UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Annual Performance Report

Fiscal Year 2013

a New Day for Federal Service

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
FEBRUARY 2014

United States

of America

The United States Office
of Personnel Management

Fiscal Year 2013
Annual Performance Report

TABLE OF CONTENTS

MESSAGE *from the* DIRECTOR

Introduction

It is my pleasure to submit the United States Office of Personnel Management's (OPM or the Agency) Fiscal Year (FY) 2013 Annual Performance Report (APR). OPM has chosen to produce the APR as an alternative to the consolidated Performance and Accountability Report pursuant to Office of Management and Budget (OMB) Circular A-136. The APR is one in a series of reports used to convey budget, performance, and financial information to constituents. This FY 2013 APR reports OPM's performance and offers a detailed assessment of our progress in achieving the goals and objectives described in our Strategic Plan, including progress on the Agency Priority Goals.

OPM is reporting on 22 performance measures in this FY 2013 APR. The following goals are measurable commitments to deliver specific results for the American people. The goals represent high priorities for both the Administration and the Office of Personnel Management. These goals are highly relevant to the public, are aligned to the agency's key mission areas, and will produce significant results.

Reducing the Retirement Claims Inventory

OPM is responsible for the administration of the Federal Retirement Program covering more than 2.7 million active employees and 2.5 million annuitants and survivors. Over the past 20 months, OPM has processed more than 225,000 retirement applications. As of the end of FY 2013, the claims inventory was 17,719 cases – a 71 percent reduction since the peak of 61,108 cases in January 2012.

OPM's efforts have successfully improved our process and expanded our capacity. The process improvements result from our Lean Six-Sigma projects, backfilling vacant positions, and the use of overtime, which has dramatically expanded our capacity. Between January and March of 2013, OPM processed the highest number of cases since the Retirement Services (RS) Strategic Plan was implemented and was on track to steadily reduce the claims inventory as described in the strategic plan. Two occurrences beyond OPM's ability to predict or control prevented OPM from achieving our target processing time of 60 days and the date for the reduction of the inventory. First, Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Program (VSIP) offers by the U. S. Postal Service (USPS) added more than 20,000 cases to the workload. Second, sequestration-related cuts meant that OPM stopped all overtime work on retirement processing in April of 2013, which reduced our processing capacity. The RS Call Center, which provides the vital service of navigating individuals through the retirement process, was also impacted by sequestration funding restrictions. The operational times for the call center were adjusted to close earlier than normal times, therefore impacting customer

service. By the end of the fiscal year, we were able to invest some additional funds in limited overtime, and starting in the new fiscal year, overtime and the call center capacity were restored to regular operations.

OPM remains committed to the accurate and timely processing of retirement claims to Federal retirees. The FY 2013 target date of this goal has been updated and will be in place starting July, 2014 to continue the momentum of this effort in FY 2014.

Improving Access to Healthcare

OPM has played an integral role in implementing The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act or ACA). The law expanded the scope of OPM's mission by assigning us the responsibility of offering health insurance options to the American public. Immediately upon the ACA's passage, we began working with Department of Health and Human Services (HHS) to establish the Pre-Existing Conditions Insurance Program (PCIP). This program was established to provide health insurance options to people with pre-existing health conditions prior to the opening of the new Marketplace.

OPM administers the PCIP program under an agreement with the HHS. We have also extended insurance benefits under the Federal Employees Health Benefits program to Native American and Alaska Native tribal employees, as required by the ACA. Finally, on October 1 of this year, we stood up the new Multi-State Plan Program (MSPP). Under the MSPP, created by Section 1334 of the ACA, OPM contracts with private health insurance issuers to offer at least two multi-State plans (MSPs) on each state's Affordable Insurance Exchange. This year, more than 150 plan options are available to consumers in 31 states, with coverage to expand to all 50 states and the District of Columbia by 2017. Implementation and administration of the MSPP has required OPM to recruit new employees with private insurance market knowledge and expertise to assist OPM in carrying out its statutory mandate to offer quality health insurance options nationwide without disrupting the state insurance markets. We will continue in FY 2014 to implement the MSPP by evaluating new potential issuers and expanding the number of states in which MSPs are offered. In addition, we will also begin to support the MSPP by administering contracts, measuring performance, providing customer service to enrollees, and resolving disputed claims. The fulfillment of our ACA responsibilities is one of our highest priorities.

On June 26, 2013, the Supreme Court ruled that Section 3 of the Defense of Marriage Act was unconstitutional. As a result of this decision, OPM is now able to extend benefits to legally married same-sex spouses of Federal employees and annuitants. OPM has taken steps to update our website and issue Benefits Administration Letters to inform Federal agencies, employees, and annuitants of their eligibility for health insurance, dental and vision insurance, long-term care, life insurance, and annuity benefits for same-sex married couples.

Diversity and Inclusion

President Obama issued an Executive Order in August 2011 that directs the Federal Government to establish a coordinated, Government-wide effort to promote diversity and inclusion (D&I), as well as an Executive Order to increase the hiring of people with disabilities. OPM, in coordination with the Deputy Director for Management of the OMB, the President's Management Council (PMC), and the Chair of the Equal Employment Opportunity Commission (EEOC), established a Government-wide D&I Strategic Plan to assist agencies in developing a shared direction. This will allow the Federal Government to reflect the people we serve and develop our employees to their full potential. OPM's Office of Diversity and Inclusion leads and guides departments and agencies by developing, driving, and monitoring strategic focus on D&I, as well as providing policy and technical support for these Government-wide efforts.

Federal Investigative Services

OPM continues to conduct approximately 95 percent of all Federal background investigations for more than 100 Federal agencies. In FY 2013, Federal agencies requested OPM's Federal Investigative Services (FIS) organization to conduct over 2.3 million investigative actions; 24 percent of these were initial clearance investigations. OPM satisfied all national security standards, delivered quality products, and achieved congressionally mandated timeliness goals. Furthermore, OPM is committed to a continuous review and evaluation of our processes and operations, along with our interagency partners, to strengthen the program.

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 were 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 the following APGs can be found herein: 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; and 5) Improve performance culture in the five Goals-Engagement-Accountability-Results (GEAR) pilot agencies to inform the development of Government-wide policies.

Completeness and Reliability of Performance Information

The performance information used by OPM in this APR for FY 2013 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.

Look Ahead

As the new Director of the Office of Personnel Management, I am focused on meeting the existing agency priority goals as well as a number of additional priorities. As part of our efforts to drive employee and organizational performance, we must tout the accomplishments and incredible work Federal employees do every day across the government. To deliver on that, OPM must be a champion of the Federal worker. In addition, we must recruit and retain a workforce that reflects the many varied backgrounds and perspectives of America. To do that, we need to have processes in place – from resume to retirement – that allow us to attract, onboard, train, develop, and honor the service of top talent.

Part of our mission is to provide the highest quality of service to our customers: Federal employees, agencies, retirees, and uninsured Americans. This requires strong performance management, a commitment to a results oriented culture, strategic information technology, employee engagement, and evidence-based policies. As I look ahead to the coming year, the focus on these additional priorities will enhance our efforts on the Agency Priority Goals.

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 a world-class 21st Century civilian workforce.

Katherine Archuleta
Director
March 7, 2014

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 2013 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/gpra/opmgpra/.

The FY 2013 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 2013 APR provides an accurate and thorough accounting of OPM's program performance accomplishments during FY 2013 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
Budget and Performance
Room 5416
1900 E Street NW
Washington, D.C. 20415

</div>

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

　* *GEAR is intended to be a new way to manage employee performance. The five pilot agencies are OPM, the Coast Guard, Energy, Veterans Affairs, and Housing and Urban Development departments.*

The progress OPM has made in FY 2013 to accomplish these goals is below. 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 Government Performance and Results Act (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 to assist 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 2013 Progress

OPM established a FY 2013 goal of increasing 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.

The target of 8.3 for manager satisfaction with applicant quality was not met this year. Quarterly reporting for this target yielded 7.67 for the first quarter, 7.52 for the second quarter, 7.68 for third quarter, and 7.59 for fourth quarter, therefore, resulting in an overall decline for the Government-wide manager satisfaction with applicant quality. The FY 2013 results were significantly impacted by two large agencies that experienced declining results, representing 60 percent of the total first quarter manager responses.

Agencies that were previously recognized as Government-wide top performers in manager satisfaction with applicant quality are now experiencing significant reductions in hiring, making it more difficult to counter the larger, lower performing agencies. The hiring lapses hiring freezes, reductions in force, and furloughs are all challenges agencies are experiencing and have impacted OPM's ability in meeting the 8.3 target.

MANAGER SATISFACTION WITH APPLICANT QUALITY - GOVERNMENT-WIDE AVERAGE (0-10 SCALE)
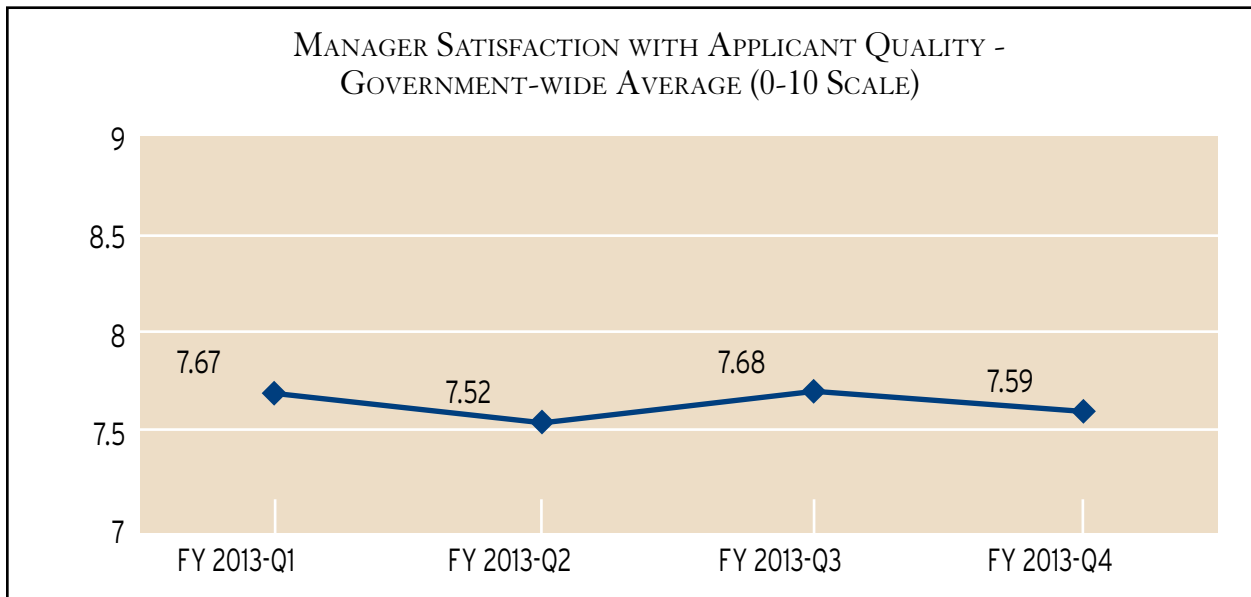
OPM demonstrates that when there is manager involvement in the hiring process result in those managers rating the quality of applicants higher than those who are not involved. Consequently, OPM promotes and supports agency strategies to increase managers' participation in the hiring process. OPM worked with agencies throughout fiscal year 2012 and 2013 to increase the manager response rate for the Manager Satisfaction Survey to achieve sufficient responses for analysis and decision-making. In addition, OPM facilitated a discussion between Deputy Chief Human Capital Officers (CHCO) on the barriers to managers completing the survey and the data reinforces the effectiveness of our efforts.

OPM actively encourages agencies to promote participation in the Manager 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, recruiting, and interviewing, and collaboration with their Human Resources (HR) organization.

