guidance material as very good or better. Monitoring satisfaction levels ensures that the training courses remain relevant to the needs of benefits officers.

OPM's target for FY 2012 was to increase the number of complete retirement submissions to 85 percent. OPM met this goal: During April through September 2012, 85 percent of applications were complete and did not require development. This is a substantial improvement over the rate of 82 percent complete in FY 2011 and 77 percent complete in FY 2010. With fewer incomplete applications, OPM will spend less time contacting agencies and annuitants to develop claims, which should contribute to fewer days required to process claims.

Strategic Goal: Honor Service

Strategy: Develop a 21st century customer focused retirement processing system that adjudicates claims in a timely and accurate manner

Background: Processing retirements of Federal employees is a mission critical OPM program. The Agency continues to provide quality customer service to annuitants and survivors who receive retirement benefits and has improved the retirement readiness profile for employees by expanding available information and training resources.

PERFORMANCE MEASURE: Percent of retirement and survivor claims processed accurately							
FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
95%	91%	94%	94%	92%	95%	Not Met	↔ Stable

FY 2012 Results

Although OPM did not meet the FY 2012 target, we accurately processed 92 percent of all retirement claims received. OPM has taken several actions to improve our quality and accuracy. The steps include standardized and improved training for Legal Administrative Specialists, roundtable discussions with reviewers to create consistency among reviewers, developing online training modules, and conducting refresher technical training.

Related Accomplishments

In the third quarter of FY 2012, OPM implemented the new Lean Six Sigma review process at its facility in Boyers, PA. Part of the Lean Six Sigma process improvement was to improve accuracy and build quality into the front end of the process. Checklists and training materials have been updated to build accuracy and quality into the end-to-end process.

PERFORMANCE MEASURE:
Average unit cost for processing retirement claims

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
$74.28	$81.97	$105.94	$107.62	$101.89	$99.79	Not Met	↗ Improving

FY 2012 Results

OPM processed retirement claims at an average per unit cost of $101.89, which did not meet the target of $99.79 set for FY 2012. However, the cost of processing retirement claims decreased 5.6 percent from the prior fiscal year's results.

The $101.89 average per unit cost for processing retirement claims includes the salary and overhead expenses for new, full-time, Legal Administrative Specialists (LAS). Because these new adjudicators spent the majority of FY 2012 in training, they did not significantly add to the number of cases produced, which would have lowered per unit costs.

The LAS that OPM previously hired in FY 2011 also contributed to the average cost per claim. Although these LAS are no longer in training, many still process claims under a mentor's supervision. As these LAS became more comfortable processing claims on their own, the average per unit cost decreased further. For example, the average unit cost during the first quarter of FY 2012 was $129.18, but decreased each quarter thereafter as LAS increased their production and process improvements took hold.

In FY 2012, OPM's Retirement Services (RS) organization in Boyers, PA underwent an initial Lean Six Sigma review to create a more streamlined process for adjudicating cases. As a result of the Lean Six Sigma review, RS established a Case Development Team to help develop incomplete retirement applications upon arrival at OPM. This process change allows LAS to focus their time on adjudication, and uses less experienced, front line employees in the time-intensive task of gathering missing information. The streamlined process was initiated in the third quarter of FY 2012 and has significantly improved the number of cases processed each month, thus helping reduce the unit cost even further.

Related Accomplishments

To increase processing capacity, OPM hired 66 new Legal Administrative Specialists (LAS) and 22 Customer Service Specialists (CSS). In addition, employees from other parts of Retirement Services and recent retirees are

being brought back into claims processing. These critical resources will focus effort on analyzing claims and adjudicating cases; thereby reducing case inventory.

OPM expects the FY 2012 class of LAS to fully focus on claims adjudication next year. Additionally, the FY 2011 class of LAS will be able to process most cases without direct supervision. Both should lower the average per unit cost for processing retirement claims because fewer training and mentoring hours will be incorporated in the per unit calculation.

PERFORMANCE MEASURE: Rate of improper payments in the retirement program							
FY 2008 Results	**FY 2009 Results**	**FY 2010 Results**	**FY 2011 Results**	**FY 2012 Results**	**FY 2012 Target**	**Met/ Not Met**	**Year-over-Year Trend**
0.39%	0.32%	0.35%	0.34 %	0.36%	0.34%	Not Met	↔ Stable

FY 2012 RESULTS

Of the over $73.5 billion in defined benefits OPM paid to retirees, survivors, representative payees and families during FY 2012, only 0.36 percent of that amount was improperly paid. This percentage did not meet the target of 0.34 percent for FY 2012. Improper payments remain a very small percentage of the total money paid by the Fund. Overall, 99.64 percent of all monies paid were proper and in accordance with applicable laws and regulations.

The most common cause of improper payments made by OPM's Retirement Services (RS) organization is delayed reporting (or no reporting) of change in status (death, marriage, restored to earning capacity, reemployment, etc.) furnished by beneficiaries or family members that result in a different (or no) benefit payment. OPM is largely reliant on its customers (beneficiaries, annuitants, and survivors) and other sources (such as neighbors reporting fraud and obituaries) to learn of status changes.

RS is committed to improving its ability to serve the public and Federal retirees by identifying and preventing improper payments. RS makes significant effort to reduce and prevent improper payments by surveying annuitants to verify eligibility, administering a weekly data-match with the Social Security Administration's records, and investigating potential fraud.

RELATED ACCOMPLISHMENTS

Improper payments to deceased annuitants totaled $86.1 million in FY 2012. This is an improvement over FY 2011 when the amount totaled $102.9 million. Over the prior five years, improper payments to deceased annuitants have averaged about $120 million annually.

