



EU-CHINA

Social Security Reform Co-operation Project
中国 - 欧盟社会保障合作项目

Provincial Policy Makers seminar 21 to 24 of October

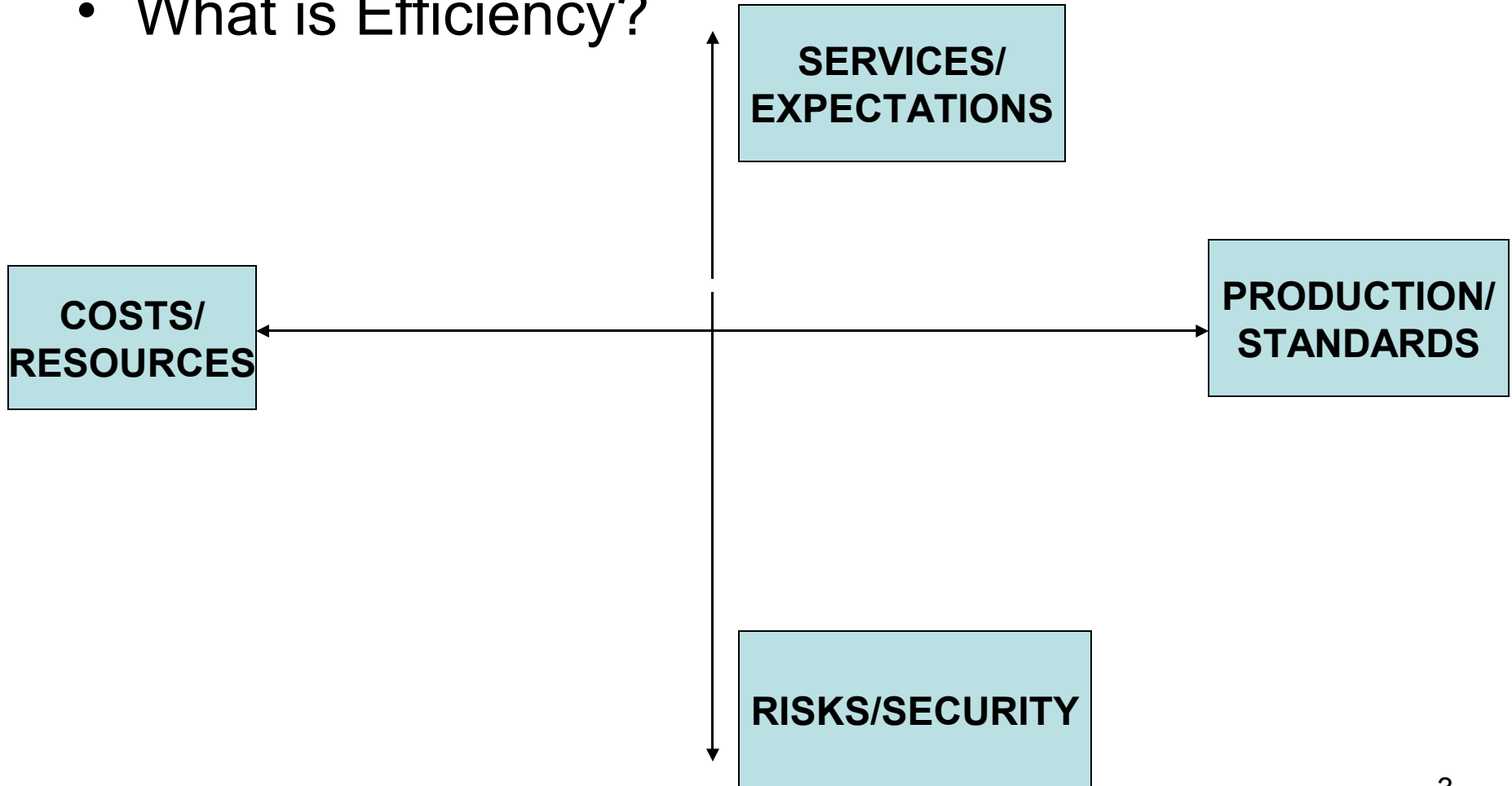
How to improve the efficiency of Social
Security agencies

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23 of October 16h30-18h

To improve the efficiency of Agencies

- What is Efficiency?



