Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

MEDICARE BENEFICIARY TELEPHONE CUSTOMER SERVICE

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OBJECTIVE

To assess callers' experiences with Medicare-funded call centers and to determine priorities for and efforts to ensure quality customer service.

BACKGROUND

The Centers for Medicare & Medicaid Services (CMS) serves the informational needs of approximately 40 million Medicare beneficiaries and/or their representatives by using multiple communication sources. The most heavily used communication sources are the Medicare-funded call centers. At the time of our fieldwork, beneficiaries could call either a fee-for-service contractor call center or 1-800-MEDICARE with questions about Medicare. There were 29.3 million calls to Medicare-funded call centers in fiscal year 2004.

We administered a survey to 305 callers over a 1-week period to assess their experiences with Medicare telephone customer service. We asked callers if they were satisfied with the customer service they received, if they believed their questions were answered, and if they received all the information they needed. We also asked callers about their priorities for customer service. We administered a survey to the managers of all the call centers to determine the call center managers' priorities for quality customer service and to identify any quality improvement efforts planned or underway. Finally, we reviewed CMS's oversight activities related to call centers, including accompanying CMS staff on a performance evaluation of a large fee-for-service call center.

FINDINGS

Eighty-four percent of callers asked to rate satisfaction were satisfied overall with the customer service they received; however, 44 percent of all callers reported difficulty accessing information from call centers. The 44 percent of callers who had difficulty accessing information reported at least one of the following experiences: (1) finding the Interactive Voice Response not easy to use, (2) not receiving an answer to their question or all the information they needed, or (3) not receiving the answer to their question as quickly as desired.

Callers and call center managers both placed a high priority on accuracy of answers, yet evidence suggests oversight of accuracy may be inadequate. Sixty-seven percent of all callers and 71 percent of call center managers ranked accuracy as their highest priority. Although we did not test accuracy of answers specifically, we believe it is important to note that 24 percent of callers reported not receiving an answer to their question or all the information they needed. Both of these experiences are related to accuracy. Findings in two Government Accountability Office (GAO) reviews of Medicare-funded call centers raised concerns that oversight of accuracy may be inadequate. A July 2004 GAO report found that the performance evaluation criteria ". . . are not designed to verify that [customer service representatives'] responses to providers are accurate." A December 2004 GAO report found that "CMS and its contractors do not emphasize [customer service representatives'] ability to answer questions accurately using [CMS-approved guidance]." While limited, our fieldwork supported GAO's findings. The CMS performance evaluation we observed focused on validation of reported performance results (e.g., number of monitored calls, number of calls answered in less than 60 seconds, average speed of answer) and documented training activities. However, the review team spent little time assessing the accuracy of answers given to callers.

Some call centers conducted quality assurance activities that focused on accuracy, exceeding CMS requirements. These activities included increasing the number of monitored calls in the Quality Call Monitoring process, tying monitored performance to customer service representative evaluations, involving representatives in the administration of quality assurance activities, and administering periodic knowledge tests.

RECOMMENDATIONS

We recommend that CMS:

- Strengthen current oversight to place greater emphasis on completeness of responses, greater efficiency for the caller, and accuracy of answers given by customer service representatives. CMS could achieve this by: (1) including CMS staff with expertise in call handling on national review teams for performance evaluations, (2) requiring call centers to conduct periodic knowledge testing with minimum passing scores, and/or (3) increasing the number of calls monitored in the Quality Call

Monitoring process. Given that some call centers are currently engaged in conducting periodic knowledge testing and increased monitoring, CMS may want to determine the impact these practices may have on quality outcomes.

- Continue to seek ways to improve the national Interactive Voice Response system. We note that subsequent to our fieldwork, CMS moved the option to speak with a customer service representative to the main menu, thereby decreasing the amount of time it required to arrive at this option from approximately 2 minutes to 50 seconds.

AGENCY COMMENTS

In its comments to the draft report, CMS expressed appreciation for the Office of Inspector General's analysis and recommendations to help improve the benficiary inquiry call centers. CMS stated it will continue with quality assurance activities, some of which we suggested in our recommendations, already underway at the 1-800-MEDICARE call center. CMS described these activities in detail. However, CMS does not plan to invest significant resources into reengineering quality assurance activities at the fee-for-service call centers because this workload will be integrated into the 1-800-MEDICARE operation. In addition, CMS stated that an expert in the field of interactive voice response is being consulted to assist with improving and enhancing the system. For CMS's complete comments, see page 17 of this report.

OFFICE OF INSPECTOR GENERAL RESPONSE

We appreciate CMS's comments to this report and note that CMS is taking action to address issues raised in this report. Changes were made to the report to reflect technical comments received from CMS.

TABLE OF CONTENTS

INTRODUCTION

OBJECTIVE

To assess callers' experiences with Medicare-funded call centers and to determine priorities for and efforts to ensure quality customer service.

BACKGROUND

Beneficiary Telephone Inquiries

The Centers for Medicare & Medicaid Services (CMS) serves the informational needs of approximately 40 million Medicare beneficiaries and/or their representatives by using multiple communication sources. The most heavily used communication sources are the Medicare-funded call centers. At the time of our fieldwork, beneficiaries could call either a fee-for-service contractor call center or 1-800-MEDICARE (which is also a CMS contractor) with questions about Medicare. Fee-for-service contractors (carriers, fiscal intermediaries, and durable medical equipment regional carriers) operated 63 separate call centers.[1] In fiscal year (FY) 2004, the fee-for-service call centers handled approximately 12.8 million calls at a cost of $96.3 million, while 1-800-MEDICARE handled 16.5 million calls at a cost of $104.2 million.