In response to the OIG's September 2011 report on "Stopping Improper Payments to Deceased Annuitants" and two subsequent Congressional hearings regarding the matter, OPM established a task force consisting of the Associate Director of Retirement Services, the Chief Operating Officer, the Chief Financial Officer, and the Associate Director, Merit System Audit and Compliance to develop the Strategic Plan for Stopping Improper Payments to Deceased Annuitants. OPM is finishing the strategic plan in consultation with the Office of the Inspector General (OIG) and implementation of the recommendations is underway.

In March 2012, the OIG issued a report on the audit of OPM's FY 2011 Improper Payments Reporting for Compliance with the Improper Payments Elimination and Recovery Act (IPERA). The report identified areas where internal controls over improper payments reporting required strengthening.

The task force is currently updating the Retirement Services Improper Payment Plan as per the Office of the Inspector Generals' recommendation resulting from the initial annual Improper Payments Elimination and Recovery Act (IPERA) audit. The plan was last updated in 2006. RS efforts to measure, reduce, prevent, and

recapture improper payments are being documented and updated. This will be pursued as part of the overall OPM improper payment plan.

By identifying the causes of improper payments, barriers to reduce them, and corrective actions, OPM believes it can reduce its rate of improper payments.

PERFORMANCE MEASURE:
Percent of customers satisfied with overall retirement services

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over-Year Trend
83%	85%	81%	76%	73%	85%	Not Met	↔ Stable

FY 2012 RESULTS

Although OPM did not meet its goal of 85 percent of customers indicating satisfaction with overall Retirement Operations services, OPM strives to provide the best possible customer service consistent with our strategic goal to Honor Service.

There were two contributing factors to our low customer satisfaction rate: 1) the high inventory of retirement claims, and 2) the long wait times on calls made to our call center and/or where return calls were not made in a timely manner. Although OPM has made significant progress in reducing the inventory, there are still a large number of cases in the pipeline.

In FY 2012, overall satisfaction with Retirement Operations services was 73 percent satisfied or very satisfied, with 12 percent of respondents indicating they were overall dissatisfied/very dissatisfied with retirement services. The number of those customers who marked that they were overall dissatisfied/very dissatisfied with retirement services was 2 points higher than the previous year – within the margin of error of ±5 percent, and therefore not indicative of a statistically significant shift from last year.

Customer satisfaction decreased in the following service areas: knowledge, accurate information, problem solving, useful information, keeping accurate records, and providing service when promised. These declines are consistent with the learning curve that is associated with hiring new Legal Administrative Specialists (LAS) and Customer Service Specialists (CSS). We expect customer satisfaction to increase once these employees are fully knowledgeable and utilized in claims production and customer service.

Every year, OPM's Retirement Services (RS) organization provides direct customer service to new retirees and our current annuitants, making maintenance changes to their account, answering telephone calls or responding to letters and emails. To measure satisfaction with retirement services, RS conducts an annual Customer Satisfaction Survey based on a random sample of approximately 700 annuitants who had either a customer service transaction with RS or had their retirement case finalized during the fiscal year. The sample does not include those with pending claims that may be in interim pay.

RELATED ACCOMPLISHMENTS

RS continues to improve its service to our customers. At the beginning of FY 2012, RS launched an organization-wide, customer service initiative in response to the President's executive order calling upon agencies to provide the public with "competent, efficient, and responsive service."

In June 2012, RS developed a Customer Service Plan. This plan identifies key challenges OPM faces (such as high call volumes, wait times, case backlog, and current dependencies on manual paper processes) and outlines

strategies to address them by increasing feedback from customers, improving the overall customer experience, increasing service quality, and streamlining agency processes.

For example, OPM now utilizes its website and social media to streamline correspondence, educate the public, and solicit feedback. Additionally, the Retirement Service's Customer Service Branch created a Tier II Escalation Management Team for customer service inquiries that cannot be resolved by frontline representatives. Tier II Escalation allows frontline customer service specialists (especially those newly hired or still in training) to pass more difficult questions or concerns on to experienced staff. This makes it easier and faster for frontline representatives to handle common customer inquiries.

As OPM implements the initiatives outlined in our Customer Service Plan, we expect to see corresponding improvements in our customer satisfaction levels.

Strategic Goal: Improve Access *to* Health Insurance

Strategy: Manage contract with a health insurer to provide health insurance coverage to people with pre-existing medical conditions

Background: In March of 2010, Congress passed and President Obama signed the Patient Protection and Affordable Care Act. The law created a new program – the Pre-Existing Condition Insurance Plan (PCIP)—to make health coverage available to people with pre-existing conditions. PCIP, which is run by either States or the Federal government, provides a new health coverage option for people who have been without health coverage for at least six months and have a pre-existing condition or have been denied health coverage because of their health condition.

OPM helps administer the Federally-run PCIP in states that do not establish PCIP programs themselves. OPM performs these activities on behalf of the Health and Human Services' Center for Medicare and Medicaid Services (HHS/CMS) which fully reimburses OPM for the costs of the program.

PERFORMANCE MEASURE: Achieve a Pre-Existing Condition Insurance Plan customer satisfaction level equivalent to the top-ten Federal Employee Health Benefit Program plans							
FY 2008 Results	**FY 2009 Results**	**FY 2010 Results**	**FY 2011 Results**	**FY 2012 Results**	**FY 2012 Target**	**Met/ Not Met**	**Year-over- Year Trend**
n/a	n/a	n/a	n/a	74%	70%	Met	n/a

n/a - Not Applicable - no historical data available for this period.