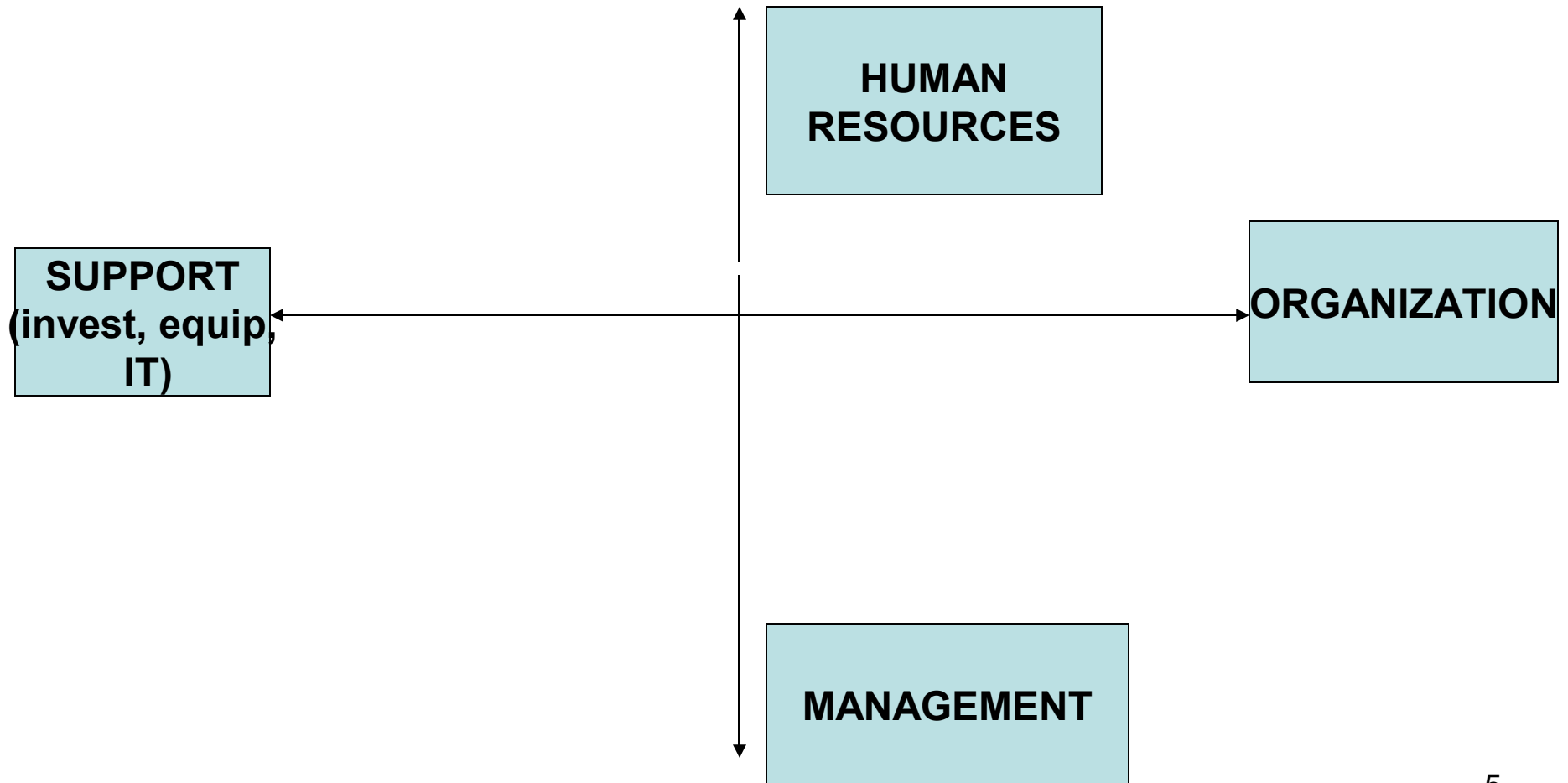
To improve the efficiency of agencies

Four fields:

1. Quality of delivered services:
(accessibility, equity, rightness, speed...)
2. Productivity: Ratio staff/workload
3. Risk management: Legal conformity, security, frauds,
4. Costs: Efficiency of the budget.

To improve the efficiency of Agencies

The levers of Efficiency



To improve the efficiency of agencies

1. QUALITY OF SERVICES.

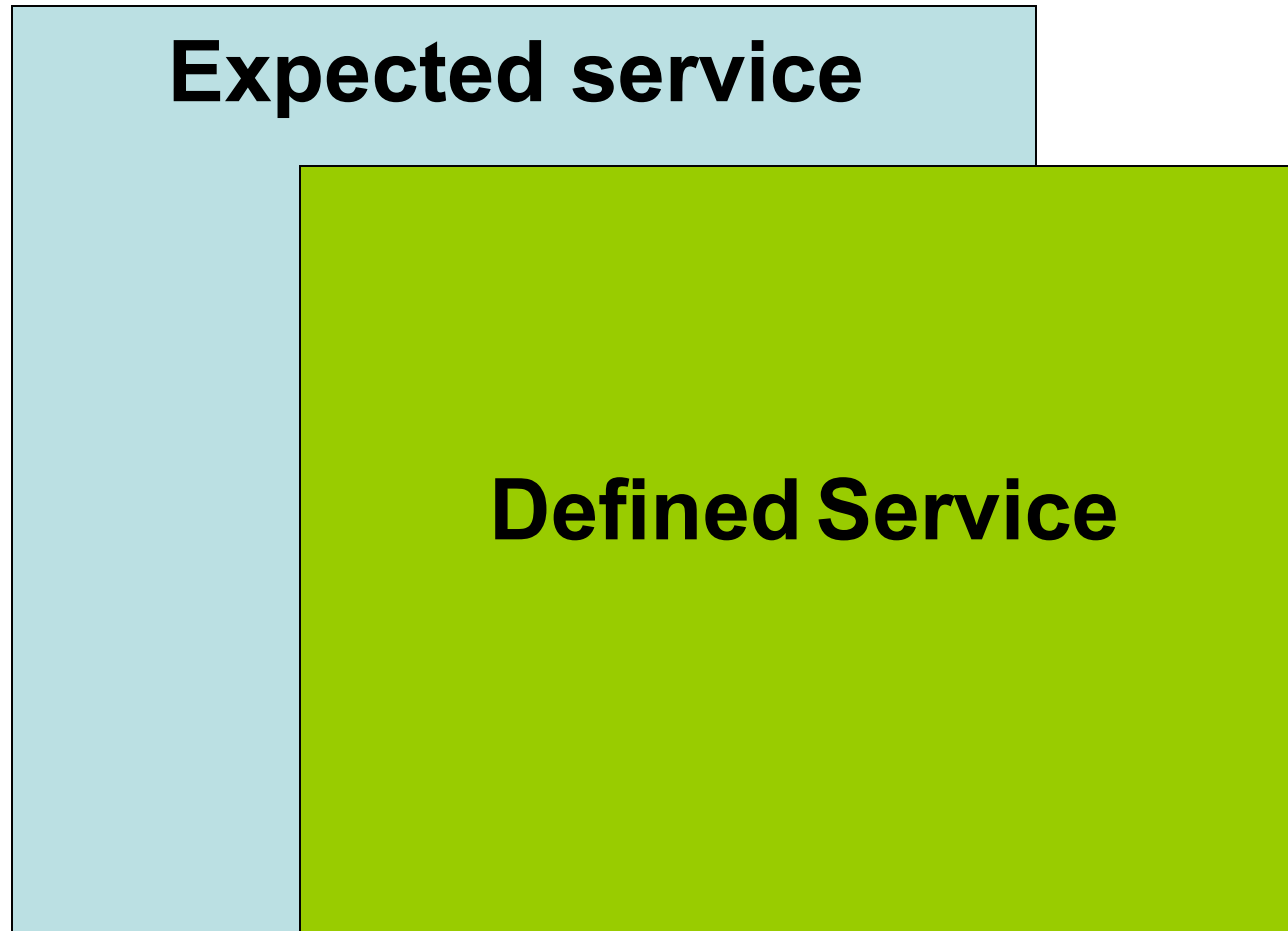
- Control (internal and external-audit)
- Use the claims as an indicator
- Client oriented management
- Chart of services
- TQM

