THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510–6050

Dear Mr Chairman.

The enclosed report responds to the request in Senate Report 109-254, accompanying the John Warner National Defense Authorization Act for Fiscal Year 2007, that the Department of Defense conduct a study on the cost-benefit and feasibility of establishing an enterprise-level call and communications 1-800 system for the TRICARE program This report was initially delayed pursuant to the determination of legal funding under the continuing resolution.

The final report presents two alternatives for implementing a single, enterprise-level toll-free access mechanism for the TRICARE program. Each alternative operates within the context of the existing call center services offered by TRICARE's contractor organizations

Our position at this time is to introduce a third alternative, which is to maintain the current call center structure and continue to study emerging communication technologies to implement a better alternative that will be the most feasible and cost-effective means for introduction into the next round of managed care support contracts

Thank you for your continued support of the Military Health System

Sincerely,

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable John McCain
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Ben Nelson
Chairman, Subcommittee on Personnel
Committee on Armed Services
United States Senate
Washington, DC 20510–6050

Dear Mr Chairman

The enclosed report responds to the request in Senate Report 109-254, accompanying the John Warner National Defense Authorization Act for Fiscal Year 2007, that the Department of Defense conduct a study on the cost-benefit and feasibility of establishing an enterprise-level call and communications 1-800 system for the TRICARE program This report was initially delayed pursuant to the determination of legal funding under the continuing resolution

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The Honorable Lindsey O Graham
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301 1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Ike Skelton
Chairman, Committee on Armed Services
U S House of Representatives
Washington, DC 20515–6035

Dear Mr Chairman

The enclosed report responds to the request in Senate Report 109-254, accompanying the John Warner National Defense Authorization Act for Fiscal Year 2007, that the Department of Defense conduct a study on the cost-benefit and feasibility of establishing an enterprise-level call and communications 1-800 system for the TRICARE program This report was initially delayed pursuant to the determination of legal funding under the continuing resolution

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Enclosure
As stated

cc
The Honorable Duncan Hunter
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Susan Davis
Chairwoman, Subcommittee on Military Personnel
Committee on Armed Services
U S House of Representatives
Washington, DC 20515–6035

Dear Madam Chairwoman

The enclosed report responds to the request in Senate Report 109-254, accompanying the John Warner National Defense Authorization Act for Fiscal Year 2007, that the Department of Defense conduct a study on the cost-benefit and feasibility of establishing an enterprise-level call and communications 1-800 system for the TRICARE program This report was initially delayed pursuant to the determination of legal funding under the continuing resolution

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Sincerely,

Apologies for the complexity!
Hope we have it right
Ward

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable John M McHugh
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable David R Obey
Chairman, Committee on Appropriations
U S House of Representatives
Washington, DC 20515–6015

Dear Mr Chairman

The enclosed report responds to the request in Senate Report 109-254, accompanying the John Warner National Defense Authorization Act for Fiscal Year 2007, that the Department of Defense conduct a study on the cost-benefit and feasibility of establishing an enterprise-level call and communications 1-800 system for the TRICARE program This report was initially delayed pursuant to the determination of legal funding under the continuing resolution

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Enclosure
As stated

cc
The Honorable Jerry Lewis
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable John P Murtha
Chairman, Subcommittee on Defense
Committee on Appropriations
U S House of Representatives
Washington, DC 20515–6018

Dear Mr Chairman

The enclosed report responds to the request in Senate Report 109-254, accompanying the John Warner National Defense Authorization Act for Fiscal Year 2007, that the Department of Defense conduct a study on the cost-benefit and feasibility of establishing an enterprise-level call and communications 1-800 system for the TRICARE program This report was initially delayed pursuant to the determination of legal funding under the continuing resolution

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Sincerely,

S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable C W Bill Young
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Robert C. Byrd
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510–6025

Dear Mr Chairman

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S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable Thad Cochran
Ranking Member

THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301 1200

HEALTH AFFAIRS

MAR 2 4 2008

The Honorable Daniel K Inouye
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510-6028

Dear Mr. Chairman·

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S.V. Apologies for the complexity

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S Ward Casscells, MD

Enclosure
As stated

cc
The Honorable Ted Stevens
Ranking Member

Implementation Assessment for a Single TRICARE Enterprise Toll-Free Number

Call Center Realignment Assessment and Recommendations

Deliverable 10

Prepared for TRICARE
Contract No. W81XWH-07-D-0017

December 15, 2007

noblis
3150 Fairview Park Drive South
Falls Church, VA 22042-4519

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1.0 INTRODUCTION

This report is the second of three deliverables related to assessing the feasibility of implementing a single TRICARE enterprise level toll-free number for customer service telephone calls The first deliverable presented the results of Noblis' research on TRICARE's current toll-free environment. In this second deliverable, Noblis assessed the operations of three large government agencies, four commercial healthcare organizations, two national car insurance companies, and two banking organizations that operate call center functions similar to TRICARE Most of these organizations have implemented a "vanity number" which is an 800-number that contains a brand name in the digits of the number, which is comparable to the 800-TRICARE toll-free number This report also summarizes best practices and trends related to call center operations, describes a set of toll-free implementation alternatives for TRICARE, and recommends a solution for a single enterprise toll-free number

This task is being performed by Noblis for TRICARE Management Activity (TMA) Operations Division and its purpose is to assist the Military Health System (MHS) advance the MHS Transformation and MHS QDR initiatives

2.0 REPORT ORGANIZATION

Section 3 is a short summary of TRICARE's current toll-free environment The information provided in this section is derived from the "*Review of the Current TRICARE Call Center Environment*" report delivered to TRICARE on 30 November 2007

Sections 4, 5 and 6 describe three government agencies that provide large scale citizen-facing customer service via toll-free telephone access Section 4 describes the Centers for Medicare and Medicaid, Section 5 describes the Social Security Administration, and Section 6 describes the Internal Revenue Service

Section 7 reviews the toll-free strategy of the following four private healthcare organizations United Healthcare, Blue Cross Blue Shield, Aetna, and Kaiser Permanente Section 8 reviews the toll-free strategy of the automobile insurance segments of State Farm and Allstate Section 9 reviews the toll-free strategy of the Bank of America and Citibank, two of the largest personal banking organizations in the United States

Section 10 reviews overall industry trends, performance benchmarks, and best practices that are applicable to the TRICARE environment The information in this section was derived from recent reports and documents issued by independent research organizations

Section 11 presents a set of alternative solutions for TRICARE to implement a single toll-free enterprise number Each alternative is assessed as to it pros, cons, and costs and the section concludes with a recommended toll-free solution Section 12 is the conclusion to this report

3.0 SUMMARY OF TRICARE'S CURRENT TOLL-FREE ENVIRONMENT

This section summarizes the conclusions of Deliverable 9, "*Review of the Current TRICARE Call Center Environment*" delivered by Noblis to TRICARE The report described TRICARE's current health care services environment, toll-free telephone access environment, contact center performance metrics, and several other considerations This report also served as the foundation for the recommended enterprise toll-free solutions described in this report

3.1 Current Toll-Free Environment

TRICARE has contracted with commercial companies to provide most of its healthcare services Figure 1 is a high level view of TRICARE's organization from a healthcare services perspective The figure illustrates how the various TRICARE contractors fit under the health care umbrella and it shows that Continental United States (CONUS) operations are distinct from Outside the Continental United States (OCONUS) operations

The top level toll-free numbers published by TRICARE for the key CONUS and Overseas services are

a TRICARE North Region
Health Net Federal Services, Inc
1-877-TRICARE (1-877-874-2273)

b TRICARE South Region
Humana Military Healthcare Services, Inc
1-800-444-5445

c TRICARE West Region
TriWest Healthcare Alliance Corp
1-888-TRIWEST (1-888-874-9378)

d US Family Health Plan
1-800-74-USFHP (1-800-748-7347)

e TRICARE Overseas
(TRICARE Europe, TRICARE Latin America and Canada, and TRICARE Pacific)
1-888-777-8343

f TRICARE Dental Program
1-800-866-8499

g TRICARE Retiree Dental Program
1-888-838-8737

h TRICARE Retail Pharmacy Network
1-866-DoD-TRRX (1-866-363-8779)

i TRICARE Mail Order Pharmacy
1-866-DoD-TMOP (1-866-363-8667)

j DEERS
1-800-538-9552

k TRICARE For Life (Dual Eligibles)
1-866-773-0404

In most instances, when a beneficiary calls one of the above toll-free numbers, they are first prompted to enter their Social Security Number (SSN) The SSN is used by most of the contractor's call centers as the primary means for establishing beneficiary eligibility as well as determining the programs and other details for the beneficiary based on data retrieved from the Defense Enrollment Eligibility Reporting System (DEERS) database

3.2 Current Use of 1-800 TRICARE

The 1-800-TRICARE (1-800-874-2273) toll-free number is a TRICARE-owned number, it is routed to the TRICARE Information Service (TIS) call center and is managed and billed under the TIS program It was not intended for use as a general TRICARE contact number and it was to be reserved as an unpublished number However, the number has been publicized in a number of documents and websites relating to TRICARE operations

TRICARE currently does not have a single toll-free number strategy for beneficiaries to call to access the full range of TRICARE services The TIS call center will be taken out of service on 30 September 2008 and the future use of the 1-800-TRICARE number needs to be determined

3.3 TRICARE's Current Telephone Contact Strategy

TRICARE does not currently have a single, well publicized, toll free number that beneficiaries can call for telephone inquiries TRICARE's main contractor's each provide their own set of toll-free telephone numbers for beneficiary customer service In addition to the main customer service numbers, many of the contractors publicize other toll-free numbers on their web sites and in their printed materials for specific services and locations A beneficiary needs to refer to these sources in order to determine the appropriate toll-free number to call for service Based on customer surveys, this does not currently appear to be a significant issue However, the existing customer service environment with multiple toll-free numbers does increase the complexity of telephone access for beneficiaries A single toll-free number for accessing all of TRICARE's services could be a distinct benefit to TRICARE's members

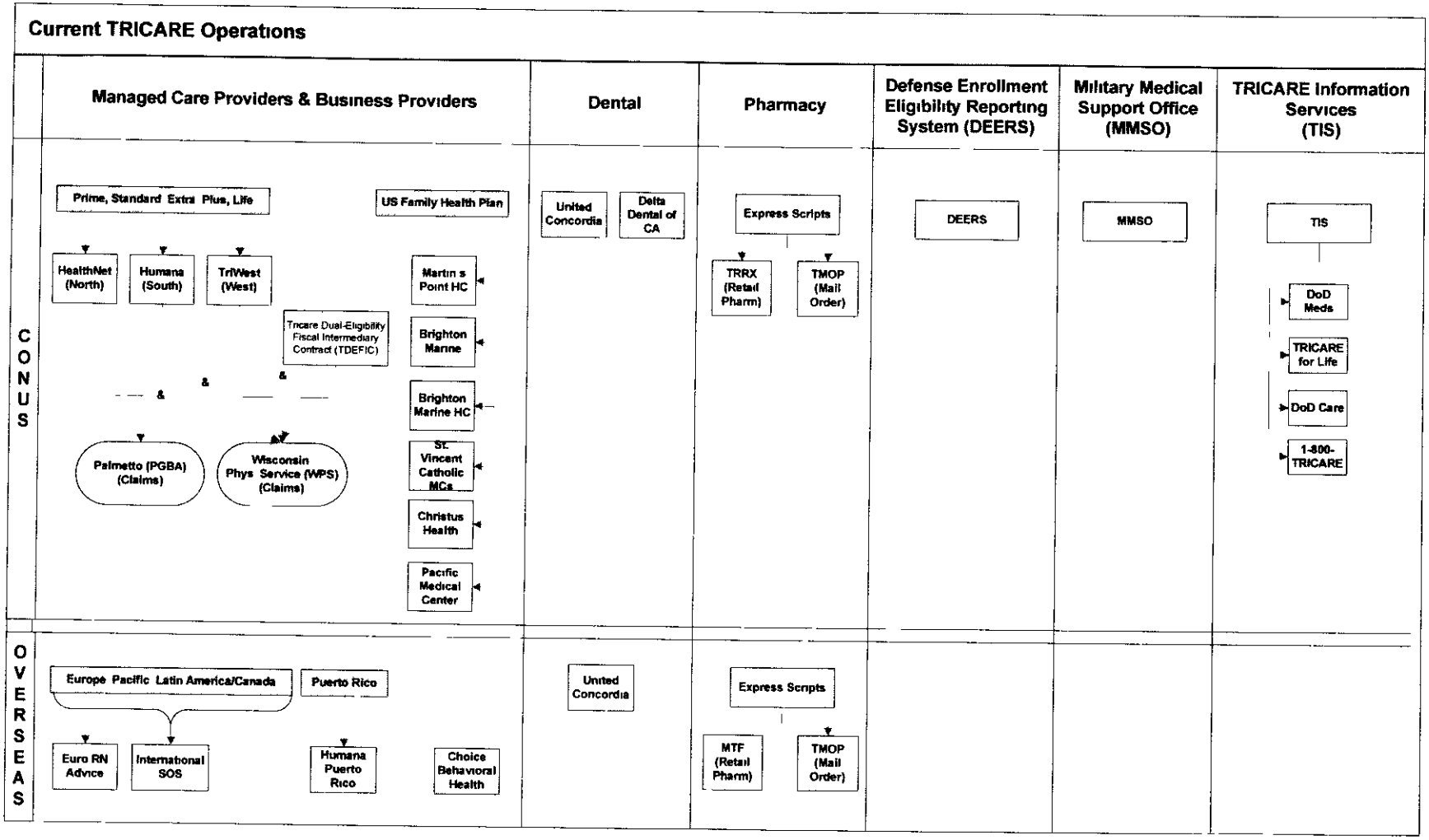

Figure 1. High Level View of TRICARE Health Care Organization Overseas Managed Care Operations

4.0 CENTERS FOR MEDICARE AND MEDICAID SERVICES

Medicare is a government sponsored health insurance program administered by the Centers for Medicare and Medicaid Services (CMS) for individuals over the age 65 or who meet other special criteria Benefit administration (e g , claims processing) is contracted to a number of different companies which together serve over 43 million eligible beneficiaries A number of these contractors are also contracted by TRICARE, examples include Wisconsin Physician Services (WPS) and Palmetto GBA (PGBA), who process claims for both Medicare and TRICARE CMS collaborates with the Social Security Administration (SSA) to enroll eligible beneficiaries into the Medicare program