NUMBER OF MANAGER SURVEY RESPONSES BY QUARTER

	FY 2013-Q1	FY 2013-Q2	FY 2013-Q3	FY 2013-Q4
	8523	8448	8362	8441
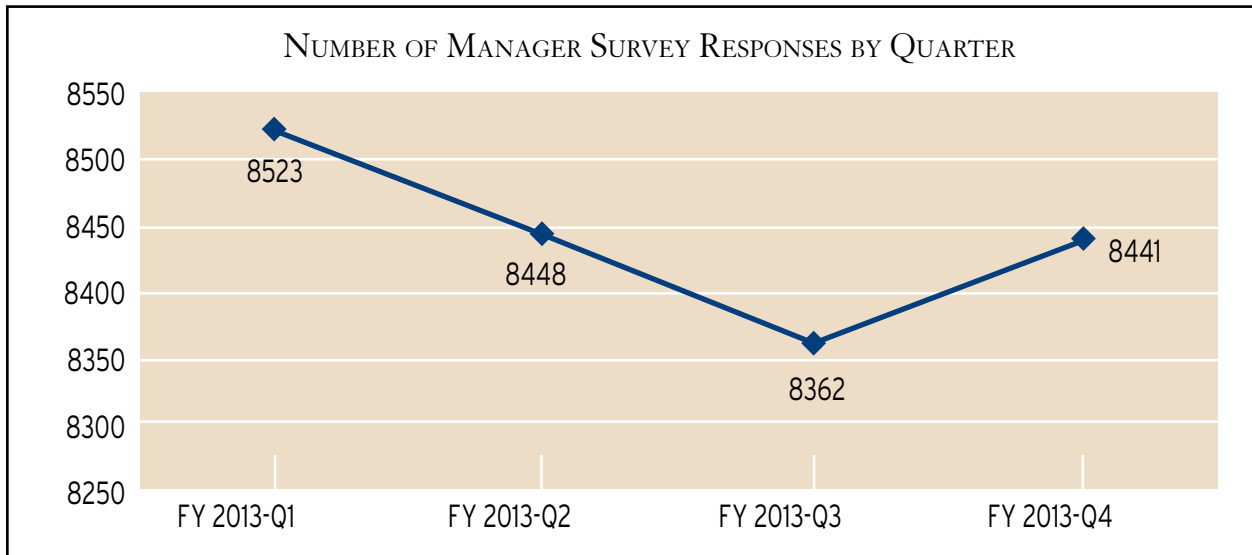
The number of manager responses to the Manager Satisfaction Survey in FY 2013 reached 34,000, up from 11,000 in FY 2010. The number of manager responses started with 8,523 in the first quarter and decreased to 8,441 by the fourth quarter. OPM will continue to work with agencies to improve participation and will explore how to associate manager's satisfaction with the hiring process and the quality of the hire to a specific employee, thus enabling agencies to better evaluate the hire (i.e.: did they meet expectations of the hiring manager) and identify best practices.

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 two multi-state health plans in State Affordable Insurance Exchanges.

Overview

Under 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 who will offer a Multi-State Plan (MSP) Option to consumers through the Health Insurance Marketplace. The law requires that MSP Options 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.

Each MSP Option will be one of several health insurance plan options which individuals and small business employers will be able to choose on the Affordable Insurance Exchange (i.e., Marketplace) in every state. Marketplaces are expected to provide health insurance coverage for as many as 27 million Americans. The initial enrollment period to purchase health insurance in the Marketplace began October 1, 2013, and coverage for those who enrolled by December 15 will become effective on January 1, 2014.

A MSP Option is a new type of health insurance plan that has never been offered before in the private insurance market or through public programs. As a general rule, MSP Options are subject to the same state and federal laws and regulations as are the qualified health plans that will also be offered through the Marketplace. Though MSP Options must generally go through the state's form and rate filing procedures, all MSP Options will be certified by OPM, and they will not have to apply separately to each state for certification to offer coverage in that state's Marketplace.

Some states are establishing and operating their own health insurance Marketplace. Other states have chosen not to create their own Marketplace but will be serviced by the Federally Facilitated Marketplace operated by the HHS. OPM is implementing the MSPP during the same time period that Marketplaces are being established, both by individual States and by HHS.

FY 2013 Progress

OPM established a FY 2013 goal of expanding competition within health insurance markets by ensuring participation of at least two multi-state health plans in State Affordable Insurance Exchanges.

The target of ensuring participation of at least two multi-state health plans in State Affordable Insurance Exchanges is being characterized as partially met. OPM signed a contract with the Blue Cross and Blue Shield Association (BCBSA) on September 12, 2013. BCBSA signed on behalf of several of its local plans to offer MSP Options in 31 states. Although OPM technically completed the goal, because the agency entered a contract with more than one issuer (i.e., with multiple Blue Cross Blue Shield (BCBS) issuers), OPM is recognizing partial completion to acknowledge the success of the signed contract and also the agency's aim to enter a contract with at least another non-BCBS issuer in order to increase Marketplace competition.

OPM published rules in the Federal Register which explained to consumer groups and health insurance issuers how the MSPP would operate this fiscal year. The MSPP Notice of Proposed Rule Making (NPRM) was published in the Federal Register from December 5, 2012 to January 4, 2013. A total of 358 public comments were received. On March 11, 2013, the MSPP final regulation was published in the Federal Register. The final regulation established the guidelines for phased expansion of the MSPP to all 50 states, the policy on fraud and abuse prevention, and provided details on how enrollees will file an appeal if their health plan denies their claim to pay for a medical procedure.

OPM developed new technology this fiscal year to collect, review, and certify that all rates and benefits offered by each MSP Option are in compliance with applicable state and federal laws. Health insurance issuers must use this new technology to submit their plan (i.e., bronze, silver, gold, and/or platinum plan) and benefit data to OPM for consideration as a MSP Option. After an issuer is certified to be a MSP Option, OPM transmits the rate and benefit data to the Health Insurance Oversight System (HIOS), System Electronic Rate Filing Form (SERFF), and to State-Based Marketplaces. More than 150 MSP Options available this year can be found on all types of Marketplaces–Federally facilitated, Partnership, and State-Based Marketplaces.

For each MSP Option, OPM reviewed its network of pharmacies, hospitals and medical providers. Once again, OPM developed new technology, and the technology was used to assess network adequacy.

Throughout this fiscal year, OPM hosted numerous outreach events to inform employees and stakeholders about the MSPP and Marketplace roll out. OPM staff met with healthcare policy experts, issuers, and auditors at the 2013 Federal Employees Health Benefits (FEHB) Program Carrier Conference on March 21-22, 2013. MSPP presentations were given to the National Association of Insurance Commissioners (NAIC), Tribal Self-Governance Advisory Committee (TSGAC), National Governors Association (NGA), National Conference of Insurance Legislators (NCOIL), and minority and small business groups. In addition, forums were hosted for the Chief Human Capital Officers Council (CHCOC) and benefit officers from other agencies. Lastly, a relationship was established with each state's Department of Insurance (DOI), and also with the specific office in those states

operating their own online health information and insurance comparison tool, to coordinate MSPP roll out across the United States.

In addition to standing up the MSPP, OPM implemented a provision of the ACA that required Members of Congress and some of their staff to purchase health insurance through the Marketplace. OPM also developed rules on how Congressional employees would obtain health insurance through the Marketplace and, along with the DC Health Link and House and Senate administrative offices, OPM led the implementation of this provision. The final regulation was published on October 2, 2013, and it was fully implemented by November 11, 2013, the beginning of open season for the Federal Employees Health Benefits Program (FEHBP). Finally, OPM hosted briefings with members of Congress and their staff to explain the Marketplace enrollment process.

Priority Goal #3: Reduce Federal Retirement Processing Time

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

Overview

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, contributing 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 focused on the following four pillars: People; Productivity and Process Improvement; Partnerships with Agencies; and Partial, Progressive IT Improvements.

FY 2013 Progress

OPM established a FY 2013 goal of Retirement Services eliminating its case backlog to facilitate 90 percent of all claims being adjudicated within 60 days.

The target of adjudicating 90 percent of all claims within 60 days was not met. Between January and March of 2013, OPM processed the highest number of cases since the Strategic Plan was implemented. At this point, it became evident that OPM was on track to eliminate the pending case inventory as described in the Strategic Plan as case processing significantly increased. Two occurrences beyond OPM's ability to predict or control prevented OPM from achieving our target processing time of 60 days and the date for the elimination of the backlog. First, VERA and VSIP offered by the U.S. Postal Service (USPS) added over 20,000 cases to the workload. Second, funding reductions due to sequestration required OPM to stop all overtime work on retirement processing in April of 2013, reducing our processing capacity. Reduced funding also caused a reduction in call center hours, which impacted customer service. By the end of the fiscal year, we were able to invest some additional funds in limited overtime, and starting in the new fiscal year, overtime and the call center capacity were restored to regular operations.

The elimination of overtime and surge of retirement claims significantly impacted RS' ability to meet the FY 2013 Agency Priority Goal. RS, however, remains committed to processing 90 percent of claims within 60 days, starting in July of 2014. It has been integrated into the FY 2014-2015 Agency Priority Goal strategy.

The following bullets outline OPM's progress in FY 2013 as aligned with the RS Strategic Plan.

Progress Update

- Reduced the retirement claims inventory to 17,719 at the end of FY 2013. This is a reduction of 71 percent when compared with the 61,108 cases in the claims inventory at the release of the RS Strategic Plan in January of 2012.
- Answered 82 percent of incoming calls (FY 2013 target was 82 percent).
- Processed Interim Payments in an average of 5 days in FY 2013.

People

- Hired 23 Legal Administrative Specialists (LAS)
- Hired 23 Customer Service Representative (CSR) temps for the year-end surge and Postal Early Out.
- Cross-trained 25 CSRs to handle interim pay surge related to Postal Early Out and year-end surge.
- Assembled Tiger Teams for year-end surge and Postal Early Out. Tiger Teams consisted of subject matter experts brought together to focus on improving specific aspects of an activity. The Teams finalized 14,611 claims between February and May of 2013. Surge efforts involving Tiger Teams ended on May 20, 2013.
- Trained LAS on intermediate and advanced claims to be able to process the full scope of work.
- Implemented managerial and leadership training to support continued supervisory development.

Productivity And Process Improvements

- Implemented lessons learned from the Boyers Lean Six Sigma Review. RS now uses standard checklists and a Development Cell to review and assemble complete cases before distributing them to LAS for adjudication. This allocation of work gives the LAS more time to process claims, thus increasing productivity.
- Made improvements through the Lean Six Sigma initiative, with 59 projects identified. Of those projects 90 percent were completed and 81 percent implemented. This included establishing Standard Operating Procedures related to processing, redistributing functions for greater work alignment, and implementing improved tracking mechanisms.

Partnering With Agencies

- Received 92 percent complete retirement submissions as a ratio of incomplete cases as of September 2013.
- Conducted audits on all agency retirement packages during the screening and development stage of processing. Results are entered into the Agency Audit Tracking System and reports are generated that calculate the Government-wide and individual agency accuracy rates. The percentage of new claims with errors is reported monthly on the OPM website. http://www.opm.gov/about-us/budget-performance/strategic-plans/agency-audit-monthly-update.pdf
- Provided two webcasts, in coordination with the Chief Human Capital Officers Council, that targeted issue areas identified through OPM's retirement case submission audit process. Three webcasts were also held to develop Agency Benefits Officers' knowledge and skill sets.
- Worked with agencies to improve the exchange of data needed to provide an interim payment prior to final adjudication. For FY 2013, the interim payment annuitants received averages 80 percent of the final annuity payment.
- Provided continued agency outreach with the U.S. Postal Service (USPS) and the Defense Finance and Accounting Service (DFAS), to enhance services delivered to retirees.

Partial, Progressive IT Improvements

- Actively encouraged individuals to take advantage of the resources available through Services On-Line (SOL). SOL provides retirement services on demand, enabling users to accomplish a wide variety of transactions online such as viewing case status while in interim pay, updating email and/or address information, and other retirement related activities. Users completed over 3.7 million SOL transactions between March 2013 and September 2013.
- Revamped the Retirement toll free number's menu option to emphasize SOL and provide a simplified structure.
- Worked with agencies and Payroll providers to have retirees opt in to electronic payment, and now more than 98 percent of retirees use Electronic Funds Transfer vice paper check.
- Launched a Status Viewer for retiring employees to follow the progress of their case adjudication while in interim pay status in 2012. Since August 2012, there has been an average of 8,000 views per week using this tool.
- Made ongoing adjustments and enhancements to the retirement calculator known as the Federal Annuity Claims Expert System (FACES), consistent with legislatively mandated changes to Federal retirement programs.
- Developed the capability to send general email messages to annuitants who have registered their email address. As of August 2013, RS had approximately 360,000 annuitant email addresses for general mass messages. OPM can save around $270,000 in avoided printing and postage costs for each notice it sends electronically if all 360,000 customers opt to receive electronic notices.

OPM remains committed to improving all areas of retirement case related production by refining and implementing Lean Six Sigma activities, training, and diverting resources to areas needing concentrated efforts to reduce the inventory. OPM closely examines the needs to hire Retirement replacement staff and to project and implement improvements through IT. RS continues to work with partner agencies   to provide information to enhance the retirement experience of their employees.

Based on available resources and what we know now, OPM expects to restore extended work hours and overtime funding in FY 2014, so that we can reduce the claims inventory in pending claims to reach our goal of completing 90 percent of claims within 60 days of receipt starting in July 2014. The graph below outlines our progress in reducing the inventory as of September 2013.