Improve the quality of service

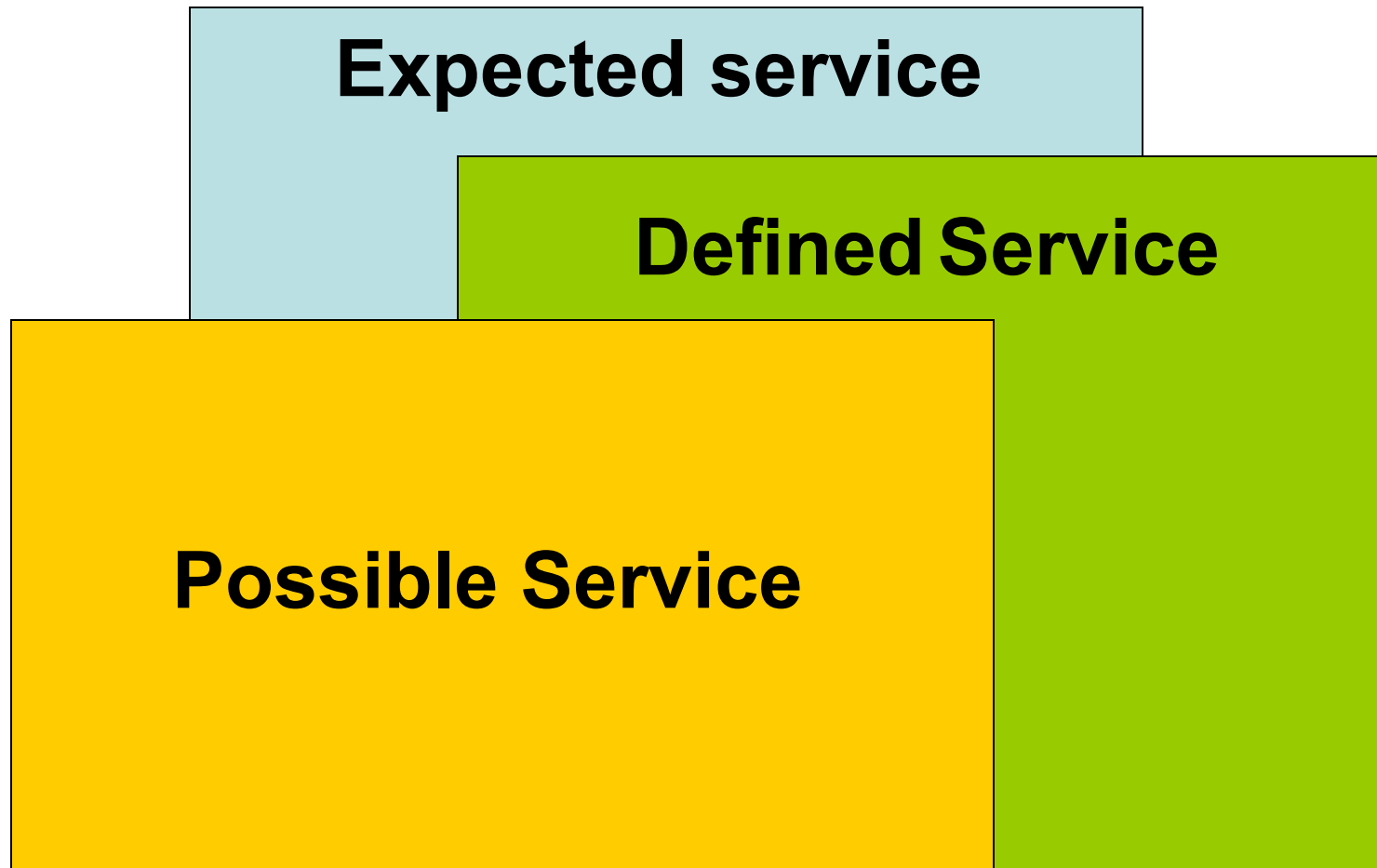


Expected service

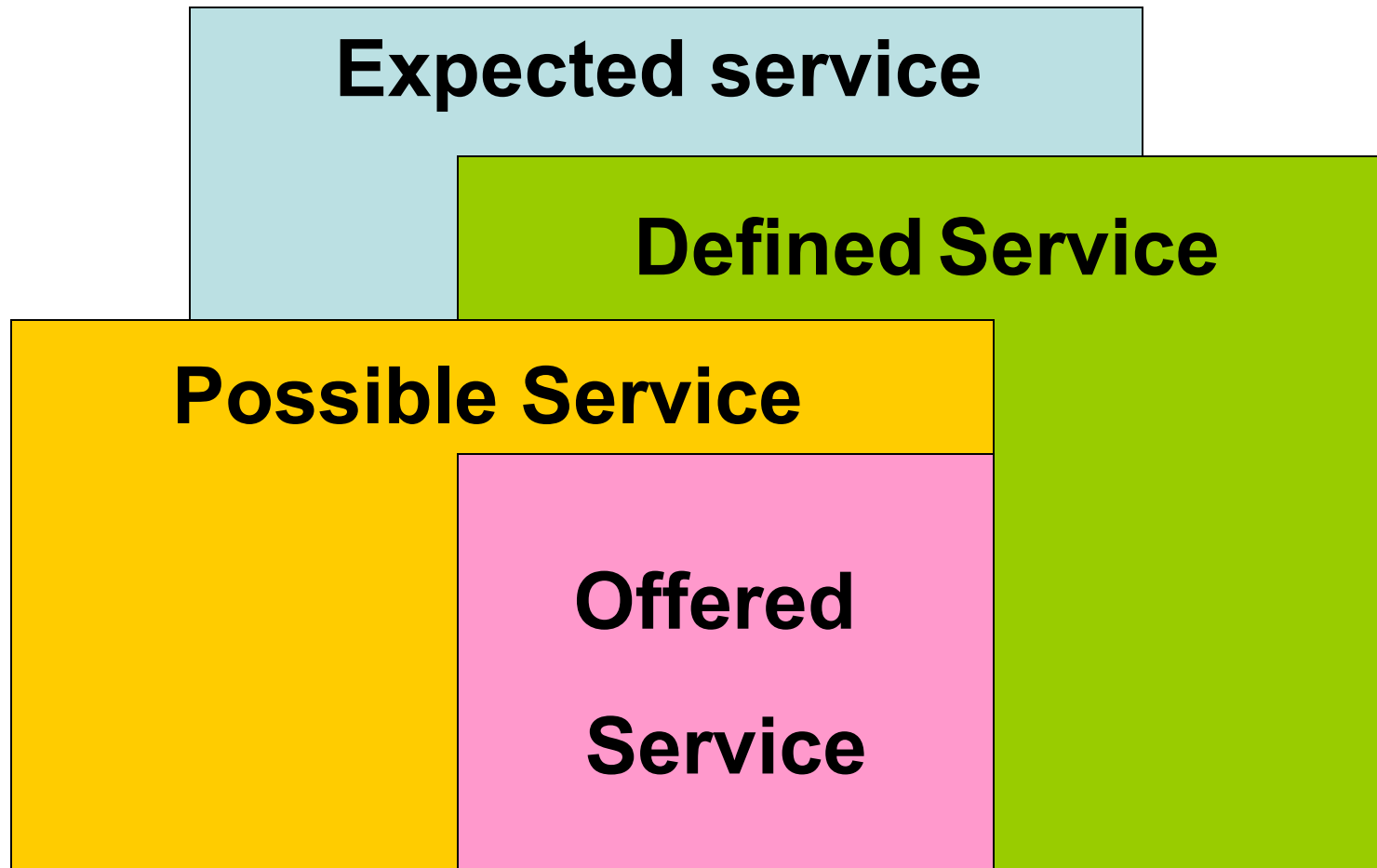
Improve the quality of service



Improve the quality of service



Improve the quality of service



Improve the quality of service

1. To define the gap between the expected service and the offered service
2. To inform your clients which are your mission, duties and services offered.
3. To enhance the level of your services using the four levers.

The use of performance indicators is the way to appreciate the level of service delivered to the client and to give an external point of view on the workload.

In that approach social security performances are measured against four criteria:

Personal coverage: (number of people insured, enterprises contributing)...

Benefits indicators: Long term and short term ex medical care or pension payments

Financial indicators: Expenditures

Management indicators; WU in different activities, cartography of treatments and all indicators relevant to your main activities.

Social security indicators performance relate directly to the workload of certain category of staff

Ex: Increase number of insured people for registration staff, number of beneficiaries for front desk office, but the number is given through the external demands and can be established as an input of the organization to compare to an other one.

The role of the authorities is to determine the requested level of the service rendered.

It exists several way as : Chart, quality management, contract, certification, all giving the level of performance associated to the indicator

Ex: Number of demands associated to number of claims, phone calls and time waiting answer. Or survey of satisfaction. (table 6)

- Example of client satisfaction:
 - - Complains received from clients (8% of visits)
 - - Duration to receive payment of benefit (45 days)
 - - How many contacts with the SS office to obtain the benefit (3 times for pension)
 - - And parameters as: accessibility, security, professional approach. appreciated through regular survey.

