MC-eGov Study on Multi-channel Delivery Strategies and Sustainable Business Models for Public Services addressing Socially Disadvantaged Groups

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CASE STUDY:

Crossroads Bank for Social Security (CBSS)
http://www.ksz.fgov.be/En/CBSS.htm

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1.0 INTRODUCTION

The material from the meeting with Peter Maes, and desk-research, is organised in the context of the emerging Framework of Fundamental Principles (Annex D) that is being built on the pan-European research within www.mcegov.eu

2.0 THE CONTEXT

The context for Crossroads is set by Frank Robben in the details placed on the ePractice portal (http://www.epractice.eu/cases/2763):

"*The Belgian social security consists of 3 insurance systems (workers, self-employed workers and civil servants), that cover maximum 7 social risks (e.g. incapacity for work, unemployment, old age, child care and holiday pay), and of 4 assistance systems (e.g. subsidies for the handicapped and minimum income), that grant people minimum services after checking their subsistence resources. ... As a result of huge business process re-engineering between approximately 3.000 actors, co-ordinated by the Crossroads Bank for Social Security (CBSS), a maximum number of social benefits and subsidiary rights are automatically granted without citizens or their employers having to make declarations anymore, and the administrative burden for citizens and companies has been drastically reduced. ... The public social security agencies that administer the various social security programs make sure that the remaining back office functions are organised in such a way that all necessary information can be exchanged among them, thus avoiding the need to ask the same questions more than once; they also provide basic services to the front office organisations in order to enable them to give end users an integrated, customer-oriented service delivery which is organised according to events during the life cycle of the customer*".

CBSS was created in 1990 after a review of the Belgian Social Security system identified a number of problems in delivering services effectively to citizens. First, the business processes across the institutions were not customer-friendly. Second, information was not used consistently across the institutions, and was often duplicated, leading to inconsistent allocation of benefits to citizens. Third, citizens had to spend time showing that they were qualified to receive individual services, rather than being given the portfolio of services they needed.

CBSS has overcome these problems through the creation of secure and innovative technology solutions for eGovernment, and by working closely with the actors in the Belgian Social Security sector to build a shared client-facing vision for social services delivery to citizens. The processes of information integration (through interoperating between the databases of the key actors) are underpinned by the promotion of information security and privacy so that all stakeholders could build trust in the system.

CBSS provides the ICT infrastructure to enable both the collection of social security contributions, as well as the delivery of a range of social security benefits. The benefits cover: child benefits; unemployment benefits; benefits in case of incapacity for work; benefits for the disabled; re-imbursement of health care costs; holiday pay; old age pensions; guaranteed minimum income.

The ‘value proposition’ presented by CBSS is that a range of social services for Belgian citizens can be delivered more efficiently and effectively through actions that:

- Avoid the costs of developing new and large ICT systems, by developing a secure IT solution that interoperates between the various databases of the main social security actors, using social security cards (and soon using eID) as a coherent way to identify people, and then interlinking their data securely using a unique identification number;
- Ensure that information is provided electronically and rapidly by employers through the simplification of forms, to focus only on key common shared information of: recruitment; leaving work; quarterly declaration of salary and working time; and any occurrence of a social risk;
- Focus the services fully onto user needs when events occur, rather than after a process of application event when events occur such as: starting to work; moving address; being ill, retirement; starting a company; death.
- Wherever possible grant, and deliver, social security benefits automatically, and through channels that are relevant to them;
- Build societal trust and confidence in the activities of CBSS through all stakeholders agreeing to the service development, and being involved in the governance of the project;

3.0 CRITICALLY REVIEW POLICIES

Crossroads Bank is one of the beacon projects for European eGovernment, having won awards and praise for it efficient and effective electronic management of social security payments through employers, and a proactive monitoring and payment of social security benefits as and when citizens qualify for them.

The project received high level ministerial support from the outset. When the project was developed (the collaboration in the electronic network started in 1990) the focus on back-office integration took place at a time before eGovernment added an extra focus on front-office developments. This allowed the project to focus strongly on the key issues of data security, and to build trust incrementally with stakeholders through associated processes of business process reengineering (BPR). Front-office services were launched in 2000 once CBSS had created trust, and was delivering clear value to all stakeholders.

The system is now being expanded to include eHealth. The policy goals that encourage this development are to target healthcare more effectively to patient needs, to reduce bureaucracy, to contribute to evidence-led healthcare policy through robust and accurate data, and to improve the effectiveness of communication and information sharing between healthcare actors. The expansion into eHealth will be enabled by a new law that was passed on 13 October 2008 by the Belgian Government.