Since Medicare's inception in 1965, Medicare contractors have operated the telephone customer service system as a group of stand-alone call centers. The Balanced Budget Act of 1997 required a toll-free number for inquiries regarding the newly created Medicare+Choice program. In 1998, CMS established 1-800-MEDICARE for this purpose. In 1999, the phone number was phased in as part of the National Medicare Education Program and offered general information about Medicare, health plan options, supplemental insurance, and referral telephone numbers for help with claims or more complex issues. The original purpose of 1-800-MEDICARE, a source of information about Medicare+Choice options, broadened as new initiatives began. Section 923(d) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) officially established 1-800-MEDICARE as the primary source of general Medicare information and assistance. In July 2004, 1-800-MEDICARE became the single point of entry for the telephone customer service system, with transfer capabilities to the various fee-for-service call centers.

[1] CMS provided a listing of 63 fee-for-service call centers dated April 2, 2004.

CMS Goals for Customer Service Satisfaction

According to the CMS Web site, CMS's customer service mission is to continuously improve Medicare beneficiary customer satisfaction through the delivery of high quality and cost effective customer service.

CMS's FY 2004 Government Performance and Results Act Annual Performance Plan indicated that the performance goal for telephone customer service was to improve beneficiary telephone customer service in terms of accessibility, accuracy of response, and caller satisfaction. During FYs 2000-2002, CMS developed baselines and collected data related to this performance goal. However, in the plan narrative discussing the performance results, CMS indicated that in FYs 2003-2004, it redirected efforts and resources away from the performance goal of improving beneficiary telephone customer service in terms of accessibility, accuracy of response, and caller satisfaction (including funding for a national caller satisfaction survey), instead focusing on creating a single point of entry (1-800-MEDICARE). Thus, no current national baseline for beneficiary satisfaction exists.

In FY 2004, only 3 of the 63 fee-for-service call centers conducted beneficiary satisfaction surveys, which were part of a performance incentive pilot program. At the time of our fieldwork, CMS required its 1-800-MEDICARE contractor to conduct 400 beneficiary satisfaction surveys per month.

CMS Requirements for Call Centers

The Medicare Contractor Beneficiary and Provider Communications Manual outlines the guidelines for telephone customer service, including: hours of operation, bilingual services, services for people with hearing impairments, and requirements related to Interactive Voice Response (IVR).[2,3] Certain performance metrics must be met in terms of how quickly calls are answered, how quickly callers who choose to speak with a customer service representative actually speak with a representative, how often callers' questions are answered on the initial call, and how often callers receive a busy signal.

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[2] An IVR is a software application in which someone uses a touch-tone telephone to interact with a database to acquire information. An IVR provides prerecorded voice responses based on voice or keypad input.

[3] Medicare Contractor Beneficiary and Provider Communications Manual, Chapter 2, section 20.1.

CMS requires all contractors to use Quality Call Monitoring (QCM) to monitor, measure, and report the quality of service they provide.[4] The QCM is the primary method CMS uses to assess whether call centers are meeting established performance standards.

The QCM process requires a quality auditor to monitor a minimum of three calls per customer service representative per month at fee-for-service call centers, and four calls per representative per month at 1-800-MEDICARE. The quality auditor uses a scorecard to rate the representative in areas such as adherence to the Privacy Act, customer skills (e.g., greeting, tone, volume), and knowledge skills (e.g., accuracy, completeness, call action). The following performance standards must be met for the calls monitored each month through the QCM:

- The percentage of customer service representatives scoring as "Pass" for adherence to the Privacy Act should be no less than 90 percent.
- The percentage of customer service representatives scoring as "Achieves Expectation" or higher for customer skills should be no less than 90 percent.
- The percentage of customer service representatives scoring as "Achieves Expectation" or higher for knowledge skills should be no less than 90 percent.

The results of the scorecards are used for coaching the representatives. Scorecard results are aggregated and reported to CMS on a monthly basis.

CMS Evaluation of Call Centers

CMS validates the reported scorecard data during a fee-for-service contractor's performance evaluation. According to the FY 2004 review protocol, the purpose of the performance evaluation is to determine whether the contractor is: (1) answering calls from Medicare beneficiaries in an efficient, accurate, and professional manner that meets established performance standards; (2) reporting performance data accurately to CMS; and (3) following established guidelines for training and coaching customer service representatives to properly respond to telephone inquiries. Based on FYs 2001-2003 contractor performance evaluation reports and the schedule of FY 2004 planned

[4] Medicare Contractor Beneficiary and Provider Communications Manual, Chapter 2, section 20.1.7.

evaluations that CMS provided to us, we determined that CMS conducted 31 performance evaluations in FYs 2001-2004 at 23 fee-for-service call centers.

CMS employs different evaluation methods for 1-800-MEDICARE. Every 4 months, the 1-800-MEDICARE contractor provides a narrative self-evaluation that CMS uses to conduct an assessment of: (1) performance and progress achieved in various functional areas (e.g., call center operations, information technology, response to requests for publications); (2) a comparison of actual performance to the standard for various performance metrics; and (3) a rating for contract compliance. In addition, a quality assurance contractor monitors the operation of the IVR and calls answered by customer service representatives on a monthly basis.

Other Studies

In a February 2002 study for which CMS contracted with a private consultant, beneficiaries who had contacted any one of the eight largest Medicare contractors with a billing question that was transferred to their respective fraud units were surveyed. Seventy-five percent of beneficiaries reported being satisfied with their overall experience. In a February 2002 report regarding provider inquiries entitled "Communications with Physicians can be Improved," (GAO-02-249), the Government Accountability Office (GAO) found that the customer service representatives they tested provided complete and accurate answers to their questions 15 percent of the time. In a July 2004 followup report entitled "Call Centers Need to Improve Responses to Policy-Oriented Questions from Providers," (GAO-04-669), GAO found that only 4 percent of answers given were complete and accurate. Section 923 of the MMA mandated GAO to conduct a study of the accuracy and consistency of information provided through 1-800-MEDICARE. This study, "Accuracy of Responses from the 1-800-MEDICARE Help Line Should Be Improved," was released in December 2004 (GAO-05-130). GAO reviewers called 1-800-MEDICARE and posed test questions to the representatives regarding the Medicare program. GAO found that the representatives provided accurate answers 61 percent of the time.