1. On the base of a common understanding of the data and chart of client, the upper level determine the level of performance to be reach
2. A first audit realize the current level of each agency
3. Define with each agency the strategy to approach the level and negotiate the means (personnel to reach)
4. Assess the result and compare the ratio S/W
5. Adjust for the next time performance and means

Table 6
List of typical social security indicators

Indicators		Definition
Personal coverage Indicators		Number of persons insured Number of the insured as contributors Number of benefit recipients Number of persons as targeted population for coverage Number of working-age persons as targeted for coverage Number of persons as targeted potential beneficiaries
Benefits Indicators	Long-term Cash Benefits	Relation average benefit and pre-benefit low and high-income groups. Average benefit as a percentage of poverty line.
	Short-term Cash Benefits	Relation average benefit and pre-benefit low and high-income groups. Average benefit as a percentage of minimum wage or poverty line. Average days in which the beneficiary has received benefit payments Proportion of UI beneficiaries having exhausted their entitlement
	Health Care	Real reimbursement rates' comparison (income groups) Real reimbursement rates' comparison (spending groups) Co-payment rates' comparison (income group) Co-payment rates' comparison (spending group) Utilization rates' comparison (income group) Average days of inpatient treatment Average cost of inpatient treatment
Financial Indicators	Revenue	Total revenues Contributions as a percentage of the total Subsidies as a percentage of the total Investment incomes as a percentage of the total
	Expenditure	Total expenditure Total expenditure as a percentage of the total revenue Benefit payments as a percentage of the total expenditure Administration costs as a percentage of the total expenditure Marketing costs as a percentage of the administration expenditure
	Balance	Total annual balance Total accumulated reserve Accumulated reserve as a percentage of the current year expenditure

2 PRODUCTIVITY

- The AIMS
- To determine the ratio Staff/workload is a permanent and never-ended task
- To approach the results:

What, why, who, when, where and how to determine the suitable number and quality of employees due to the working charges of the agency.

Staff/Workload

- WHAT
- The ratio Staff/workload expresses the productivity of the organization when the main part of the production or cost is supported by Human Resources
- The **staff** concerns all employees involved in the production
- **Workload** concerns all activities realized by the organization

Staff/workload

- WHY
- To create or to improve a service, a department, an agency
- To organize a new service or a new benefit for the client
- To compare or to compete different organizations
- To allocate the means and resources (HR)

Staff/workload

- WHO
- Direct: the only people participating to the process.
- Medium: people participating to the process as their main activity
- Extended: including all HR participating to the process (Direction, Cadres, Production, clients relations, Support, Control, ..)

Staff/workload

- WHEN to calculate the ratio
- Permanently to follow the performances and forecast the results
- Regularly to compare in the time (monthly, quarterly, annual)
- By survey to be able to describe the context and to spare the support for control

Staff/workload

- WHERE the calculation is done
- Integrated in the process, as a permanent collection (great risk of mistake except if IT)
- Internal it is the function of a dedicated service as audit, statistic, to provide key business indicators
- External to realize an independent control

- **Following the previous plan describe your expectations of the determination of the ratio Staff/workload**

what	
why	
Who	
when	
where	

Staff work load

- **Common steps of the different methodologies**
- Phase 1 Dictionary of data
- Phase 2 Cartography of treatment
- Phase 3 Inventory of actors
- Phase 4 Screen of partners
- Phase 5 Definition of work unit

Dictionary of data

- To establish the list of the main concepts used to describe your activity:

- Example:

Client: Do I have client, who is my client, what is his expectation, which are the criteria of satisfaction, how to anticipate...

The aim is to have a common understanding of the words. Ex: Confusing clients and providers

Dictionary of data

- To arrange according:

What is result (output),

What is activity (process)

What I need to do (input)

- Example:

Amount of pension: result (output)