In 2003, President Bush signed the Medicare Prescription Drug, Improvement, and Modernization Act (MMA), which required CMS to expand program offerings to beneficiaries while streamlining business operations The MMA stipulated that CMS consolidate administrative entities As a result, CMS has undergone contracting reform and information technology modernization to provide appropriate program support to beneficiaries These changes directly impact CMS's toll-free strategy and their call center operations The following section addresses Medicare's toll-free strategy and modernization efforts

4.1 Toll-Free Strategy

Recent modernization has allowed CMS's infrastructure to support a single toll-free enterprise "vanity" number, 1-800-MEDICARE In addition to the vanity number, there are three auxiliary toll-free numbers offered to Railroad Retirement beneficiaries to answer general information questions, three supplemental toll-free numbers to address billing questions with contractors directly, and another number to report fraud

The three auxiliary numbers for general information include a toll-free number to contact the Social Security Administration to make address changes or report a lost Medicare card, and both a toll-free regular and a toll-free TTY (teletype-writer, or also know as Telecommunications Device for the Deaf) number for Railroad Retirement beneficiaries To address billing questions, Medicare offers beneficiaries with direct access to the claims processing companies for Railroad Retirement beneficiaries, durable medical equipment, and the Medicare Coordination of Benefits Contractor Fraud can be reported to the Department of Health and Human Services (DHHS) Medicare also publicizes both regional and local numbers available by Medicare Table 1 below lists the Medicare 800 numbers

Table 1. Medicare Toll-Free Numbers

Organization	Purpose	Number
1-800-MEDICARE	General Medicare information, ordering Medicare booklets, and information about health plans	Toll-Free 1-800-633-4227
Railroad Retirement Board (RRB)	(For Railroad Retirement beneficiaries only) - RRB benefits, lost RRB Medicare card, address change, and enrolling in Medicare	Toll-Free 1-800-808-0772 Local TTY 1-312-751-4334
Social Security Administration (SSA)	Changing my address, Medicare Part A or Part B, lost Medicare card, and Social Security benefits	Toll-Free 1-800-772-1213
Centers for Medicare and Medicaid Services Regional Office (CMS RO)	Information on local seminars and health fairs on Medicare health plan choices, or to report a complaint directly to CMS	Toll-Free 1-800-433-3966 (in state only) Local 1-334-269-3550
State Department of Insurance	Medigap policies available in my area, and insurance questions	Toll-Free 1-800-243-5463 1-800-AGELINE Local 1-334-242-5743 Local TTY 1-334-242-0995
State Health Insurance Assistance Program (SHIP)	Medigap policies, long-term care insurance, Medicare health plan choices, Medicare rights and protections, and help with filing an appeal	Toll-Free 1-800-833-4455
Railroad Retirement Board (RRB) Carrier	(For Railroad Retirement beneficiaries only) - Part B bills and services	Toll-Free 1-800-633-4227 Jurisdiction C
Durable Medical Equipment Medicare Administrative Contractor (DMEMAC)	Bills for durable medical equipment and a list of approved suppliers of this equipment	Toll-Free 1-800-633-4227 1-800-MEDICARE
Regional Home Health Intermediary (RHHI)	Home health, hospice care, and fraud	Toll-Free 1-800-999-1118
Medicare Coordination of Benefits Contractor	Medicare Secondary Payer, and who pays first	Toll-Free 1-800-999-1118
Fiscal Intermediary	Part A bills and services, hospital care, skilled nursing care, and fraud	Toll-Free 1-800-633-4227 1-800-MEDICARE
Carrier	Part B bills and services	Toll-Free 1-800-633-4227 1-800-MEDICARE
Office of the Inspector General Department of Health and Human Services (OIG DHHS)	Reporting fraud	Toll-Free 1-800-447-8477

4.2 Modernization

CMS's toll-free strategy was consolidated to a single toll-free enterprise number on July 27, 2004 The consolidation was required largely because beneficiaries were confused by CMS's 199 toll-free numbers and also because the supporting infrastructure further fragmented information These 199 numbers were comprised of 79 published numbers, 49 TDD numbers, 29 hidden numbers, and 42 non-published numbers During

this time, CMS's infrastructure was spread across 71 geographic areas, 16 data centers, and 50 contractors Furthermore, disparate supporting technologies and operating procedures per location further complicated their ability to provide adequate customer service

In order to implement a single toll-free enterprise number, CMS was required to consolidate and integrate their data architecture to facilitate reliable delivery of information[1] After simplifying the toll-free strategy from the user's perspective, CMS launched efforts to also deliver information to beneficiaries via mymedicare gov

4.3 Operating Environment

The MMA required that CMS modernize by expanding program offerings and streamlining business operations In 2003, CMS initiated several modernization efforts, many of which are still underway today This section provides an overview of CMS' operations in 2004, describes the contact center and contractor consolidation efforts that have and are currently taking place, and addresses the impact of these changes to contact center costs, call volume, and customer satisfaction

4.3.1 Contractors

During Fiscal Year 2004 (FY04), Medicare classified their contractors into four main categories Fiscal Intermediaries, Carriers, Durable Medical Equipment Regional Carriers, and Regional Home Health Intermediaries These are described in Table 2

Table 2. FY04 Medicare Contractor Types

Contractor Type and Function	Provisions	Selection Mechanism
Fiscal Intermediary (FI)		
A health insurance company that is nominated by a group or association of institutional providers of health care services, to make payments for covered Medicare services	Must be nominated by a group or association of institutional providers of health care services	For Blue Cross plans, Blue Cross and Blue Shield Association (BCBSA) subcontracts to local Blue plan with CMS approval For commercial insurer, institutional providers nominate an FI

[1] Note that DEERS already exists as a consolidated database for TRICARE

Contractor Type and Function	Provisions	Selection Mechanism
Carrier		
A health insurance company that is selected (by competition or designation) by CMS, to make payment to physicians and other practitioners for covered Medicare services	Must be a health insurance company	By statute, an FI operates as a Carrier with respect to certain Part B Providers CMS may select Carrier by competitive process or by designation
Durable Medical Equipment Regional Carrier		
A health insurance company that is selected (by competition or designation) by CMS to make payment to durable medical equipment suppliers	Must be a health insurance company	Regions defined by regulation CMS may select Carrier by competitive process or by designation
Regional Home Health Intermediary		
An FI designated by CMS to make payment for covered Medicare services to home health agencies and hospices	Must be an FI Provider nomination does not apply	CMS works with BCBSA to identify a replacement from among current Blue plans

In 2004, the selection mechanism for contractors included nomination, designation, or competition The total number of contractors included 23 Fiscal Intermediaries (Figure 2), 18 Carriers (Figure 3), five Durable Medical Equipment Regional Carriers (Figure 4), and four Regional Home Health Intermediaries (Figure 5), for a grand total of 50 contractors

