

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

September 23,
2019

2. Department

State Compensation Insurance Fund

3. Organizational Placement (Division/Branch/Office Name)

Financial Operations and Billing and Collections

4. CEA Position Title

Senior Vice President of Financial Operations and Billings & Collections

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Senior Vice President of Financial Operations and Billings & Collections will direct the development and implementation of policies coordinating and governing multiple financial and operational programs responsible for accounts payable, accounts receivable, asset capitalization, tax compliance & reporting, premium billing, premium collections, and billing services in order to ensure fair and accurate pricing of risks and the timely vendor payments & reporting and collection of premium due as part of State Fund's strategy to manage the cost of workers' compensation insurance for all Californians by (1) operating efficiently, (2) pricing fairly, and (3) delivering excellent service.

6. Reports to: (Class Title/Level)

Executive Vice President of Finance, C.E.A. Range C

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): This position is required to interact with IRS, FTB, SCO and etc regularly for payment and compliance issues; They also present to Executive Committee and Board of Directors on financial and compliance issues on a needed basis

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Senior Vice President of Financial Operations and Billings & Collections will direct the development and implementation of policies coordinating and governing multiple financial and operational programs responsible for accounts payable, accounts receivable, asset capitalization, tax compliance & reporting, premium billing, premium collections, and billing services in order to ensure fair and accurate pricing of risks and the timely vendor payments & reporting and collection of premium due as part of State Fund's strategy to manage the cost of workers' compensation insurance for all Californians by (1) operating efficiently, (2) pricing fairly, and (3) delivering excellent service.

ESSENTIAL FUNCTIONS/PRINCIPAL RESPONSIBILITIES:

1. 40% Premium Billings & Billing Services

- a. Oversee billing process to review and deliver of billing statements, premium refund, and dividend checks to improve efficiencies in related cash flow processes
- b. Provide Customer Assistance to improve understanding of their bills and our billing process through an alternative dispute resolution program
- c. Monitor the Billing Services Unit to answer customer calls to handle billing questions, and resolve issues with a first call resolution keeping in line with the North Star

2. 20% Administration:

- a. Provide leadership and direction in the development of program objectives and measurements based on the corporate mission, objectives, values, policies, procedures and guidelines
- b. Approve annual Budget Plans (including objectives, measurements (metrics) of objective achievement, and resource requirements) in collaboration with management staff
- c. Monitor operations to ensure achievement of business objectives
- d. Develop and oversee staff attraction, retention and engagement
- e. Advice on human resource, enterprise procurement, and business services matters
- f. Serve as the communications link between the Executive Committee, the programs managed and other State Fund programs

3. 20% Premium Collections

- a. Set policy and procedures for the recovery of outstanding premium on cancelled accounts with internal resources
- b. Establish criteria for account referrals to collection agencies and continuously monitor their performances and review/update contract terms
- c. Set up threshold and monitor the charge-off of un-collectible premium after all collection efforts have been exhausted

4. 15% Accounts Payable & Receivable

- a. Maintain and continuously improve payment process to ensure accurate and timely processing of supplier invoices originated from the purchase of goods/services and broker commissions
- b. Oversee and monitor assessment, capitalization, and depreciation process of fixed assets Billing and receipt applications through Oracle AR application as well as the reporting, and reconciliation of benefits, service, and deposits.
- c. Make sure reimbursements of Employee Expense and Travel Expense Claims are processed in accordance with CalHR rules and State Fund's policies on travel
- d. Lead the efforts to enhance current or proposed processes and working with the IT Oracle Tech Support team to develop and implement the enhancements in the Oracle Financials System

5. 5% Advice and counsel:

- a. Coordinate with the CalHR, SCO and DOF and other regulatory agencies on financial and operational requests
- b. Evaluate and recommend effective actions/decisions/advice to Executive management
- c. Evaluate and recommend effective actions/decisions/advice to Executive management
- d. Provide input and support in planning; in developing goals, policies and guidelines; and in evaluating results
- e. Participate on State Fund and statewide committees/task forces to plan, develop, and implement corporate business and state HR initiatives.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The proposed Senior VP of Financial Operations and Billings & Collections will develop and implement strategies and policies to oversee and coordinate multiple programs in charge of vendor management and payments, asset capitalization, tax compliance & reporting, premium billing, premium collections, and billing services. This consolidation and streamlining of currently siloed programs and their resources (staff, work-flows, processes, systems) under a single Senior Leader will achieve increased accountability, control, consistency, and efficiency necessary within the organization's financial operations, as well as to shorten the time-frame for determining, billing, and collecting the premium income that is due.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

State Fund is in the process of leveraging core processing technology to implement several (online) programs/initiatives that simplify work processes and enhance State Fund's customer experience with improved convenience and communication.

