# Strategic Lean Project Report

**For Reporting Period:**  January 1, 2016, through June 30, 2016

## I.   General Information:

Lead agency name: Department of Labor and Industries
Partner agencies: None

**Improvement project title: Office of Human Resources Payroll Audit Lean Project**

**Date improvement project was initiated: 3/23/2015**

**Project type: New Project**

| Project is directly connected to: | If applicable, specify the alignment: |
|---|---|
| ☒ Results Washington performance measure | Goal 5 – 1.2. Increase percentage of agency core services where timeliness is measured. |
| ☒ Agency Strategic Plan | Ensure L&I is an Employer of Choice |
| ☒ Other | Agency risk priority |

**Report reviewed and approved by:  Randi Warick, Deputy Director**

## II.  Project Summary:

The Department of Labor and Industries (L&I) improved the payroll audit process, resulting in an increase of payroll transactions being audited by day 3 of payroll cutoff from 21% in January 2016 to 88% in June 2016, creating a 319% increase in productivity.

## III.  Project Details:

| | |
|---|---|
| **Identify the problem:** | The payroll audit process seeks to review and confirm the accuracy of all payroll and benefit transactions keyed in the HR systems HRMS and HR Cafe.  These transactions are related to any items that could affect L&I employee's pay and benefits.  The process for payroll audit was producing work delays and was not efficiently capturing keying errors in payroll transactions, leaving the agency open to risk and allowing payroll transaction errors to affect L&I employees' pay. |
| **Problem statement:** | The target for payroll audit being completed prior to the end of day 3 of payroll cut-off is 100%, which we expected to reach by 7/8/2015. At the time the project began in March 2015, we did not have a stable and measurable process for auditing payroll actions, resulting in a high-risk situation for not meeting our legal requirements for the agency and potential errors in paychecks and employee appointment data.

In January 2016, the Human Resources Payroll Audit Team checked to see how the process was performing (PDCA). They found the new process was not being accurately followed, and it was difficult to collect performance data. This shifted the implementation plan, and additional improvements were made; they now have consistent and accurate data to document the improvement in completion of the payroll audits. |

# Strategic Lean Project Report

**Improvement description:** The Human Resources Payroll Audit Lean Project increased the efficiency and accuracy of the payroll audit process by implementing the following countermeasures:

- Created a desk manual that contains the new standardized payroll audit process (Standard work).
- Created a list of essential payroll actions for employees and supervisors (Standard work).
- Determined a new process and location for placing the audit documents and log ensuring that all payroll specialists have a secured cabinet (Work cell).
- Created procedures, templates and training on the new process for appointments letters for payroll specialists (Standard work).

**Customer involvement:** We talked with payroll specialists, internal auditors and IT customers to identify their needs and adjust the Payroll Audit Process going forward.

## IV. Project Details:

| Improved process as measured by: *(Click those that apply)* | Specific results achieved: *(Complete the narrative boxes below)* | Total Impact: *(Actuals; Current Reporting Period)* | Results status: |
|---|---|---|---|
| ☒ **Quality** | Increased payroll audit transactions completed by day 3 of payroll cutoff from 21% to 88%. | Increased productivity more than 3X (319%) | Preliminary |
| ☒ **Time** | Decreased delays in processing appointment letters from 2.93 business days to less than 1 business day. | Decreased delays by 2 business days | Preliminary |

## V. Contact information:

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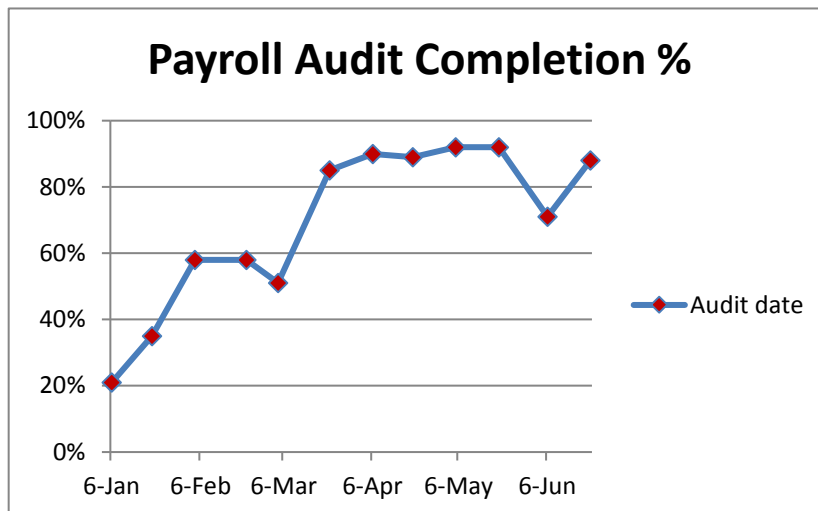
**Payroll Audit Completion %**