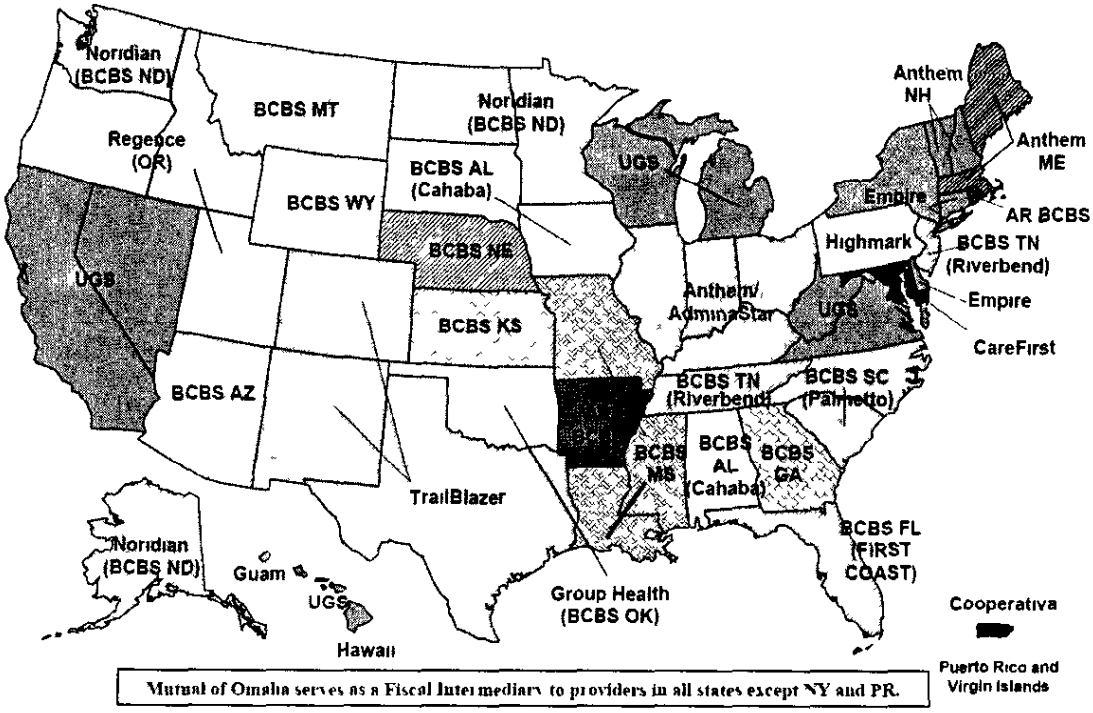

Figure 2. FY04 Fiscal Intermediaries

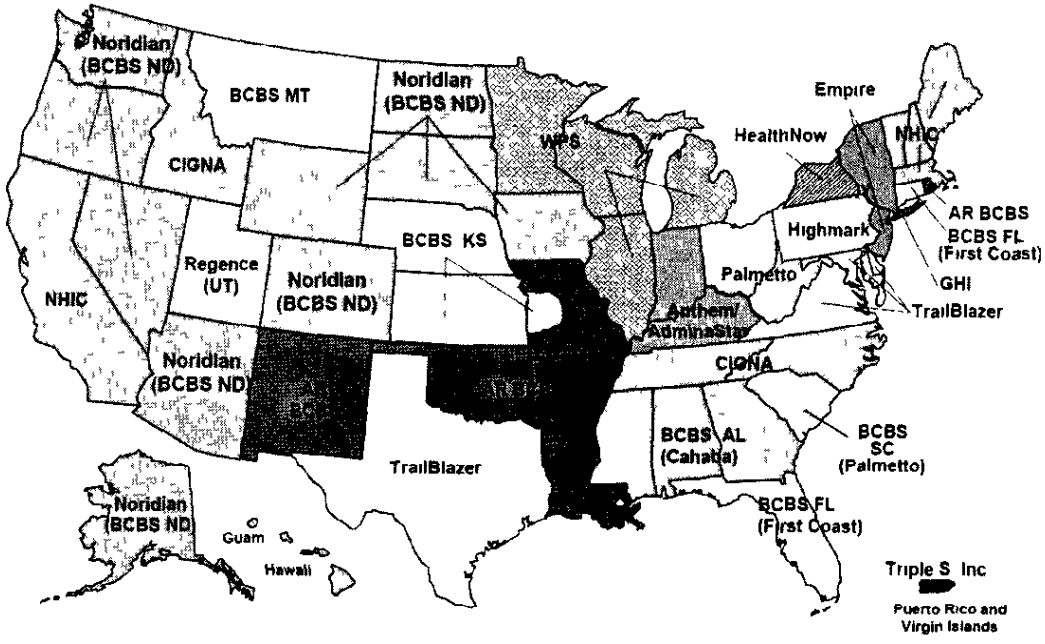

Figure 3. FY04 Durable Medical Equipment Regional Carriers

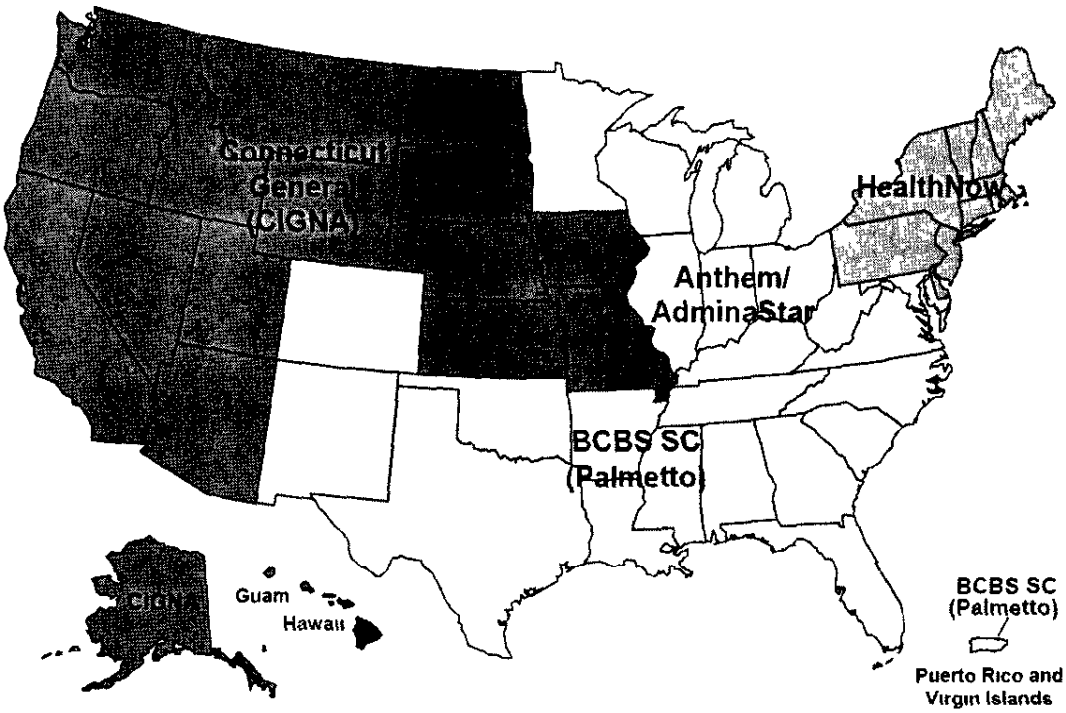

Figure 4. FY04 Durable Medical Equipment Regional Carriers

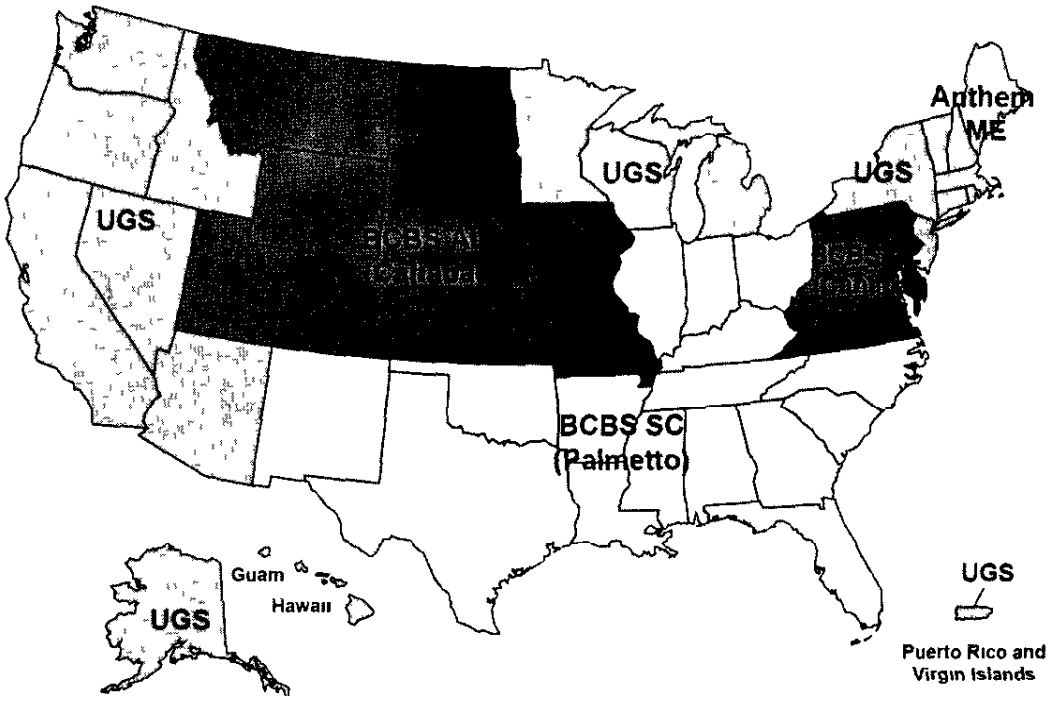

Figure 5. FY04 Regional Home Health Intermediaries

The MMA obligated CMS to use a competitive process to replace Fiscal Intermediaries and Carriers with combined entities called Medicare Administrative Contractors (MAC) by October of 2011 This consolidation will eventually result in 23 MACS, 15 of which will serve as combined Carriers and FIs, four which will serve as Durable Medical Equipment Regional Carriers (DMERC), and four which will serve as Regional Home Health Intermediaries (RHHI) Consolidation of MACs began in 2005 are expected to continue through at least 2009

4.3.2 Data Systems

Further complicating operations are data systems which document the administration and transaction of services During FY05, Medicare operated 15 data centers throughout the U S High level statistics indicate that during FY04, Medicare claims contractors

- Processed claims and customer service for about 36 of the 43 billion eligible beneficiaries
- Collaborated with approximately 1 1 million health care providers
- Processed more than 1 1 billion Medicare claims
- Paid more than $250 billion for beneficiary health care services
- Handled more than 6 million review requests and other kinds of appeals

In an effort to further standardize information systems and architecture, CMS issued a statement of work to solicit offers to validate an architecture concept These efforts are currently underway

4.4 Issues Related to the 1-800-MEDICARE Toll-Free Number

On 27 July 2004, CMS completed the deployment of the 1-800-MEDICARE number The service provided by this toll-free number has been under scrutiny over the last year by the Senate Committee on Aging and by the DHHS' Office of the Inspector General (OIG) The following sections describe the findings and questions raised from the two investigations

4.4.1 Senate Committee On Aging Investigation

The result of a two year investigation by Senator Gordon H Smith, ranking member of the Senate Committee on Aging, revealed that there exists a multi-month backlog to process disenrollment of beneficiaries from Medicare Advantage plans, and an inconsistency of information, an excessive wait time for callers, and frequent busy signals for eligible beneficiaries who call 1-800-MEDICARE Senator Smith's investigation uncovered issues in the processing of disenrollment requests when his staff was instructed to call 1-800-MEDICARE to seek information regarding the disenrollment process It appears that his team received inconsistent information

Further, when 23 calls were made during the lunch hour, between 12 05 p m and 12 30 p m , on Sunday June 17, 2007, Smith's staff received busy signals and "all circuits are busy" messages Those calls that were successfully completed, had an average wait time of 12 minutes, deemed excessive by Senator Smith On June 29, 2007, Smith relayed the investigation's findings to CMS and requested that CMS explain their processes for disenrollment, as well as explain call center operations for training agents and handling calls

4.4.2 DHHS OIG Study

In September of 2007, a study by the DHHS OIG indicated that the impact of the expansion of services offered by Medicare Part D and the implementation of the 1-800-MEDICARE number as the single point of access led to an increase in call volume, an increase in call center costs, a decline in customer service satisfaction, but an increase in callers getting their questions answered The changing landscape of service offerings make it difficult to discern if Medicare Part D or the single access point most directly impacted call volumes, call center costs, and customer satisfaction

The study used FY04 baseline data acquired during the week of April 12-16, 2004, prior to full transition to the 1-800-MEDICARE number, and compared it to FY06 data collected during January 22-26, 2007 In 2004, beneficiaries had the option of calling 1-800-MEDICARE or claims contractors directly After the final transition to 1-800-MEDICARE as the primary point of entry, the toll-free strategy required that beneficiaries call 1-800-MEDICARE to have their calls routed to the new Fee For Service (FFS) call centers Routing occurred based on the user's response to Interactive Voice Response (IVR) questions It is important to note that Medicare dedicated resources to improve the IVR system to enhance usability in response to a previous report issued by the OIG in 2005

After the transition to the 1-800-MEDICARE number, CMS experienced an increase in call volume and a decrease in the proportion of calls handled by contractors According to the OIG study, call volume increased from 29 million calls during FY04 to 49 million calls during FY06 This change in call volume more than doubled the cost to CMS, from $200 million in FY04 to $441 million in FY06 The report indicates that CMS associated the increase in call volume to the implementation of Medicare Part D, the changes that impacted Medicare Prescription Drug coverage in 2006 Moreover, CMS' two contracted call centers handled a greater proportion of the call volume in 2006 The 50 call centers operated by Carriers, FIs, and DMERCs, handled 44 percent of the call volumes in 2004 compared to only 14 percent in 2006

Callers also reported a decrease in customer satisfaction when comparing FY04 to FY06 Customer Satisfaction fell from 84 percent to 71 percent The beneficiaries surveyed expressed that their overall satisfaction was based on the following three elements

1 Finding the IVR easy to use

2 Receiving answers to their questions and all of the information they needed

3 Receiving answers to their questions as quickly as desired

Additionally, the users reported that they ran into difficulty using the IVR or were displeased with the wait time for Customer Service Representatives (CSRs) Callers expressed difficulty finding information using the IVR in 2007 and 2004 at the same rate of 44 percent In 2004, 32 percent felt that the IVR was too arduous to use, and again in 2007, 31 percent recounted that the IVR was not easy to use The abandon rate for callers also increased significantly, by 9 percent in 2006 In 2007, 66 percent of the 21 percent of callers who hung up believed that the wait time to speak with a CSR was too long In contrast, in 2004, only 6 percent hung up because the wait time to speak to a CSR was excessive Thirty-eight percent of the users who were interviewed in the OIG study agreed that the wait was too long

Other high level statistics describing the caller's experiences with the 1-800-MEDICARE IVR include the following

- 21 percent of callers stated that the IVR did not comprehend their spoken responses
- 37 percent expressed poor opinions of the IVR
- 18 percent shared a desire to speak with a live person
- Only 5 of 206 users successfully obtained an answer to their question from the IVR

Table 3 summarizes the findings of the OIG study

Table 3. Comparison of Call Volume, Cost, and Customer Satisfaction

	2004 Baseline Study	2007 Comparison Study
Toll-Free Strategy Description and Significant Programmatic Changes	• 1-800-MEDICARE is available • Direct access to FFS contractors is also available	• 1-800-MEDICARE is made the single point of entry for callers • Implementation of Medicare Part D • 2005 OIG Assessment of 1-800-MEDICARE given to CMS, CMS responds by directing resources to improve IVR
Total Call Volumes	29 million	49 million
% Handled by CMS Call Centers	66%	86%

	2004 Baseline Study	2007 Comparison Study
% Handled by FFS Call Centers	44%	14%
Total Cost to CMS	$200 million	$441 million
Customer Satisfaction	84%	71%
Abandon Rate	12%	21%

Based on the results of their research, the OIG delivered three recommendations to CMS in November of 2007 First, they recommended that CMS should revisit the amount of resources directed to enhancing the question-answering capabilities of the IVR Since only 5 of the 206 callers had their questions answered successfully using the IVR, OIG suggested that they consider shifting resources to support CSRs to resolve questions

Second, OIG advised CMS that callers should obtain all of the information that they needed One suggestion they provided was to have CSRs ask callers "if they had received all of the information they needed and if they could help them with anything else " The OIG also suggesting reviewing the training of CSRs and escalating unresolved calls to more skilled CSRs

Third, the OIG counseled CMS to seeks various approaches to lower caller wait times One idea involved incorporating call routing capabilities for callers to key in information while they were waiting for information Another suggestion involved reducing wait times by hiring more CSRs or by enhancing training to reduce the need for multiple calls, thereby reducing volumes, and shortening wait times

5.0 SOCIAL SECURITY ADMINISTRATION

The Social Security Administration (SSA), henceforth referred to as "Agency", is headed by a Commissioner and has a staff of over 65,000 employees within an organizational structure of 13 Deputy Commissioner Offices The Agency's central office is located in Baltimore, MD The field organization, which is decentralized to provide services at the local level, includes ten regional offices, six Program Service Centers (PSC), and over 1,500 Field Offices (FO)

The Agency's headquarters is located in Baltimore, MD consisting of a regional campus spread out over a dozen buildings The primary operating unit of the Agency is its Field Office This is where the public interfaces with the Agency's personnel These vary in size from a handful of users to several hundred users

5.1 Customer Service Environment

SSA provides a number of channels for citizens, businesses, and other government agencies to conduct and perform business with the Agency These channels include walk-in offices, telephone service, email, and the Internet A high level view of the various service delivery channels available to SSA customers is illustrated in Figure 6

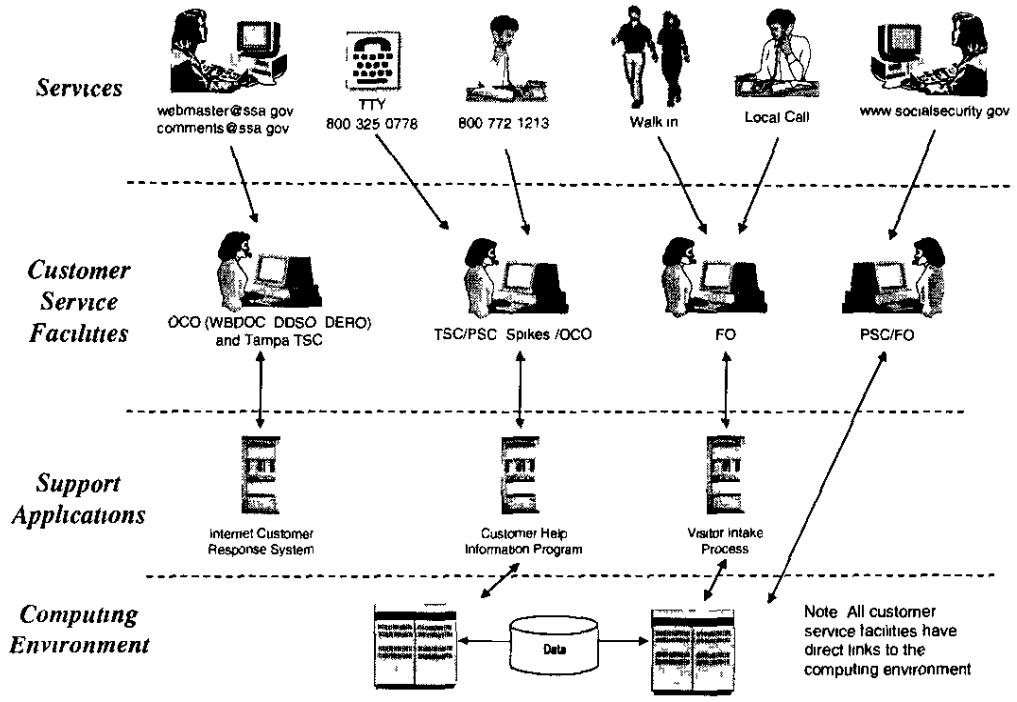

Figure 6. SSA Service Delivery Environment Overview

5.2 Toll-Free Strategy

For telephone inquiries from citizens, the Agency has set up a National 800 Number (N8NN) Service with the toll-free number, 1-800-772-1213 This service allows callers to speak to a Telephone Service Representative (TSR) on an advertised basis from 7 00 a m until 7 00 p m local time, Monday through Friday Live call coverage is offered on an unadvertised basis until midnight Eastern time Monday through Friday and from 8 00 a m until 3 30 p m on Saturdays and Sundays All callers have access to unadvertised hours of agent service Sunday through Friday Access to unadvertised agent service on Saturdays is currently limited to 13 states

The services available to N8NN callers include

- Apply for Retirement, Disability, or Spouse's Benefits
- Request a Social Security Statement
- Request a replacement Medicare card
- Request a replacement Social Security Benefit Statement (Form 1099)
- Request a Benefit Verification Letter
- Figure retirement, disability or survivors benefits
- Subscribe to ENews
- Find Social Security Forms

- Find a Social Security office
- Find publications
- Find other government websites
- Check benefits
- Address or telephone changes
- Establish or change deposit of benefit payments
- Request a replacement Social Security card
- Correct the name on your Social Security record
- Change the address on your Social Security record
- Discuss the rules for getting Social Security benefits
- Ask questions about payments or report a missing check
- Report a death
- Discuss overpayments
- Set up a plan for paying overpayments
- Discuss Representative Payee situations
- Request an appointment at a Social Security office
- Get phone numbers for other government agencies

Although SSA does not have a "vanity" number, it does have the single 800-772-1213 number for citizens to call for all customer service functions