METHODOLOGY

We used three methods to gather information for this inspection: (1) telephone surveys with callers to fee-for-service or 1-800-MEDICARE call centers, (2) a review of CMS oversight activities, and (3) interviews with call center managers.

Telephone Surveys

We divided the call centers into three groups: large call centers, small call centers, and 1-800-MEDICARE. Large and small designations were determined by calculating the mean FY 2003 call volume per fee-for-service call center (223,609 calls). Fee-for-service call centers with FY 2003 call volumes below the mean were designated as small, and call centers with FY 2003 call volumes above the mean were designated as large. The FY 2003 call volume range for small call centers was 4,531 to 223,396 calls and the FY 2003 call volume range for large call centers was 241,066 to 1,118,851 calls. We obtained a telephone network generated listing of all calls made to small and large call centers and 1-800-MEDICARE call centers during the week of April 12-16, 2004.[5] The listing included the following information: call center telephone number dialed, originating telephone number, and date and time of call. We spoke with CMS officials to ensure that the selected week was typical of weeks throughout the year.

For each of 5 days (Monday through Friday), we eliminated duplicate originating telephone numbers (some callers called more than once in a given day) and randomly selected 75 callers. For each day, these callers were divided into 3 groups: 25 who called small call centers, 25 who called large call centers, and 25 who called 1-800-MEDICARE (75 x 5 days = 375 randomly selected callers) for a total of 15 strata. As illustrated in Table 1 on the next page, we completed 305 telephone surveys from the sample of 375 callers, for an 81 percent response rate.

Ninety-seven percent of our surveys were completed within 2 business days of the caller's sampled call to the call centers. The other 3 percent were completed within 5 business days. We administered our survey to determine callers' experiences, such as whether callers believed their questions were answered, whether callers received all the information they needed, and how they rated their experience based on selected

[5] Small and large call centers operate Monday through Friday during typical business hours; 1-800-MEDICARE operates 7 days a week, 24 hours per day.

QCM performance standards. We did not ask 34 callers all survey questions because they ended their calls when they were unable to receive a response to their question from a customer service representative or IVR (e.g., called after business hours); therefore, 271 callers were asked to rate their experiences related to the responses they received from the call center.

Table 1: Population, Sampled Calls, and Completed Surveys by Strata

Day of Week	Type of Call Center	Population	Sampled Calls	Completed Surveys
Monday	Small Call Centers	15,309	25	22
	Large Call Centers	47,450	25	19
	1-800-MEDICARE	32,716	25	20
Tuesday	Small Call Centers	12,544	25	22
	Large Call Centers	40,277	25	22
	1-800-MEDICARE	29,262	25	21
Wednesday	Small Call Centers	11,550	25	20
	Large Call Centers	35,963	25	22
	1-800-MEDICARE	27,811	25	19
Thursday	Small Call Centers	11,113	25	15
	Large Call Centers	36,487	25	22
	1-800-MEDICARE	29,852	25	21
Friday	Small Call Centers	10,769	25	21
	Large Call Centers	35,131	25	20
	1-800-MEDICARE	31,029	25	19
	Total	407,263	375	305

Source: Office of Inspector General analysis of telephone network data, 2004.

All 305 callers were asked questions about their priorities for customer service and their experiences during their calls. We performed comparisons with regard to overall customer service satisfaction, finding the IVR easy to use, receiving an answer to the caller's question and all of the information needed, and receiving an answer to the caller's question as quickly as desired. We analyzed results with respect

to the three groups: callers to small call centers, callers to large call centers, and callers to 1-800-MEDICARE. Findings are projected to the week of April 12-16, 2004.

We did not administer test questions to customer service representatives to directly test the accuracy of answers given to callers. However, we did ask callers if they received an answer to their question and whether they received all of the information they needed. We chose not to directly test accuracy due to the December 2004 GAO report addressing this issue. To gain firsthand experience with the 1-800-MEDICARE IVR, we called it on five separate occasions in August 2004.

Review of CMS Oversight Activities

We obtained the date and results of all call center performance evaluations conducted in FY 2001, FY 2002, and FY 2003, as well as improvement plans, action steps, progress, and followup of the results. We accompanied CMS staff on a performance evaluation of a large call center in June 2004. We observed the sampling methods, review procedures, and protocols used in conducting the performance evaluation.

Structured Interviews with Call Center Managers

We conducted a total of 55 telephone interviews with managers from all of the small and large call centers and 1-800-MEDICARE call centers to determine the call center managers' priorities for quality customer service and to identify any quality improvement efforts planned or underway.[6] We asked for results data and opinions regarding these efforts.

Standards

This inspection was conducted in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

[6] Some large fee-for-service contractors operated multiple call centers. We combined some interviews, meaning that the total number of interviews conducted is less than the total number of call centers.

Eighty-four percent of callers asked to rate satisfaction were satisfied overall with the customer service they received

Of the 305 callers with whom we spoke, 271 received responses to their questions from customer service representatives or IVRs. Eighty-four percent of these callers, when projected to the universe of callers during the week of our fieldwork, reported that they were satisfied overall with the customer service they received. (See Appendix A for confidence intervals for all point estimates and results of chi-square tests.) The remaining 34 callers hung up before receiving a response to their question(s), citing reasons such as hold times too long or calling after business hours, and thus were not asked to rate satisfaction. Table 2 below shows reported overall satisfaction by group.[7]

Table 2: Caller Satisfaction with Customer Service

Type of Call Center	Percentage of Callers Reporting		
	Satisfied	Unsatisfied	Neutral or Unsure
Small Call Centers	77%	15%	8%
Large Call Centers	91%	4%	5%
1-800-MEDICARE	78%	19%	3%

Source: Office of Inspector General analysis of caller surveys, 2004.