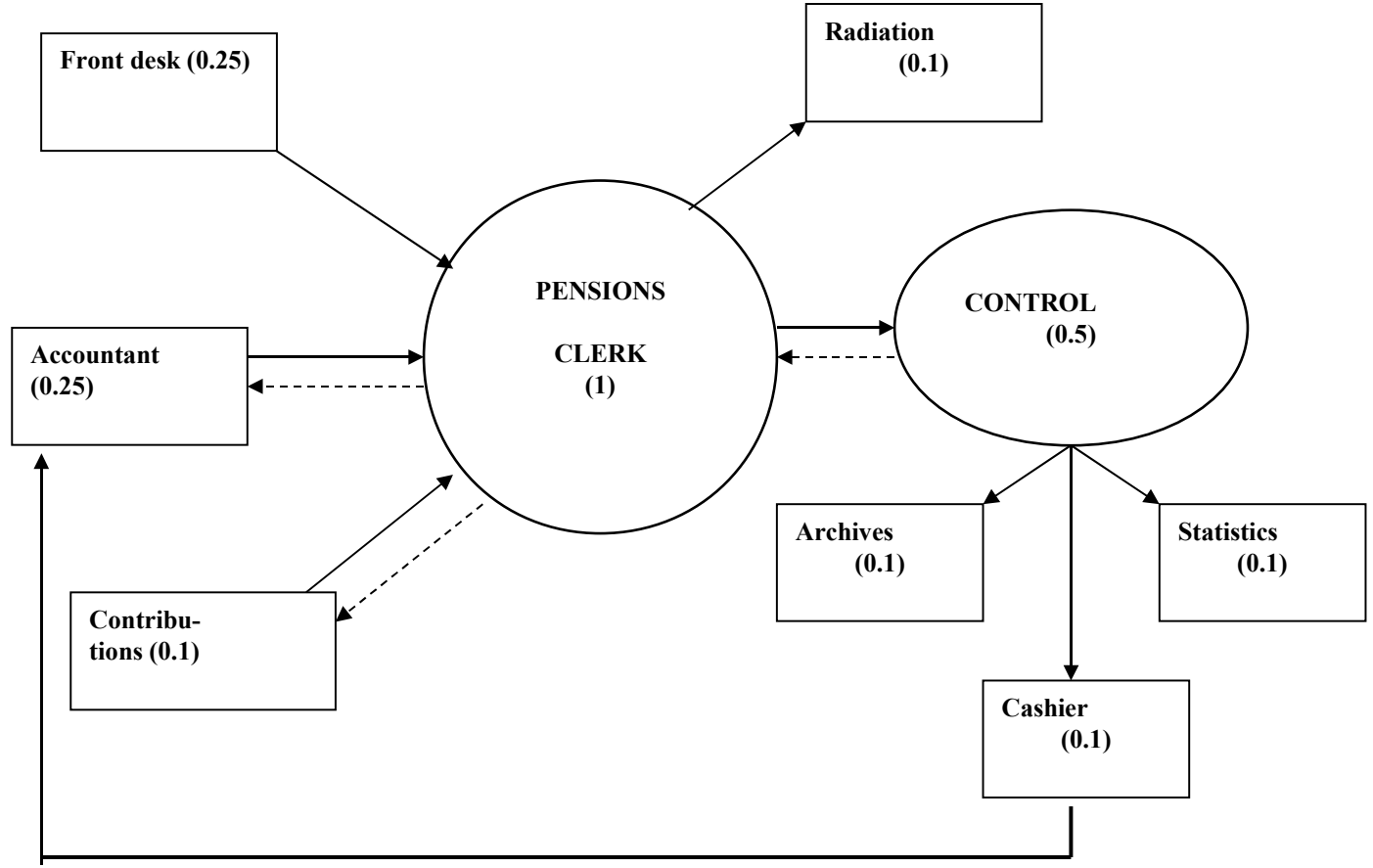
Apply the rules on data: activity (process)

I need individual account, demand, knowledge of rules,
logistic : (Input or result of
previous process).

2nd step: Cartography of treatment

- This is the description of all activities inventoried in the dictionary of data linked one to the others according a logical organization
- Ex : Front office --- Receive demand---Checking the rights---Calculation of the benefit--- Control--- payment---Benefit to the client. Claims. chart 4)
- Distinguish the direct functions (production) from indirect (supporting or providing) functions and establish the matrix.

Chart 4 Workflow - Pensions



Inventory of actors – Third 3rd step

- This point is to identify the place and the role of each actor in the different function and who is working for what. This is particularly important for those in the indirect function with a ratio to distribute their time
- Ex: The General Director is working for x% pension, y% health, z% contribution collection and all partners
- Ex :Technician in charge of individual account 100% Ind. Account table 4

Step 3. Inventory of actors

- This stage concerns identification of the jobs in the different activities. It is particularly important to be very precise
- **Example: " Technician"** could cover 50% of your staff. It will be very difficult to know who is in charge of what , it is better to say "Technician in charge of registration for individual account". Please see the job description methodology which will be presented tomorrow by Mr Chen.(chart5)
- If possible determine which part of their time they use for each activity, according to the number of the staff list or survey.