5.3 Call Centers

The Agency uses its own staff to perform the call center agent functions, there are over 7,023 employees trained to answer N8NN telephone calls at several locations including the TeleService Centers (TSC), Program Service Centers (PSC), the Division of Earnings Record Operations, and the Wilkes Barre Data Operations Center

The estimated call volumes (rounded up to the nearest 1,000) to the N8NN service for FY07 are given in Table 4

Table 4. N8NN Call Demand

Metric	FY07 Estimate
Calls Offered	70,129,000
Calls Received	67,422,000
Calls Handled by Agents	44,645,000
Calls Handled by Automation	13,967,000
Emails	687,000

Sample operations metrics (from FY04) for the N8NN Service are given in Table 5

Table 5. Sample N8NN Service Operations Metrics

Metric	FY04 Actual
Calls Offered (Automatic Number Identification [ANI])	71,301,770
Average Speed of Answer	250 seconds
Average Call Handle Time	399 7 seconds
Average Talk Time	305 9 seconds
Percent of callers who get through to 800-number on first attempt	94 2 percent

5.4 Customer Service Surveys

Customer satisfaction surveys are conducted on a yearly basis by the Agency on many aspects of its customer facing operations

In the FY03 customer survey results, the N8NN service received an 86 percent overall satisfaction rating with 76-85 percent satisfaction rating on the times to get through and being on hold Eighty one percent of the survey respondents found the automated menu system easy to use In terms of live versus automated service, 33 percent chose automated service with the top automated service selections being local office address, social security card and social security statement

In the same survey, 77 percent of callers who had initially selected an automated service subsequently decided to speak to a representative during the same call Altogether, 93 percent of callers opted for live service at some point during the call Sixty one percent of the callers indicated that they would call the 800 number for their next social security contact and 63 percent stated that the preferred hours of service would be 7 00 a m – 7 00 p m on weekdays

6.0 THE INTERNAL REVENUE SERVICE

The Internal Revenue Service' (IRS') mission is to "Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all " The IRS Services and Enforcement division, which is responsible for achieving the IRS' mission and goals, is divided into four business operating divisions to match the segmentation of the American taxpayer community The operating divisions are Wages and Investment (W&I), Small Business/Self Employed (SB/SE), Large and Mid-size Business (LMSB), and Tax Exempt and Government Entities (TE/GE) The following sections describe the IRS's business operations and their toll-free strategy

6.1 Operating Environment

Wages and Investment, the largest division, serves over 120 million individual taxpayers including taxpayers that file jointly Most taxpayers that contact this division pay taxes through withholdings, prepare their own taxes or use a paid preparer, and receive refunds The W&I division provides taxpayers and practitioners information and assistance in

meeting their tax obligations, answering pre and post filing account related questions, resolving issues with the status of their returns, and administering electronic information exchange between the IRS, taxpayers, and third parties

The SB/SE division serves approximately 55 million taxpayers including full or partially self-employed taxpayers and small businesses with assets less than $10 million In addition to the individual and business tax returns, SB/SE also handles the more complex employment tax, excise, estate and gift, and trust returns The SB/SE also shares the responsibilities of the other three Business Divisions

The LMSB Division serves more than 200,000 large corporations and partnerships with assets exceeding $10 million Since these corporations deal with large number of employees and huge assets, their returns are typically complex

The TE/GE serves approximately three million customers including state governments, Indian tribal governments, and large universities The TE/GE division is further subdivided into three business units Employee Plans, Exempt Organizations, and Government Entities Together these entities control over $8 trillion in assets and pay over $300 billion in employment tax and income tax withholding

6.2 Toll-Free Strategy

Taxpayers contact the IRS via different channels, correspondence (postal mail, fax), telephone, walk-in centers, and the IRS website By far, the telephone continues to be the main means of communications for the taxpayer community

To handle the millions of calls that IRS receives every year, the IRS operates a large, multi-site contact center environment with contact centers distributed across the country The IRS has provided several different toll-free numbers for its individual taxpayers, businesses, tax professionals, and third parties to interact with the IRS However, the primary lines of business are the W&I Tax Help Line for Individuals, the Business and Specialty Tax Line, and the Refund Hotline Individuals and businesses responding to a Notice, Letter, or a Bill received from the IRS are given different toll-free numbers to call These are the Individual Customer Response Line and the Business Customer Response Line

Two other toll-free numbers commonly used are the TeleTax Topics and Refund Status, and National Taxpayer Advocate (NTA) Help Line The TeleTax Line is completely automated with calls ending in a courtesy disconnect, except for the calls for refund status which are transferred to the Refund Hotline Individuals and businesses with economic difficulties, or those that have other unresolved issues with the IRS in meeting their taxpayer obligations, may call the NTA help line

The IRS does not offer toll-free numbers by its operating segment but by the function or service sought by its customers The single toll-free number for individuals is 800-829-1040, and for businesses it is 800-829-4933 Individuals who call the main toll-free line to find the status of their refund are referred to the Refund Hotline However, businesses

that call the Individual Tax Help Line are transferred to the Business and Specialty Tax Line The following table lists the main toll-free numbers and the service types for IRS customers within the US The IRS also provides a toll-free number for the hearing impaired - the Telephone Device for the Deaf (TDD) number listed in Table 6

Table 6. IRS Toll-Free Numbers

Service	Telephone Number
IRS Tax Help Line for Individuals	800-829-1040
Business and Specialty Tax Line	800-829-4933
Refund Hotline	800-829-1954
TeleTax Topics and Refund Status	800-829-4477
Forms and Publication	800-829-3676
Telephone Device for the Deaf (TDD) Forms, Tax Help, TAS	800-829-4059
Individual Customer Response Line	800-829-8374
Business Customer Response Line	800-829-0115
National Taxpayer Advocate Help Line	877-777-4778
Electronic Federal Tax Payment System	800-555-4477
Practitioner Priority Service	866-860-4259
e-Help (Practitioners Only)	866-255-0654
Government Entities (TE/GE) Help Line	877-829-5500
Forms 706 and 709 Help Line	866-699-4083
Employer Identification Number (EIN)	800-829-4933
Excise Tax and Form 2290 Help Line	866-699-4096
Information Return Reporting	866-455-7438
Terrorist Act or Combat Zone Special Hotline	866-562-5227

The IRS also provides access numbers to taxpayers outside of CONUS in selected countries, the countries and the phone numbers are listed in Table 7

Table 7. IRS International Access Numbers

Country	Telephone number
Germany	[49] (69) 7535-3834
England	[44] (207) 894-0476
France	[33] (01) 4312-2555
Puerto Rico	(787) 622-8929

Although the IRS does not have a single toll-free vanity number, the Individual Tax Help Line could be considered a vanity number (or partial vanity) since it is advertised as 800-TAX-1040 The other toll-free vanity number is the number for ordering forms is 800-TAX-FORM In fact, all of the toll-free numbers that end with "TAX" could be considered partial vanity numbers

7.0 PRIVATE HEALTHCARE ORGANIZATIONS

This section reviews the toll-free strategy for United Healthcare, Blue Cross Blue Shield, Aetna, and Kaiser Permanente These organizations were selected because they fit one or more of the following criteria

1 The organization has a business model similar to TRICARE

2 The organization represents a significant portion of the market share in managed care which tends to yield more complex business operations

3 The organization has an integrated business model

The following sections provide an overview of the operating environment and toll-free strategy for the selected healthcare companies

7.1 United Healthcare

United Healthcare is a private managed healthcare company that has the greatest revenue in the healthcare sector with 9 5 percent of the market share The company offers health insurance to individuals and families throughout the United States

7.1.1 Toll-Free Strategy

United Healthcare's toll-free customer service strategy is primarily state-based, national numbers are used for general information and for service providers United Healthcare's website presents customer service phone numbers by state, then further refines options by customer segment Members are also referred to toll-free numbers publicized on the back of their United Healthcare membership card There is no enterprise level toll-free number for members

Phone services offered by each state vary some states provide members with toll-free numbers while others states supply local telephone numbers Additionally, the type of assistance varies within each state For example, the toll-free customer service number in Alabama answers questions regarding the purchase or cancellation of healthcare insurance, billing, claims, or consumer prescription drug cards In comparison, the California toll-free number offers the same services as Alabama and also includes expanded assistance that allows members to find a doctor, get health information, or speak to a nurse to address clinical concerns As an example of United Healthcare's state-based strategy, Table 8 provides the set of numbers publicized for the state of Alabama

Table 8. United Healthcare Main Toll-Free and Local Numbers for Alabama

Purpose	Toll-Free Number
Alabama Main	Toll-Free Phone 800-345-1520 Hearing Impaired Phone 800-343-2399

Purpose	Toll-Free Number
Customer Service	Alabama - Medicare Toll-Free Phone 800-945-0150 Hearing Impaired Phone 800-945-0146 Alabama – Consumer Toll-Free Phone 800-239-3215
Employer Groups	Alabama - Employer - Group Sales Toll-Free Phone 800-945-0130 Fax Number 205-977-6770 Alabama - Employer - Group Sales Toll-Free Phone 800-945-0130 Fax Number 205-977-6770
Individual Sales	Golden Rule Insurance Main Phone 888-545-5205
Network Management	Alabama Network Management Toll-Free Phone 800-521-2603 Alabama - Physician/Network Management Toll-Free Phone 800-251-2603 Fax Number 205-977-6770 Alabama - Physician/Network Management Toll-Free Phone 800-239-3215 Fax Number 205-977-6770
Brokers	Alabama Broker Group Sales Address 3700 Colonnade Parkway, Birmingham, AL 35243 Main Phone 205-977-6437 Toll-Free Phone 800-239-4158

7.2 Blue Cross Blue Shield

The Blue Cross and Blue Shield Association (BCBSA) is a national federation of 39 independent, community-based, and locally operated Blue Cross and Blue Shield companies The 39 local member companies of the Blue Cross and Blue Shield Association provide healthcare coverage for more than 99 million people nationwide Because BCBSA is the trade association for the Blue Cross Blue Shield companies, customers need to contact their local Blue Cross Blue Shield company to help with customer service inquiries regarding health insurance coverage, benefits, or treatment

7.2.1 Toll-Free Strategy

Similar to United Healthcare, BCBS members access information using toll-free numbers that are segmented by state, customer type, and function There is no enterprise level toll-free number Members are also pointed to the specific customer service number on the back of their membership card This method is replicated for each of the independent and locally operated BCBS companies The toll-free numbers for BCBS of California are listed in Table 9

Table 9. Blue Cross of California Main Toll-Free Numbers

Purpose	Number
Blue Cross of California Members	Specific customer service number is listed on Membership card
Individual and Family Coverage (if your coverage is not associated with an employer)	800-333-0912
Individuals with Medicare Supplements	800-333-3883
Senior Secure HMO Subscribers	800-230-7338
Small Group Coverage (if your coverage is through a company with 50 or fewer employees)	800-627-8797
Large Group Coverage (if your coverage is through a company with 51 or more employees)	800-999-3643
New Enrollment for Individuals and Families	800-777-6000
New Enrollment for Groups of 1-50 Employees	800-999-2273
New Enrollment for Individuals with Medicare	800-765-2585
Web Site Technical Assistance	800-632-1321

7.3 Aetna

Aetna is the third largest healthcare insurance company in the United States with 3 8 percent of the revenue generated in the private sector Aetna provides a variety of traditional and consumer directed health insurance products and services including medical, pharmacy, dental, behavioral health, group life, long-term care, and disability plans

7.3.1 Toll-Free Strategy

Of all of the organizations researched, Aetna provided the least amount of information regarding the toll-free strategy Information on their website referred members to their respective toll-free Member Service number on the back of their membership card Non-members were referred to a sales number, 800-MY-Health, with representatives available from 8 00 a m to 8 00 p m , EST There is no enterprise level toll-free number Table 10 contains the two methods of accessing Aetna's healthcare service

Table 10. Aetna Main Toll-Free Numbers

Purpose	Number
Coverage Questions for Members	Call the number on your ID card
Sales/All Others	1-800-MY-Health

7.4 Kaiser Permanente

Kaiser Permanente is an integrated managed care organization and is a parent entity consisting of three elements health plans, hospitals, and physician groups The integrated model provides their members with a seamless view of the three elements Kaiser Permanente's a national office is in Oakland, California and health services are provided in eight regions throughout the United States

7.4.1 Toll-Free Strategy

Kaiser Permanente segments their toll-free strategy by region, function, and customer segment Each region has its own toll-free numbers, there is no enterprise level toll-free number For example, in California, members are provided multiple numbers as illustrated in Table 11

Table 11. Kaiser Permanente Northern California Region Toll-Free Numbers

Purpose	Number
Health Advice, Appointments	Advice/medication assistance/messages 510-752-1200 Appointments 510-752-1200 Cancellation recorder (24 hours) 510-752-6577
Member Services (Claims, Benefits, Enrollment, Advance Directives)	Monday through Friday, 7 00 AM to 7 00 PM, Saturday and Sunday, 7 00 AM to 3 00 PM Toll-Free English 1-800-464-4000 Toll-Free Spanish 1-800-788-0616 Toll-Fee Chinese dialects 1-800-757-7585 Toll-Free TTY 1-800-777-1370
Health Plan Coverage	Kaiser Permanente coverage for individuals, families, and the self-employed You may also call a Kaiser Permanente representative at 1-800-207-5084 Steps Plan If your income is too high to qualify for federal or state-funded programs, the Steps Plan provides the opportunity to grow into an affordable health plan For Child Health Plan-I and the Steps Plan, you may also call a Kaiser Permanente representative at 1-800-464-4000 Medicare Plans Toll-Free 1-800-579-7085 Toll-Fee Spanish 1-800-395-5655 Toll-Free TTY 1-800-777-1370
Technical Questions	1-800-556-7677, 7 00 AM to 7 00 PM PST on business days and 7 00 AM to 3 00 PM PST on Saturdays

Each of the eight regions also operates its own call centers For example, there are two call centers in Northern California and two call centers in the Mid-Atlantic region

8.0 AUTOMOBILE INSURANCE

This section reviews the toll-free strategy for State Farm and Allstate Each of these companies in the automobile insurance industry provides multiple products and services to individuals and has frequent and multiple customer touch points Both State Farm and Allstate were selected because they comprise the greatest revenue, and as such tend to yield more complex business operations, making their comparisons relevant to TRICARE The following sections describe each organization and provides details on their toll-free strategy

8.1 State Farm

State Farm Companies are insurance and financial services organizations In automotive insurance, State Farm holds 18 percent of the market and their services include insurance (auto, home, life, and health), mutual funds, and banking (basic accounts, credit cards, gift cards, loans, online banking) State Farm operates in 13 regions each with 1-3 central offices and many agent offices and banks which provide the services in each region