We asked callers about a variety of experiences, such as: use of the IVR; the need to call multiple times; receipt of an answer and all the information they needed; actions taken as a result of the call; receipt of an answer quickly or being placed on hold; the courtesy of the customer service representative; and overall satisfaction with the customer service received. We found that overall satisfaction was associated with three experiences:[8]

[7] Caller satisfaction varied by call center group. A chi-square test provides a p-value of 0.008, significant at the 95 percent confidence level. However, using the Bonferroni method for testing each of the three pair-wise comparisons, a p-value of 0.0167 or less is necessary to have a significant difference at the 95 percent confidence level. The comparison between small and large call centers was significant (p-value of 0.008). However, the comparison between 1-800-MEDICARE and large call centers was not significant (p-value of 0.0169).

[8] Correlations are statistically significant at the 95 percent confidence level.

- finding the IVR easy to use,
- receiving an answer to their question and all of the information they needed, and
- receiving an answer to their question as quickly as desired.

However, 44 percent of all callers reported difficulty accessing information from call centers

Forty-four percent of all callers during our week of fieldwork had difficulty accessing information, reporting at least one of the following experiences: (1) finding the IVR not easy to use, (2) not receiving an answer to their question or all the information they needed, or (3) not receiving an answer to their question as quickly as desired. A profile of callers and their experiences can be found in Appendix B.

Thirty-two percent of callers encountering an IVR system reported that it was not easy to use

At the time of our fieldwork, small and large call centers had the option of providing an IVR. According to the CMS contractor manual, "IVRs are intended to assist beneficiaries in obtaining information on general Medicare program questions, publication requests, and appeal rights."[9] Of the small and large call centers, 42 of the 63 used an IVR, in addition to 1-800-MEDICARE. We asked callers who interacted with an IVR during our week of fieldwork if the recording that answered their call was easy to use. Thirty-two percent of these callers reported that the recording was not easy to use. Respondent experiences are shown in Table 3 on the next page.[10]

[9] The Medicare Contractor Beneficiary and Provider Communications Manual contained this statement concerning IVRs at the time of our review. We note that the manual was revised effective June 3, 2005.

[10] Differences between groups are not statistically significant at the 95 percent confidence level (p-value = 0.111).

Table 3: Caller Experience with IVR

Type of Call Center	Percentage of Callers Reporting	
	IVR easy to use	IVR **not** easy to use
Small Call Centers	71%	29%
Large Call Centers	74%	26%
1-800-MEDICARE	60%	40%

Source: Office of Inspector General analysis of caller surveys, 2004.

In addition to asking whether the IVR was easy to use, we captured callers' comments about the IVR. Forty-two percent of the sampled callers interacting with an IVR expressed a negative opinion of the IVR. These callers' comments included complaints that the message was too long or contained too many choices, or that the menus were not applicable to their questions. Callers also expressed feelings of frustration, irritation, confusion, or lack of understanding. One caller to a small call center stated that she was ". . . very unhappy with the IVR. It makes you want to cry." Thirteen percent of sampled callers expressed the desire to speak with a live person rather than a recording. One caller to 1-800-MEDICARE stated, "People are always waiting to see what to punch if you want to talk to a person. Why don't they make 'talk to a live person' the first option?"

As shown in Table 3, 40 percent of callers to 1-800-MEDICARE found the IVR not easy to use. In July 2004, 1-800-MEDICARE became the sole point of entry for all callers, meaning that the 1-800-MEDICARE IVR initially answers all calls.

To gain firsthand experience with the 1-800-MEDICARE IVR, we called it on five separate occasions in August 2004. We found that, to arrive at an option to speak with a customer service representative, we had to respond to a variety of questions about the nature of the inquiry before we were given the option to select "agent" in order to speak with a representative. Answering these questions took approximately 2 minutes. Subsequent to our fieldwork, we called the 1-800-MEDICARE IVR and found that the option to speak with a representative had been placed in the main menu and took approximately 50 seconds to reach.

Twenty-four percent of callers reported not receiving an answer to their question or all the information they needed

We asked callers who received responses whether they received an answer to their question and whether they received all the information they needed. During our week of fieldwork, 24 percent of callers provided a negative response to one or both of these questions.

We asked these callers to explain their answer to the questions above. Some callers expressed that the customer service representative could not answer their question or gave an explanation that left them confused. Others reported that they received no information or received incomplete information. One caller said, "I don't know any more now than before I called." Another caller remarked, "I am still confused. I get a different answer each time I call." Respondent experiences are shown in Table 4 below.[11]

Table 4: Caller Experience with Receiving Answers and Complete Information

Type of Call Center	Percentage of Callers Reporting	
	Received BOTH an answer AND all information needed	Did not receive an answer AND/OR all information needed
Small Call Centers	69%	31%
Large Call Centers	81%	19%
1-800-MEDICARE	70%	30%

Source: Office of Inspector General analysis of caller surveys, 2004.

Twelve percent of callers reported not receiving the answer to their question as quickly as they desired

Our review of CMS's performance metrics requirements indicated an emphasis on addressing caller questions and issues quickly. We asked callers whether they received an answer to their question as quickly as they desired. During our week of fieldwork, 12 percent of callers reported they did not. Respondent experiences are shown in Table 5 on the next page.[12]

[11] Differences between groups are not statistically significant at the 95 percent confidence level (p-value = 0.11).