FY 2012 Results

OPM continued to assist HHS/CMS with administration of the PCIP program. At the end of FY 2012 the PCIP program achieved a 74 percent satisfaction rate while keeping OPM and contractor administrative costs below targets. OPM administrative costs were 0.1 percent of total claims costs. The Government Employees Health Association (GEHA), who is the contractor that provides the insurance plan to customers, had administrative costs equaling 2.5 percent of claims cost, less than half the contractual limit of 7 percent.

Related Accomplishments

OPM negotiated three contract modifications with GEHA during 2012, which included benefit and enrollment changes, changes in the GEHA provider network, and requiring GEHA to provide claims data to Center for Medicare and Medicaid Services on an ongoing basis. The benefit and enrollment changes saved the PCIP program an estimated $824 million.

OPM played an active role in the PCIP appeals process, reviewing appeals from over 1000 applicants and enrollees for eligibility determinations, disenrollment disputes, and claims disputes. OPM replied to 99.2 percent of eligibility appeals requests within seven days of receipt of the complete file.

OPM also helped administer the Open Season for PCIP enrollees. Enrollees were provided three plan options (Standard, Extended and a High Deductible).

Strategic Goal: Improve Access to Health Insurance

Strategy: Offer Federal Employee Health Benefits (FEHB) to employees of eligible Tribes and tribal organizations

Background: In March of 2010, Congress passed and President Obama signed the Patient Protection and Affordable Care Act. The law created a new program that offers FEHB insurance coverage to eligible employees of entitled tribes, tribal organizations, and urban Indian organizations (under the Affordable Care Act's incorporation of the Indian Health Care Improvement Reauthorization and Extension Act of 2009). It also covers eligible family members of such employees. The FEHB Program is administered by OPM.

PERFORMANCE MEASURE:
Number of tribal enrollees in the Federal Employees Health Benefits Program

FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2012 Target	Met/ Not Met	Year-over- Year Trend
n/a	n/a	n/a	n/a	3,323	18,000	Not Met	n/a

n/a - Not Applicable - no historical data available for this period.

FY 2012 RESULTS

The provisional first year estimate of 18,000 enrollments during a five month period between May and September of 2012 proved to be unrealistic. OPM soon learned that because most health plan policies are written on a calendar year basis, all but a few tribes were reluctant to change plans in the middle of the year as it would have caused their members to meet new deductibles and be subject to new catastrophic maximums. By the end of FY 2012, a total of only 3,323 individuals from 29 tribes had enrolled. These were comprised mostly of very small tribes who either could not previously afford to provide healthcare for their small groups, or tribes with coverage who wanted to switch and reduce expensive premiums by joining the large FEHB risk pool. Also, notably, a FY 2012 administrative fee of $15.15 per member per month - to process enrollments and premiums for the tribes - became a deterrent as these small groups could not afford both the fee and the requisite premium.

Although enrollment itself fell short of our year one program predictions, OPM made great progress in 2012 setting the stage for future success. Through our outreach to tribes through conferences and site visits, an additional five tribes, with approximately 5500 employees, are joining the program effective January 1, 2013. An additional 10 tribes are expected to complete negotiations and join in the first quarter of CY 2013. Thus, OPM expects enrollment to reach 10,000 by the end of 2013; 12,500 by the end of 2014 and 15,500 by the end of 2015. OPM is also making arrangements with our administrative systems partner, the National Finance Center, to reduce the monthly premium handling fee. We are confident this will induce more enrollments from tribes, who have to date, been unable to pay what they consider the current prohibitively expensive fee.

FY 2012 Program Evaluations

OPM Federal Worksite Wellness Evaluations

In FY 2011, OPM began working with the Human Resources Research Organization (HumRRO) to conduct comprehensive, rigorous evaluations of Federal Worksite Wellness Programs. The project includes developing a specific methodology for worksite wellness program evaluations: a common evaluation plan, protocol, and metrics for use in all wellness evaluations. It includes all aspects of worksite wellness, the effectiveness and efficiency of health and wellness interventions, operations, programs, finances, costs, benefits, outreach, absenteeism, employee morale, and other outcomes including the impact of improved health on productivity. Evaluation procedures are to be developed, formally documented, and followed during the evaluations. The evaluation design is to include before and after comparisons as well as control or comparison groups and locations.

The current evaluations focus on OPM's WellnessWorks worksite wellness pilot program, as well as the FedStrive program at the department of Health and Human Services. To date, the HumRRO team has been acquiring baseline data for both programs. The project will include risk/cost and return-on-investment (ROI) projections for these wellness programs by using baseline data on employee demographics, health and costs to project ROI. The ROI model results will include projected savings (both in terms of medical costs and productivity) and projected program costs for the time period specified, including for one year and up to a three year period. The project goal is to produce an overall ROI for both programs after three years of program experience, which will be conducted in year four of the project.

Re-Design of FEHB Plan Choice

Each year, four million Federal employees and retirees choose a health plan from among the more than 200 health plan options available under the Federal Employees Health Benefits program. While the number of health plan choices in any geographic area is far fewer than 200 (typically about 10 – 15), the exercise can be daunting. Faced with a complex choice and inadequate information, the overall consumer response is one of inertia; in any given year only between 5 and 7 percent of employees and retirees change health plans.

Research that examined employee and retiree views of decision-making indicates that: 1) choosing a health plan is difficult task for many people; 2) consumers overweigh the impact of deductible/cost-share; 3) various plan dimensions matter to different people; and, 4) doctor/practice choice matters to many.