8.1.1 Toll-Free Strategy

State Farms' toll-free numbers are offered by geographic location, customer segment, and function For automobile insurance, State Farm provides a service called the "24 Hour Good Neighbor Service" where members call their local agent for help 24/7, the local number is listed on the policy holder's membership card If the local agent office is closed, the call is routed to a call center where customer service representatives assist callers There is no enterprise level toll-free number

For banking, State Farm offers members a single vanity toll-free number (1-877-SF4-BANK) and a TTY number 24/7 If members are having technical problems or need assistance at the web site, there is a support line that provides technical support Table 12 lists the main toll free numbers

Table 12. State Farm Toll-free Numbers

Purpose	Hours	Number
24 Hour Good Neighbor Service	24/7	Member call their local agent based on zip code
State Farm Bank Toll-Free	24/7	1-877-SF4-BANK/1-877-734-2265 For TTY Bank Customers Only 1-866-TTY-4SFB/1-866-889-4732
Technical Support	24/7	1-888-559-1922

8.2 Allstate

Allstate Insurance Company holds 11 percent of the auto insurance market, making them the second largest revenue capturing auto insurer after State Farm Similar to State Farm, Allstate sells various types of insurance products in addition to automobile such as homeowners insurance The company also sells retirement, investment, and banking products Allstate's headquarters are in Northbrook, Illinois and the company has 14 regional offices

8.2.1 Toll-Free Strategy

Allstate offers prospective and current policy holders four main toll-free numbers segmented by function a 24/7 vanity line (1-800-ALLSTATE) to answer general questions and respond to new sales, a toll-free number to provide auto insurance quotes, a toll-free line to provide potential members with auto insurance estimates, and a specific toll-free number to address car insurance questions for their Bumper-to-Bumper Basics product These numbers are listed in Table 13

Table 13. Allstate Toll-Free Numbers

Purpose	Number
General Questions	1-800-ALLSTATE
Car Insurance Quote	1-866-621-6900
Car Insurance Ballpark Estimate	1-866-621-6900
Bumper to Bumper Basics Information	1-800-427-1159

9.0 PERSONAL BANKING

This section describes the toll-free strategies of the Bank of America and Citicorp, two of the largest personal banking companies in the United States Both Bank of America and Citibank offer a wide range of products and services and customers make frequent contacts through multiple channels A description of each organization including their toll-free strategy, is described in the following sections

9.1 Bank of America

Bank of America is a global commercial bank that offers a wide breadth of services to personal banking customers such as checking and savings accounts, credit cards, loans, mortgages, home equity, insurance Bank of America has over 5,700 retail offices and 17,000 Automated Teller Machines

9.1.1 Toll-free Strategy

A vast banking enterprise such as Bank of America requires a large amount of toll-free numbers to provide services and to answer a wide range of questions from its customers Since Bank of America is a global company, numbers are first segmented by territory In the Canada and the United States, Bank of America offers toll-free numbers for their 47 departments, each department having multiple numbers These 47 departments are segmented by product type and function and do not offer vanity numbers for customers Table 14 contains some of the main toll-free numbers for personal banking services

Table 14. Bank of America Toll-Free Numbers

Purpose	Number
Checking, Savings	1 800 432 1000 (Domestic) 1 800 622 8731 (California) 1 800 442 6680 (Idaho, Washington)
Credit Card	1 800 732 9194 (Domestic) 1 757 677 4701 (International Collect)
Online Banking Technical Support	1 800 933 6262 (Domestic) 1 800 792 0808 (California) 1 866 399 0122 (Idaho, Washington)
Mortgage	1 800 285 6000 (Existing Customers) 1 888 293 0264 (New Customers)

Purpose	Number
Home Equity	1 800 934 5626 (Existing Customers - All States except California) 1 800 621 1044 (Existing Customers - California Only) 1 800 292 0264 (New Customers)
Personal Loans	1 888 457 2543 (Domestic)
Vehicle Loans	1 800 215 6195 (Domestic)

Although there is no single enterprise level toll-free number for Bank of America, most business segments do have a single toll-free number

9.2 Citibank

Citibank is a large international bank, which forms both the consumer and corporate banking divisions of the Citigroup financial services organization Citibank offers banking, credit card, loans, mortgages, home equity, and insurance services There are locations in over 100 countries

9.2.1 Toll-Free Strategy

Citibank offers products by territory, product, customer segment, and request type Each territory has a set of toll-free numbers for clients and potential customers For example, in the United States and Canada, there exist seven regular toll-free and five TTY toll-free numbers which direct customers to different lines based on function Citibank also offers 14 product categories for personal banking products and have respective toll-free regular and TTY numbers for each, a sample of these are listed in Table 15

Table 15. Citibank Main Toll-free Numbers

Purpose	Number
Online Support	1-800-374-9700 (TTY 1-800-788-0002)
Account Information	1-800-627-3999 (TTY 1-800-945-0258)
Bill Payments	1-800-374-9700 (option #2) (TTY 1-800-788-0002)
ThankYou® Network	Enrollment 1-800-374-9700 Redeeming Points 1-877-7REDEEM
Citi Credit Cards – Lost or Stolen	1-800-950-5114 (TTY 1-800-325-2865) Outside the U S 1-605-335-2222 (call collect)
Bank en Español	1-800-374-9700 (TTY 1-800-788-0002)
Outside the US – Canada, Puerto Rico	1-210-677-0065 (call collect)

Although there is no single enterprise level toll-free number for Citibank, most business segments do have a single toll-free number

10.0 BEST PRACTICES AND PERFORMANCE INDICATORS

10.1 Best in Class Call Center Goals

Call centers vary widely in their mission, size, budgets, etc , however, there are common goals that a study on the *Next Generation Contact Center* concluded that best in class call centers strive to meet These goals, which are very relevant to the TRICARE service environment, include

- Leverage customer intelligence by obtaining real-time customer feedback and internalizing customer segmentation and differences
- Use technology strategically by considering enterprise priorities
- Offer consistent and seamless customer experiences
- Recognize that change management is a core competency
- Use thorough methods for quality assurance
- Measure what matters
- Treat partner call centers as an extension of themselves

10.2 Key Performance Indicators

In this section, best practices for measuring the performance of call centers are defined and are compared to the standards contained in the TRICARE Operations Manual (TOM) and the new T3 Request for Proposal (RFP)

According to the *2007 Call Center Best Practices Report* issued by Centerserve, the call center Key Performance Indicators (KPIs) that should be monitored include

- Service level (percent of calls answered within a defined period of time)
- Abandon rate (hang up rate of callers)
- Average speed of answer
- Average handle time
- Call volume
- Customer service quality

The report by Centerserve also identified performance goals and actual performance levels for a variety of market segments

The TOM sets specific performance goals for telephone inquiry processing standards and defines the reports required from the support contractors, some of which include the KPIs above The TOM is currently being updated to be consistent with the specifications in the new T3 While some of the performance parameters have been revised in the new

version of the RFP, the basic performance and reporting requirements for telephone inquiry services have not been significantly modified

The following subsections describe the goals and performance levels commonly used for the following KPIs service level, abandon rate, average speed of answer, and average handle time Where available, we have compared the industry averages to performance goals outlined in the T3 RFP

10.2.1 Service Level

Industry service level goals and actual performance are compared to the standards set forth in the TRICARE T3 RFP in Table 16

Table 16. Service Level Goals and Actual Performance

	Average Service Level Goal	Average Service Level Performance	Calls Answered Within x Seconds Goal
TRICARE	90 0 percent		30
Government	83 6 percent	79 6 percent	50 5
Healthcare	84 0 percent	77 8 percent	50 5
Insurance	80 0 percent	71 3 percent	51 5
Banking	82 5 percent	84 5 percent	27 5

TRICARE's service level performance goal in the T3 RFP is more rigorous than the industry averages, with a service level of 90 percent of calls answered within 30 seconds While banking has a shorter time period to answer calls, 27 5 seconds, their performance level is lower at 82 5 percent

10.2.2 Abandon Rate

The abandon rate metrics include the abandon call rate and the average wait time before a caller abandons These metrics are not required by the T3 RFP Table 17 presents the goals and actual performance levels by industry for the abandon rate

Table 17. Abandon Rate Goals and Actual Performance

	Goal	Average Performance
Government	5 5 %	10 6%
Healthcare	4 1%	9 0%
Insurance	4 5%	5 5%
Banking	3 9%	3 3%

While performance goals by industry vary by less than two percentage points, actual performance varies considerably The government sector has the highest abandon rate at 10 6 percent and banking has the lowest abandon rate at 3 3 percent

Table 18 contains the goals and actual performance by industry for the average wait time before a caller abandons The average wait time before a caller abandons indicates that callers for healthcare and insurance organizations often wait close to four minutes before hanging up Callers for government and banking wait just under one minute before abandoning their call Interestingly, the sectors with the longest wait time before abandon, healthcare and insurance, have performance goals much lower than the actual average abandon time Banking appears to have most closely matched its goals to its actual performance

Table 18. Wait Time Before Abandon Goals and Actual Performance

	Goal (seconds)	Average Performance (seconds)
Government	128	48
Healthcare	120	255
Insurance	191	246
Banking	41	45

10.2.3 Speed of Answer

The goal for the average speed of answer varies from 61 seconds for the government sector, to 28 seconds for banking While the goals vary significantly, actual performance indicates that most calls take approximately a minute to answer except for banking which has the lowest average answer speed of 31 seconds Table 19 contains the industry goals and actual performance for the average speed of answer

Table 19. Average Speed of Answer Goals and Actual Performance

	Goal (seconds)	Average Performance (seconds)
Government	61	65
Healthcare	33	64
Insurance	42	57
Banking	28	31

10.2.4 Average Talk Time

The average talk time goals are shortest for the banking sector and longest for the healthcare industry Table 20 contains the goals and actual performance by industry for the average talk time

Table 20. Average Talk Time Goals and Actual Performance

	Goal (seconds)	Average Performance (seconds)
Government	177	178
Healthcare	287	333
Insurance	238	221
Banking	171	170

The large differences in average talk time indicate that the complexity of the queries and the required actions to satisfy a customer can vary significantly across the different sectors In this respect, classifying government as a single sector is misleading, since SSA and IRS are quite different from TRICARE and Medicare in terms of call types

10.2.5 First Call Resolution Rate

One measurement of customer service includes the first call resolution rate Table 21 compares the goal defined in the T3 RFP and the goals and actual performance levels by various industries

Table 21. First Call Resolution Goals and Performance Rates

	Average First Call Resolution Rate Goal	Average First Call Resolution Rate Performance
TRICARE	85%	
Government	81%	67%
Healthcare	78%	65%
Insurance	87%	73%
Banking	82%	76%

The T3 first call resolution rate goal is slightly higher than the average performance objective for the government, healthcare and banking sectors, and just two percent below the insurance sector

10.2.6 Frequency of Customer Satisfaction Measurement

Table 22 indicates how often the companies surveyed in the Centerserve report measure customer satisfaction

Table 22. Frequency of Customer Service Measurement

Measurement Interval	Percent of Companies
Yearly	21%
Quarterly	16%
Monthly	18%
Continuously	32%
Other	13%

10.2.7 Changes with the Most Impact to Customer Service

The companies surveyed in the Centerserve report indicated which changes most greatly improved their customer service The top four changes, in rank order are

- Improvements in technology through the use of routing tools such as IVR or ACD, workforce management tools, and Customer Relationship management (CRM) applications

- Management and process changes that employed new contact methods and call routing (i e , skills based routing)
- Workforce scheduling and staffing improvement that enhanced access through expanded hours of operation, increased staff, and the use of workforce management tools to improve scheduling
- Improved focus on performance and metrics included stronger performance goals for speed of service and resolution rate

10.2.8 Changes with the Most Impact to Costs

The companies surveyed in the Centerserve report indicated which changes had the greatest impact on lowering their costs The top five changes, in rank order are

- Improvements in technology through the use of routing tools such as IVR, Voice over Internet Protocol (VoIP), workforce management tools, and web and self service options
- Workforce scheduling and staffing improvement that included improved scheduling, use of cross trained staff, reduction in the number of full time agents
- Company or call center reorganizations that improved efficiency included addition of new management positions and the consolidation of departments and sites
- Improved focus on metrics and performance involved measuring achievement through metrics and goals
- Management and process changes that addressed streamlining call flows and procedures to improve efficiency

10.3 Contact Center Technology Trends

Based on Noblis' review of industry trend reports, the technology trend that is most applicable to TRICARE's toll-free strategy is the adoption of self service applications with emphasis on advanced speech recognition technologies in deploying call steering/call screening applications

Self-service Applications - Contact centers will continue to leverage methods to migrate contacts to lower cost channels Increased web self-service initiatives will continue to dominate as the lowest cost self-service channel Advancements in speech recognition, lower cost of entry, and increased customer acceptance will significantly increase the industry's adoption of speech self-service applications Dimension Data's recent study, which surveyed 403 contact centers worldwide, reported that 25 percent plan to install speech recognition systems, 19 percent plan to introduce text-to-speech technologies, and 13 percent plan to implement voice authentication/verification systems

Natural Language Speech Recognition (NLSR) can be considered the highest tier in the class of Automated Speech Recognition (ASR) capabilities Simple touch tone replacement (e g , "press or say") and directed dialogue applications (e g , address

change) are widely deployed and proven examples of ASR These applications are designed to provide options to callers and recognize only a limited amount of information during each caller utterance (e g , "Yes"/"No", "Claim Status," "Branch Hours") NLSR refers to a class of speech recognition applications where the caller input is significantly less constrained, these types of applications are less mature than traditional ASR, and are currently limited to call steering/call screening applications in production deployments

Noblis' review of the recent industry trends also identified the following key contact center technology trends that may impact TRICARE's ability to implement features/applications in the future customer service environment

VoIP/IP Telephony - VoIP and Internet Protocol (IP) Telephony are enabling enterprises and contact centers to adopt a centralized and more flexible architecture for their technology deployment, and adopt a more standards based and software centric model that improves telephony and data application integration With increased user acceptance and product maturity, large, multi-site contact centers are adopting this transition due to their ability to immediately leverage the consolidation and deployment flexibility benefits of VoIP/IP Telephony This architecture will simplify integration of new capabilities such as CTI, and other media (e g , email, chat, and co-browse) The majority of organizations with IP contact centers plans are expected to transition their contact centers within the next two years