The eHealth development will not be the same as for Social Security (where all institutions are obliged by law[1] to pass their data through the system), and will start on a more voluntary basis in a process of establishing and building trust with the healthcare sector[2]. For CBSS the move into healthcare involved building its brand with a new group.

[1] There are 45 articles of law that form the basis of Crossroads' activities, including laws relating to electronic signatures and archiving.

[2] This interestingly shows how difficult it is to pass trust between sectors – the healthcare sector will very much build trust according to its own expectations and values.

4.0 TRANSFORM ORGANISATION

When Crossroads was established about 90 people were transferred into it as government appointments. A new institution was created to 'house' CBSS, so there was not an issue of organisational legacy, and few of the normal issues of staff redeployment (natural wastage was used to rebalance staff resources), although staff reallocation is undertaken within CBSS according to skill needs of the service.

The core employees of CBSS are government employees, having been recruited through the normal civil servant competitive examination, and having statutory rights of employment. There was consideration of how best to meet the ICT demands of the service, because the civil service structure does not provide the flexible IT resource needed, and they did not want to rely on short-term contract staff.

To maintain both flexibility, and stability of skills and knowledge, a new Association was created between Social Security Institutions to provide a core of IT expertise for this, and other projects. The IT Association has a collective labour agreement, and this arrangement provides CBSS with a flexible ICT resource, but also where the flexibility does not lead to a high throughput of skilled people with the associated risk that there is a loss of organisational knowledge.

5.0 DEVOLVE POWER TO LOCAL LEVELS, SHAPE ORGANISATIONS AND POLICIES

The Crossroads Social Bank is a strategic central intermediary in a federated network of institutions. Its role in information integration and security requires such a role. However, its governance model is strongly decentralised to include all the stakeholders in the value-chain. There is Board of Directors which on which representatives of the stakeholders (employer associations, trade unions, social security institutions) are represented. The Board oversees strategic, operational and financial plans. Then there is a General Coordination Committee (GCC) where users are represented and this Committee provides advice and feedback on existing and proposed eGovernment developments. The Committee can establish permanent or ad hoc working groups to focus on particular programmes and projects. The Chairs of the working groups then meet as a Steering Committee for the GCC. All users within the GCC debate and agree an annual priority plan.

The governance model means that all actors in the CBSS system can contribute to the planning of future developments, and they also can receive regular technical feedback on important trust-related issues such as infrastructure and data security and privacy protection.

6.0 IDENTIFY BENEFICIARY NEEDS

The beneficiary needs are proactively identified through the process of data integration and cross-checking. Therefore the challenge for CBSS is to maximise the take-up of service by beneficiaries. There is no compulsion for people to take-up service offerings, but all actors in the delivery chain (3,000 social services actors are in the network) are incentivised to ensure take-up.

The range of benefits covers: child benefits; unemployment benefits; benefits in case of incapacity for work; benefits for the disabled; re-imbursement of health care costs; holiday pay; old age pensions; guaranteed minimum income; and, the delivery of supplementary social benefits.

7.0 MAXIMISE CHANNELS

The benefits are accessible via a channel chosen by the user, including direct contact, phone, computer, or conventional letter. A form of trust-based confirmation is that letters are always sent to citizens relating to benefits, even if the process has been undertaken online.

8.0 COMBINE SERVICES

Centralised and secure identity management is fundamental to the process of combining information and services. CBSS does not achieve this by centralising and integrating all the information, but instead interoperates between the databases held by the social security institutions.

First, CBSS acknowledges that the database of each institution is the authoritative source of data on which to make policy authorisation. Will be the same when linking to Poland, and CBSS will trust the Polish authorities to tell them authoritatively.

Second, it operates a process of federated and distributed event-led identity management, involving authentication and authorisation, through circles of trust. CBSS works as a trusted third party which has a clearing house function between stakeholders. It uses a reference directory that contains details of what files a person has in the stakeholder institutions, and only processes the data when needed.

Initially the information on the Belgian Social Security Card has been used to identify people (name; Christian name; date of birth; sex; social security number; period of validity of the card; card number; sickness fund; sickness fund registration number; insurance period; insurance status; social exemption status). One identity is made the system will interlink their data securely using a unique identification number.

By 2011 the Belgian Identity Card will be fully used to prove identity, and the social security status (and also soon the health status) is then obtained through the databases. The Identity Card data are: name; nationality; date and place of birth; sex; identification number of the National Register; main residence; manual signature; electronic authentication of the identity of the holder (private key and certificate).

9.0 ASSESS AND MEASURE OUTCOMES, IDENTIFY SOCIETAL VALUE

The main objective of CBSS initially was to diminish the administrative burden on citizens and employers. By reducing administrative burden more time is release for businesses to focus on core business, and less time is being demanded of citizens. For the social security institutions there was a dramatic reduction in the contacts required between them, and between businesses and citizens. Because the information is processed in real time there is no delay in the databases being updated with the current situation of a citizen.