Chart 5

The **components** of job description

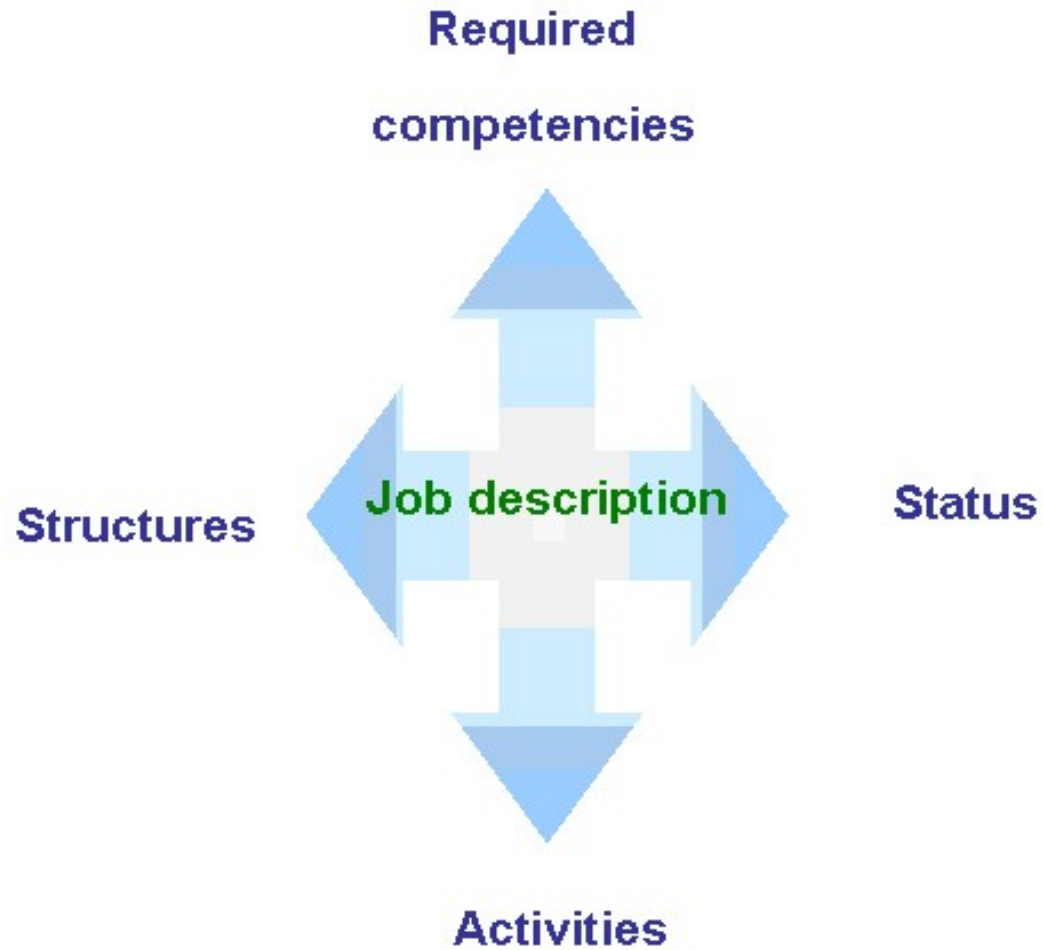


Table 4
Staff involvement, non-computerized processing of pension claims
(in percentage of main position)

Position	Action	Relative time
Pension clerk	Processing claims	1
Front desk officer	Gather records & documents	1/4
Accountant	Process individual accounts	1/4
Registration officer	Radiation from active insured persons	1/10
Contributions officer	Confirm records provided by employer	1/10
Controller	Check accuracy of initial claims calculations	1/2
Archivist	Archive pension file and appended documents	1/10
Cashier	Process payment instructions	1/10
Statistician	Update database	1/10
	Total	2.5

3 - Inventory of actors: Job allocation

FUNCTION	Direct Function	Direct Function	Indirect Function	Indirect Function
Positions	Individual Account	Payment	Front office	IT
Director	35%	40%	10%	15%
Technician Individual account	100%			
Technician Payment		100%		
Audit	25%	35%	5%	35%
Logistic	25%	25%	25%	25%

5 - Definition of work unit: W.U

The **Work Unit** is the common element to calculate the activity it is the charge to transform an input in an output, generally appreciated through the duration.

The most difficult task is to balance between too many WU and not enough.

- Too many is heavy to calculate and gives a number of precision which are not currently useful

but

- Not enough W.U. makes too aggregated (one for all the agency) and gives no sufficient precision for staff calculation.

5 - Definition of W.U. (choice?)

Ex: French Social Security Agencies

- **Pension:** Individual accounts, Pensions claims, number of retirees, payments.
- **Health insurance:** Beneficiaries, invoices , Number of hospital beds, payments, physicians, Cellule act (combination).
- **Contribution collection:** Enterprises, Employees, unemployed,