Multiple Channel Integration - As customers keep abreast with the latest advances in technology, and organizations try to reach out to a larger customer base, organizations are finding it essential to keep up with these technological advances to provide better support to their customers Email is considered to be one of the fastest growing channels in contact centers and could potentially become a high volume channel in the future While the younger generation may prefer to use electronic channels such as email, chat, co-browse, and text messaging, the older generation may continue to use the traditional means such as phone and white mail In order foi businesses to provide consistent and excellent customer service across all channels, companies will start planning integration of these new communication channels into their existing network

Single View of the Customer - Servicing customer requests by navigating across multiple, disparate applications have always been a deficiency for the contact center As organizations continue to transition their application infrastructure towards a web centric Services Oriented Architecture (SOA), contact centers are leveraging this opportunity to consolidate the agent's desktop into a single application for viewing customer contact information across multiple backend information sources and contact channels Yankee Group reported that more than 65 percent of agents use at least three applications and over 25 percent use at least five applications with a majority of agents stating valuable time lost in assisting customers with information dispersed across multiple applications

Performance Management and Analytics - Contact centers are developing metrics strategies and implementing reporting and analytical capabilities to better understand customer behavior by customer segment, and improve contact center performance management The performance management market is expected to grow by 27 5 percent in 2007 and 25 percent in 2008 (DMG Consulting)

Performance Management (PM) is an overarching strategy for managing organizational goals and performance through measuring KPIs The ability to measure both customer behavior and preferences and the contact center's performance in meeting workload demands and customer expectations is a critical component in improving service delivery For the contact center, PM brings to bear capabilities such as quality monitoring, work force management, integrated reporting and analytics to develop a holistic view of the customer's behavior, and the center's performance, and maps the contact center centric KPIs to the organization's overall KPIs This capability will enable the contact center to characterize metrics such as first call resolution rates, actual inquiry/transaction types, and correlate customer interactions (e g , inquiry types, channel use, self-service rates) with customer demographics

Virtual Contact Centers - In pursuit of greater efficiencies, lower agent attrition rates, and expanded full time and part time labor pools (geographically and time of day), contact centers will continue to integrate remote/home agents concept into their operation Continued adoption of VoIP will reduce the telecom/technology cost and complexities, and further promote this concept A recently published CDW telework report (2007) stated that the public sectors adopt teleworking at a faster rate than the private sectors Agent productivity of home based agents was also reportedly higher than agents in a call center

11.0 FEASIBILITY ASSESSMENT OF THE IMPLEMENTATION OF A TRICARE ENTERPRISE TOLL-FREE ACCESS SOLUTION

Noblis analyzed TRICARE's existing contact center business model and technology infrastructure, and identified several alternatives for implementing a single, enterprise level, toll-free access mechanism for TRICARE beneficiaries Each alternative introduces its own set of user benefits, limitations, and costs Noblis has determined that the alternatives described here are technically feasible, however, the overall financial feasibility of implementing a single toll-free access number for TRICARE beneficiaries is dependent on TRICARE's assessment of the delivered business benefits as compared to the life cycle costs

The Noblis analysis of the TRICARE enterprise toll free alternatives assumed that each alternative would operate within the context of the existing call center services offered by TRICARE's contractor organizations Noblis narrowed the list of candidate options down to two main alternatives for in-depth assessments

Figure 7 shows the common enterprise architecture components applicable to both of these alternatives In both alternatives, incoming calls to the TRICARE enterprise toll-free number are routed by the carrier network to a network based IVR function The network IVR interacts with the caller, and based on the caller's response, transfers the call to the applicable TRICARE call center service contractor using the network transfer connect feature The transferred call may be sent to one of several destinations (e g an MCSC Call Center, or the TDP call center, etc)

The first alternative determines the routing destination of the call center service contractor by prompting the caller and analyzing the response using a directed dialogue speech application The second alternative augments this routing capability with the caller's eligibility and benefits related information through a query of the DEERS database using the caller's Social Security Number (SSN) Both alternatives are configured as a shared "IVR resource" imbedded in a carrier's network and offered to TRICARE as a carrier service Such network based toll-free call services are described and priced as "Toll-free Services" (TFS) in GSA's Networx contract Section 11 1 describes both of these alternatives in greater detail, including a high level example of the associated caller interaction Section 11 2 presents details of the pricing structure and the life cycle cost of each alternative

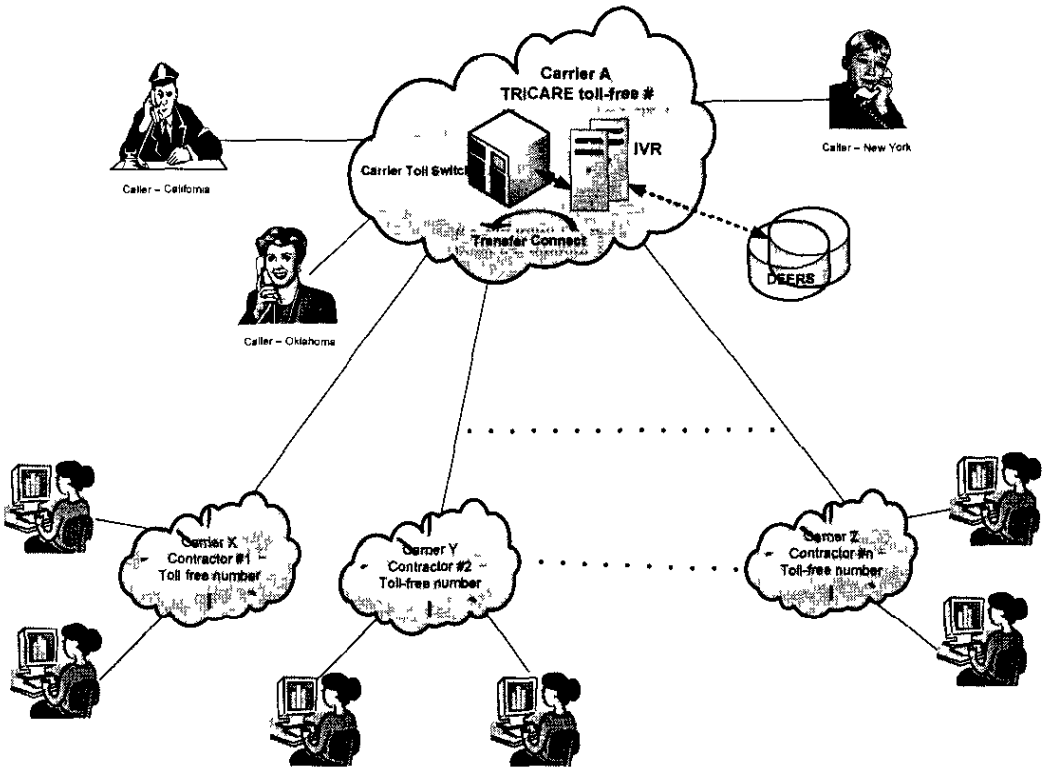

Figure 7. High Level Architecture for TRICARE Enterprise Toll-Free Access

Noblis did consider two other potential alternatives but excluded them from the in depth analysis, as they were assessed to provide little business benefit and included significant deficiencies The first option excluded from the final analysis, implemented a call prompter configuration similar to the one used for the current service offered by TIS (see Deliverable 9 0, "Current TRICARE Environment" for details) This solution establishes a single TRICARE toll-free number and presents incoming calls with a network IVR capability, using touch tone prompting, that only provides callers with informational messages directing them to call the appropriate contractor's toll-free number This option eliminates the TIS call center agent pool, calls that do not have a clear routing option based on user selections, would be routed to a message that gives the responsible MCSC's call center contact number based on the caller's area code and exchange as provided in the call's Automatic Number Identification (ANI) information While this is an economically attractive option, it provides little customer value and could lead to significant caller dissatisfaction This option requires callers to first navigate through a complex and lengthy IVR menu, only to then hang up and redial the destination call center service contractor's toll-free number, which would present them with yet another caller prompting and navigation system

The second option excluded from the final analysis routed the TRICARE enterprise toll free number to one of the three MCSC contractors solely based on the caller's area code and exchange information contained in the call's ANI, using a "network re-direct" function in the carrier's network This option assumes that the originating phone number directly maps to a regional MCSC contractor, and assumes that the MCSC contractor would then re-route non-MCSC related calls to its ultimate destination (e g , dental calls) This is a highly economical solution, however, it significantly increases the potential for misrouted calls, since ANI information is not necessarily an accurate indicator of the beneficiary's MCSC The potential for misrouting calls is compounded with the growing use of cellular telephones and automatic number portability feature This option also does not accommodate non-MCSC destinations (e g , dental, US Family Health Plan, Pharmacy, etc) and requires the caller to be answered first by an MCSC representative, and then be transferred to its ultimate destination Noblis found this function provided very little customer value at the expense of over burdening the MCSCs with additional workload, and increasing the risk of misrouted calls and reduced customer satisfaction

11.1 Description of Analyzed Alternatives

The two analyzed alternatives assume that TRICARE will have a centralized, enterprise level, toll-free telephone number that it could readily market to its beneficiary and user population The "1-800-TRICARE" number, currently owned by the Government and used by TIS, provides a good candidate for the enterprise 800 number, as it has both the marketing as well as the TRICARE "branding" feature to make it an easily associated, recognized, and remembered toll free number for accessing TRICARE services If this number is not available, another similar number may have to be designed and registered with the carrier

11.1.1 Alternative 1: Toll-Free Network Re-Direct without Host Access

As described in section 11 0, Alternative 1 routes 1-800-TRICARE callers initially to an IVR function in the carrier's network, which then presents the caller with a speech enabled menu structure that determines the final destination of the call, and routes the call to the appropriate call center service contractor using the transfer connect feature

Figure 8 shows a possible call flow for this Alternative The call flow is for illustrative purposes and does not represent a recommended voice user interface design The first set of IVR interactions identify the high level destination category i e , MCSC, Dental, Pharmacy, TFL, or DEERS call centers The second set of the interactions then try localize the destination within these main categories as appropriate, e g TDP vs TRDP within the Dental program The call flow design also includes interactions to address invalid inputs, ambiguities, and interactions to validate caller inputs before providing the network redirect information to the carrier network

After the IVR interaction has determined a valid destination number for the call, the IVR sends a network transfer connect message to the carrier network, and the caller is routed to the destination Based on the existing contractor call center services, the redirected call will most likely interact with a secondary IVR function in the contractor's call center infrastructure This contractor IVR will present the caller with a new set of IVR interactions to further classify the call and connect the caller with the appropriate live agent Since the TRICARE IVR does not provide the information it has collected to the contractor's IVR, there may be some redundancy in the caller prompting and navigation across the two sets of IVRs (i e , TRICARE's enterprise network IVR and the Contractor's IVR) From a customer satisfaction perspective, the overall caller experience should minimize caller prompting redundancies and overlaps as much as possible

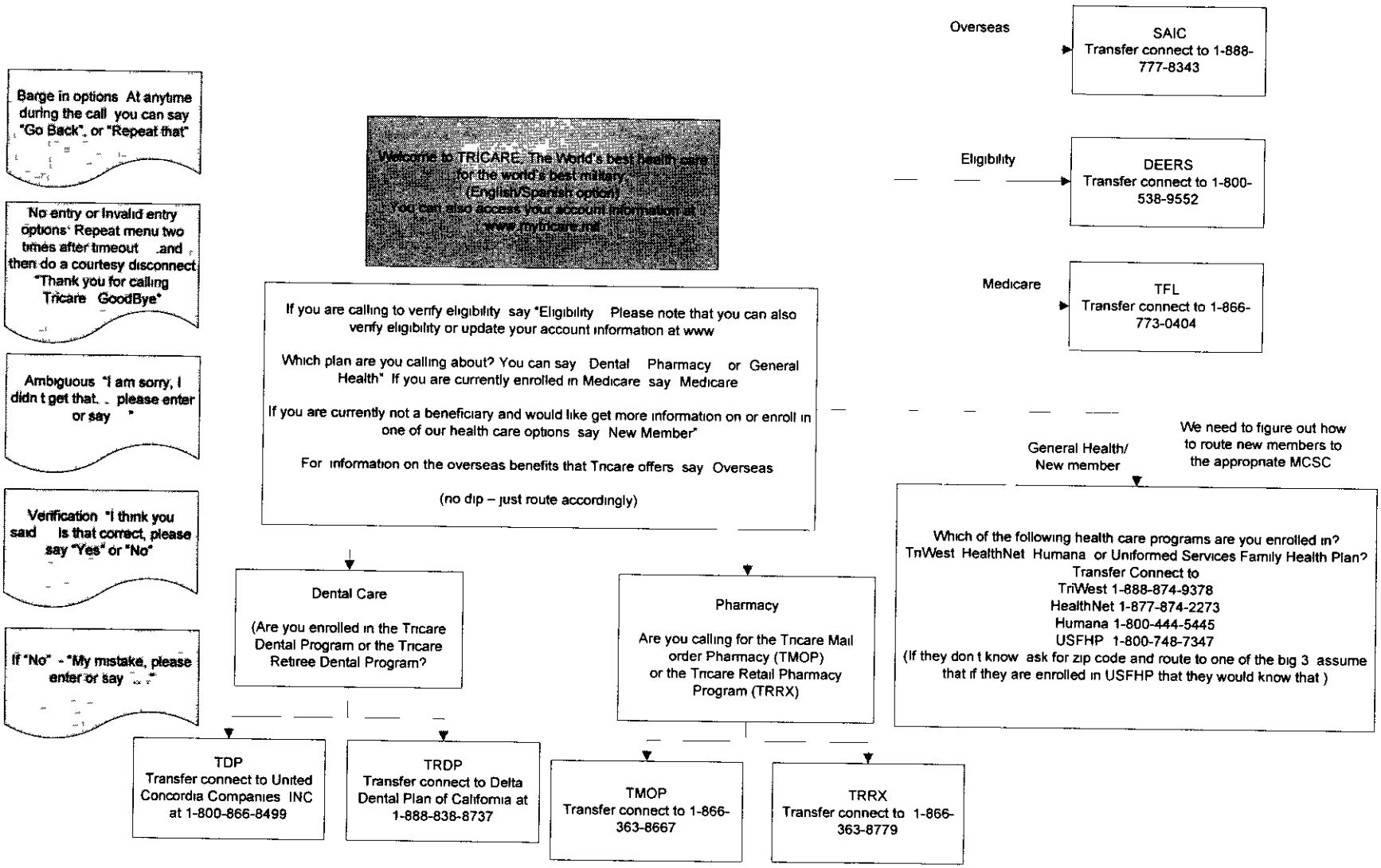

Figure 8. Possible Call Flow for Toll-free Network Re-Direct without Host Access

11.1.2 Alternative 2: Toll-free Network Re-Direct with Host Access

Alternative 2 augments the overall network IVR structure of Alternative 1 with an SSN inquiry to determine the ultimate call destination Alternative 2, further streamlines the call prompting user interface by implementing an SSN query against the DEERS database to identify each caller's specific health plan information Based on the caller's indicated call inquiry type (e g , Health plan call, dental call, pharmacy call), this DEERS database information is used to isolate the specific contractor and routing destination

