



Group Insurance Board

**2007 ICI and LTDI
Program**

June 10, 2008



Agenda

- **Projects and Approaches in 2007**
- **Executive Summary**
- **Performance**
 - **Customer Service**
 - **Administration**
 - **Claims Experience Overview**
- **Questions and Answers**



2007 Projects/Approaches

- **Continue to execute ETF Program within Aetna Claim Owner model**
 - Without service interruption
- **Preserve and build upon gains made post Aetna acquisition:**
 - **Strength and experience of ETF/Aetna staff-**
 - Keep key staff on team and at Aetna
 - **Strengthen team with high performers**
 - **Maintain vital aspects of ETF program**
 - while accessing best technology and best approaches available in the industry
- **Aetna Ombudsperson Activity**
 - Low level - less than one incident per month
 - Usually educational in nature
- **Continue to Partner with ETF team**
 - Adjustments, Program Evolution, Shared Expertise
- **Customer Service Focus Remains Priority**
 - Improve on Customer Service Surveys from 2006



Executive Summary

- **Ombudsperson activity is down to negligible levels**
 - Experienced staff has led to less escalation and more resolution within general process of response
- **Key Customer Service Measures**
 - Exceeded Customer Service Survey levels after missing this measure last year
- **Claims Study- State ICI, Local ICI, LTDI**
 - **State ICI Program is 82% of all claims volume**
 - Analysis will be deepest in ICI State – best insights of
 - Diagnostic drivers, Cost, Absence and Corresponding illness and costs on the healthcare side
 - Females file more claims (common in the industry)
 - Driven by maternity within STD
 - **Musculoskeletal is the most common diagnostic category in all claims categories**
 - **Mental Health claims are high in volume and duration**
 - **Neoplasm and Injury, while less in number, have longer durations**

ETF Feedback

- **ETF Ombudspersons reported the following disability contacts (includes all disability programs):**
 - 2003 – 125 contacts
 - 2004 – 176 contacts
 - 2005 – 23 contacts
 - 2006 – 16 contacts
 - 2007 – 19 contacts
- **Typically, when an ETF ombudsperson contact occurs, Quality Assurance Services Bureau staff focus primarily on educating members on processes (including administrative review rights) and facilitating communication between the member and the benefit administrator.**
- **Because Aetna has retained the same staff on ETF's account for years, the analysts have the experience and confidence to successfully address issues with the clamant directly that may have been escalated before.**

Ombudsperson Activity

- **Aetna's Ombudsperson issues have been reduced in number and time to resolve.**
- **Aetna Ombudsperson contacts:**
 - **2005 approximately 5 contacts per month**
 - **2006 approximately 1 contact per month**
 - **2007 approximately 1 contact per month**
- **These contacts are usually:**
 - **adverse claim decision**
 - **overpayment**
 - **process education**