OPM has assembled a cross-agency team to undertake the re-design of Open Season and evaluate its impact, including operational staff from Healthcare and Insurance, Policy and Planning Analysis, and behavioral economist consultants. OPM's Deputy Performance Improvement Office and OPM's Chief Medical Officer also provide advice on the development of this project.

In June, 2012, the team convened in OPM's Innovation Center and employed human centered design facilitation techniques to further define the problem statement and develop a plan of action. The work plan for FY 2013 and FY 2014 calls for learning more about health plan choice through additional consumer engagement, developing targeted approaches of informing consumers of health plan choices (to be rolled out in the 2013 Open Season), and collecting data on health plan choices made by the various target groups. Later in FY 2014, we will evaluate the data on health plan choice and follow up with the target groups to better understand the choice process.

Improving health plan choice is fundamental to the FEHB program, which derives efficiency gains from a competitive marketplace model. If consumers are able to make well-informed choices, health plans will respond with products tailored to consumer needs.

Completeness and Reliability of Performance Data

The performance information used by OPM in this APR for FY 2012 is reasonably complete and reliable, as defined by the Government Performance and Results Act of 1993. OPM has chosen an approach to data collection and analysis that provides sufficient accuracy and timeliness to be useful to program managers and policy makers within reasonable cost constraints.

COMPLETENESS OF DATA

Most data in this report is produced in an annual cycle tied to the fiscal year, often with quarterly updates, which makes it easier to track progress during the year. All performance data is representative of the entire fiscal year for which it is reported. If there are instances where full and complete data for a measure is not available until after OPM publishes its APR, these instances are noted and final data will be updated in the following year's APR.

RELIABILITY OF DATA

OPM performance data is generally reliable and is used regularly by OPM program managers to make both strategic and operational decisions. However, in any given year, some of these data elements are influenced by multiple factors over which OPM has little control. For example, the findings of Merit Systems Audit and Compliance evaluations of agency human capital practices may vary substantially from one year to the next, depending on which agencies are targeted for evaluation in each cycle. A single year's results accurately report what was uncovered in that year, but multi-year trends may be more reflective of the mix of agency practice examined each year than of overall changes in practices across the Federal government.

Assessing and eliminating sources of errors in data collection systems continues to be an important task for program managers. As a part of this ongoing task, program managers use quality control techniques to identify where errors can be introduced into the collection system. They use automated edit checks to minimize data entry errors and follow-up with reasonableness checks before the data are entered in the APR. These include verification of data collection techniques and coding, response and non-response rates, and computation of margins of error. OPM has established a three-tiered approach to ensure the completeness and reliability of performance information. Data quality standards are established by the agency's Chief Financial Officer (CFO); data sources, collection and reporting procedures are the responsibility of program managers; and performance results are reviewed by the CFO prior to publication. Collectively, this approach attempts to ensure the data presented in this document is complete and reliable, and accurately reflects actual performance during FY 2012.

Data Sources of OPM Performance Measures

Strategic Goal #1: Hire *the* Best

Performance Measure:	
For CHCO agencies, percent of applicants that respond to the Chief Human Capital Officer (CHCO) survey with a positive rating indicating satisfaction with the job application process	
Program	Employee Services (ES)
Definition	The CHCO Applicant Survey asks about the applicant experience with the job application process on a 1(low) to 10 (high) point scale. The calculation is derived from the number of responses that have a positive rating of 8 or above divided by the total number of responses. The net result will provide the percent of applicants that respond to the survey with a positive rating. The applicant satisfaction survey will be randomly sent to 50 percent of the USAJOBS applicants who complete and submit their application.
Data Source	CHCOC Applicant Survey
Frequency	Ongoing, with quarterly reporting
Data Verification	Data is verified by analysis conducted by ForeSee company, a corporate analytics firm specializing in measuring customer satisfaction.

Performance Measure:	
Percent of agencies that meet or exceed their baseline goal for hiring veterans	
Program	Employee Services (ES)
Definition	Each of the 24 Chief Human Capital Officer (CHCO) agencies calculates their hiring targets based on their individual agency baseline to ensure that veteran and disabled veteran new hires are being hired and retained in the Federal workforce. Each agencies hiring targets are established as follows:

Current Percentage of Total Veteran New Hires in an Agency	Recommended Percentage Increase over the September 2010 baseline
Above 25%	Maintain or improve current percentage
20 - 24.99%	1 - 2 percentage points
10 - 19.99%	3 - 4 percentage points
Below 10%	5 - 6 percentage points

	Each agency provides their veteran hiring data to OPM, and OPM calculates the percentage of agencies that meet their veteran hiring targets.
Data Source	Enterprise Human Resources Integration (EHRI)
Frequency	Quarterly
Data Verification	Data is verified Quarterly by analysis conducted by OPM's Office of Planning and Policy Analysis.

Performance Measure:
Percent of employees in the Federal Government with targeted disabilities

Program	Office of Diversity and Inclusion (ODI)
Definition	Measures the percentage of Federal employees with targeted disabilities compared to the total number of Federal employees. The number of employees with targeted disabilities is determined by the number of employees who self- identify with disabilities on Standard Form (SF) 256, Part II. Targeted disabilities, as defined by the Equal Employment Opportunity Commission (EEOC), are disabilities "targeted" for emphasis in affirmative action planning. These are: deafness, blindness, missing extremities, partial paralysis, complete paralysis, convulsive disorders, mental retardation, mental illness, and genetic or physical condition affecting limbs and/or spine. Although the list of targeted disabilities is meant to include those who are most likely to suffer job discrimination, the EEOC recognizes that some disabilities that are not targeted are nevertheless just as severe as or more severe than some of the targeted disabilities.
Data Source	Data is from OPM's Enterprise Human Resources Integration Statistical Data Mart (EHRI-SDM).
Frequency	Quarterly
Data Verification	Data is verified by Federal agencies.