Data errors have been reduced from 40% when the forms were on paper, to 1.5-2% now. That substantially reduces the staff resource needed both in correcting errors, and contacting employers for clarification.

Performance measurement was carried out independently by the Federal Planning Bureau, €1.7 billion of savings in administrative costs were identified for companies in Belgium[3]. External validation of performance ensures greater credibility of metrics, and removes them from possible politicisation.

Companies now provide information electronically and the communication processing costs are minimal. In 2007 650million electronic messages were exchanged between the actors in the Social Security system. The overall cost of sending a message electronically is €0.01. Previously the cost of exchanging messages using a conventional letter and stamp was up to €0.50.

Again, there are investment costs in the ICTs to maintain such efficient communication, but there also are ICT requirements in producing paper communication. Furthermore, the CBSS approach is scalable, and increases in electronic communication do not require significant extra investment, whereas each paper communication has a high fixed cost. It is therefore clear that significant cost savings are delivered just in the inter-actor communication process, and the communication is received in real-time as well which delivers additional organisational efficiencies.

There are commensurate gains in the quality of social protection through proactive granting of benefits, which avoids previous short-term poverty traps where citizens need services, but spend time applying for them.

For employers the efficiency gains are substantial in the context of the 23million declarations that they made in 2007. Of the previous set of social security forms that employers had to complete 50 have been abolished, and the 30 that remain now collect a reduced amount of information (one-third less than before).50 social security declaration forms for employers have been abolished. The scalable architecture of CBSS means that more services can be added to the portal in an integrated fashion, and the services are available "*at any time, from anywhere and from several devices*".

[3] http://www.ksz.fgov.be/documentation/En/20070605.ppt

10.0 PLAN FOR SUISTAINABLE OUTCOME

Building and maintaining trust and security. CBSS is sensitive to the issues of privacy and confidentiality, and to the needs to maintain citizen trust in a process that interlinks sensitive personal data. It has close links with the member of the Belgium Privacy Commission[4], and accepts that it must mediate effectively between the need to integrate and interoperate with personal information about citizens, and possible fears of hostile surveillance. It does not, for example, proactively check for fraud, but instead argues that the act of integrating data effectively reduces the opportunity for fraud, and that is a critical success factor.

Delivering further cost savings through eligibility checks. While it is possible to undertake fraud detection, CBSS is sensitive to the issues of erroneous identification of fraud, citing a study in the Netherlands where unemployment and other data were linked, but only 1 in 10 of the people identified by the cross-check actually had committed a fraud. Instead, CBSS cross-checks to see if a person who seems qualified for one benefit is not already receiving others. In addition CBSS undertakes an active search of non-take-up using data-warehousing techniques, and this process helps to minimise the chances of social security needs becoming larger problems if they are not addressed quickly.

Making clear links between rights and responsibilities. There is an emphasis on behaviour change with citizens and employers. They have focused on the construction sector where historically many people did not pay contributions. Instead of a large-scale data surveillance activity, they changed the regulations. Now, an organisation that employs a construction company becomes liable for contributions of the construction company employees if it is found they are avoiding social security payments. Therefore the 'users' of the social security services have a greater interest in ensuring compliance throughout their employment chain.

Maintaining organisational flexibility. There is a middle-ground between IT staff inflexibility with people on normal civil service contracts, the potentially high costs of PPP projects, and the short-termism of commercial contract staff, through the establishment of an intermediary skills organisation that provides services to a range of IT-rich projects. We could term this combination of stability and flexibility as being what Jens Rose terms 'flextability'[5].

Operating in a financial model that clearly links investment to outcomes. The CBSS annual budget of €17-18million is funded by part of the total contributions paid by employers, the employees and the self-employed. This allows social sector actors to use the service without direct charge. In addition there is a "*charge per electronic message (0.011 €) exchanged for actors outside the social sector, with possibility of settlement on mutual terms in case of reciprocal information exchange*". There is financial transparency through cost accounting and zero-based budgeting.

Expand the service offering. Using the scalable platform the development of eHealth services is underway. This is being undertaken in ways which integrate services, but also which build trust and capacity. Oncologists can input and store data onto a cancer register, which may lead to a form of social network where they exchange knowledge more rapidly and effectively. For eHealth

[4] http://www.privacycommission.be/

[5] http://www.amazon.com/Weiterbildung-Besch%C3%A4ftigter-Arbeitskr%C3%A4fte-Wissenspool-FlexStAbility/dp/3825503437

there is the development of the ordering of prescription forms by patients, which can be extended to online access by pharmacies in the future.

Annex – The Framework of Fundamental Principles