

Disability Programs Redesign Update

Employee Trust Funds Board

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Redesign Summary


- Close Long-Term Disability Insurance (LTDI) program to new claims
- Re-open Disability Annuity program
- Shift authority over all disability programs under one governing board
- Redesign ICI program
- Amend and extend Income Continuation Insurance (ICI) and LTDI administrative services contract with Aetna
- Adjust staffing level in Disability Programs Section to handle increased workload demands

Long-Term Disability Insurance (LTDI)

 **Close the LTDI program to new claims effective January 1, 2018**

Requires administrative rule changes

- CR 17-031 published in Dec. 2017 for Jan. 1, 2018 effective date

 **Develop communications program**

- Letters to members with pending LTDI claims or estimates
- Letters to current claimants
- Internal communications with ETF staff (i.e. FAQs, staff briefings)
- Employer bulletin Nov. 07, 2017
- Updated brochures, forms and ETF web site

Long-Term Disability Insurance (LTDI)



Enable payments through Benefit Payments System (BPS) by Jan. 1, 2018

- LTDI application developed in BPS
- Ongoing testing using active claims data



Develop strategy to transition administrative functions for LTDI program to ETF

- Prioritized administrative functions
- Transitions occurring throughout 2018
- Some functions transitioned immediately
- Annual functions retained by Aetna for 2018

Disability Annuity (40.63) Program

Re-open 40.63 program to new claims effective Jan. 1, 2018

- Requires administrative rule changes
 - CR 17-031 published in Dec. 2017 for Jan. 1, 2018 effective date
- System update ability to generate new 40.63 estimates
- Communications to pending LTDI claimants about 40.63 availability

Income Continuation Insurance (ICI)

ICI program redesign

- Address financial deficit in state plan
- Transform ICI to a short term disability income program
- Move oversight of ICI program to ETF Board
- Requires statutory change

- Required statutory changes developed with LFB
- ETF engaging with legislators for bill sponsorship
- Bill introduction this legislative session

Aetna Update



Amend administrative services contract with Aetna

- Provide for two additional 1-year extensions
- Detail roles and responsibilities for handoff of LTDI program
- Contract extension completed on Oct. 6, 2017
 - Current extension through Dec. 31, 2018

Hartford Transition

- Aetna's Group Life and Disability Insurance block of business sold to The Hartford on Nov. 1, 2017
- Hartford promising seamless transition
- Using Aetna's current tools, personnel

DPS Staffing

Increase DPS Staffing

- Increased by two full-time employees
 - Reallocating existing vacancies within Benefit Services Bureau
- Due to:
 - Increased 40.63 claim activity
 - Additional workload related to LTDI closure and assumption of additional administrative tasks

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Questions?

Thank you



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