Performance Measure:
Average number of days to complete the fastest 90 percent of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Act

Program	Federal Investigative Services (FIS)
Definition	The average number of days to complete the investigation portion of the security clearance process begins the day a package is received by FIS and ends: 1) on the day that FIS mails the hard copy investigation report to the customer agency; or 2) on the day that FIS receives the customer agency receipt if FIS transmitted the investigation report electronically.
Data Source	The National Intelligence Directive (NID) Closing Timeliness report shows cases closed and average timeliness for initial national security cases for a specified timeframe, and is the report used for this measure. Data for this report is generated from the Personnel Investigations Processing System (PIPS). PIPS is an automated system which houses the Security/Suitability Investigations Index (SII) and is used by FIS for the automated entry, scheduling, case control and closing of background investigations as well as the collection of performance data. The system is operated by a combination of OPM staff and contractor staff. PIPS has been programmed to generate appropriate reports measuring the "NID Closing Timeliness Performance."
Frequency	Quarterly
Data Verification	This report was developed specifically to track this measure and was tested extensively for accuracy at that time. Data is transcribed directly from this report and is not manipulated in any way.

Performance Measure: Investigations determined to be deficient due to errors in investigations processing	
Program	Federal Investigative Services (FIS)
Definition	The percent of investigations (inclusive of all case types) determined to be deficient due to errors in investigations processing.
Data Source	FIS hosts multiple feedback tools customers can use to identify investigations potentially deficient for adjudication purposes, to include: OPM's web based Quality Assessment Tool and OPM's quality hotline. However, these tools are not used independently to calculate the performance measure. FIS measures investigations as deficient once the adjudicative authority has submitted a formal request for quality rework (i.e., corrective case action). FIS would also include those instances where an error in the processing of an investigation results in the customer failing to receive a complete investigative package.
Frequency	Quarterly
Data Verification	FIS analyzes all feedback received where agencies believe quality rework is needed. FIS also works with the Quality Management Group (QMG) to ensure the accuracy of information.

Strategic Goal #2: Respect *the* Workforce

Performance Measure: Percent increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	
Program	Healthcare and Insurance (HI)
Definition	This performance measure tracks the cost of Federal health care benefits and compares the cost to private sector increases for similar benefits.
Data Source	Healthcare Open Season Roll-Out Materials
Frequency	Annually
Data Verification	Published reports of FEHB premiums are used for verification purposes.

Performance Measure:
Percent of Federal Employee Health Benefit Program (FEHBP) enrollees satisfied vs. health industry standard

Program	Healthcare and Insurance (HI)
Definition	Compares the satisfaction rate of enrollees with their government offered FEHBP plans versus the health industry standard satisfaction rate published in the Quality Compass released by the National Committee for Quality Assurance. The health industry standard satisfaction rate may change from year to year.
Data Source	OPM is a "subscriber" to the National Committee for Quality Assurance (NCQA)/ Healthcare Effectiveness Data and Information Set (HEDIS)/ Consumer Assessment of Healthcare Providers and Systems (CAHPS) services. We are provided with reports from NCQA, which we maintain and use to work with insurance carriers. We are also given access to data through queries that are used to establish each health plan's performance relative to our standards as well as for benchmarking other industry participants. The health industry standard satisfaction rate is extracted from the Quality Compass released by the National Committee for Quality Assurance (NCQA). The Quality Compass is the nation's leading database of comparable information on clinical performance and patient experience for 415 commercial health plan products serving 94 million enrollees. The Quality Compass contains information drawn from audited data reported to NCQA through HEDIS as well as CAHPS.
Frequency	Annually
Data Verification	OPM reviews apparent anomalies in results and consults with the NCQA when required. This leads to increased understanding of the results for the Agency. OPM believes that the NCQA is exceedingly aware of the importance of the veracity and the credibility of its data since it is used nationwide by hundreds of health plans to monitor and improve services. This sensitivity extends to NCQA's internal application of expert statistical methodology as well as to the use of professional external audits of NCQA's findings, which precede the issuance of results each year.

Performance Measure:
Percent of health benefits claims processed within 30 working days

Program	Healthcare and Insurance (HI)
Definition	This measure is calculated by taking the number of claims adjudicated (denied, paid or additional information requested) within 30 working days divided by total number of claims for the period.
Data Source	HI's Federal Employee Insurance Operations staff receives formatted reports from each FEHB Plan. These reports cover a series of questions about their annual claims volume and timeliness results. HI staff compiles the results in spreadsheets, and give abstracts of them to contracting officers so they can see how their particular plans are faring relative to the standard and the norm. All complied data is kept by HI staff in archives with appropriate suspense dates as an agency record.
Frequency	Annually
Data Verification	Contracting Officers and OPM's Office of the Inspector General routinely perform site visits for program oversight. They also review health plan's records relating claims volume and timeliness data to stated results. This is usually done through spot checking or a stratified sample. Audits become more detailed if accuracy problems warrant further attention.