OPM Fiscal Year 2013 Annual Performance Report
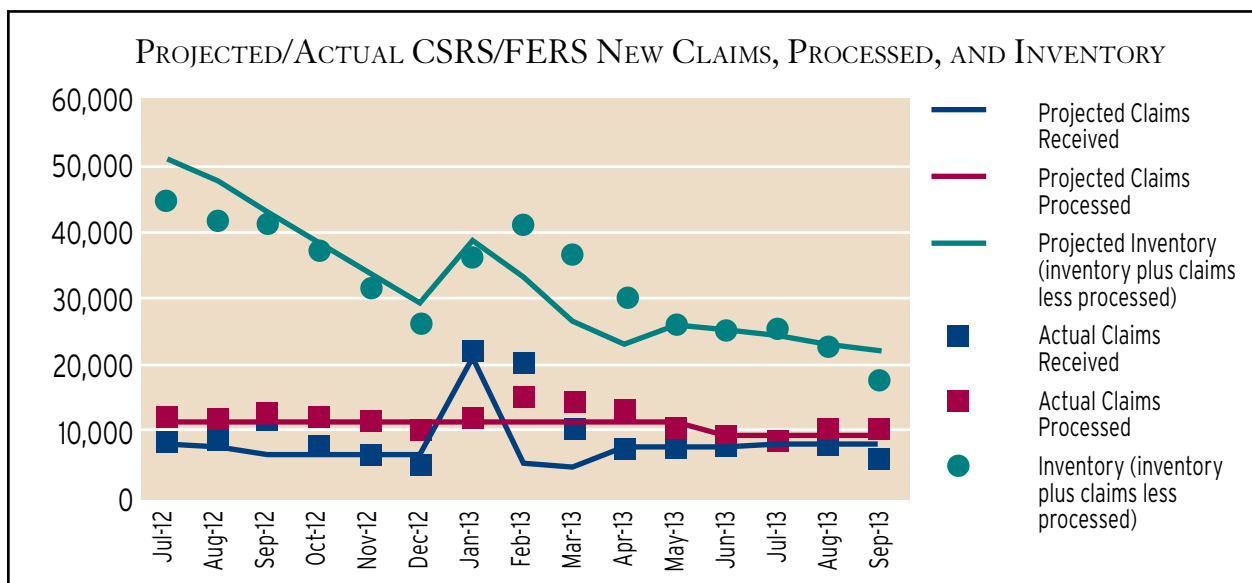
Priority Goal #4: Maintain Speed of National Security Background Investigations

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 approximately 95 percent of the background investigations for more than 100 Federal agencies. These background investigations are used as a basis for agencies to make security clearance, suitability, or fitness determinations. To support high-volume investigative requirements, OPM manages a complex suite of automated systems, and 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 averaged 179 days. At the end of FY 2012, 90 percent of all initial investigations took an average of 35 days to complete. While we have made significant progress on timeliness, we have maintained our focus on quality. OPM employs new quality assessment tools in our quality review processes to ensure that our background investigations meet investigation standards. In addition, OPM is engaged in an interagency Quality Assessment Working Group that we co-chair with the Department of Defense (DOD) and the Office of the Director of National Intelligence (ODNI). The working group brings together over 20 Federal agencies involved in investigations and adjudications to work to ensure consistency of background investigations across the Federal government and to standardize the evaluation of quality within the Federal government.

FY 2013 Progress

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 2013 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.

OPM has three ways of capturing information related to quality (Central Adjudication Facility (CAF) rework requests; OPM's web-based Quality Assessment Tool; and Adjudicator calls to OPM's quality hotline). These tools allow us to detect potential errors. OPM is also working with ODNI on defining executive branch wide quality standards for background investigations and revising tools and measures to universally assess quality to standard.

In an effort to be more transparent in the way OPM establishes its pricing, FIS obtained contractor support to assist with business management planning. Additionally, FIS collaborated with the Chief Financial Officer (CFO) organization in developing a cost allocation model and organizing monetary resources.

OPM's partnership with the ODNI and DOD in leading Security and Suitability Process Reforms has given the Executive Branch a roadmap to improve quality and sustain congressionally mandated timeliness standards, and OPM will continue to ensure the recommended process reforms are successfully implemented.

In FY 2013, OPM exceeded the congressionally mandated time of averaging 40 days or less for completion of 90 percent of initial national security investigations by five days, and exceeded the goal of 99 percent quality completion rate with 99.83 percent of all our investigations meeting quality standards.

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 annual Employee Viewpoint Survey in each of five agencies participating in a performance culture pilot project will increase by five percent or greater on the results-oriented culture index and the conditions for employee engagement index, using 2011 survey results as the baseline.

Overview

GEAR began with the goal of improving the federal performance management system; the goal evolved into 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), a working group of the National Council on Federal Labor-Management Relations and the 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. These are the five broad recommendations of GEAR:

- Articulate a high performance culture
- Align employee performance management with organizational performance management
- Implement accountability at all levels
- Create a culture of engagement
- Improve the assessment, selection, development, and training of supervisors

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 2013 Progress

OPM established a FY 2013 goal of increasing employee responses to the annual Employee Viewpoint Survey by five percent or greater on the results-oriented culture index and the conditions for employee engagement, for participating agencies.

Overall, the 2013 responses demonstrate a significant decrease in employee satisfaction and continue last year's declines across the majority of questions, despite the tremendous strengths and dedication shown by Federal employees. In addition to continued decreases in satisfaction with pay, one of the biggest declines this year was whether employees had sufficient resources needed to get their jobs done. This descent contributed to fewer employees recommending their organizations as good places to work.

Factors such as an unprecedented 3-year pay freeze, automatic reductions from the sequester that included furloughs for hundreds of thousands of employees, and reductions in training and other areas are clearly taking their toll on the Federal workforce – and this survey was administered prior to the government shutdown.

The target of meeting or exceeding 5 percent on the results-oriented culture index and the conditions for employee engagement was not met for any of the reported participating agencies, OPM, DOE, and HUD. Coast Guard and VA did not implement the initiative on a large enough scale throughout the organization to have meaningful metrics to report.

OPM's key indicators for this agency priority goal come from the results of the 2013 Federal 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	FY 2013 Actual
Performance Culture Index - OPM	60.20	59.40	63.21	60.00
Performance Culture Index - HUD	49.30	49.60	51.77	45.00
Performance Culture Index - DOE	52.80	53.30	55.44	52.00

Key Indicator – Employee Engagement	FY 2011 Baseline	FY 2012 Interim Result	FY 2013 Target	FY 2013 Actual
Employee Engagement Index - OPM	71.70	70.70	75.29	72.00
Employee Engagement Index - HUD	61.40	62.00	64.47	57.00
Employee Engagement Index - DOE	63.40	64.90	66.57	64.00

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 the individual agency components that are implementing GEAR. 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.

The performance culture index includes questions that are highly sensitive to pay and promotion opportunities, which have been affected by the Government-wide pay freeze and the effects of sequestration. Many would agree that conditions of employee engagement have also been impacted by recent fiscal conditions. When viewing the pilot agencies relative to other agencies (ordinal ranking) during this time, OPM improved employee engagement and performance culture, and DOE and HUD improved performance culture.

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, and 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 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 provided technical advice and assistance on performance management; and facilitated access to training resources to support GEAR implementation.

In January 2013, the GEAR Next Steps Workgroup conducted their first meeting to expand on GEAR and other well-developed performance management practices. This workgroup, chaired by DOD and the CHCOC, was charged with determining strategies for Government-wide implementation of the GEAR model. The workgroup focused on 1) considering current agency initiatives and programs and how they align to the GEAR recommendations, and 2) developing a data-driven means for evaluating an agency's maturity in executing the concepts of GEAR compared to actual mission achievement. OPM continues to provide ongoing assistance in developing 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 carriers 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:
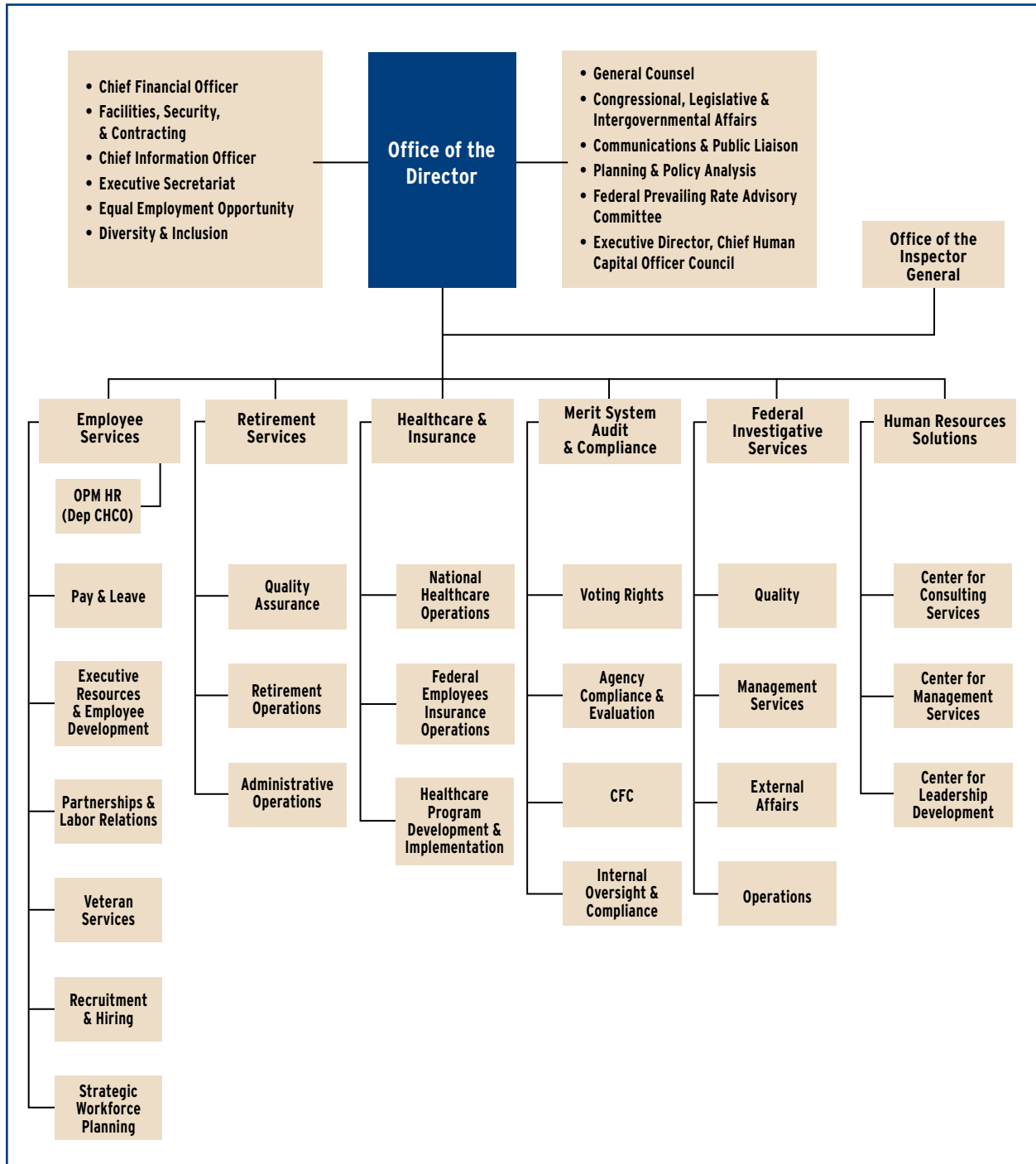
Executive Offices

- The *Office of the Director (OD)* includes the Director of OPM, Deputy Director, Chief of Staff, Director of External Affairs, and the Executive Director of the Chief Human Capital Officers Council. This office is charged with keeping the direction of the Agency in line with its mission. The Chief Human Capital Officers Act of 2002 enacted as part of the Homeland Security Act of 2002, (Pub. L. No. 107-296) on November 25, 2002, required the heads of 24 Executive Departments and agencies to appoint or designate CHCOs. Each CHCO serves as his or her agency's chief policy advisor on all human resources management issues and is charged with selecting, developing, training, and managing a high-quality, productive workforce.

- *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, Legislative & Intergovernmental Affairs (CLIA)* advocates for the legislative and policy priorities of the Director and the Administration. CLIA is the focal point for all congressional and legislative activities for the Office of Personnel Management. CLIA educates, responds to, interacts with, and advises Congress on Federal human resources management policy. CLIA also counsels and advises the Director and other OPM officials on policy, and congressional and legislative matters. CLIA also serves as OPM's principal interface with State, local, and tribal governments and ensures that OPM meets requirements for tribal consultation.

- *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 statutes 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 statutes, rules, and regulations, and to ensure that agency actions are not unlawful.

- *Executive Secretariat* oversees the review, clearance, dissemination, and disposition of agency correspondence, policy and program proposals, regulations and legislation; coordinates OPM international affairs activities and contacts, including hosting foreign delegations and assisting program offices in securing travel credentials; and provides resource management and administrative support to executive programs and offices.

- *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 evaluation of their human resource programs. ES manages the operation of OPM's internal human resources program.

- *Retirement Services (RS)* is responsible for the administration of retirement benefits and services for Federal employees, retirees, and their families under the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS). In FY 2013, RS paid out $76.5 billion in defined benefits through the retirement program. Program activities include making initial eligibility determinations, adjudications, post retirement changes, and processing survivor benefits based on applicable laws and regulations. Even after a case is adjudicated and added to the annuity roll, OPM continues to serve these annuitants by making address or tax status changes to their accounts, sending out 1099-Rs, surveying certain annuitants to ensure their continued eligibility to receive benefits, and other post adjudication activities. RS values quality customer service and responds to inquiries via email, fax, phone, and written correspondence. RS also works with agency benefits officers to provide training and other services to help ensure retirement applications are accurate, complete, and processed in a timely manner.