Figure 9 presents a possible call flow for Alternative 2 This call flow is for illustrative purposes, and does not represent a recommended voice user interface design The caller is first asked to enter his/her SSN number This SSN number is queried against the DEERS database to accurately determine the beneficiary's subscription information, e g , the specific MCSC, dental, or pharmacy contractor The caller is then prompted to identify its intent, e g , whether it is calling about a general health issue, dental issue, a pharmacy issue, etc

As with Alternative 1, after the IVR interaction has determined a valid destination number for the call, the IVR sends a network transfer connect message to the carrier network and the caller is routed to the destination In the current TRICARE environment, most of the contractor's call centers prompt for the beneficiary's SSN to determine the callers eligibility and to route calls to the appropriate agent group/destination The initial implementation of this alternative does put in place a mechanism to pass caller related information collected in the TRICARE enterprise IVR to the contractors' IVR Most callers will therefore be required to re-enter the SSN information by the secondary contractor IVR upon transfer to the appropriate contractor This redundancy in SSN entry could be a source of customer dissatisfaction However, this implementation may be enhanced in the future by having the TRICARE IVR provide the caller information collected up front to the contractor during the network transfer connect of the call This potential future capability will require coordination with the contractors on interface and script requirements between the IVRs With these enhancements, the solution can be designed to provide a seamless end-user experience and avoid SSN entry redundancies, refer to the Appendix 1 for additional information on this future enhancement

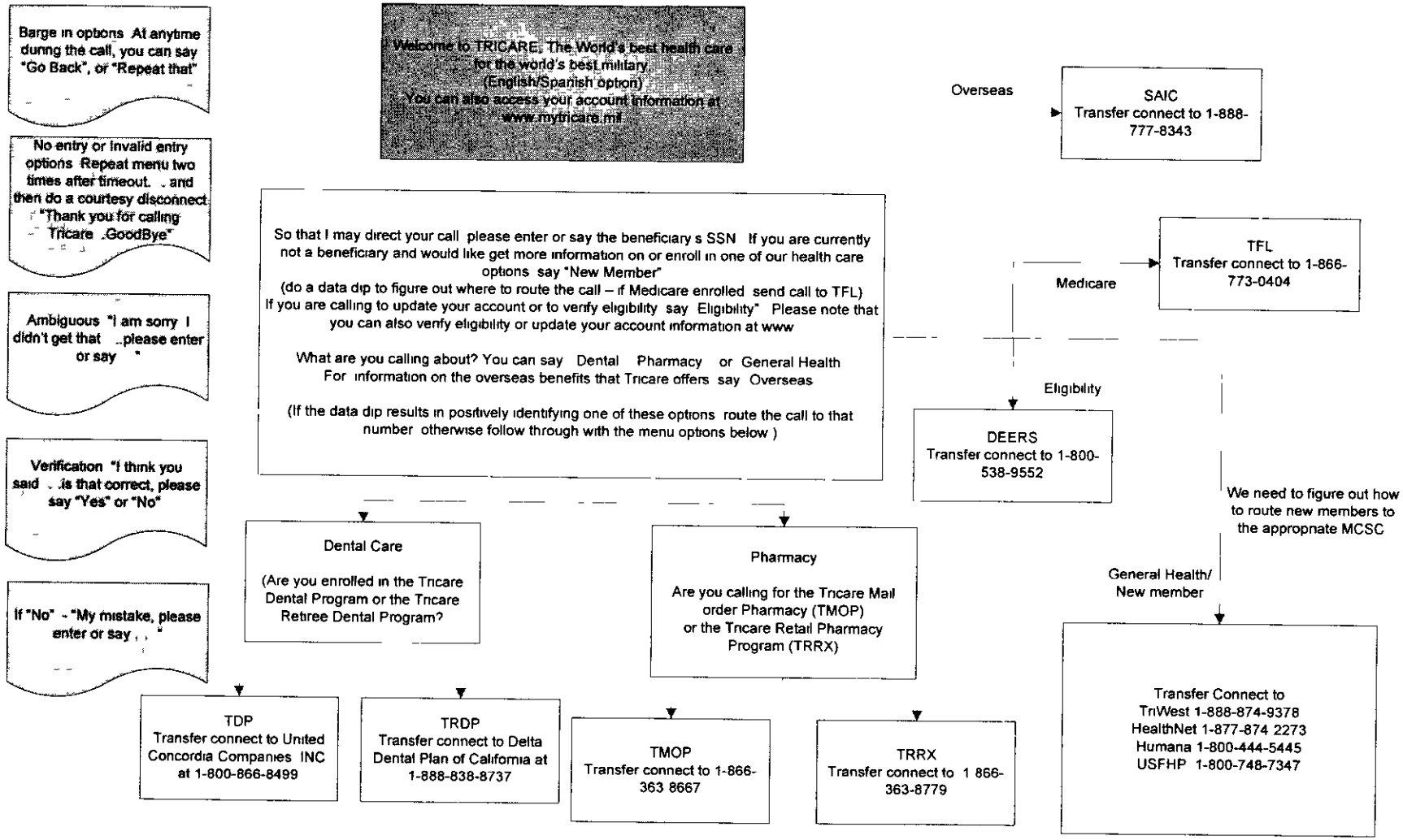

Figure 9. Possible Call Flow for Toll-Free Network Re-Direct with Host Access

11.2 Price Comparisons of Alternatives

Noblis created a pricing model for the two technical alternatives using the services and pricing options contained in the GSA Networx contract Specifically, the pricing model used the Networx defined Toll-Free Service (TFS), which enables government agencies to provide toll free services to citizens, non citizens, and agency personnel TFS also offers advanced features such as intelligent call routing and network based IVR capabilities to enable agencies to effectively manage inbound calls

11.2.1 Toll-Free Service Contract Line Item Numbers for the Two Alternatives

The two alternatives described in Section 11 1 can be implemented as combinations of TFS features offered under Networx Each feature is identified by a unique Contract Line Item Number (CLIN), which is a seven-digit number, the first three digits of which identify the TFS service The TFS features are capable of being used independently of each other or in flexible combinations

Table 23 provides the applicable prices for the TFS features required for the two alternatives Note that this CLIN table also includes CLINs for applicable TFS Feature Reports

Table 23. Applicable TFS CLINS for the Two Alternatives

CLIN	Description	Charging Unit	Unit Charge	Notes
0034001	TFS Transport Usage Price – Switched access termination	Price per minute in six second increment	$0 01798	
0039001	Agency-Based Routing Database (Host Connect)	Initiation/change charge per arrangement	$5,350 00	Not needed for Alt 1
0039002	Agency-Based Routing Database (Host Connect)	Price per month per arrangement	$2,675 00	Not needed for Alt 1
0039003	Agency-Based Routing Database (Host Connect)	Price per database lookup	$0 01070	Not needed for Alt 1
0039005	ANI	Initiation/change charge per toll-free number		
0039006	ANI	Price per month per toll-free number		
0039023	Call Redirection	Initiation/change charge per arrangement per toll-free number	$535 00	
0039024	Call Redirection	Price per month per arrangement per toll-free number		

CLIN	Description	Charging Unit	Unit Charge	Notes
0039025	Call Redirection	Charge per completed call eligible to be redirected (blind transfer)	$0 02140	
0039045	IVR - Shared	Price per minute in six-second increment	$0 06848	
0039068	Service Assurance Routing	Initiation/change charge per arrangement		
0039069	Service Assurance Routing	Per arrangement per month		
0039901	Call Status Report – TFS	Initiation charge per report	$371 01	
0039902	Call Status Report – TFS	Price per month per report	$40 66	
0039909	Call Status Report – IVR	Initiation charge per report	$17,120 00	
0039910	Call Status Report – IVR	Price per month per report		
0039911	Caller Information Report	Initiation charge per report	$371 01	
0039912	Caller Information Report	Price per month per report	$40 66	
0039913	Caller Profile Report	Initiation charge per report	371 01	
0039914	Caller Profiler Report	Price per month per report	$40 66	
0039915 (Optional)	Call Redirection Report (Optional)	Initiation charge per report	N/A	
0039916 (Optional)	Call Redirection Report (Optional)	Price per month per report	N/A	

11.2.2 Pricing Results for Alternatives

The pricing of the alternatives are primarily driven by two variables 1) number of calls handled by the enterprise toll free number and 2) the total call connect time associated with the network IVR and the call center services contractor Since the toll free carriers of each contractor were considered proprietary and not disclosed to Noblis, the analysis performed a worst case pricing scenario, which assumes that the TRICARE enterprise toll free calls were transferred from the network IVR on one carrier's network to the contractor services on another carrier's network In this instance, each enterprise toll-free call will continue to incur toll free usage charges for the time the caller is connected to the contractor's call center even after it is transferred out of the network IVR Essentially the toll free usage charges are incurred twice, once by the contractor's toll free network, which is included in the contractor's existing cost structure, and a second time by the enterprise toll free network while the call is connected between the two carriers This "double billing" will be eliminated if TRICARE is able to consolidate all of its contractor 800 numbers and the Enterprise toll free number on a single carrier network The

following price analysis examines the alternatives costs as a function of the two variables discussed above

11.2.2.1 Annual and Life Cycle Costs of Alternatives

Noblis computed the life cycle costs of the two alternatives for two levels of annual call volumes

- 100 percent of current volume which would correspond to replacing all existing toll free access methods with the enterprise number
- 10 percent of current volume, which would correspond to adding the enterprise number to the existing toll free access methods as a "convenience " Currently, the TIS call volume associated with 1-800-TRICARE accounts for only 1 percent of the total TRICARE volume The analysis assumes a 10 fold increase in this call volume due to TRICARE's formal marketing efforts

The results are summarized in Tables 24 and 25 for the 10 percent and 100 percent call volume levels respectively For both cases above, the total call connect time with the contractor call center services was fixed at 7 minutes, which represents a conservative assumption given that the average call handle time for HealthNet Federal Services is approximately 6 8 minutes Also, the IVR interaction time is assumed to be 1 5 minutes for Alternative 1, and 1 minute for Alternative 2 A 30 second reduction in the overall interaction time is due to the streamlined identification process associated with the query of the DEERS database using the beneficiary's SSN

The major driver of the Year 1 Non-Recurring Costs (NRC) is the development and implementation of the IVR scripts, these costs are expected to be approximately the same for both alternatives, a conservative estimate of $250K was used in the calculations Alternative 2 has an additional NRC for the design and development of the DEERS database interface A cost of $90K has been assumed for this effort, although this cost could range anywhere from $20K and $160K depending on the detailed technical infrastructure of the DEERS database and the network IVR A third component of the NRC pertains to the one-time charges from the Networx provider for setting up the required services

The total costs in Tables 24 and 25 assume that the TRICARE TFS network carrier and the contractor TFS network carrier are different, representing a worst case scenario In practice, the annual recurring costs could be lower if the service providers were selected to be the same, since the "double billing" issue described above would be eliminated

Table 24. Life Cycle Costs of Alternatives at 10 Percent Call Volume

Call Volume: 100 Percent of Current TRICARE Total			
	Year 1, NRC* ($1000s)	Annual, RC** ($1000s)	5-Year, Life Cycle ($1000s)
Alternative 1	$265	$588	$3,215
Alternative 2	$365	$551	$3,120

*NRC Non-Recurring Costs
**RC Recurring Costs

Table 25. Life Cycle Costs of Alternatives at 100 Percent Call Volume

Call Volume: 100 Percent of Current TRICARE Total			
	Year 1, NRC* ($1000s)	Annual, RC** ($1000s)	5-Year, Life Cycle ($1000s)
Alternative 1	$265	$5,866	$29,605
Alternative 2	$355	$5,209	$26,410

*NRC Non-Recurring Costs
**RC Recurring Costs

Alternative 2 has a lower life-cycle cost Even at the 10 percent call volume level, the additional up front cost for setting up the DEERS interface is more than offset by the reductions in the annual recurring costs At larger call volumes these savings in annual recurring costs are significant

The following sections present the sensitivity analysis of the annual recurring costs to parameters such as call volumes and call connect times

11.2.2.2 Annual Recurring Cost vs. Call Volume

The current average TRICARE monthly call volume, as obtained from the call data for 2006-07, is approximately 1,764,613 calls per month The price analysis calculates the annual cost associated with a varying percentage of the total TRICARE calls using the enterprise toll-free number as a means of accessing the TRICARE services Figure 10 presents the cost associated with each alternative as the number of TRICARE enterprise toll free calls are increased from 5 percent to 100 percent of the total TRICARE call volume As described in Section 11 2 2 1, the total call connect time with the contractor call center services is fixed at 7 minutes for both alternatives, and the IVR interaction time is assumed to be 1 5 and 1 minute for Alternatives 1 and 2 respectively

For both options the total annual cost increases linearly with increased call volume, however, the cost of Alternative 1 increases faster than that of Alternative 2 At higher call volumes, Alternative 2 becomes less expansive and the difference between the two alternatives increases with increasing call volume At the 10 percent call volume level, Alternatives 1 and 2 cost $588K and $551K per year respectively At the 100 percent call volume level, these costs significantly increase to $5 866M and $5 209M for Alternatives 1 and 2 respectively