Performance Measure:
Average number of days to pay Federal Employees Group Life Insurance claims

Program	Healthcare and Insurance (HI)
Definition	Measures the average number of days from receipt of claim until payment is made for all claims paid during the period.
Data Source	Data is derived from the Office of Federal Employees' Group Life Insurance (OFEGLI) Average Claim Processing Report. Program management is provided the data to refine and expedite the processing time for Federal Employees' Group Life Insurance (FEGLI) claims.
Frequency	Quarterly
Data Verification	Life Insurance Federal Acquisition Regulation (LIFAR) 2146.270 requires the contractor-MetLife/OFEGLI-to keep complete records of their quality assurance procedures and to have a system of internal controls for this purpose. OFEGLI tracks this data source and reports it to OPM. The OPM Office of the Inspector General (OIG) periodically conducts audits of OFEGLI, including the claims system from which this data is extracted, for accuracy and veracity, as well as anecdotally.

Performance Measure:
Percent of Federal Long-Term Care Insurance Program customers satisfied with overall customer service

Program	Healthcare and Insurance (HI)
Definition	Measures the percentage of current enrollees who have reported overall satisfaction with Federal Long Term Care Insurance Partners (FLTCIP) Customer Service.
Data Source	Long Term Care Partners continuous quality improvement quarterly metrics report.
Frequency	Quarterly
Data Verification	Independent audits of Long Term Care Partners.

Performance Measure:
FEHBP prescription drug cost growth as a percentage of the private sector industry average

Program	Healthcare and Insurance (HI)
Definition	A comparison between the prescription drug cost growth experienced by Federal Employee Health Benefits Program (FEHBP) plan providers and the overall industry average.
Data Source	The FEHBP prescription drug cost growth data is obtained by estimating the increase for the largest carrier representing over 60 percent of the enrollee population. The overall industry average is available from the largest Pharmacy Benefit Managers (PBMs) - CVS/Caremark and Express Scripts.
Frequency	Annually
Data Verification	Performed by OPM actuaries in Planning and Policy Analysis.

Strategic Goal #3: Expect *the* Best

Performance Measure: Percent of delegated examining units found to have severe problems demonstrate satisfactory level of competence or cease to operate independently within one year following completion of an audit	
Program	Merit Systems Audit and Compliance (MSAC)
Definition	Percentage is calculated by dividing the number of delegated examining units (DEUs) that improved or cease to operate independently within the one year timeframe by the total number of DEUs identified as having severe problems.
Data Source	MSAC carries out part of its statutory oversight responsibility by conducting audits of agency DEUs. If the audits reveal significant problems, the lead oversight group lists that unit on the severe Delegated Examining Unit log. A follow-up audit is scheduled in 12 months later to determine if appropriate corrective action has been taken. If so, the unit is removed from the log. If not, the unit remains on the log until improvements have occurred.
Frequency	Quarterly
Data Verification	MSAC oversight managers certify that the corrective actions contained in the issued report have been taken and that improvements have occurred.

Performance Measure: Index score of customer satisfaction with HR Solutions products and services (ACSI Equivalent Index)	
Program	Human Resources Solutions (HRS)
Definition	A composite index score is calculated using a 10-point scale for the three final non-text items on the Customer Satisfaction Survey (CSS) which ask the following three questions: 1) Please consider all your experiences to date with OPM/HR Solutions products and services. How satisfied are you with these products and services? 2) Considering all of your expectations, to what extent have OPM/HR Solutions' products and services fallen short of or exceeded your expectations? 3) Imagine the ideal organization that provides HR products and services. How well would OPM/HR Solutions compare with that ideal organization? The composite score is the American Customer Satisfaction Index (ACSI) Equivalent Index.
Data Source	The results are based on the HRS Customer Satisfaction Survey (CSS), which is administered by all HRS practice areas on a bi-annual basis. OPM's Customer Satisfaction Survey, on which the HR Solutions CSS is based, was benchmarked by GAO in 1999 as a valid GPRA measure and assesses service quality on nine dimensions (General Accounting Office. July 1999. Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information. GAO/GGD-99-1309). The development of this research-based survey instrument was also described in Human Resource Management (Brigitte W. Schay et al. "Using Standard Outcome Measures in the Federal Government," Fall 2002, Volume 41, Number 3).
Frequency	Semi-annually
Data Verification	Survey results are loaded from the online survey platform, USASurvey, into a central, annual spreadsheet, which is then used to create semi-annual reports. Random checks are used to ensure data on the central spreadsheet reflects data downloaded from the survey platform. The number of survey responses is compared to the number of surveys sent in order to calculate response rate and margin of error.

Performance Measure:
Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness

Program	Human Resources Solutions (HRS)
Definition	This measure is calculated by taking the percentage of positive responses that are reported for question number 13a on the HRS Customer Satisfaction Survey divided by the total number of positive and negative responses. Question number 13a is as follows: "Have our services contributed to your organization's effectiveness ("yes", "no", "don't know")?" Responses of "don't know" are not used in the calculation of this measure.
Data Source	Data is from the HRS Customer Satisfaction Survey, administered online twice yearly to the full population of HRS customers using HRS' proprietary survey platform, USASurvey.
Frequency	Semi-annually
Data Verification	Once the survey results are entered into the annual database, random checks are performed to compare the electronic data to the data from the original forms received.

Performance Measure:
Percent of payments within Prompt Pay Act guidelines

Program	Chief Financial Officer (CFO)
Definition	The number of invoices that have no interest charges (i.e., the number of invoices paid "on time") divided by the total number of invoices paid.
Data Source	Monthly prompt pay reports run from OPM's financial management system.
Frequency	Monthly
Data Verification	Internal records are used to verify the prompt payment reports.