- *Healthcare & Insurance (HI)* is responsible for Government-wide administration of healthcare and insurance programs for Federal employees, retirees, and their families; facilitating the providing of benefits programs and services that offer choice, value, and quality to help maintain the government's position as a competitive employer. HI is responsible for negotiating and administering health benefits contracts for the Federal government, and administering the Federal Employees' Group Life Insurance Program (FEGLI) covering employees, retirees and their families. In addition, HI is responsible for administering three voluntary, enrollee-pay-all programs: a long term care insurance program; flexible spending accounts for medical and dependent care expenses; and a group dental and vision insurance program. HI is also responsible for implementing portions of the Patient Protection and Affordable Care Act of 2010 including: 1) contracting with Multi-State health plans being offered on health insurance exchanges; 2) expanding access of the FEHBP and the FEGLI Program to employees of tribes and tribal organizations; and 3) managing a contract with a health insurer to provide health insurance coverage to people with pre-existing conditions.

- *Merit System Accountability & Compliance (MSAC)* ensures through rigorous oversight that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements. This responsibility is carried out by MSAC's Agency Compliance and Evaulation (ACE) which consists of a staff of employees in five field offices across the nation and a headquarters team in Washington. The three key components of the oversight and compliance programs are (1) Delegated Examining Unit Evaluations, (2) Large Agency HR Evaluation, and (3) Small Agency HR Evaluations. 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)* has a mission 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 clearances 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 Resources Solutions (HRS)* provides services that assist agencies within the Federal government in achieving their missions by partnering with agencies 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 reporting, program evaluation strategy, 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 Strategic Plan including the IT Architecture that outlines the long term Strategic Architecture and Systems Plans for the Agency and includes 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. CIO also works with other agencies on Government-wide projects such as e-Government, and develops long range planning for IT Human Resource Strategies.

- *Facilities, Security & Contracting (FSC)* is composed of the following seven subcomponents and manages a broad array of OPM's key day-to-day programs: Facilities Management manages the agency's personal and real property, building operations, space design and layout, realty, safety and occupational health programs; Emergency Actions directs the operations and oversight of OPM's preparedness and emergency response programs; Contracting Management provides centralized contract management that supports the operations and Government-wide mission of OPM. It also manages the Government-wide Purchase Card program; Office of Small and Disadvantaged Business Utilization manages OPM's small business program in conjunction with public law, Federal regulations, and OPM Contracting policies; 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; Security Services provides a safe and secure environment for OPM's information, personnel, and operations; and Personnel Security provides personnel security and suitability and national security clearance determinations for OPM personnel.
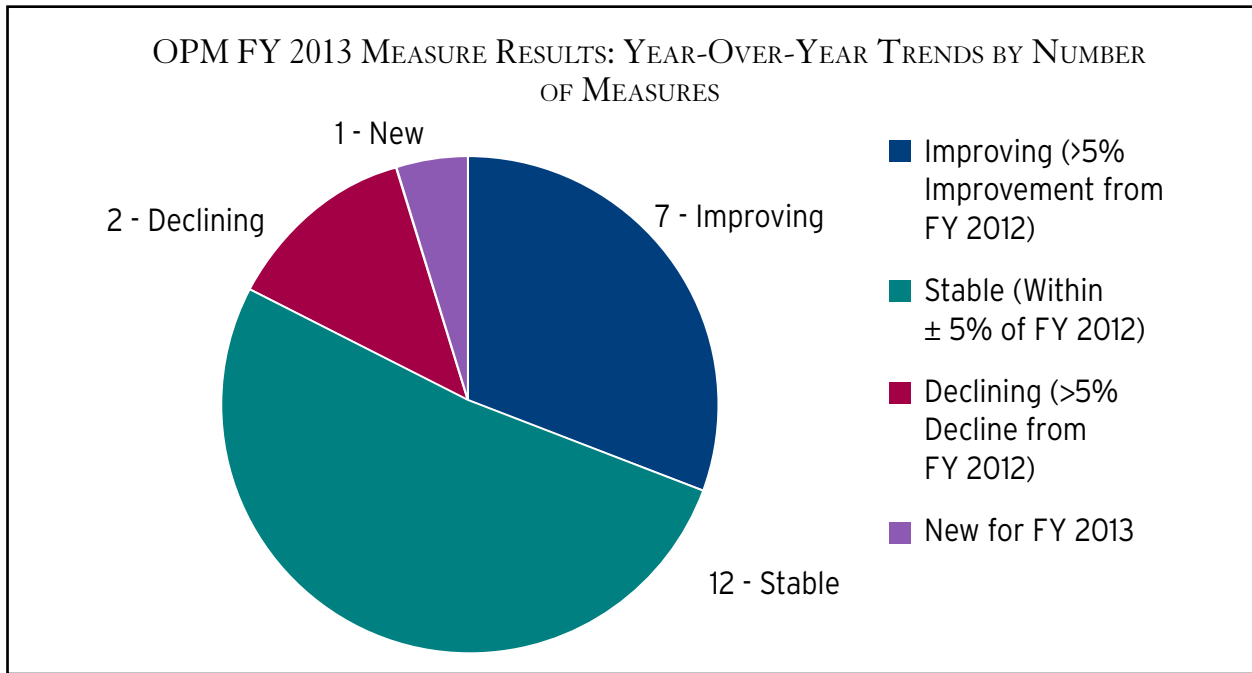
Other Offices

- *Planning and Policy Analysis (PPA)* examines policy options, legislative changes, and the management of HR policy, including insurance and employee health and wellness benefits for Federal employees, trends in the supply, distribution and characteristics of federal employees, and federal employee engagement and satisfaction. PPA ensures that the benefits provide maximum value and are secure. PPA also conducts actuarial analysis, statistical tests using large data bases and analysis of results from surveys of Federal employees. PPA's overall mission is to analyze program trends and policy issues that affect OPM and the Federal workforce. PPA also provides critical assessments to OPM management on compliance with strategic goals and performance improvement.

- OPM's *Performance Improvement Officer (PIO)* is also the Director of Planning and Policy Analysis. The Deputy PIO 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.

- PPA also includes the *Human Resources Information Technology Transformation (HRITT)* office. The Director of HRITT manages two programs, the Human Resources Line of Business (HR LOB) and the Enterprise Human Resources Integration (EHRI) Data Warehouse. The HR LOB program manages and oversees the migration of Federal agencies to shared services for core Human Resources Information Technology (HRIT) (transaction processing systems) and payroll operations, which will result in over $1.6 billion in cost savings and avoidance through FY 2015 for the government. The HR LOB program was also tasked by the CHCOC to develop a new HRIT strategic plan for the next 10 years. The strategic plan will include recommendations to improve human capital outcomes, ensure HRIT sustainability, and reduced spending across the Federal government. The EHRI Data Warehouse program provides official Government-wide HR, payroll, and training data to support informed human capital decision making.

- *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 2013 Performance Results

Our goal at OPM is to improve performance in areas where we set targets, exceeding 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 2013 MEASURE RESULTS: YEAR-OVER-YEAR TRENDS BY NUMBER OF MEASURES

- Improving (>5% Improvement from FY 2012)
- Stable (Within ± 5% of FY 2012)
- Declining (>5% Decline from FY 2012)
- New for FY 2013

Of the 22 measures being reported in FY 2013, there is one new measure, 20 measure results are either stable or improving, and only two results declined by more than five percent from FY 2012. Areas where OPM has improved in FY 2013 include: 1) Index score of customer satisfaction with HR Solutions products and services; 2) Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness; 3) Number of tribal enrollees in the Federal Employees Health Benefits Program; 4) Percent of agencies that meet or exceed their baseline goal for hiring veterans. OPM had two declining measures in FY 2013, however these areas were unrelated to any declining results from the previous year.

This perspective of the data should offer a level of comfort to the reader knowing that although OPM did not meet six performance targets in FY 2013, only two 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 2014 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 tables.

Summary Performance Tables by Strategic Goal

Strategic Goal #1: Hire *the* Best

Performance Measure	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 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	70%	70%	69%	70%	70%	72%	Not Met	↔ Stable
Percent of agencies that meet or exceed their baseline goal for hiring veterans	n/a	n/a	91%	83%	100%	80%	Met	↗ Improving
Percent of employees in the Federal government with targeted disabilities	n/a	0.95%	0.96%	0.99%	1.01%*	1.50%	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	39	40	36	35	40	Met	↔ Stable
Percent of investigations determined to be quality complete	n/a	n/a	n/a	n/a	99.83%	99%	Met	n/a

n/a - Not Applicable - no historical data available for this period.
*Data only available through the end of FY 2013 3rd quarter.

Strategic Goal #2: Respect *the* Workforce

Performance Measure	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 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	7.3%	3.8%	3.4%	3.7%	FEHBP ≤ Private Sector	Met	↔ Stable
Percent of FEHBP enrollees satisfied vs. health industry standard	FEHBP 77% Industry 62%	FEHBP 77% Industry 63%	FEHBP 76% Industry 64%	FEHBP 78% Industry 66%	FEHBP = 79.2 Industry Standard = 65.3	FEHBP ≥ Industry Standard	Met	↔ Stable
Percent of health benefits claims processed within 30 working days	98%	99%	98%	97%	98.4%	98%	Met	↔ Stable
Average number of days to pay Federal Employees Group Life Insurance Claims	5.5	4.3	4.4	4.2	3.9	‹10 day industry standard	Met	↔ Stable
Percent of Federal Long Term Care Insurance program customers satisfied with overall customer service	99%	93%	92%	91%	93.41%	90%	Met	↔ Stable
FEHBP prescription drug cost growth as a percentage of the private sector industry average.	n/a	n/a	n/a	2.2%	FEHBP-4.4% weighted average	FEHBP ≤ Industry Standard	Met	↔ Stable

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

Strategic Goal #3: Expect *the* Best

Performance Measure	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 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	100%	91%	85%	85%	Met	↘ Declining
Index score of customer satisfaction with HR Solutions products and services (ACSI-Equivalent Index)	84	80	75	76	82.8	80	Met	↗ Improving
Percent of customers agreeing that HR Solutions products and services contribute to government effectiveness	99%	93%	87%	88%	96%	90%	Met	↗ Improving
Percent of (OPM internal) job certificates issued within 15 days (Hiring timeframes against 80-day model standards)	n/a	75%	87%	80%	92%	80%	Met	↗ Improving
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more	n/a	52%	56%	48%	32%	42%	Not Met	↘ Declining

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

Strategic Goal #4: Honor Service

Performance Measure	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met	Year-over Year Trend
Relative ratio of complete retirement submission versus incomplete cases	n/a	77%	82%	85%	92%	88%	Met	↗ Improving
Percent of retirement and survivor claims processed accurately	91%	94%	94%	92%	93%	95%	Not Met	↔ Stable
Average unit cost for processing retirement claims	$81.97	$105.94	$107.62	$101.89	$91.37	$108.29	Met	↗ Improving
Rate of improper payments in the retirement program	0.32%	0.35%	0.34 %	0.36%	0.36%	0.35%	Not Met	↔ Stable
Percent of customers satisfied with overall retirement services	85%	81%	76%	73%	76%	75%	Met	↔ Stable

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

Strategic Goal #5: Improve Access to Health Insurance

Performance Measure	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met	Year-over Year Trend
Number of tribal enrollees in the Federal Employees Health Benefits Program	n/a	n/a	n/a	3,323	8,865	10,000	Not Met	↗ Improving

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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
70%	70%	69%	70%	67%	74%	Not Met

FY 2013 RESULTS

OPM established a FY 2013 goal of Hiring the Best using the strategy of reforming the Federal hiring process by increasing the percentage of CHCO agencies responding to the CHCO survey with positive ratings indicating satisfaction with the job application process.

The target of 74 percent was not met and proved to be a demanding target for a Government-wide measure given the recent challenges with government hiring. The FY 2013 results of 67 percent are associated with the hiring lapses and challenges agencies are experiencing including hiring freezes, reductions in force, and furloughs. There was also a technical issue between USAJOBS and the survey vendor that may have resulted in the distribution of fewer survey requests to applicants between Quarter 1 and 2 of FY 2013. The issue was corrected creating improvements during fourth quarter by more than 200 percent over the first quarter.

The Applicant Satisfaction Survey provides information on how the applicant views the Federal hiring process. However, the applicant's satisfaction with the application process is about more than just the speed of hiring. The metric also considers the length and complexity of the application, the relevance of the application questions, and how well applicants are kept aware of their status during the process.

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 an improvement in positive responses (8, 9 or 10). For example, the Department of Energy improved its average response score by 7 percent from the first quarter of FY 2013 to the fourth quarter of FY 2013, even though their percent of positive responses remained unchanged during the same time period. Large annual improvements in Government-wide averages are extremely rare in this type of measure given the aggregate size of the Federal government. 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 www.Performance.gov.