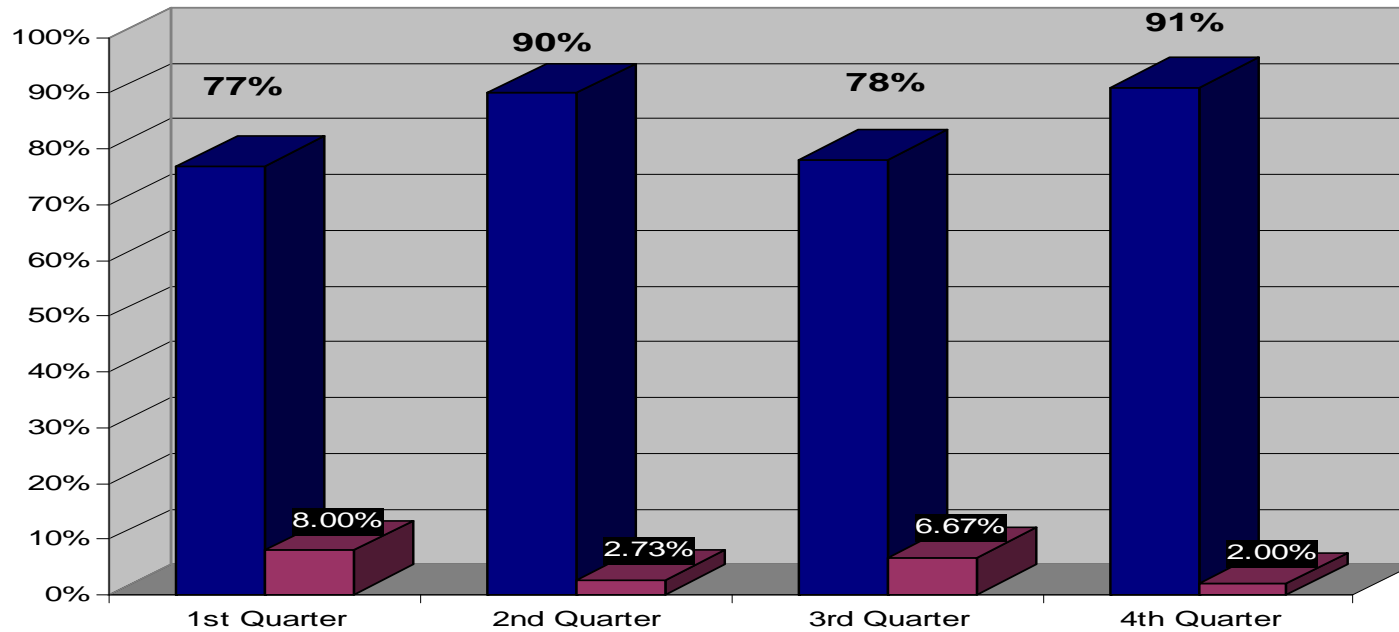
2007 Performance Measures



- **Phone Statistics- Time to Answer**
- **Correspondence Tracking and Turnaround**
- **Evidence of Insurability - EOI Processing**

2007 Telephone Performance

Quarter	Received	Level of Service	Abandoned
1st Quarter	2,952	77%	8.00%
2nd Quarter	3,355	90%	2.73%
3rd Quarter	3,310	78%	6.67%
4th Quarter	2,157	91%	2.00%
Annual	11,774	84%	4.85%



Performance Standard =
85% and 4.5%

Phone Performance 4 Year Study

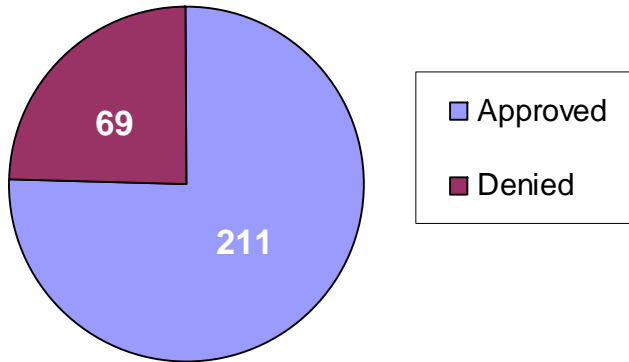


	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of phone calls	11,774	10,795	16,617	26,834
Answered-30 seconds	84%	83%	91 %	85%
Abandoned	4.85%	4.17%	3.7%	3.6%

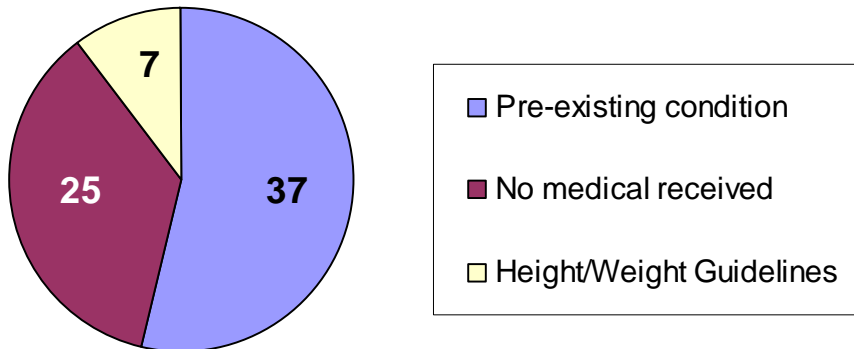
- **After three years of decline in number of phone calls, there was a slight increase in calls in 2007:**
 - Assignment of claim owner at intake decreased the call volume dramatically from 2004
 - The slight increase in 2007 is not of great concern but did lead to slight resource shift to fill the need
 - Less calls go through Ombudsman line and are now managed by well versed analyst staff
- **Aetna has exceeded on phone performance the last 2 quarters and intends to exceed levels for the remainder of 2008.**