[12] Differences between groups are statistically significant at the 95 percent confidence level (p-value = 0.018). All rows do not equal 100 percent due to rounding.

Table 5: Caller Experience with Receiving an Answer to Their Question as Quickly as Desired

Type of Call Center	Percentage of Callers Reporting Receiving an Answer to their Question		
	As quickly as desired	Not as quickly as desired	Unsure
Small Call Centers	77%	21%	2%
Large Call Centers	88%	7%	4%
1-800-MEDICARE	80%	16%	4%

Source: Office of Inspector General analysis of caller surveys, 2004.

We also captured comments from callers regarding multiple transfers and multiple calls to different telephone numbers. Nine percent of all sampled callers shared experiences such as referrals to other sources (e.g., telephone numbers) that did not resolve their issue or could not answer their question. As one caller stated, "Who to call is a secret. It was a round robin to get to the right telephone number." During the week of our fieldwork, sampled callers made an average of 2.43 calls to call centers, ranging from 1 to 8.

Callers and call center managers both placed a high priority on accuracy of answers, yet evidence suggests oversight of accuracy may be inadequate

In addition to asking callers about their experiences during their call to a Medicare-funded call center, we also asked them about their priorities for customer service. We identified three priority areas for telephone customer service based upon our review of the QCM process and discussions with CMS officials: (1) accuracy, (2) courtesy, and (3) amount of time caller spends on the telephone. While we recognize that all of these elements are important to the customer service experience, we asked both callers and call center managers to rank the three elements in order of importance.

Overall, 67 percent of all callers during our week of fieldwork ranked accuracy as the highest priority. Forty-nine percent of all callers ranked their priorities as accuracy, courtesy, and time spent on the telephone, while 18 percent of all callers ranked their priorities as accuracy, time spent on the telephone, and courtesy. We believe it is

important to note that 24 percent of callers reported not receiving an answer to their question or all the information they needed. Both of these experiences are related to accuracy.

Of the call center managers who ranked their customer service priorities,[13] 71 percent (37/52) ranked their priorities as accuracy, courtesy, and time spent on the telephone. The only other combination of priorities for call center managers, as reported by 29 percent (15/52), was courtesy, accuracy, and time spent on the telephone.

Oversight of accuracy may be inadequate

We accompanied a CMS review team on a performance evaluation in June 2004 and observed that the evaluation focused on validation of reported performance results (e.g., number of monitored calls, number of calls answered in less than 60 seconds, average speed of answer) and documented training activities. However, the review team spent little time assessing the accuracy of answers given to callers.

The review protocol requires reviewers to observe and listen to eight calls that the call center is monitoring as part of its QCM process. In practice, the review team observed, but did not evaluate the accuracy of four calls being scored. We inquired of the review team why they only observed the calls without evaluating the accuracy of the answers. A CMS review team member told us that evaluating the accuracy of the calls was not feasible since the review teams do not always include staff with the necessary expertise.

Our fieldwork supported GAO's findings from a July 2004 GAO report[14] which found that the CMS performance evaluation criteria "are not designed to verify that [customer service representatives'] responses to providers are accurate." In addition, a December 2004 GAO report[15] found that "CMS and its contractors do not emphasize [customer service representatives'] ability to answer questions accurately using [CMS-approved guidance]."

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[13] One call center manager refused to rank priorities, and two call center managers indicated that both accuracy and courtesy were the top priority, followed by the amount of time spent on the telephone.

[14] GAO-02-249 "Communications with Physicians Can Be Improved," which can be accessed at http://www.gao.gov/new.items/d02249.pdf.

[15] GAO-04-669 "Call Centers Need to Improve Responses to Policy-Oriented Questions from Providers," which can be accessed at http://www.gao.gov/new.items/d04669.pdf.

Some call centers conducted quality assurance activities that exceeded CMS requirements, including activities that focused on accuracy

Thirteen call center managers indicated that they had enhanced their QCM process by: (1) evaluating more than three calls per month per customer service representative; (2) tying QCM results to performance evaluations and raises; (3) having representatives evaluate recorded calls; and/or (4) having representatives participate in calibrations, which are meetings held across call centers to ensure all quality auditors score calls consistently.

Thirteen other call center managers reported administering periodic knowledge tests to customer service representatives. Some call centers administered graded written tests completed by the representative. Other call centers had supervisors pose as callers and ask a question. The supervisor then assessed the accuracy and courtesy of the representative's response.

Four call center managers reported that they conduct both enhanced QCM and knowledge testing. These four call centers were all large call centers. The sampled callers to these call centers experienced higher percentages of receiving an answer to their question and all the information they needed when compared to all other call centers. Sampled callers to these call centers also reported higher satisfaction with the customer service they received compared to all other call centers. However, the callers to these four call centers comprised a small subset of sampled calls; the results are not statistically significant, yet suggest the potential that these efforts may improve accuracy and satisfaction.

When we asked call center managers about QCM in general, call center managers reported some positive aspects of the process, including: clear expectations for both quality auditors and customer service representatives, random selection of calls for monitoring, and identification of training needs for the representatives and the entire call center based on errors found in monitoring. In fact, 27 percent of call center managers (15/55) supported more frequent call monitoring, believing the minimum number of calls per month required by CMS for each representative did not give an adequate assessment of a representative's performance.