Improving the overall job application process involves more than just improving the applicant experience. OPM considers manager satisfaction with applicants a key indicator of overall hiring quality. Progress for this area is tracked 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: Veterans' preference gives eligible veterans preference in appointment over many other applicants in the hiring process. In the hiring process, Veterans' preference applies to virtually all new appointments in both the competitive and excepted service. Veterans' preference does not guarantee veterans a job, and it generally does not apply to internal agency actions such as promotions, transfers, reassignments, and reinstatements. Special hiring authorities for veterans are designed to assist veterans to be able to attain employment. Veterans having knowledge about special hiring authorities and being able to identify their eligibility will enhance their job search.

OPM has identified five key barriers to increasing the number of Veterans employed in the Federal government. These barriers include lack of clear leadership regarding the value and importance of hiring Veterans; an infrastructure that does not support advocacy of Veterans' employment within Federal agencies; insufficient understanding of Veterans' preference and utilization of special hiring authorities by Human Resources professionals and hiring officials; inadequate understanding of Veterans' preference and the Federal hiring process by our Veterans and transitioning service members; and an absence of systems to match Veterans' skills and education to positions within the Federal government.

PERFORMANCE MEASURE:
Percent of agencies that meet or exceed their baseline goal for hiring veterans

FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	n/a	91%	83%	100%	80%	Met

FY 2013 RESULTS

OPM established a FY 2013 goal of Hiring the Best using the strategy of assisting veterans to find a place in the Federal workforce by increasing the percentage of agencies that meet or exceed their baseline goal for hiring veterans.

The target of 80 percent was not only met, but as of the third quarter for FY 2013, 100 percent of agencies exceeded their baseline goal for hiring veterans. In coordination with the Council on Veterans Employment, OPM drafted the next iteration of the Government-wide Veterans Recruitment and Employment Strategic Plan. Once approved, the Federal government will expand its view of veteran employment to include a more holistic approach to the veteran employment lifecycle.

Updated performance measures have been drafted to continue to assess the effectiveness of the Veterans Employment Initiative.

OPM continues to be an integral member of the Transition Assistance Program (TAP) modernization effort. We completed the Federal Employment Module and deployed it as part of the virtual curriculum for transitioning military service members.

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 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, 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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	.95%	.96%	.99%	1.01*	1.50%	Not Met

n/a - Not Applicable - no historical data available for this period.
*Data only available through the end of FY 2013 3rd quarter.

FY 2013 Results

OPM established a FY 2013 goal of Hiring the Best using the strategy of promoting diversity and inclusion in the Federal workplace.

The target of 1.5 percent was not met for employees in the Federal government with targeted disabilities. Nevertheless, there are more people with disabilities in Federal service both in real terms and by percentage than at any time in the past 20 years, and the FY 2013 results for hiring people with targeted disabilities exceeded FY 2012 results.

Through the third quarter of FY 2013, the permanent Federal workforce representation was as follows: Black or African American men and women represented 18.1 percent; Hispanic men and women represented 8.3 percent; Asian American/Pacific Islander men and women represented 5.8 percent; American Indian/Alaska Native men and women represented 1.7 percent; people who identified as two or more races represented 1.1 percent; and White men and women represented 65.0 percent. Women comprised 42.7 percent of all Federal permanent employees, and men comprised 57.3 percent.

During FY 2013, OPM assisted 57 agencies by conducting one-on-one Feedback Assistance Roundtables designed to provide accountability for the implementation of agency-specific D&I Strategic Plans, which include strategies on diversifying the workforce, creating inclusion in the workplace and making these efforts sustainable. Agencies continued to focus on leveraging Diversity and Inclusion Councils, conducting mentoring programs, implementing work life programs, and developing strategies to address possible barriers that may exist to diversity within the senior ranks.

In addition, OPM, in partnership with the Department of Veterans Affairs, developed the New Inclusion Quotient (IQ) to address retention issues. The New IQ is based on a detailed analysis of the EVS and is designed on the concept that individual behaviors, repeated over time, form the habits that create highly engaged workforces. It provides awareness, knowledge and skill readiness to enable individuals and groups to contribute to their full potential by leveraging their unique experiences, perspectives, and viewpoints for the collective benefit of all stakeholders, while improving employee performance, retention, and innovation.

Finally, OPM has found briefings and training to be the most effective way to lead diversity and inclusion change Government-wide. In FY 2013, OPM trained approximately 22,000 agency personnel on unconscious bias, implementing a strategic focus on D&I, hiring under Schedule A for People with Disabilities, and the New IQ.

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:

- Expand Federal benefits to legally married same-sex spouses of Federal employees
- Align OPM business intelligence tools to analyze key workforce data, including applicant flow, attrition/retention, and inclusion indicators
- Deliver New IQ Learning to OPM supervisors and conduct train-the-trainer sessions for the 60 D&I Strategic Partner agencies to drive inclusion (focus on improving satisfaction rates in the EVS for people with disabilities and the LGBT Community)
- Assist with coordinating Government-wide outreach efforts for students, people with disabilities, Hispanics and other underrepresented groups
- Lead agencies' implementation efforts of agency-specific D&I Strategic Plans and focus on successful retention strategies (e.g., deliver efficient mentoring and leadership development tracking of employee participation by race, national origin, sex and disability)
- Conduct training on an unconscious bias, implementing a strategic focus on D&I, and hiring under Schedule A for People with Disabilities
- Develop mentor and development programs, in person and online, based on Organizational Network Analysis, the mapping and measuring of relationships through influencers

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. The associated Strategic Goal supports two performance measures.

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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results		FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	39	40	36		35	40	Met

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

FY 2013 RESULTS

OPM established a FY 2013 goal of Hiring the Best using the strategy ensuring agencies have the necessary information to make decisions such as credentialing, suitability, and/or security clearance determinations.

The target of 40 days as the average number of days to complete the fastest 90 percent of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Action was met, while exceeding the quality completeness goal of 99 percent cases.

OPM continues to conduct approximately 90 percent of all Federal background investigations. In FY 2013, Federal agencies requested OPM's FIS organization to conduct over 2.3 million investigative actions; 24 percent of these were initial clearance investigations. OPM satisfied all national security standards, delivered quality products, and achieved congressionally mandated timeliness goals. Furthermore, OPM is committed to a continuous review and evaluation of our processes and operations, along with our interagency partners, to strengthen the program.

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 quality, efficiency, and timeliness.

RELATED ACCOMPLISHMENTS

OPM's partnership with the ODNI and DOD in leading Joint Security and Suitability Process Reforms has given the Executive Branch a roadmap to improve quality and 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 improve quality and achieve and sustain timely background investigations. OPM is also working with ODNI on defining executive branch wide quality standards for background investigations and revising tools and measures to universally assess quality to standard. Internally, OPM continues efforts to streamline processes and modernize our suite of information technology systems with the goal of improving quality, efficiency, and timeliness.

PERFORMANCE MEASURE: Percent of investigations determined to be quality complete							
FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	n/a	n/a	n/a	99.83%	99%	Met

Note: Measure statement was revised as a positive statement. The measure was previously "Investigation determined to be deficient due to errors in investigation processing."

FY 2013 RESULTS

In continuation of OPM's FY 2013 goal of Hiring the Best using the strategy ensuring agencies have sufficient information to make decisions such as credentialing, suitability, and/or security clearance determinations, the target of 99 percent was met for the percentage of investigations determined to be quality complete.

OPM continues to make gains in our efforts to streamline processes and modernize our suite of information technology systems with the goal of improved quality, efficiency, and timeliness. The redesigned output of investigative products, enabling more efficient adjudication and evaluation of product coverage and scope, started with the delivery of redesigned investigative reports and re-sequenced investigative packets to a small user group. OPM continues to work with customers to assess the added value of the initial release and implementation and develop the requirements for the next revision.

Strategic Goal: Respect *the* Workforce

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

Background: Under the 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. Customers' health insurance decisions are enhanced with health plan

brochures, web-based comparison/decision tools and health plan customer satisfaction survey results. OPM administers the 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, 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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	7.3%	3.8%	3.4%	3.7%	FEHBP Private Sector	Met

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

FY 2013 RESULTS

OPM established a FY 2013 goal of Respect the Workforce using the strategy of ensuring that available benefits align with best practices and employees' needs.

The target of 3.7 percent was met by providing FEHB enrollees an average premium increase that was less than the industry consultant predictions which ranged from 4 percent to 7.5 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. In 2013, OPM announced a 3.7 percent premium increase for 2014.

PERFORMANCE MEASURE:						
Percent of Federal Employee Health Benefit Program (FEHBP) enrollees satisfied vs. health industry standard						
FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
FEHBP 77% Industry 62%	FEHBP 77% Industry 63%	FEHBP 76% Industry 64%	FEHBP 78% Industry 66%	FEHBP = 79.2 Industry Standard = 65.3	FEHBP Industry Standard	Met

FY 2013 RESULTS

In continuation of OPM's FY 2013 goal of Respect the Workforce using the strategy of ensuring that available benefits align with best practices and employees' needs, the target of satisfied FEHBP enrollees exceeding the industry standard was met.

On June 26, 2013, the Supreme Court ruled that Section 3 of the Defense of Marriage Act was unconstitutional. As a result of this decision, OPM is now able to extend benefits to legally married same-sex spouses of Federal employees and annuitants. OPM has taken steps to update our website and issue Benefits Administration Letters to inform Federal agencies, employees, and annuitants of their eligibility for health insurance, dental and vision insurance, long-term care, life insurance, and annuity benefits for same-sex married couples.

OPM achieved a 79.2 percent satisfaction rate over the industry standard of 65.3 percent. FEHBP carriers' overall average customer satisfaction scores have exceeded industry standards for the past five consecutive years. 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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
98%	99%	98%	97%	98.4%	98%	Met

FY 2013 RESULTS

OPM's FY 2013 goal of Respect the Workforce also includes the strategy of ensuring that available benefits align with best practices and employees' needs. The target for this strategy is to increase the percentage of health benefits claims processed within 30 working days, which was met with 98.4 percent.

OPM achieved this performance measure because health plans have made key investments in information technology that allowed them to have all the information necessary to pay claims in a timely manner. FEHBP carriers processed 98.4 percent of claims within 30 days, exceeding FEHBP's target. The additional improvements in Health Information Technology (HIT) and the implementation of the electronic requirements for medical providers under the Affordable Care Act continue to increase the percentage of health benefits claims processed within 30 days.

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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
5.5	4.3	4.4	4.2	3.9	‹10 day industry standard	Met

FY 2013 RESULTS

As another performance measure of OPM's FY 2013 goal of Respect the Workforce using the strategy of ensuring that available benefits align with best practices and employees' needs, OPM performed better than the 10-day industry standard for processing FEGLI claims by paying claims in an average of 3.9 days. The time required to fully process claims for life insurance beneficiaries this year continues a performance trend consistently better than the industry average. OPM contracts with Metropolitan Life Insurance Company (MetLife) to pay these claims, primarily via electronic transmission of deceased annuitant data from OPM's Annuity Roll Mainframe Systems. Electronic data transmission, as well as OPM and MetLife's quality control measures, ensures speedy and accurate claims payments and significantly reduces the occurrence of common manual errors. The available data at the end of FY 2013 indicates the FEGLI program again achieved a 99.9 percent accuracy rate for 2013.

PERFORMANCE MEASURE:						
Percent of Federal Long-Term Care Insurance Program customers satisfied with overall customer service						
FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
99%	93%	92%	91%	93.41%	90%	Met

FY 2013 RESULTS

The fifth measure associated with OPM's FY 2013 goal of Respect the Workforce using the strategy of ensuring that available benefits align with best practices and employees' needs, is the percentage of Federal Long-Term Care Insurance Program (FLTCIP) customers satisfied with overall customer service.

OPM exceeded its target in FY 2013 by three percent. This is an increase from the FY 2012 result which illustrates how the FLTCIP provides timely and efficient customer service to enrollees.

Although OPM considers the 90 percent customer satisfaction level an acceptable level of performance, there are concerns with the decline in customer satisfaction prior to FY 2013. It is important to note that the profile of calls entering the FLTCIP Customer Service Center has changed over the past five 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 the 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 had 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.

OPM is pleased that the customer satisfaction level results increased in FY 2013.

The following actions have been taken to ensure the 90 percent target level for customer satisfaction remains effective:

- Increased staffing to accommodate the call volume and increased length of calls;
- Improved claims training for the call center consultants;
- Implementation of a dedicated claims group within customer service to answer all claims calls; and,
- Implementation of a new claims brochure to enhance communication with claimants so they know what to expect

OPM will strive to provide a high-quality, efficient, and competitively-valued program where 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 various FLTCIP options available.

PERFORMANCE MEASURE:
FEHBP prescription drug cost growth is below the private sector industry average

FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	n/a	n/a	2.2%	FEHBP-4.4% weighted average	FEHBP Industry Standard	Met

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

FY 2013 RESULTS

The final measure associated with OPM's FY 2013 goal of Respect the Workforce using the strategy of ensuring that available benefits align with best practices and employees' needs is the FEHBP prescription drug cost growth below the private sector industry average.