State Fund is repositioning operations, including the consolidation of programs in charge of vendor management and payments, asset capitalization, tax compliance & reporting, premium billing, premium collections, and billing services; these activities are currently handled by separate programs under different Executive management. This consolidation of siloed programs under a single Senior Leader will increase his/her visibility to both front end and back end of the Insurance Operations, from premium billing & collections to vendor payments & reporting, to streamline the entire business cycle, implement strategic improvements, and accomplish greater efficiencies and savings.

- Operating Practices: Continuously improve the quality and efficiency of operating and support functions. Focus support functions on the customer. Stay technically current. Run our business operations more efficiently and effectively than our competitors.
- Financial and Physical Resources: Maintain adequate resources and maximize their use. Control expenses. Align business processes. Reinforce the bridging of relationships between Regional Offices and support programs.
- Will facilitate a strategic understanding of connected processes so that inefficiencies can be evaluated, and policy decisions for standardized and more efficient processes impacting multiple functions can be made and enforced for improved accountability and compliance. At stake is the ability of State Fund to accurately assess and bill its policyholders/customers for mandated workers' compensation insurance coverage and to collect premium income that is due.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Senior Vice President of Financial Operations and Billings & Collections will direct the development and implementation of policies coordinating and governing multiple programs in charge of accounts payable, accounts receivable, asset capitalization, tax compliance & reporting, premium billing, premium collections, and billing services in order to ensure fair and accurate pricing of risks and the timely vendor payment & reporting and collection of premium due as part of State Fund's strategy to manage the cost of workers' compensation insurance for all Californians by (1) operating efficiently, (2) pricing fairly, and (3) delivering excellent service. The Senior Vice President of Financial Operations and Billings & Collections will be the principle policy maker in the following areas:

1. Sets the Policy and Procedures for Accounts Payable for the payment of goods and services procured by State Fund for the purpose of ensuring State Fund exercises fiscal responsibility while meeting its financial goals and obligations to vendors. Failure to pay State Fund's corporate suppliers timely and accurately will have major operational and financial implications. Deliveries of goods/services may be suspended and late fees assessed.
2. Sets the Policy and Procedures for Accounts Receivable for State Fund to act as a Third Party Administrator for State of California Workers Compensations' self-insured program pursuant to California Insurance Code Section 11871 and in compliance with the State of California's "Full Cost Recovery Policy" contained in the State Administrative Manual (SAM) – Section 8752. Failure to collect receivables correctly results in co-mingling property or obligation between State Fund's workers' compensation business and State of California self-insured program
3. Sets the Policy and Procedures for employees and vendors' payments, and asset capitalization in compliance with IRS and FTB for tax reporting requirements, as well as monitoring vendors' profile in compliance with Office of Foreign Assets Control (OFAC) requirements in support of U.S. national security and foreign policy objectives. Failure to comply with Federal and State filing requirements will have devastating consequences for State Fund. Failure to comply with applicable tax and reporting requirements may trigger substantial penalties and reputational risks.
4. Leads the efforts in designing and building up next generation billing center, Sets the Policy and Procedures for billing process and billing services to improve efficiencies in related cash flow processes resulting from billing processes. Failure in delays in billing of premium due and millions of dollars in lost premium income (major financial impact).
5. Sets the Policy and Procedures to continuously monitor and improve collection performance for both internal collections program and outside collection agencies. Failure to collect receivables for outstanding premium, including premium from accounts that are no longer insured with State Fund (bad asset), results in millions of dollars in lost premium income.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The proposed Senior Vice President of Financial Operations and Billings & Collections will develop and implement strategies and policies to oversee and coordinate multiple programs in charge of vendor management and payments, asset capitalization, tax compliance & reporting, premium billing, premium collections, and billing services. This role will ensure the timeliness and accuracy of the organization's premium billing operations, premium collection process, and policyholders' billing supporting services; maintain and produce vendors' and policyholders' records in compliance with reporting requirements, manage vendors' and policyholder's information for privacy and security protection, as well as deliver accurate and timely payments to corporate vendors and providers.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

This CEA position will develop next generation solutions and policies (i.e., Billing Center, Pay-As-You-Go, Zero Deposit Policies, etc.) to ensure timely and accurate billing and reporting of premium income, in compliance with WCIRB, CIGA as well as NAIC reporting requirements. This position will also develop and modify company policies regarding vendor management and vendor payment processes in compliance with IRS, FTB, EDD, and OFAC reporting requirements.