Performance Measure:
Number of financial material weaknesses

Program	Office of the Chief Financial Officer (CFO)
Definition	A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.
Data Source	Independent Auditors' Report
Frequency	Annually
Data Verification	Annual audit

Performance Measure: Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more	
Program	Employee Services (ES)
Definition	OPM calculates the results oriented Performance Culture Index by taking a weighted average of the results from the following Employee Viewpoint Survey questions: 12, 14, 15, 20, 22, 23, 24, 30, 32, 33, 42, 44, and 65. The questions can be found at http://www.fedview.opm.gov/2012/Published.
Data Source	OPM's Employee Viewpoint Survey
Frequency	Annually
Data Verification	OPM's Planning & Policy Analysis staff confirms calculation of the PCI score for each CHCO agency. Internal analysts independently verify calculations in every major deliverable generated by our contractor on behalf of OPM.

Strategic Goal #4: Honor Service

Performance Measure: Percent of agency benefit officers trained per year	
Program	Retirement Services (RS)
Definition	The Percent of benefits officers trained per year is determined by taking the number of benefits officers receiving training during the period divided by the total number of benefits officers. Reference 5 U.S.C. 8350.
Data Source	Survey of Agency Benefits Officers
Frequency	Annually
Data Verification	Self-reporting by agency benefit officers

Performance Measure:
Percent of retirement and survivor claims processed accurately

Program	Retirement Services (RS)
Definition	OPM conducts ongoing reviews of CSRS and FERS annuity claims to ascertain the quality of service to customers, the accuracy and validity of work products, and to determine the extent of compliance with existing laws and regulations and the adequacy of internal controls. The percentage is calculated by the number of claims processed with errors divided by the total number of claims processed.
Data Source	Annuity Roll Processing System (ARPS) - The Benefits Systems group extracts a population of the ARPS data on a monthly basis for the sample to be used.
Frequency	Quarterly
Data Verification	OPM conducts data matches to ensure that populations being sampled are valid representations of the universe of cases adjudicated during the timeframe being reviewed. Claims processing accuracy is based on statistically valid samples of retirement claims calculations. Appropriate statistical analysis methods are used to identify the appropriate customer populations and select samples to ensure a 95% confidence interval and a +/- 5% margin of error. Samples are determined by an automated computer program that ensures absolute randomness in the selection criteria. OPM's Independent auditor, KPMG, also reviews data samples and cases.

Performance Measure:
Average unit cost for processing retirement claims

Program	Retirement Services (RS)
Definition	The average unit cost is calculated by taking the total labor hours and dividing by the total number of claims processed.
Data Source	Labor hours are derived from the Employee Time and Attendance Management System (ETAMS). The number of claims processed is derived from the Hypershow application via the Annuity Roll Processing System (ARPS).
Frequency	Bi-weekly
Data Verification	Data collection and reporting procedures are verified, and data is tested to assess its accuracy. These tests include comparing data for a given fiscal year to similar data collected for previous years and researching any anomalies that are observed, and comparing data with similar information collected from other sources. Quality and management-control devices are built into these data collection mechanisms to ensure accuracy and reliability.

Performance Measure:
Rate of improper payments in the retirement program

Program	Retirement Services (RS)
Definition	An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Improper payments can be both overpayments and underpayments. The rate of improper payments is calculated by taking the amount of improper retirement payments divided by the total amount of retirement payments made.
Data Source	For overpayment information, RS uses information provided by OPM's Office of the Chief Financial Officer extracted from an existing Treasury Report. For underpayment information, RS' Quality Assurance Office compiles and provides this information.
Frequency	Annually
Data Verification	OPM reviews retirement and survivor cases for both the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) using statistically valid samples across each month of the fiscal year, leading up to the year-end independent audit.

Performance Measure:
Percent of customers satisfied with overall retirement services

Program	Retirement Services (RS)
Definition	The number of annuitants (retirees and survivor annuitants) generally or very satisfied with retirement program services divided by the total number of respondents that had a retirement related transaction during the most recent fiscal year executed and completed. Customers can rate their satisfaction experience as: "Satisfied/Very Satisfied," "Neither Satisfied/Dissatisfied" or "Dissatisfied/ Very Dissatisfied."
Data Source	RS Customer Satisfaction Survey. The survey results are based on a random sample of approximately 700 annuitants who had either a customer service transaction with RS or had their retirement case finalized during the fiscal year. The sample does not include those with pending claims that may be in interim pay.
Frequency	Annually
Data Verification	RS uses the Inquisite Survey tabulation, analysis, and data tracking system for data verification.

Strategic Goal #5: Improve Access to Health Insurance

Performance Measure: Achieve a Pre-Existing Condition Insurance Plan customer satisfaction level equivalent to the top-ten Federal Employee Health Benefit Program plans	
Program	Healthcare and Insurance (HI)
Definition	The surveys ask consumers and patients to report on and evaluate their experiences with health care. The CAHPS program is funded and overseen by the U.S. Agency for Healthcare Research and Quality (AHRQ).
Data Source	Consumer Assessment of Healthcare Providers and Systems (CAHPS).
Frequency	Annual
Data Verification	In order to support survey sponsors and users, AHRQ created the CAHPS User Network. The User Network is responsible for making the survey products available, providing technical assistance and education, and facilitating networking among users. The User Network also manages the CAHPS Database, which is a national repository for data from the CAHPS Health Plan Surveys and the Clinician & Group Surveys.

Performance Measure: Number of tribal enrollees in the Federal Employees Health Benefits Program	
Program	Healthcare and Insurance (HI)
Definition	The Affordable Care Act (ACA) created a new program that offers FEHB insurance coverage to eligible employees of entitled tribes, tribal organizations, and urban Indian organizations (under the ACA's incorporation of the Indian Health Care Improvement Reauthorization and Extension Act of 2009). It also covers eligible family members of such employees. The number of tribal enrollees includes any enrollee from the aforementioned groups that are eligible under the ACA.
Data Source	OPM's Federal Employee Insurance Operations (FEIO) system of record
Frequency	Quarterly
Data Verification	HI staff compares FEIO enrollment records with data received from the U.S. Department of Agriculture's National Finance Center that accepts the enrollment applications and payments from enrollees.