RECOMMENDATIONS

Medicare telephone customer service is an important source of information regarding Medicare benefits for beneficiaries and their representatives. Their informational needs will undoubtedly increase as the significant program changes contained in the MMA are implemented. Furthermore, section 921 of the MMA specifically calls for prompt responses to inquiries from Medicare contractors, and for contractors to monitor the accuracy, consistency, and timeliness of the information they provide. Although our inspection found that 84 percent of callers asked to rate satisfaction reported they were satisfied overall with the customer service received, 44 percent of callers reported difficulty accessing information from call centers. The response completeness and IVRs contributed to the reported difficulties. We recommend that CMS:

- Strengthen current oversight to place greater emphasis on completeness of responses, greater efficiency for the caller, and accuracy of answers given by customer service representatives. CMS could achieve this by: including CMS staff with expertise in call handling on national review teams for performance evaluations, requiring call centers to conduct periodic knowledge testing with minimum passing scores, and/or increasing the number of calls monitored in the QCM process. Given that some call centers are currently engaged in conducting periodic knowledge testing and increased monitoring, CMS may want to determine the impact these practices may have on quality outcomes.
- Continue to seek ways to improve the national IVR system. We note that subsequent to our fieldwork, CMS moved the option to speak with a customer service representative to the main menu, thereby decreasing the amount of time it required to arrive at this option from approximately 2 minutes to 50 seconds.

AGENCY COMMENTS

In its comments to the draft report, CMS expressed appreciation for the Office of Inspector General's analysis and recommendations to help improve the benficiary inquiry call centers. CMS stated it will continue with quality assurance activities, some of which we suggested in our recommendations, already underway at the 1-800-MEDICARE call

center. CMS described these activities in detail. However, CMS does not plan to invest significant resources into reengineering quality assurance activities at the fee-for-service call centers because this workload will be integrated into the 1-800-MEDICARE operation. In addition, CMS stated that an expert in the field of IVR is being consulted to assist with improving and enhancing the system. For CMS's complete comments, see page 17 of this report.

OFFICE OF INSPECTOR GENERAL RESPONSE

We appreciate CMS's comments to this report and note that CMS is taking action to address issues raised in this report. We acknowledge that CMS revised its Medicare Contractor Beneficiary and Provider Communications Manual in June 2005. Changes were made to the report to reflect technical comments received from CMS.

AGENCY COMMENTS

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

TO: Daniel R. Levinson
Inspector General

FROM: Mark B. McClellan, M.D., Ph.D.
Administrator

SUBJECT: Office of Inspector General (OIG) Draft Report: "Medicare Beneficiary Telephone Customer Service" (OEI-07-04-00030)

The Centers for Medicare & Medicaid Services (CMS) appreciates OIG's analysis and recommendations to help improve our beneficiary inquiry call centers. We strive to ensure that all of our callers receive timely, accurate, and understandable information. To do that, we continue to identify areas for improvement and we welcome any feedback helping us improve any aspect of our call center operations.

The CMS is pleased that the OIG found that the vast majority of callers to 1-800-MEDICARE were satisfied with the customer service. That corresponds closely with our own findings. CMS conducts 1,000 customer satisfaction surveys each month at 1-800-MEDICARE. Consistently, more than 90 percent of the callers report they are satisfied with the services and information they receive. Since satisfaction is just one measure for evaluating the service at 1-800-MEDICARE, CMS also requires its contractors to thoroughly assess the accuracy and responsiveness of the information provided by customer services representatives (CSRs). The scores CSRs receive are consistently high, with accuracy rates of around 90 percent.

Our broad vision is to modernize and improve the CMS telephone customer service system by keeping up-to-date with, and employing, the current "best practices" and technologies used in the telephone customer service industry for services provided to callers. Similarly, we are employing industry "best practices" for monitoring the accuracy of responses provided by CSRs. As described further below, we are continuing to build a system that is up-to-date and technologically sound to meet the increased needs and demands of the Medicare program.

We have successfully implemented aspects of our vision, such as the Single 800 Number for all beneficiary calls, a standardized Interactive Voice Response (IVR) system, and use of updated computer software for CSRs at most call centers. We are also continuing to

develop and refine other aspects of our strategy such as establishing uniform customer service standards and performance measures for call center operations.

We would like to take this opportunity to note that the OIG conducted this study during April 2004, a period of high call volume for 1-800-MEDICARE. This was also just before we launched the Medicare discount drug card information and our major transition to a single 1-800 number. We have learned from our experience in managing the launch of the drug card and will be applying the lessons learned from that experience to high call volume situations in the future. For example, we expect a high call volume this fall when Medicare beneficiaries receive information on prescription drug benefit and Medicare Advantage plans available in their areas. When handling this anticipated high volume period at the 1-800 help line, we expect to equal or exceed the 84 percent satisfaction rate in the OIG study.

During this past year, CMS has taken many actions to make it easier to obtain information over the phone about Medicare. As noted above, we have moved all beneficiary toll free numbers to a single 1-800 number and begun a centralized network IVR system. Beneficiaries who now call 1-800-MEDICARE can get answers to all types of Medicare questions by just dialing that number. The use of a centralized IVR application eliminates the need to update local IVRs and ensures globally consistent, accurate answers for beneficiaries. CMS has analyzed beneficiary calls to 1-800-MEDICARE, allowing us to examine the total caller experience, including all interactions with CSRs and with the IVR. This assessment has given CMS additional information that will lead to more improvements, such as rearranging IVR menu options and re-designing language modules, thus allowing beneficiaries to obtain easier access to information and ensuring beneficiaries are routed to the correct call center the first time.

The OIG study found that a number of callers expressed frustration with the interactive voice responses system. At the time of the April 2004 study, CMS had a speech IVR at 1-800-MEDICARE and local IVR systems at our 66 smaller call centers. As of July 2004, we completed the migration to a single 1-800 number (1-800-MEDICARE). This has enabled us to provide a consistent customer experience for all of our callers and to focus our efforts on improvements to the 1-800-MEDICARE IVR. We are working closely with experts in the field of speech technology and automated voice response systems and contracted with them to assess and provide recommendations to us to help us further improve the speech IVR system. We have also made a number of enhancements to the system over the past year, such as adding synonyms to include more words that may be used. For example, the IVR asks the caller to say "Drug Coverage" to receive information on Medicare's Prescription Drug program; however as a result of the analysis we also included "Drug Benefit" and "Prescription Drugs" as other common words callers used to mean "Drug Coverage." We also modified scripted language modules to make the IVR more user friendly with plain language interaction. CSRs immediately

noticed a positive change in caller satisfaction with the IVR. We have an aggressive plan in place for implementing additional refinements and for continuing to receive input from experts to assist us in our "tuning" efforts.