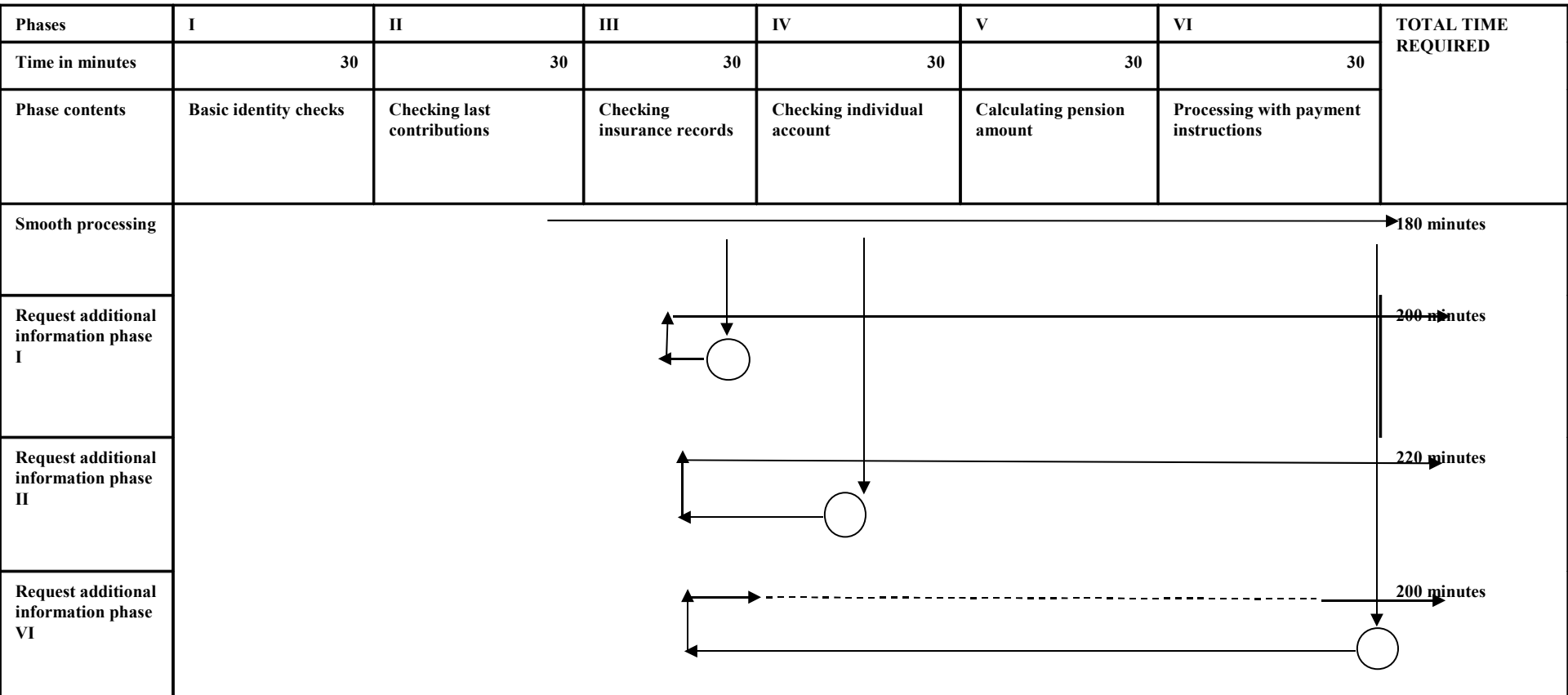
3. CERTIFICATION

To consolidate the juridical and financial security

1. Determine and formalize the processes
2. Define the check points
3. Decide the acceptable level of risk
4. Audit on the implemented processes and improve the practices.

- This is the description of all activities inventoried in the dictionary of data linked one to the others according a logical organization
- Ex : Front office --- Receive demand---Checking the rights---Calculation of the benefit--- Control--- payment---Benefit to the client. Claims. chart 4)
- Distinguish the direct functions (production) from indirect (supporting or providing) functions and establish the matrix.

Chart 3
Influence of interruptions in time required for claims processing



Processes

- To pay pension there are for example 4 operations (micro processes) as
 1. Receive and check the demand
 2. Calculate the right
 3. Integrate in IT
 4. Send to control

Each operation will be appreciate according the time needed and all operation as integrate IT. Or send to will be appreciate for the same quantity of work load.

The result is each process represent a certain quantity of work and of staff (Chart 3).This is a first step to standardization.(JV Gruat report)

- Formalize the processes
- Standardize the processes
- Prepare the IT requests
- Audit
- Certification ISO 9000

- Exercise: Define your own WU, choose three or four particularly representative of your activity and determine if in put, out put process, service, main activity

Work Unit	input	Activity,	Out put	service

4. COSTS MANAGEMENT

To reduce the costs

- Inventory of activities,
- Inventories of the costs,
- Establishing an analytic accounting,
- Share the costs direct function and indirect (supporting) functions,
- Calculate the cost of the main Work Units and analysis of the component of the costs,
- Play the costs killing.

Accounting the costs

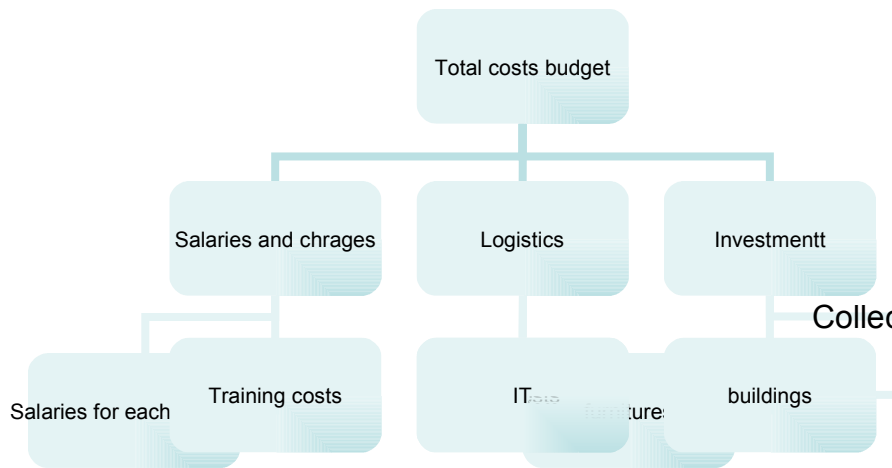
The principle is to allocate for each activities the global cost of this activity. Using the WU we will distinguish all the needed costs to realize this production.

To pay benefit. Personnel costs, IT system, management, building, logistic, other supports. It is some time difficult to split the cost or to know the exact part and in the case we use repartition keys Ex Number of square meter used by the technician, number of sheets, number of laptops.

The gathering of all costs give the volume of the budget.

Accounting the costs

- The advantage is to take in account all the factors of efficiency and not just the staff. The efficiency of the staff is strongly depending of the organization, use of IT, work conditions etc... this approach gives an objective criteria to define the more efficient context including staff and prepare the choice of the invest.
- The costs method supposes a very good system for collecting information either a specific IT system , and could be use only when the accounting are done with one year delay.



Collect cost, WU, and repartition key
(staff, m2, time)

Apply for each function,
process repartition key
on the costs

Repartition/ costs	Demands	Staff	Square meters
A IT system	X		
B High level managenent		X	
C buildings			X

Define for each agency
the cost of the WU
with the different part
Personal, It Logistic management

- Discussion and exercises

THANK YOU