Appendix A: Acronyms

ACA	Affordable Care Act
ACSI	American Customer Satisfaction Index
ACWA	Administrative Careers with America
AHRQ	Agency for Healthcare Research and Quality
APG	Agency Priority Goal
APR	Annual Performance Report
ARPS	Annuity Roll Processing System
CAHPS	Consumer Assessment of Healthcare Providers and Systems
CBIS	Consolidated Business Information System
CCIIO	Center for Consumer Information and Insurance Oversight
CFC	Combined Federal Campaign
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officer's Council
CIO	Chief Information Officer
CLA	Congressional and Legislative Affairs
CMS	Centers for Medicare and Medicaid Services
CPL	Communications and Public Liaison
CSRS	Civil Service Retirement System
CSS	Customer Service Specialist
CY	Calendar Year
D&I	Diversity and Inclusion
DEU	Delegated Examining Unit
DOD	Department of Defense
DOE	Department of Energy
DPC	Domestic Policy Council
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
EHRI	Enterprise Human Resources Integration
EHRI-SDM	Enterprise Human Resources Initiative-Statistical Data Mart
EO	Executive Order
ES	Employee Services
ESO	Executive Secretariat and Ombudsman
ETAMS	Employee Time and Attendance Management System

EVS	Employee Viewpoint Survey
FAR	Federal Acquisition Regulation
FEDVIP	Federal Employee Dental and Vision Insurance Plan
FEGLI	Federal Employees Group Life Insurance
FEHB	Federal Employees Health Benefits
FEHBP	Federal Employees Health Benefits Program
FERS	Federal Employees Retirement System
FEIO	Federal Employee Insurance Operations
FIS	Federal Investigative Services
FLTCIP	Federal Long Term Care Insurance Program
FPRAC	Federal Prevailing Rate Advisory Committee
FSC	Facilities Services and Contracting
FY	Fiscal Year
GAO	Government Accountability Office
GEAR	Goals-Engagement-Accountability-Results
GEHA	Government Employees Health Association
GPO	Government Printing Office
GPRA	Government Performance and Results Act
HCMR	Human Capital Management Report
HEDIS	Healthcare Effectiveness Data and Information Sets
HHS	Department of Health and Human Services
HI	Healthcare & Insurance
HIT	Health Information Technology
HR	Human Resources
HRS	Human Resources Solutions
HUD	Department of Housing and Urban Development
HumRRO	Human Resources Research Organization
IPERA	Improper Payments Elimination and Recovery Act
IRTPA	Intelligence Reform and Terrorism Prevention Act
IT	Information Technology
LAS	Legal Administrative Specialists
LIFAR	Life Insurance Federal Acquisition Regulation
LLP	Limited Liability Partnership
MSAC	Merit System Audit and Compliance
MSP	Multi-State Plan
MSPP	Multi-State Plan Program
NAIC	National Association of Insurance Commissioners

NCQA	National Committee for Quality Assurance
NHO	National Healthcare Operations
NID	National Intelligence Directive
OD	Office of the Director
ODI	Office of Diversity and Inclusion
ODNI	Office of the Director of National Intelligence
OFEGLI	Office of Federal Employees Group Life Insurance
OGC	Office of General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAAT	Performance Appraisal Assessment Tool
PBMs	Pharmacy Benefit Managers
PCI	Performance Culture Index
PCIP	Preexisting Condition Insurance Program
PIO	Performance Improvement Officer
PIPS	Personnel Investigations Processing System
PPA	Planning and Policy Analysis
QMG	Quality Management Group
ROI	Return-on-Investment
ROI	Report of Investigation
RS	Retirement Services
SII	Suitability Investigations Index
SF	Standard Form
SPFI	Summary of Performance and Financial Information
SSC	Shared Services Centers
SSM	Systems Standards Metrics
USCG	United States Coast Guard
VA	Department of Veterans Affairs
VEI	Veterans Employment Initiative
VR	Voting Rights

Appendix B: Employee Viewpoint Survey (EVS) Indexes

Performance Culture Index

The results-oriented Performance Culture Index indicates the extent to which employees believe their organizational culture promotes improvement in processes, products and services and organizational outcomes. It is made up of the following EVS questions:

12. I know how my work relates to the agency's goals and priorities.
14. Physical conditions (for example, noise level, temperature, lighting, cleanliness in the workplace) allow employees to perform their jobs well.
15. M y performance appraisal is a fair reflection of my performance.
20. The people I work with cooperate to get the job done.
22. Promotions in my work unit are based on merit.
23. In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.
24. In my work unit, differences in performance are recognized in a meaningful way.
30. Employees have a feeling of personal empowerment with respect to work processes.
32. Creativity and innovation are rewarded.
33. Pay raises depend on how well employees perform their jobs.
42. My supervisor supports my need to balance work and other life issues.
44. Discussions with my supervisor/team leader about my performance are worthwhile.
65. How satisfied are you with the recognition you receive for doing a good job?

Employee Engagement Index

The Employee Engagement Index assesses the critical conditions conducive for employee engagement (e.g., effective leadership, work which provides meaning to employees, etc.). It is made up of three subfactors: Leaders Lead, Supervisors, and Intrinsic Work Experiences.

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