There are several factors that are important to consider when examining the OIG finding that some callers felt they had either not received an answer to their question, did not receive an answer as quickly as they desired, or did not receive all of the information they needed. First, the study was performed on calls made during the week of April 12-16, 2004 when there was considerable press and public interest in the Medicare discount drug card. However, callers were frustrated because information on the Medicare discount drug card sponsors was not released until May 3, 2004. Second, we believe that while caller perception is important to assess, it cannot be used as the sole measure of the accuracy or completeness of the call. Depending upon the nature of the question, the caller may not be happy with the answer, regardless of its completeness or accuracy, and this may influence their response to the survey question. We note that the OIG did not evaluate the accuracy of the information provided as part of this study. Third, the study results are now somewhat out-of-date because they were collected before migration to a single 1-800 number was complete. During the survey period, if a caller inadvertently reached a call center that was unable to respond to their question, the caller had to hang up and dial the number of the appropriate call center. With the completion of the transition to the single 1-800 number, callers are now being seamlessly transferred to the call center which can best respond to their questions. From July 2004 – March 2005, the average wait time to speak with a 1-800-MEDICARE CSR was well under two minutes.

OIG Recommendation

Strengthen current oversight to place greater emphasis on accuracy of answers given by customer service representatives (CSR).

CMS Response

The CMS continues to strengthen its oversight over the call centers and the future consolidation of our call centers will provide the Agency the ability to better track and improve the accuracy of answers provided to callers. As stated earlier, CMS conducts 1,000 customer satisfaction surveys each month at 1-800-MEDICARE. Consistently, more than 90 percent of the callers report they are satisfied with the services and information they receive. At the time of the OIG study, CMS had 66 fee-for-service (FFS) call centers, not 63 as stated in the OIG report. It should also be noted that this report mixes findings from the 66 call centers with those from the large 1-800-MEDICARE call center operation. The 66 FFS claims call centers are operated by more than 30 Medicare contractors that process and pay Medicare claims. These call centers may have as few as one CSR, up to as many as 78. CMS will be consolidating these FFS claims call centers into the 1-800-MEDICARE operation over the next several years. We will continue our quality assurance activities (detailed further in Attachment A) at these call centers to ensure accurate and complete responses. However, we do not

plan to invest any significant resources into re-engineering the existing processes because of our plans to integrate this work into the 1-800-MEDICARE operation.

In the past, CMS has used national review teams to perform onsite evaluations at a sample of the 66 contractor call centers. We have found that the onsite reviews are not an effective means to evaluate the 66 call center operations because the onsite reviews are only focused on a small sample of call center sites and operations. Thus, starting in fiscal year 2005, CMS personnel will closely review the monthly quality call monitoring data for these 66 call centers. If a contractor's performance falls near or below acceptable standards, CMS will continue to conduct further analysis to identify the cause and determine corrective measures. CMS staff will target onsite reviews where performance trends and analysis indicate that an onsite review is warranted.

The 1-800-MEDICARE contractor, with about 2,600 CSRs, handles the majority of the beneficiary calls. In addition, as we migrate the claims calls into the 1-800-MEDICARE environment over the next several years, we will focus our resources on improvements to the 1-800-MEDICARE quality assurance and oversight activities. The recommendations made by the OIG, in terms of increased number of calls monitored, periodic knowledge testing, and having CSRs review recorded calls, are already in place at 1-800-MEDICARE. Attachment A describes some of the activities underway to ensure accuracy and completeness of 1-800-MEDICARE calls.

OIG Recommendation

Continue to seek ways to improve the national IVR system.

CMS Response

At the time of this study, the 1-800-MEDICARE speech IVR had only been deployed for a few months and was still being fine-tuned to work more effectively for the Medicare population. We examined ways to improve the customer experience, including an IVR routing redesign to increase beneficiary first call resolution rates. Since that time, CMS has engaged additional experts in speech technology to analyze the speech IVR and provide recommendations to help us improve and enhance the IVR system. In the past year, we have released several major upgrades to our IVR system to address customer feedback and expert advice. The most recent in-depth evaluation of our IVR application was completed by a company that is a leading industry expert in the field of IVR speech recognition and usability. The findings of their study indicated that, compared to other speech applications in use today, our current IVR application's performance is actually

above the industry average for speech applications. The evaluation also provided recommendations as to how we can tune the application even further. CMS plans to aggressively pursue implementation of the recommended modifications to the IVR and to continue to use these experts in our tuning processes.

Attachment A

Call Center Quality Assurance Improvements

1-800 helpline CSRs receive weekly refresher training to update them on new procedures and initiatives. The materials covered for the week are conducted either in a classroom setting or by individualized desktop training. Once the materials are presented, the CSRs are given a knowledge test which contains questions from the current and prior week's materials. Using this approach ensures that CSRs retain information that was covered earlier in the month.

All of the CMS beneficiary call centers submit monthly Quality Call Monitoring (QCM) scorecard data to CMS. From July 2004 through March 2005, CSRs have consistently scored 90 or above on the QCM scorecard.

As noted in the OIG report, at 1-800-MEDICARE, a minimum of four calls per CSR, per month, are monitored for quality using a national QCM scorecard. More calls are monitored for new CSRs or for those with performance concerns. During the review of the QCM scorecards, CSRs listen to their recorded calls with their supervisors and corrective actions are taken where applicable.