Overall, the pharmacy cost trend in 2013 is below what has been experienced in past years. Weighted average prescription drug costs for FEHB increased 4.4 percent over the previous year, which is better than predicted. OPM set and met an ambitious target of keeping the prescription drug program increase below the industry average by working closely with FEHB carriers on management of generic dispensing rates, specialty drug trend, and overall drug trend. Lower performing carriers submit corrective action plans to improve management of costs and utilization. OPM compares FEHB carrier performance against industry averages reported by pharmacy benefit managers for their commercial markets.

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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	n/a	100%	91%	85%	85%	Met

FY 2013 Results

OPM established a FY 2013 goal of Expect the Best using the strategy of holding agencies to account for improvements in strategic human resources management.

The target of 85 percent was met as the percentage 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.

In FY 2012, OPM's MSAC organization conducted or participated in 131 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 131 DEUs audited, 13 were found to have severe problems such as illegal appointments, systemic veterans' preference violations, or 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, 11 of the 13 DEUs (85 percent) no longer have severe problems in FY 2013.

Related Accomplishments

MSAC continues to maintain a comprehensive, rigorous evaluation program by focusing on agencies with less than effective accountability systems and delegated examining programs that exhibit systemic problems, utilizing audit teams, and conducting virtual audits whenever practicable. MSAC established a Delegated Examining Roundtable for the purpose of discussing delegated examining issues of concern with agency accountability and staffing policy, and DEU officials. We have further enhanced our communication with agencies by reviewing and contributing articles to the Accountability Program Manager Council's Human Capital Newsletter, published for the first time in FY 2013.

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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
84	80	75	76	82.8	80	Met

FY 2013 RESULTS

OPM established a FY 2013 goal of Expect the Best using the strategy of providing Leadership and direction to Government-wide HR Programs.

The target index score of customer satisfaction with HR Solutions products and services was met with 82.8 percent, exceeding the targeted 80 percent. However, FY 2013 was a challenging year for OPM's HRS organization and across the Federal government in general, with increased compliance requirements and widespread static or reduced budgets. Despite this challenge, HRS improved its customer satisfaction score from the previous year, going from an American Customer Satisfaction Index (ACSI-equivalent index) score of 76.2 to 82.8, a score which is more than ten points above the Federal Government-wide ACSI. In FY 2013, HRS worked to improve its Customer Satisfaction Survey scores and associated metrics through improvement in known areas of concern. This resulted in HRS' FY 2013 ACSI-equivalent score exceeding the FY 2013 target of 80. Of note, this was the highest ACSI-equivalent score HRS has had since FY 2009.

In FY 2009, customer satisfaction scores were unusually high, likely due to 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 are related to customer satisfaction scores, reflecting difficulties faced by Federal agency customers during this time. Process and system issues associated with reimbursable customer agreements, timely awards/payments to third party vendors supporting delivery, and customer billings have been resolved.

HRS's flexibility and speed to mission are 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 acceptance of funds, financial system, and organizational changes 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 these challenges. This resilience is due to both the ability of these offerings to function on purely government staff and their focus on individualization. In FY 2012, HRS focused on 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.

RELATED ACCOMPLISHMENTS

HRS continued to improve its customer satisfaction scores over the course of FY 2013. This was due, in part, to the implementation of several successful reorganizations that provided additional oversight, quality control, and standardization of the customer experience. In addition, HRS provided Interagency Agreement (IAA) training to its employees. As a result of the training sessions, HRS employees expressed that they were able to better assist customers with completing the IAA 7600 forms, and were also better prepared to respond to questions related to compliance and regulation. Also, in FY 2013, HRS had a renewed emphasis on customer service and customer relations.

PERFORMANCE MEASURE: Percent of customers agreeing that HR Solutions products and services contribute to government effectiveness						
FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
99%	93%	87%	88%	96%	90%	Met

FY 2013 Results

A second performance measure associated with OPM's FY 2013 goal of Expect the Best, using the strategy of providing leadership and direction to Government-wide HR Programs, is the percentage of customers agreeing that HR Solutions products and services contribute to government effectiveness.

The target was met with 96 percent of HRS customers responding positively to the question "have HRS products and services contributed to your organization's effectiveness," in comparison to 88 percent in FY 2012. This number significantly exceeds HRS' FY 2013 target of 90 percent.

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 2013 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:

- Implemented true Single Sign On (SSO) between USAJOBS and Application Manager to improve usability for applicants. With SSO in place, applicants can use their USAJOBS account to apply for jobs and check application status in USA Staffing's Application Manager.
- Implemented Cognos, an IBM Business Intelligence tool, providing USA Staffing users with access to Cognos for their USA Staffing ad hoc reporting needs. Cognos includes single sign-on with USA Staffing, stock reports and custom report capabilities.
- Implemented Applicant Flow Data for USA Staffing customers that allow them to analyze the composition of the applicant pool at each stage in the hiring process: application, qualifications, referral, and selection.
- Enhanced training components for services to supplement consulting and implementation efforts. By providing tailored training up front as part of solutions, specifically Succession Planning and Knowledge Management, we are further exploring the client's need, encouraging buy-in and educating stakeholders. Training components establish a foundation for sustained change management and aid implementation efforts down the road.
- Additional reporting formats for Workforce Analyses to draw attention to key findings. Microsoft Visio and PowerPoint formats are being used to supplement or replace traditional Word reports. Clients often use workforce analysis information for executive briefings, strategic planning meetings, and other internal discussions. The adjusted formats have been well received as meaningful value-adds.

- Staff Acquisition strengthened its quality assurance activities through structured internal quality reviews; current accessible training; standard operating procedures and procedural guidance; and enhanced communication through Staff Acquisition's Community of Practice knowledge management portal, leading to higher quality examining products and services.

- Development of Supervisory Situational Judgment Test content. Human Resources Management Employment Services Assessments and Evaluation Branch (HRSES AEB) developed situational judgment test items to measure eight leadership competencies: Accountability, Conflict Management, Customer Service, Developing Others, Flexibility, Interpersonal Skills, Problem Solving, and Strategic Thinking. Items for four of these competencies were pilot-tested and finalized for use by OPM's Employee Services Division for their supervisory hiring efforts. All items are available for use by other agencies as part of a customized assessment solution for supervisory positions. Customization for other agencies will include review and input from agency SMEs to provide additional validation evidence for the assessment items. The Supervisory Situational Judgment Test content will provide agencies with a defensible supervisory assessment in a shorter timeframe and a lower cost compared to developing a fully customized assessment.

- Training and Management Assistance provided large-scale, nationwide delivery of mission critical training and transformation services to numerous agencies across the government, including the Department of Defense, Federal Aviation Administration, Veterans Affairs, and Department of Homeland Security. Without the services provided by HRS and through HRS strategic partners, major government transformation efforts and training in critical defense and national security arenas would be endangered.

- Collaborated with CFO on OPM shared service invoicing initiative to improve processes and put resources in place to consistently meet newly established OPM invoice payment standard of 15-days.

- The Leadership for a Democratic Society program – a 4-week, immersive, leadership-development experience for senior Federal executives – was significantly revised this year to offer instruction more specific to senior executives' needs. Among the renovations was an increased emphasis on the US Constitution as both a foundation for US and governmental values, as well as a treatise on transformational leadership. In addition, executives now receive an introduction to cutting-edge leadership theory, to include the Full-Range Leadership Model, Leader-Member Exchange theory, Vertical Leadership Development and Meta-Leadership. Lastly, course offerings have been integrated into the curriculum to create learning synergies between individual courses and electives, and the program's core offerings. Reviews have been very favorable and there have been a significant number of requests for follow-on instruction and support.

- The Center for Leadership Development (CLD) revised its approach to contracting for instructional services, consolidating the purchases through a single vendor. This vendor has dramatically expanded the breadth of available offerings, providing the CLD with access to cutting-edge theorists and practitioners, to improve the quality of academic offerings.

- In response to declining Federal travel dollars, the CLD has expanded its outreach, offering courses of instruction at more locations across the US. This is just the first step in a larger plan to expand the CLD's outreach. The CLD recently put its learning management system online and will soon be able to offer distance- and blended-learning solutions to meet individual agency and interagency needs.

Strategic Goal: Expect *the* Best

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

Background: OPM's ES organization provides a wide variety of strategic and operational Human Resources services to the OPM workforce. ES ensures OPM hires the right people, with the right skills and competencies, at the right time, in a manner that is cost-effective and efficient. The office's recruitment practices also help cultivate a diverse workforce that is reflective of the public and ensures that staffing and recruitment processes are carried out in accordance with legal and regulatory requirements, and in concert with Government-wide hiring reform initiatives. ES assists managers in maximizing employee performance by providing them with support and technical assistance on how to provide feedback and develop rigorous performance standards, as well as by administering a supervisory selection process that focuses on the key leadership competencies needed for successful supervision.

PERFORMANCE MEASURE:						
Percent of (OPM internal) jobs certificates issued within 15 days (Hiring timeframes against 80-day model standards)						
FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	75%	87%	80%	92%	80%	Met

FY 2013 Results

OPM established a FY 2013 goal of Expect the Best using the strategy of OPM leading by example to implement human resources reforms and reinvigorate our approach to individual and organizational performance management.

The target was met with 317 of 346 certificates (92 percent) being issued within 15 days, exceeding the target of 80 percent. This also represents an improvement of 12 percent over our FY 2012 results. The achievement was the result of a number of efforts to improve the staffing process, while ensuring timeliness against the 80 day hiring standard. As part of the effort, new vacancy announcement templates were developed to announce DEU and Merit promotion opportunities. New Standard Operating Procedures (SOP) and Job Aids were created and staff was trained using the new tools. Time in Personal Identity Verification (PIV) was reduced by 10 days over FY 2012, partly as a result of improved coordination between the HR and Security staff and a new procedure. HR Specialists now convey security information and forms to the Security office for clearance and fingerprinting via a secure database. In addition to improved certificate timeliness, OPM reduced the overall time to hire in the 80 day model to 94 days, representing a 5 day improvement over FY 2012.

Strategic Goal: Expect *the* Best

Strategy: Help agencies become high-performing organizations

Background: OPM collaborates with agencies on advancing effective 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 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 CHCO Applicant and Manager Satisfaction Surveys, Federal Competency

Assessment Tool, Systems/Standards/Metrics (SSM), and End-to-End hiring process protocols; designs and manages the HR Dashboard; and 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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	52%	56%	48%	32%	42%	Not Met

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

FY 2013 RESULTS

OPM established a FY 2013 goal of Expect the Best using the strategy of helping agencies become high-performing organizations.

The target was not met with 32 percent of CHCO agencies, in which 8 out of 25 agencies achieved a Performance Culture Index score of 55 or better. Although the current result is down from the previous year, 12 agencies who did not achieve the target score are within four points or less of achieving a score of 55. For reference, OPM's internal Performance Culture Index score is 60. Issues of dealing with poor performers and providing adequate recognition for employees continue to be challenges for many agencies.

OPM supports the pilot agencies in implementing the GEAR recommendations developed by the National Council on Federal Labor-Management Relations, in conjunction with the CHCOC. OPM offers on-going technical assistance and convenes quarterly meetings of the pilot agencies to provide a progress report, share examples of tools and practices, and share lessons learned.

OPM also uses its PAAT to evaluate agency appraisal programs and practices, 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 years for this evaluation once the base score of 80 has been achieved. OPM continues to assist agencies in creating an effective results-oriented performance culture.

The CHCOC established a workgroup dedicated to developing a framework to implement GEAR Government-wide." The GEAR – Next Steps Workgroup, chaired by DOD and the CHCOC, was created to expand on GEAR and other well-developed performance management practices in order to further improve government services. The workgroup consisted of two sub-workgroups, which examined GEAR metrics and GEAR promising practices. The workgroup presented their recommendations to the CHCOC for next steps on the GEAR framework, including revisions needed and plans for promoting adoption of the practices found most effective to other Federal agencies.

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 developed online tools and offers training courses and workshops throughout the year.

PERFORMANCE MEASURE: Relative ratio of complete retirement submissions versus incomplete cases						
FY 2009 Results	**FY 2010 Results**	**FY 2011 Results**	**FY 2012 Results**	**FY 2013 Results**	**FY 2013 Target**	**Met/ Not Met**
N/A	77%	82%	85%	92%	88%	Met

FY 2013 Results

OPM received 92 percent retirement submissions complete for processing in comparison to incomplete cases, which met the target of 88 percent for FY 2013. This is a substantial improvement over the rate of 85 percent complete in FY 2012 and 82 percent complete in FY 2011.

In FY 2013, OPM provided regular feedback to agencies on claims deficiencies. 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 conducts audits on all agency retirement packages during the screening and development stage of processing. Results are entered into the Agency Audit Tracking System and reports are generated that calculate the Government-wide and individual agency accuracy rates. The percentage of new claims with errors is reported monthly on the OPM website and a detailed report is provided to the Agency Benefits Officers for each agency and CHCOs on the CHCOC. Working with Agency Benefits Officers and CHCOs is fundamental to improving the accuracy and completeness of incoming claims.

Related Accomplishments

In FY 2013, budget constraints at OPM and other Federal Agencies resulted in the cancelation of OPM's annual Benefit Officers' training conference in June 2013 and the Fall Festival conference held in October 2013. Instead, OPM provided a complement of in-person, teleconference, and webinar trainings.