Updated: 05/26/16

**For Reporting Period:** January 1, 2016, through June 30, 2016

## I. General Information:

Lead agency name: Department of Labor and Industries

**Improvement project title: Provider Hotline Reform**

**Date improvement project was initiated: 4/1/2014**

**Project type: New Project**

| **Project is directly connected to**: | **If applicable, specify the alignment:** |
|---|---|
| ☒ Results Washington performance measure | Goal 5 – 1.2. Increase percentage of agency core services where timeliness is measured. |
| ☒ Agency Strategic Plan | Help Injured Workers Heal and Return to Work<br>Make it Easy to do Business with L&I<br>Ensure L&I is an Employer of Choice |

**Report reviewed and approved by:  Randi Warick, Deputy Director**

## II. Project Summary:

The Department of Labor and Industries improved the Provider Hotline service, resulting in an 82% reduction in wait times, a 48% reduction in abandoned calls, and a 50% reduction in turn-around time for service authorizations.

## III. Project Details:

| | |
|---|---|
| **Identify the problem:** | The Provider Hotline (PHL) answers calls from healthcare providers, injured workers and billing companies, resolving complex issues related to workers' compensation care and billing. They also authorize treatment, medications and durable medical equipment that help injured workers heal and return to work.  In April 2014, a Gemba walk by Insurance Services Division leaders revealed that hotline professionals, while expertly handing incoming calls, had processes that resulted in long phone hold times for customers and delayed responses on service authorizations. In many cases, customers could not reach the correct contact and would abandon the call in frustration. |
| **Problem statement:** | In March 2015, telephone wait times averaged more than 40 minutes. Additionally, abandoned calls averaged 2,900 per month in 2015, and service authorizations averaged a 4-day turnaround. |
| **Improvement description:** | The project team mapped the current process and discovered several opportunities for improvement:<br>• Enabling electronic desktop faxing removed the need for manual handling of more than 38,000 faxes per month. An Office Assistant 3 position was reallocated to a Medical Treatment Adjudicator 3 Lead Worker.<br>• Re-engineering the service authorization process reduced turnaround times on service authorizations. |

# Strategic Lean Project Report

**RESULTS WASHINGTON**

**Improvement description:** Con't

- Streamlining the Provider Hotline phone menu helped more customers reach the correct contacts on their first call, reducing the number of abandoned calls and wait times (5S). A visual-management tool now shows the Provider Hotline staff the number of pending calls in the queue, longest hold time, staffing levels, and average speed of answer. This allows the team to determine staffing levels and when additional resources are needed (Hejunka). This helps professionals determine the best times to work tasks other than phone calls and signals for help needed when hold times exceed acceptable levels (Reduce overburden).
- A call-tracker tool was implemented to help managers identify data on types of calls received and by whom. This resulted in creating a specialty phone line that addressed the number one type of call, thus reducing call hold times and receiving compliments on the ease of use (Continuous flow).

**Customer involvement:** The project team consisted of members of the Provider Hotline staff, who receive regular feedback from healthcare providers, injured workers, and billing companies on how well they are delivering service.

## IV. Project Details:

| Improved process as measured by: *(Click those that apply)* | Specific results achieved: *(Complete the narrative boxes below)* | Total Impact: *(Actuals; Current Reporting Period)* | Results status: |
|---|---|---|---|
| ☒ **Quality** | Decreased service authorization turnaround time **from** 4-day average to 2-day average. | 50% reduction in turnabout for service authorizations | Preliminary |
| ☒ **Time** | Decreased phone wait time from 40 minutes average to 7 minutes average. Decreased abandoned calls from 2,900 per month average to 1,500 per month average. | 82% reduction in wait time 48% reduction in abandoned calls | Preliminary |

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