In addition, the quality assurance (QA) process at Pearson GS, one of the 1-800 helpline contractors, involves a re-review of 200 calls per month by an independent contractor. We have recently amended the quality assurance process to have this independent contractor categorize and trend the quality assurance results. This trending analysis will be used to identify opportunities to improve accuracy by targeting specific scripts for review or targeting specific topics for refresher training. As we become more experienced with this process we will determine whether to expand it to the full set of quality assurance calls.

We are looking into technology solutions that can assist CSRs in navigating through the scripts to select the script that best answers the caller's question. This initiative will be implemented later in 2005 after our desktop upgrade is completed. In the interim, we are pilot testing a process of using directed questions/responses in scripting to help guide CSRs to the best script for the call. We believe that this will have a positive impact on ensuring call accuracy.

We have completed the reassessment of the testing requirements currently in place to determine ways to better ensure that the CSRs are prepared to handle calls at the point that they are certified. We are adjusting the training protocol to spread the testing of the CSR's ability to handle calls over the length of the training period and to focus on categories of calls, particularly those that constitute the most frequent questions.

Attachment A (Continued)

Also, we revised the training materials to incorporate a more performance-based approach, such as including more scenarios that would require the CSR to navigate the desktop to find the answer. This ensures a hands-on experience and gives the CSR the opportunity to practice real situations that will be faced once on the floor.

APPENDIX ~ A

Confidence Intervals for Key Estimates and Chi-Square Tests

Caller Experiences

Finding			Weighted Chi-Square Test	
			Degrees of Freedom	P-value
Relationship between finding the interactive voice response easy to use and satisfaction				
	Percent Satisfied	Percent Unsatisfied*		
Interactive voice response easy to use/Don't remember	89.14	10.86	1	0.012
Interactive voice response not easy to use	72.99	27.01		
Relationship between receiving an answer to a question and all information needed, and satisfaction				
	Percent Satisfied	Percent Unsatisfied*		
Received answer	95	5	1	less than 0.001
Did not receive answer	51.91	48.09		
Relationship between receiving an answer to a question as quickly as desired and satisfaction				
	Percent Satisfied	Percent Unsatisfied*		
Received answer quickly	92.06	7.94	1	less than 0.001
Did not receive answer quickly	30.77	69.23		

*Includes sampled callers who reported that they were unsure or neither satisfied nor unsatisfied, in addition to sampled callers who reported that they were unsatisfied.

Caller Experiences

Finding	Point Estimate	Confidence Interval 95 Percent
Callers asked to rate satisfaction who were satisfied overall with the customer service received	84.5%	80.1% - 88.9%
Callers who reported difficulty accessing information from call centers	43.7%	37.7% - 49.6%
Callers encountering an interactive voice response who reported that it was not easy to use	31.6%	25.9% - 37.4%
Callers to 1-800-MEDICARE who reported that the interactive voice response was not easy to use	39.7%	30.1% - 49.4%
Callers who reported not receiving an answer to their question or all the information that they needed	24.4%	18.9% - 29.9%
Callers who reported not receiving an answer as quickly as they desired	12.4%	8.3% - 16.4%

Customer Service Priorities

Finding	Point Estimate	Confidence Interval 95 Percent
Callers who ranked priorities as: 1) accuracy, 2) courtesy, and 3) time spent on the telephone	48.7%	42.5% - 54.9%
Callers who ranked priorities as: 1) accuracy, 2) time spent on the telephone, and 3) courtesy	18.1%	13.4% - 22.8%

APPENDIX ~ B

Profile of Surveyed Callers

	Small Call Centers	Large Call Centers	1-800-MEDICARE	Total
Who called?				
Beneficiary*	69	70	81	220/305
Beneficiary's family member	27	32	15	74/305
Other (e.g., provider or insurance office staff)	4	3	4	11/305
Why did they call?				
Medical bill/summary notice	56	56	19	131/305
Benefit question	19	25	48	92/305
Other (e.g., address change, multiple issues)	25	24	33	82/305
How did they know what phone number to call?				
Printed on a notice I received	51	61	36	148/305
Someone gave me the number	14	21	8	43/305
Medicare & You handbook	5	5	19	29/305
Previous knowledge	3	8	2	13/305
1-800-MEDICARE advertisement	3	0	6	9/305
Other (e.g., Medicare card, telephone book)	24	10	29	63/305
Did they try to get their question answered through any other source before calling?				
No other source consulted	72	78	70	220/305
Medicare handbook or brochure	3	0	2	5/305
Internet Web site**	1	1	1	3/305
Friend, family member, counselor	1	0	1	2/305
Other (e.g., call to provider, secondary insurance)	23	26	26	75/305
How many times did they call a Medicare-funded call center during the week?				
1-3	79	88	83	250/305
4-8	21	17	17	55/305
Average number of calls	2.52	2.34	2.44	2.43
How did callers describe CSR*/recording pace, volume, and clarity?**				
CSR/recording spoke at the right pace	85	93	77	255/271
CSR/recording spoke at the right volume	84	93	82	259/271
CSR/recording spoke clearly	88	95	80	263/271
How did callers rate their experience with the customer service received?				
Satisfied	70	88	64	222/271
Unsatisfied	14	4	16	34/271
Neither or Unsure	8	4	3	15/271

*These totals include four callers who called on behalf of themselves and for family members. Two of these callers were in the large call center groups, and two callers were in the 1-800-MEDICARE group.
**One caller in the 1-800-MEDICARE group asked a friend, family member, or counselor in addition to accessing an Internet Web site.
***Customer service representative (CSR).

ACKNOWLEDGMENTS

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