OPM provided five webinars that covered a diverse range of topics around retirement package submission, including overviews on the CSRS and FERS, Disability Retirement, Civilian Deposits, and Civilian Redeposits. In total, the webinars reached over 19,600 participants. Webinars were recorded and are available for the Human Resources Community through OPM's YouTube Channel and the OPM website.

OPM also offered Federal Erroneous Retirement Coverage Corrections Act (FERCCA) Training and a Retirement Specialist Teleconference Training with the Veteran's Affairs.

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. OPM continues to work on the quality of its customer service to annuitants and survivors who receive retirement benefits and 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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
91%	94%	94%	92%	93%	95%	Not Met

FY 2013 RESULTS

OPM established a FY 2013 goal of Honor Service using the strategy of developing a 21st century customer focused retirement processing system that adjudicates claims in a timely and accurate manner.

One performance measure associated with this goal is the accuracy of claims processed. The target was not met with only 93 percent of claims being processed accurately versus 95 percent. The accuracy rate is determined from ongoing reviews based on a statistically valid random sample.

OPM has implemented strategies and techniques to support the continued improvement of claims accuracy. The strategies include standardized and improved training for LAS, roundtable discussions to create consistency among reviewers, online training modules, and refresher technical training. In addition, we introduced a new tool, "Targeted Error Feedback" developed by RS Quality Assurance and distributed throughout Retirement Operations to provide feedback on common errors.

RELATED ACCOMPLISHMENTS

OPM continues to work on implementing incremental IT improvements to improve retirement related processes. This effort will be included as part of a broader agency-wide Strategic IT plan designed to increase the percentage of accurate and complete retirement applications.

PERFORMANCE MEASURE:
Average unit cost for processing retirement claims

FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
$81.97	$105.94	$107.62	$101.89	$91.37	$108.29	Met

FY 2013 RESULTS

A second performance measure associated with OPM's FY 2013 goal of Honor Service is the average unit cost for processing retirement claims.

OPM processed retirement claims at an average per unit cost of $91.37, which met the target of $108.29 for FY 2013 and improved upon the previous year's result by 10.3 percent.

The LAS and Customer Service Specialists (CSS) that OPM hired to increase processing capacity had completed their initial training. As expected and stated in last year's Annual Performance Report, these additional resources were able to increase the number of adjudications and helped OPM lower the average per unit cost for processing retirement claims.

RELATED ACCOMPLISHMENTS

RS has undergone an organization-wide Lean Six Sigma review of its operations, resulting in improvements to staffing allocations and practices. This review allowed front line employees and their managers to closely examine work processes and make changes to improve work flow. For example, the LAS that process retirement cases were also previously responsible for both ensuring cases were complete and tracking down missing documents if they were not. RS now uses standard checklists and a Development Cell comprised of more junior staff to review and assemble complete cases before distributing them to LAS for adjudication. This realignment of work allows the LAS to focus primarily on claims adjudication, increasing productivity.

In FY 2013, OPM continued to make improvements through the Lean Six Sigma initiative, with 59 projects identified. Of those projects, 90 percent were completed and 81 percent implemented. Projects included establishing Standard Operating Procedures related to processing, redistributing functions for greater work alignment, and implementing improved tracking mechanisms.

PERFORMANCE MEASURE:
Rate of improper payments in the retirement program

FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
0.32%	0.35%	0.34 %	0.36%	0.36%	0.35%	Not Met

FY 2013 RESULTS

A third performance measure associated with OPM's FY 2013 goal of Honor Service using the strategy of developing a 21st century customer focused retirement processing system that adjudicates claims in a timely and accurate manner, is the rate of improper payments in the retirement program.

The target for improper payments of 0.35 percent was not met. During FY 2013, 0.36 percent of the over $76.5 billion in defined benefits OPM paid to retirees, survivors, representative payees and families constituted improper payments. The overpayment rate was 0.28 percent and the underpayment rate was 0.08 percent.

Improper payments remain a very small percentage of both the number and value of total retirement benefit payments. Overall, 99.64 percent of all monies paid were proper and in accordance with applicable laws and regulations. However, this percentage did not meet the improper payment target of 0.35 percent for FY 2013 and RS will continue working towards reducing improper payments in FY 2014 and beyond.

The improper payment rate for retirement payments combines both underpayments (monies that OPM owes to the annuitant) and overpayments (monies that OPM has paid out to the annuitant erroneously or in excess of entitlement) into one ratio. Improper retirement payments are calculated by dividing the underpayments (determined by statistical sampling) and the overpayments (the actual value) by total outlays.

RELATED ACCOMPLISHMENTS

In FY 2013, OPM developed a comprehensive improper payments plan. The document assists OPM in meeting improper payment reporting requirements. OPM views the plan as a living document that will be updated as needed to help focus Agency efforts on reducing and recapturing improper payments. The OIG March 2013 report on the Improper Payments Elimination and Recovery Act of 2010 (IPERA) compliance noted the progress made by OPM in its annual improper payments reporting and found OPM compliant with IPERA.

The balance of overpayments to deceased annuitants decreased to $84.7 million in FY 2013 from $86.1 million in FY 2012. Since the end of FY 2010, the outstanding balance of improper payments to deceased annuitants has averaged approximately $97 million.

In response to an OIG recommendation, RS established the Data Mining Working Group (DMWG) in November 2012 to identify areas in the retirement program where fraud, errors, or delays in reporting could result in RS making improper payments. The goal of the DMWG is to establish a set of regular reviews and comparisons of data sets to identify when a high likelihood of potential fraud, errors, or delays in reporting exist. RS can then further investigate these with a goal of reducing, preventing, or recovering improper payments. The group is comprised of subject matter experts from various operational and staff offices within and outside of RS.

The DMWG came to closure on its discussions on data mining and released its recommendations to senior RS management, which are currently under consideration.

In FY 2013, RS developed a series of ad-hoc reports that utilize data mining to identify annuity roll inconsistencies and potential improper payments. For example, RS flags those cases which have been in interim pay status for more than six months and have received more than $75,000 in annuity payments. RS then targets the cases on this report for review to determine the proper payment amount.

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

PERFORMANCE MEASURE: Percent of customers satisfied with overall retirement services							
FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results		FY 2013 Results	FY 2013 Target	Met/ Not Met
85%	81%	76%	73%		76%	75%	Met

FY 2013 RESULTS

OPM's RS organization had an overall customer satisfaction rate of 76 percent, which exceeded the target for FY 2013. The increase of three percentage points from the FY 2012 rate of 73 percent shows that OPM is on the right track to enhancing customer satisfaction.

In 2011, President Obama issued an Executive Order (E.O. 13571) calling upon agencies to provide the public with "competent, efficient, and responsive service." RS answered the call and created the CARE initiative to enhance customer service. The acronym CARE was developed through focus group discussions and communicates the four key values that RS employees should demonstrate: Compassion, Accuracy, Responsiveness, and Empowerment. The CARE Team uses the Federal Employee Viewpoint Survey to identify areas of success and challenges. The CARE Team communicates the results throughout RS and develops an action plan to address concerns. The Team also collects feedback from RS employees on customer satisfaction improvements, which it uses as a resource for future planning. The CARE initiative has helped RS provide enhanced customer service to annuitants, survivors, and family members.

In FY 2012, OPM noted a connection between lower customer satisfaction rates and long wait times on call center calls and/or return calls that were not made in a timely manner. In FY 2013, OPM reduced the average hold time to 9.88 minutes, from 11.38 minutes in FY 2012, a critical component in addressing customer concerns.

We also believe that increased customer satisfaction may be related to the reduction of the retirement case inventory. As of the end of FY 2013, the claims inventory was 17,719 cases – a 71 percent reduction since the peak of 61,108 cases in January 2012.

Customer Service is vital to helping individuals navigate the retirement process and honors the service of Federal employees. OPM continues to support customer service efforts and anticipates ongoing success in addressing customer needs.

Related Accomplishments

New for FY 2013, OPM enhanced the Customer Satisfaction Survey by emailing the survey in addition to using mailed surveys. Emailing customers enables us to reach more annuitants, reduces administrative costs, and decreases the burden to survey participants. Survey results are based on a random sample of annuitants who had either a customer service transaction with RS or had their retirement case finalized during the fiscal year. Annuitants in the random survey sample who have an email address registered with OPM received an on-line email survey link.

The overall response rate for the survey was 31 percent (mailed response rate 43 percent, emailed response rate 14 percent). As this was the first year of using email surveys, OPM will use what we learned to enhance future response rates. The FY 2013 process set the groundwork for transitioning the survey to a completely electronic format. The information we receive from customers provides a valuable blueprint to enhance customer service.

OPM also encourages individuals to take advantage of the resources available through SOL. SOL is a web platform which allows retirees the opportunity to see the status of their retirement case while in interim pay; to start, change, or stop federal and state income tax withholdings: to request a duplicate Form 1099-R; to view annuity statements and/or verification of income; to view the verification of life insurance; to establish, change, or stop an allotment to an organization; to change mailing address and email address; to start direct deposit or change the account or financial institution to which payment is sent; to establish, change, or stop a checking or savings allotment; and to view a statement describing annuity payments.

Users completed over 3.7 million SOL transactions between March 2013 and September 2013. If more annuitants use SOL for their basic services, it will significantly reduce the number of requests received on the toll free line.

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 2009 Results	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 Results	FY 2013 Target	Met/ Not Met
n/a	n/a	n/a	3,323	8,865	10,000	Not Met

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

FY 2013 RESULTS

OPM established a FY 2013 goal of Improve Access to Health Insurance using the strategy of offering Federal Employee Health Benefits (FEHB) to employees of eligible Tribes and tribal organizations.

The target of 10,000 was not met with only 8,865 enrollees obtained. Although enrollment fell short of our first year predictions, OPM made great progress in 2013 setting the stage for future success. For FY 2013, OPM has attended and spoken at nine Native American conferences around the country, including Anchorage, Alaska. As a result of our outreach to tribes through conferences and site visits, six tribes, with approximately 5,500 employees, joined the program effective January 1, 2013, and an additional 17 tribes joined by the end of FY 2013. Three tribes with approximately 1,000 eligible employees signed agreements to begin participation in FY 2014. With new tribes and tribal organizations expressing interest each month, OPM expects enrollment to reach 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 to be a prohibitively expensive fee.

FY 2013 Program Evaluations

In 2009 OPM launched a systemic program evaluation strategy that was designed to help leadership determine whether OPM programs contribute to specific benefits and directly translate to desired program impact. Unfortunately, the agency did not realize the full benefits of this approach because it was not funded. Moving forward, OPM will coordinate and undertake evidence and evaluation efforts commensurate with available resources.

Currently, OPM employs a systemic approach to results-oriented evaluation that includes several foundational components:

- Understanding of a program and its context;
- Early and continuing involvement of stakeholders;
- Logical links between program activities and expected outcomes;
- Consistency of program implementation (or careful consideration of implementation variations);
- Creation of specific, measurable research questions; and
- Careful balancing and prioritization of research questions and budgetary constraints.

OPM incorporates performance measurement data and program analytics and evaluations of program performance into data-driven executive level and periodic program performance reviews. OPM leadership uses these reviews to support budgetary decision-making. Further, OPM uses this performance and evaluation information during program strategic reviews to define priority goals and strategic goals and associated strategic performance objectives.

Examples of program performance measurement data used for day-to-day decision making and weekly management reviews are found in the Budget by Strategic Goal section of this document. Examples of performance measures and OPM priority goals are detailed in the Priority goal section of this document. OPM evaluates progress of Priority Goals as part of OPM Performance Point reviews. The goal of OPM Performance Point, begun 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.

OPM is committed to using evidence and evaluation to inform the allocation of scarce resources and to improve agency performance. To achieve this end OPM is building evidence of what works and what does not while we are also strengthening our evaluation capacity. We highlight eight projects that are currently underway which illustrate this focus.

- Closing Skills Gaps for Mission Critical Occupations;
- HRstat Pilot;
- Re-Design of Federal Employees Health Benefits (FEHB) Plan Choice;
- Science, Technology, Engineering, and Math (STEM) Workforce Analysis;
- Retirement Prediction Model;
- The Federal Employee Viewpoint Survey Online Reporting and Analysis Tool;
- Expansion of FedScope Cubes available to the Public; and
- Increasing the Utility of Data Contained in the EHRI Data Warehouse.

OPM's use of evidence and evaluation initiatives support the administration's cross-cutting management strategies (reference: Memorandum M-13-17, "Next Steps in the Evidence and Innovation Agenda). OPM's initiatives align to three of the administration's strategies: Linking data across programs and government, applying behavioral insights to improve results and lower costs in operations, and Strengthening Agency Capacity to Use Evidence. The following illustrates the initiatives and the alignment to evaluation and innovation strategy.