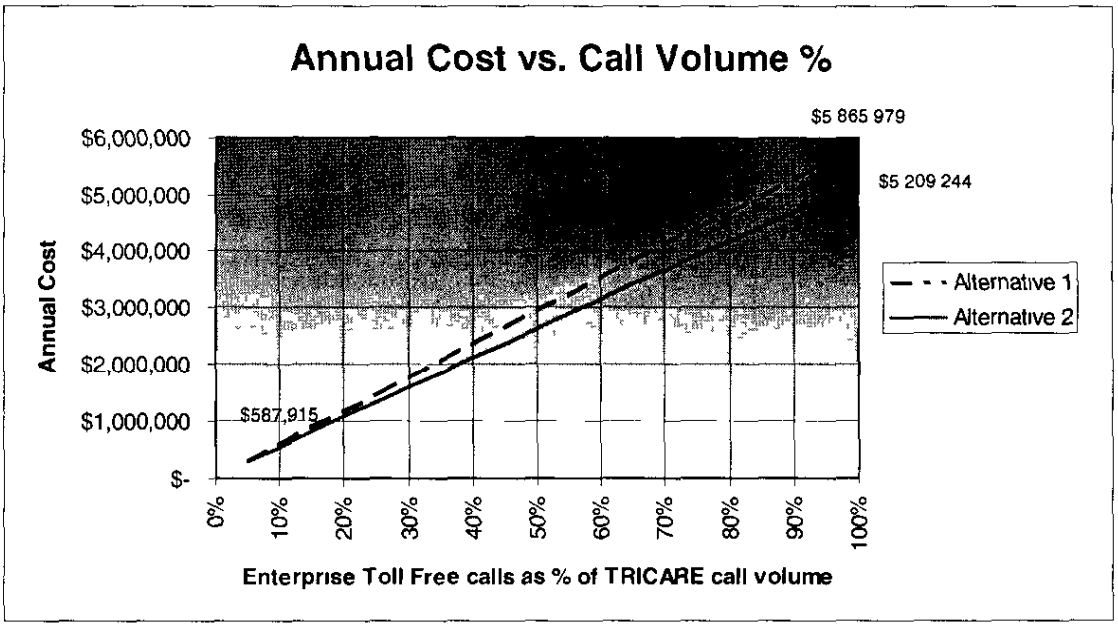

Figure 10. Annual Costs Versus Enterprise Toll Free Volume (% of total calls)

11.2.2.3 Annual Recurring Cost vs. Call Connect Time

The variation in the cost of the alternatives is also driven by the total call interaction time with the IVR and the call connect time with each contractor's network for contractors that use a different carrier than TRICARE The IVR interaction time can be assumed to be fairly consistent, the analysis has assumed a 1 5 and 1 0 minute interaction times However for both alternatives, the cost associated with the secondary call connect time is dependent on whether the contractor call centers use the same toll free network carrier as TRICARE's network IVR carrier The cost of this secondary contractor connect time can be eliminated if all contractors and TRICARE used the same network carrier Table 26 presents the annual recurring costs associated with varying the percentage of the calls that cross network carriers when transferred from the TRICARE network IVR to the contractor's call center These recurring costs are presented for both the 100 percent and 10 percent call volume levels

Table 26. Price of Alternatives as a Function of CHT

Percentage of Calls Transferred to Contractors Across Carriers	Total Annual Cost			
	Toll-Free Number Replacement (100%)		Toll-Free Number Addition (10%)	
	Alt 1	Alt 2	Alt 3	Alt 4
100% (all contractors are on a different carrier network than TRICARE)	$5,865,979	$5,209,244	$587,915	$551,132
50%	$4,533,413	$3,876,679	$454,659	$417,875
0% (all contractors are on TRICARE's carrier network)	$3,200,848	$2,544,114	$321,402	$284,619

For both Alternatives 1 and 2 and scenarios (100 percent and 10 percent), the annual recurring cost significantly decreases when a single carrier is used for the network IVR and the contractor call centers This annual savings is approximately $2 7M at the 100 percent level, and $0 27M at the 10 percent level

11.3 Implementation Considerations

This section addresses key implementation considerations associated with the enterprise TRICARE toll-free access solution that impact both the solution cost and the overall customer satisfaction

11.3.1 Marketing of the Enterprise TRICARE Toll-Free Number

In the current TRICARE environment, beneficiaries and potential customers have access to toll-free numbers that are publicized by TRICARE and its contractors through different channels Definition of a new toll free number strategy that addresses the use of and the relationship between the existing and the enterprise toll free numbers is critical to the implementation success and the overall life cycle cost of the initiative Clearly defining the role of the enterprise toll free number upfront will then enable proper execution of its marketing plan and implementation

Ultimately, a clear distinction must be made as to whether the enterprise toll free number will be implemented as the only publicized access number for TRICARE, or whether the enterprise toll free number will be an additional number, complementing TRICARE's existing customer access structure to enable easier access for new potential TRICARE members, caller's that do not have their beneficiary cards handy, or choose to dial the branded number out of convenience

As highlighted in Section 11 2, the five year life-cycle cost of Alternative 2 increases from $3 1M to $26 4 M when the call volume increases from 10 percent (i e , a "convenience" toll free access) to 100 percent (i e , a "replacement" toll free number) This is a significant cost increase Also, in the near term, the "replacement" scenario will force all beneficiaries to experience two sets of IVR interactions, increasing the users interaction time and interaction redundancy, which could impact customer satisfaction

Noblis believes that initially positioning the new enterprise toll free number as a "convenience" that callers could use if the other direct numbers are not available is an attractive strategy This strategy reduces TRICARE's costs and provides better service to end-users, since users who have access to and choose to dial the direct toll-free numbers can access their health care or dental provider directly and more efficiently, while others have a fall back mechanism enabling them to reach their ultimate destination by dialing a single, branded toll free number

The degree of publicity and positioning of the new number should be managed carefully to ensure that users are not confused about the role of the enterprise toll free number If the 1-800-TRICARE number is selected as the new enterprise number, it would have to be marketed and publicized so as to differentiate it from the TIS function that currently

uses the number TRICARE will have to allow for enough time for the role of the new number to be recognized and understood by the users

11.3.2 Call Center Staff

The two alternatives above are only priced in terms of their IVR and network infrastructure costs, with no consideration for call center agent intervention In general, a small percentage of the callers will be unable to properly interact with the IVR application (e g , incorrect SSN entry), and therefore require agent intervention to be routed to their appropriate destination A courtesy disconnect of such calls is not an accepted best practice

In lieu of creating a separate call center with the appropriate staffing, TRICARE could send each call requiring agent intervention to an MCSC call center and let the agents at that call center either handle the call or transfer it to the appropriate destination Since the MCSC call centers currently handle such general purpose calls and the default routed calls are expected to be a small percentage of the overall volume, agent intervention by the MCSC should not cause any significant increase in workload Routing of these calls can leverage the caller's area code and exchange information in the ANI to best match the caller with its MCSC region This routing configuration is not expected to impact overall customer satisfaction due to its expected small call volume and the fact that when executed the caller is more likely to be connected with its regional MCSC This approach eliminates the need for implementing a new call center operation including all of staffing, training, administration, and management costs and activities

11.4 Alternatives Assessment

Both of the alternatives described above for a TRICARE enterprise toll-free number are viable and can be implemented as a carrier provided service under the Networx contract This section describes the benefits and limitations of each alternative and recommends a preferred solution and positioning of the service for optimum customer impact

11.4.1 Alternative 1: Toll-Free Network Re-Direct without Host Access

The following presents the high level benefits and limitations of Alternative 1

Alternative 1 Benefits:

- Simpler to implement with a potentially lower start up cost – this alternative eliminates the need to design and develop a database interface to DEERS
- Shorter implementation time due to simpler implementation requirements

Alternative 1 Limitations:

- Higher recurring costs - as indicated in the cost analysis, the monthly recurring costs of this alternative is likely to be higher due to the longer interaction time on the IVR

- Lower customer satisfaction due to longer IVR interaction time and IVR redundancy - this alternative requires the caller to respond to additional prompts focused on identifying the specific contractor (e g , HealthNET vs Humana) which could present some redundancies with the secondary contractor IVR
- Potential for lower routing accuracy - this alternative depends solely on the caller's interactions with the IVR to determine the right routing strategy for the call without a valid cross check of the beneficiary information with a registered database

11.4.2 Alternative 2: Toll-Free Network Re-Direct with Host Access

The following presents the high level benefits and limitations of Alternative 2

Alternative 2 Benefits:

- Lower recurring costs – the annual recurring costs of this alternative are expected to be lower than Alternative 1 due to the shorter IVR interaction time
- Greater routing accuracy - the alternative uses caller information and data obtained from DEERS to determine the ultimate routing destination
- Reduced customer frustration due to a more efficient IVR interaction– this alternative streamlines the IVR interaction through the use of the SSN query against the DEERS database
- Better positioned to evolve into a seamless user interface solution in the future - this alternative could be augmented with the capability to pass network IVR collected caller information to the contractor IVR eliminating redundancies and resulting in a more seamless user interface Options for implementing this capability are dependent on the infrastructure capabilities of the contractor's and require further investigation (see Appendix)

Alternative 2 Limitations:

- Redundant SSN entry - The caller may have to re-enter the SSN information again after being re-directed by the IVR to the contractor call center Some callers may find this repetition annoying
- Potentially higher startup costs – the start-up costs of this alternative could be higher due the interface development cost required to interface the network IVR application with the DEERS database This cost can range anywhere from $20,000 to $160,000 depending on the technical specifications of the DEERS database infrastructure and the network IVR carrier

11.4.3 Recommended Alternative

Based on the analysis of the two alternatives, Noblis recommends implementation of Alternative 2 as the TRICARE enterprise access solution, should TRICARE conclude that an enterprise toll free access strategy is warranted from a business benefit and cost perspective Alternative 2 implements the most accurate call routing structure based on

the beneficiary information contained in the DEERS database using the caller's SSN, and provides the opportunity to potentially implement a more seamless end-to-end prompting structure through integration between the network IVR and the contractor's IVR in the future The following outlines the implementation steps associated with this alternative

- Implement Alternative 2 as a Networx service, select the Networx provider based on their presence in the current contractor call centers to minimize TRICARE's recurring costs, i e , minimize the inter-network connect time and associated usage cost Persuade contractors working with other carriers to switch to TRICARE's Networx provider over time, to maximize the ability to provide a seamless service to end-users and to reduce the cost of the enterprise service
- Position and market the new number as an umbrella toll-free access that callers could use if the other direct numbers are not available, encourage callers to use the contractor's toll-free numbers if these numbers are available to them
- Implement default routing for calls requiring agent intervention using the caller's ANI information to route calls to the regional MCSC, bypassing the need to implement a separate agent pool and re-use the MCSC's current responsibility to provide general assistance to callers
- Budget operating costs based on the assumption that 10 percent of TRICARE's current call volume would use the enterprise toll free number, this represents a ten fold increase of the existing 1-800-TRICARE toll free number used by TIS, and this increase may be expected once formal marketing of the number is launched Monitor call volumes and customer satisfaction metrics and plan for additional investments if trends justify additional costs
- Analyze customer satisfaction metrics, and if they indicate a significant need for user interface enhancements, aggressively plan to evolve the solution in phases to provide the network IVR collected data to the contractor call centers to implement a more seamless end-to-end user interface These steps may have to be done on a contractor-by-contractor basis depending on the existing interfaces and technologies at the call centers, and the willingness of the contractors to work with TRICARE and TRICARE's Networx provider

12.0 CONCLUSION

The following summarizes the conclusions of the Noblis assessment It analyzes TRICARE's existing customer service and call routing structure, industry practices, and viability of technical and operational options for implementing a single enterprise TRICARE customer access toll free number

- TRICARE's multi contract call center environment presents a complex toll free structure However, each beneficiary primarily contacts its regional MCSC and is provided with a beneficiary card that provides all of the main toll free numbers (e g , MCSC, dental, pharmacy) This complex structure does not appear to negatively impact customer satisfaction based on the surveys conducted to date

- A single toll free access number does not appear to be a widely adopted industry strategy Each industry implements its own toll free access strategy based on its business model and business strategy
  - Medicare, SSA, IRS advertise a single 1-800 number, while commercial health care providers appear to have adopted a regional toll free structure
  - Each organization, in general, has to define and implement a call center access strategy that matches its business model, requirements, and objectives
- Implementing a enterprise TRICARE toll-free number is technically feasible, however replacing the existing access methods with a single toll free number can significantly increase ongoing costs, and potentially increase customer frustration due to IVR user interface inefficiencies and redundancies that will be experienced by all TRICARE callers in the near term Implementing the enterprise toll free number as an additional access method from a user convenience standpoint may improve customer satisfaction while minimizing the overall ongoing costs
  - The approximate 5-yr life cycle cost of servicing all of TRICARE's inbound calls via the enterprise toll free number is approximately $26 4M versus $3 1M for servicing only 10 percent of the existing call volume
  - Implementing a single, replacement toll free access number does not appear to provide a compelling user benefit versus the implementation and proper marketing of an additional TRICARE branded enterprise access number for user convenience
- GSA's Networx contract Toll Free Service is a single vehicle for TRICARE to use to implement a carrier-based toll free solution and it avoids the need for the acquisition and management of expensive premises based equipment
- Although there are widely used call center key performance indicators (e g , average speed of answer), the actual benchmarks are different across industries, and among organizations within industries

APPENDIX - EVOLUTIONARY POTENTIAL OF ALTERNATIVE 2

Alternative 2 has the flexibility to be implemented as a stand-alone functionality initially, and then evolve to a solution that more tightly integrates the upfront caller prompting capability with the TRICARE contractors' call center solutions

This approach will require the TRICARE enterprise solution to implement proper interfaces and data transfer capabilities to the contractor call center systems The TRICARE network IVR has to provide the information collected from the caller and the DEERS database to the contractor call centers There may be several options for implementing such an integrated solution, e g , via the "User to User Interface (UUI)" data communication channel available with network "transfer connect" implementations More complex solutions with an adjunct routing platform could also be designed to operate the networks in an integrated fashion but will likely be more expensive Given the large number of contractors and call centers this evolutionary phase may have to be implemented on a contractor-by-contractor basis depending on the existing interfaces and technologies at the call centers and the willingness of the contractors to work with TRICARE and TRICARE's Networx provider

The major advantage of a phased implementation is that it allows TRICARE to "stand-up" a TFS (based on network IVR) with sufficient initial functionality to handle the advertised capabilities of the enterprise toll-free access service, and then enhance it over time to improve the customer satisfaction metrics and monthly costs Note that evolution of the solution (for Alternative 2) is not a mandatory requirement, it is an option that TRICARE could choose to exercise to improve the end-user experience and create a "best-in-class" call center solution for their operations environment However, TRICARE investment will be required for ongoing effort on defining interfaces, call scripts and data exchange details with the contractors and in the costs for developing these solution