1. Linking Data Across Programs And Government: Closing Skills Gaps For Mission Critical Occupations

OPM is intimately involved in the Government-wide effort to close skills gaps for mission critical occupations. In partnership with the Department of Defense, OPM co-chairs the CHCO Council, and co-chairs the Integrated Product Team (IPT) of action officers working group. This group has worked to define Government-wide competencies including the establishment of a clear, transparent, replicable process for institutionalization in the future. OPM has actively engaged the Chief Management Officer Councils and the OMB to collaborate on the IPT findings and the proposed strategies to close skills gaps either by closing staffing gaps or by closing competency gaps.

Additionally, OPM conducted a Government-wide census survey in the fall of 2012 to determine existing competency gaps for the seven mission critical competencies. The survey will target all employees who are GS-12 through GS-15, and will be the first of its type in assessing competencies since the population is not limited to particular positions. OPM has developed comprehensive short-term and long-term strategies to close staffing gaps as well as to address priority competences. OPM has worked closely with the Government Accountability Office (GAO) in its strategy development and implementation activities designed to increase agency performance through recruiting, hiring, developing and retaining a workforce with the needed competencies to meet mission objectives.

2. Linking Data Across Programs And Government: Hrstat Pilot

OPM is spearheading the Government-wide efforts to deliver an efficient, effective and accountable government based on OMB's guidance to agencies via Memorandum M-11-31. Per the Government Performance and Results Modernization Act and OMB guidance, agencies are required to begin performance reviews at least quarterly to monitor progress on the Agency Priority Goals published in the FY 2011 President's Budget.

HRstat pilot is the vehicle proposed to adhere to these requirements. HRstats' are data-driven reviews, led by the Chief Human Capital Officer (CHCO) with a focus on key Human Resource Management (HRM) metrics that drive agency performance and mission accomplishment with OPM and OMB participation. OPM sought the participation of agencies with the following characteristics:

- A committed and engaged leadership;
- Interest in developing improved performance and HRM analytics methods;
- Interest in developing improved data systems; and
- Interest in collaborating with other councils, program managers, and goal leaders on developing HRstat.

The goal of the HRstat pilot is to assist agencies in developing a process to use HRM goals, measurement, analysis, and data-driven reviews in order to improve the results of HRM and programs while enhancing the effectiveness and efficiency of agency operations. In addition, OPM seeks to develop an alternative evaluation mechanism to replace the Human Capital Management Report (HCMR) with a vehicle that better demonstrates the integration between HRM results and mission accomplishment. In addition, OPM seeks to develop recommendations for the Chief Human Capital Officers Council and the Performance Improvement Council on the Government-wide implementation of HRstat.

3. Applying Behavioral Insights To Improve Results And Lower Costs In Operations: Re-Design Of Fehb Plan Choice

Improving health plan choice is fundamental to the Federal Employees Health Benefits program (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.
Each year, four million Federal employees and retirees choose a health plan from among the more than 200 health plan options available under FEHB. 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 percent and 7 percent of employees and retirees change health plans.

OPM has assembled a cross-agency team to undertake a redesign of Open Season that will increase the engagement of employees and retirees in health plan choice. In FY 2012, the team convened in OPM's Innovation Lab and employed human centered design facilitation techniques to further define the challenge and develop a plan of action. Continuing in FY 2012 and FY 2013, the team examined best practices from multiple disciplines, including behavioral economics and electronic commerce. Research on 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. In parallel with its research into employee perspectives and best practices, OPM also reviewed the capabilities of its existing tools for on-line plan comparison and plan data management, as well as strategies for their enhancement.

FY 2014 began with an unprecedented outreach program to engage more employees and retirees in plan choice during Open Season. As part of Open Season 2013, OPM emailed over 80 percent of the eligible Federal workforce to encourage active engagement in plan choice by employees, including greater use of available plan comparison tools. In FY 2014 and FY 2015, learning from its analysis of Open Season 2013 participation, OPM will continue to evolve its outreach and communication strategy. For FY 2014 and FY 2015, OPM also committed to an update of its on-line consumer decision support tools to optimize enrollee choice at the time of entrance on duty and during Open Season.

OPM is in the beginning phases of developing the capability of integrating various analytical capabilities available to OPM to evaluate program performance: the Federal Employee Viewpoint Survey data, Statistical Data Mart, and other publicly available data sources:

4. Strengthening Agency Capacity To Use Evidence: Science, Technology, Engineering, And Math (Stem) Workforce Analysis

OPM is currently working on a workforce analysis paper of the current state of STEM occupations within the Federal government. We are incorporating both Statistical Data Mart (SDM) and the EVS data in the data analysis. The STEM workforce is vital to the productivity and effectiveness of the Federal government. As such the Federal government has set a Cross Agency Priority goal to "increase the number of well-prepared graduates with STEM degrees by one-third over the next 10 years."

5. Strengthening Agency Capacity to Use Evidence: Retirement Prediction Model

This is a collaborative research project within the PPA. The objective is to model historical retirement patterns of Federal employees and formulate predictions of retirements to occur in the subsequent year. Data for this project includes the SDM, the Federal Employee Viewpoint Survey, and economic data such as, the S&P 500 stock market index average for the calendar year, the Economic policy uncertainty index average during the calendar year, and the average national unemployment rate during the calendar year.

6. Strengthening Agency Capacity to Use Evidence: The Federal Employee Viewpoint Survey Online Reporting and Analysis Tool

This is a web-based capability developed to enable agencies that participate in the survey to run online analyses and display various types of reports in real time from a standard web browser. Key features include:
- Static OPM generated reports (16 different types);
- Pre-configured reports (8 customized report formats); and
- Analysis on Demand (conduct customized queries of your agency's data).

7. Strengthening Agency Capacity To Use Evidence: Expansion Of Fedscope Cubes Available To The Public

FedScope is OPM's online tool that presents data from the Enterprise Human Resources Integration Statistical Data Mart (EHRI-SDM) in a more "analysis on demand" environment to the public for varying levels of consumption. OPM plans to continually review cubes and, in accordance with its data release policy, make a concerted effort to make additional data elements and data cubes available to the public for enhanced analyses.

8. Strengthening Agency Capacity To Use Evidence: Increasing The Utility Of Data Contained In The Ehri Data Warehouse

The EHRI data warehouse has matured over the years and user expectations have grown considerably. In an effort to increase the utility of EHRI data, OPM plans to:
- Exploit the ability of new data elements (e.g., cyber security designation, telework eligibility, and national security personnel designation) to more effectively manage and plan for the Federal workforce; and
- Explore options of making more raw data available for complimenting other systems and increasing knowledge about the Federal workforce.

Completeness and Reliability of Performance Data

The performance information used by OPM in this APR for FY 2013 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 System Accountability 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 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 2013.

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: Percent of investigations determined to be quality complete	
Program	Federal Investigative Services (FIS)
Definition	Percent of investigations (inclusive of all case types) determined to be quality complete, meaning deficiencies due to errors in investigations processing have not been found
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	Ongoing
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 (PBM) - 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 System Accountability 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 (OPM internal) jobs certificates issued within 15 days (Hiring timeframes against 80-day model standards)

Program	Employee Services (ES)
Definition	The length of time from receipt by HR of the request to fill a position, to the time the employee enters on duty.
Data Source	USA Staffing and internal staffing logs
Frequency	Updated/assessed on a monthly basis
Data Verification	Data from automated systems (USA Staffing and internal staffing logs)

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 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 of claims processed accurately is calculated by the number of claims processed with no errors divided by the total number of claims processed. A full year's worth of audited claims calculations are then used to determine the total dollar value of underpayments. These underpayments plus the value of the overpayments, which the CFO provides, equal the total improper payments. The accuracy rate is a measurement of the number of units (i.e., cases) processed that year; whereas, the improper payment rate is a measurement of the dollar value of all payments made through the Retirement Program regardless of when the case was completed.
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 percent confidence interval and a +/- 5 percent 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 (retiree and survivor) who responded as "Very satisfied" or "Satisfied" with overall retirement program services (Survey Question 27) divided by the number of respondents who answered the question, including annuitants who had a general customer service transaction or had their retirement case completed during the fiscal year. Customers can rate their experience as: very satisfied; satisfied; neither satisfied/dissatisfied; dissatisfied; or very dissatisfied.
Data Source	RS Customer Satisfaction Survey. The survey results are based on a random sample of approximately 900 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. The survey is sent by postal mail and email. Annuitants in the random survey sample who have an email address registered with OPM received an on-line email survey link.
Frequency	Annually
Data Verification	RS uses Vovici Enterprise software for survey data tracking, tabulation, and analysis. To assure completeness and accuracy, RS/Quality Assurance conducts a random audit of the survey responses.

Strategic Goal #5: Improve Access to Health Insurance

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 and Abbreviations

Acronym	Definition
ACA	Affordable Care Act
ACSI	American Customer Satisfaction Index
APG	Agency Priority Goal
APR	Annual Performance Report
ARPS	Annuity Roll Processing System
BCBS	Blue Cross Blue Shield
BCBSA	Blue Cross Blue Shield Association
CAF	Central Adjudication Facility
CAHPS	Consumer Assessment of Healthcare Providers and Systems
CARE	Compassionate, Accurate, Responsive, and Empowered
CFC	Combined Federal Campaign
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officer's Council
CIO	Chief Information Officer
CLIA	Congressional Legislative & Intergovernmental Affairs
CLD	Center for Leadership Development
CPL	Communications and Public Liaison
CSRS	Civil Service Retirement System
CSS	Customer Service Specialist
D&I	Diversity and Inclusion
DEU	Delegated Examining Unit
DFAS	Defense Finance and Accounting Service
DOD	Department of Defense
DOE	Department of Energy
DOI	Department of Insurance
DMWG	Data Mining Working Group
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
EHRI	Enterprise Human Resources Integration
EHRI-SDM	Enterprise Human Resources Integration Statistical Data Mart
EO	Executive Order
ES	Employee Services
ETAMS	Employee Time and Attendance Management System
EVS	Employee Viewpoint Survey

Acronym	Definition
FACES	Federal Annuity Claims Expert System
FEGLI	Federal Employees Group Life Insurance
FEHB	Federal Employees Health Benefits
FEHBP	Federal Employees Health Benefits Program
FEIO	Federal Employee Insurance Operations
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
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
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
HIOS	Health Insurance Oversight System
HIT	Health Information Technology
HR	Human Resources
HR LOB	Human Resources Line of Business
HRIT	Human Resources Information Technology
HRITT	Human Resources Information Technology Transformation
HRM	Human Resources Management
HRS	Human Resources Solutions
HRSES AEB	Human Resources Management Employment Services Assessments and Evaluation Branch
HUD	Department of Housing and Urban Development
IAA	Interagency Agreement
IOC	Internal Oversight and Compliance
IPERA	Improper Payments Elimination and Recovery Act
IRTPA	Intelligence Reform and Terrorism Prevention Act
IT	Information Technology

Acronym	Definition
LAS	Legal Administrative Specialists
LIFAR	Life Insurance Federal Acquisition Regulation
MSAC	Merit System Accountability and Compliance
MSP	Multi-State Plan
MSPP	Multi-State Plan Program
NAIC	National Association of Insurance Commissioners
NCOIL	National Conferences of Insurance Legislators
NCQA	National Committee for Quality Assurance
NGA	National Governors Association
NID	National Intelligence Directive
NPRM	Notice of Proposed Rulemaking
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
PBM	Pharmacy Benefit Managers
PCI	Performance Culture Index
PCIP	Preexisting Condition Insurance Program
PIO	Performance Improvement Officer
PIPS	Personnel Investigations Processing System
PIV	Personal Identity Verification
PMC	President's Management Council
PPA	Planning and Policy Analysis
QMG	Quality Management Group
RS	Retirement Services
SDM	Statistical Data Mart
SERFF	System Electronic Rate Filing Form
SII	Suitability Investigations Index
SOL	Services On-Line
SOP	Standard Operating Procedure
SPFI	Summary of Performance and Financial Information
SSC	Shared Services Centers

Acronym	Definition
SSM	Systems Standards Metrics
SSO	Single Sign On
TSGAC	Tribal Self-Governance Advisory Committee
USCG	U.S. Coast Guard
VA	Department of Veterans Affairs
VR	Voting Rights
VERA	Voluntary Early Retirement Authority
VSIP	Voluntary Separation Incentive Program

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. My 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 questions in three subfactors - Leaders Lead, Supervisors, and Intrinsic Work Experiences:

3. I feel encouraged to come up with new and better ways of doing things
4. My work gives me a feeling of personal accomplishment.
6. I know what is expected of me on the job.
11. My talents are used well in the workplace.
12. I know how my work relates to the agency's goals and priorities.
47. Supervisors/team leaders in my work unit support employee development.
48. My supervisor/team leader listens to what I have to say.
49. My supervisor/team leader treats me with respect.
51. I have trust and confidence in my supervisor.
52. Overall, how good a job do you feel is being done by your immediate supervisor/team leader?
53. In my organization, leaders generate high levels of motivation and commitment in the workforce.
54. My organization's leaders maintain high standards of honesty and integrity.
56. Managers communicate the goals and priorities of the organization.
60. Overall, how good a job do you feel is being done by the manager directly above your immediate supervisor/team leader?
61. I have a high level of respect for my organization's senior leaders.

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT

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