Evidence of Insurability 2007

Evidence of Insurability- 280 Applications



Denied EOI Applications



- **Initiation within 5 days:**

98%
(98% in 2006)
standard is 95%

- **Determination within 30 days:**

99%
(99% in 2006)
standard is 98%

- **Determination communicated within 4 days:**

99%
(99% in 2006)
standard is 100%

2007 Customer Service Measures

Telephone Performance- 85% of calls answered in 30 seconds:

2007- **84%- Standard Not Met**

Telephone Abandonment Rate - No more than 4.5% will be abandoned:

2007 – **4.85%- Standard Not Met**

Silent Monitor Audit of Intake - 95% pass quality- Polite, Accurate and Professional

2007 – **100% Standard Met**

Silent Monitor Audit Clinical - 95% pass quality- Polite, Accurate and Professional

2007 - **100% Standard Met**

Customer Satisfaction Surveys - 90% Respondents will give overall rating of Excellent or Good

2007 – **98%- Standard Met**



Claims/Experience Study- 2007

1. Claims Counts 2007 by Product

2. Individual Program Utilization

a) **State ICI- STD/LTD**

- Claims, Agency, Gender, Diagnostic Categories

b) **Local ICI- STD/LTD**

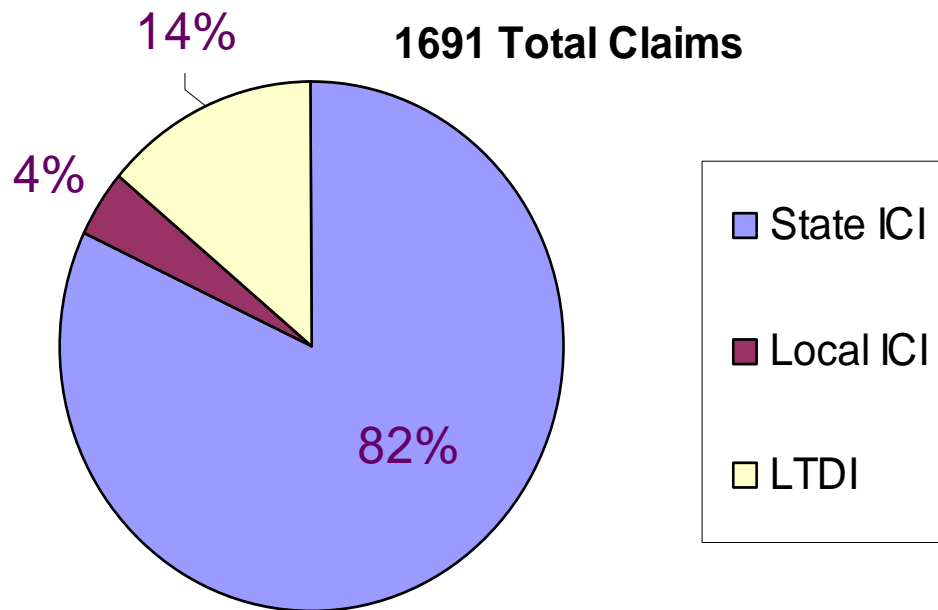
- Claims, Agency, Gender, Diagnostic Categories

c) **LTDI**

- Claims, Agency, Gender, Diagnostic Categories



2007 Overall New Claim Numbers



State ICI - 1388
claims

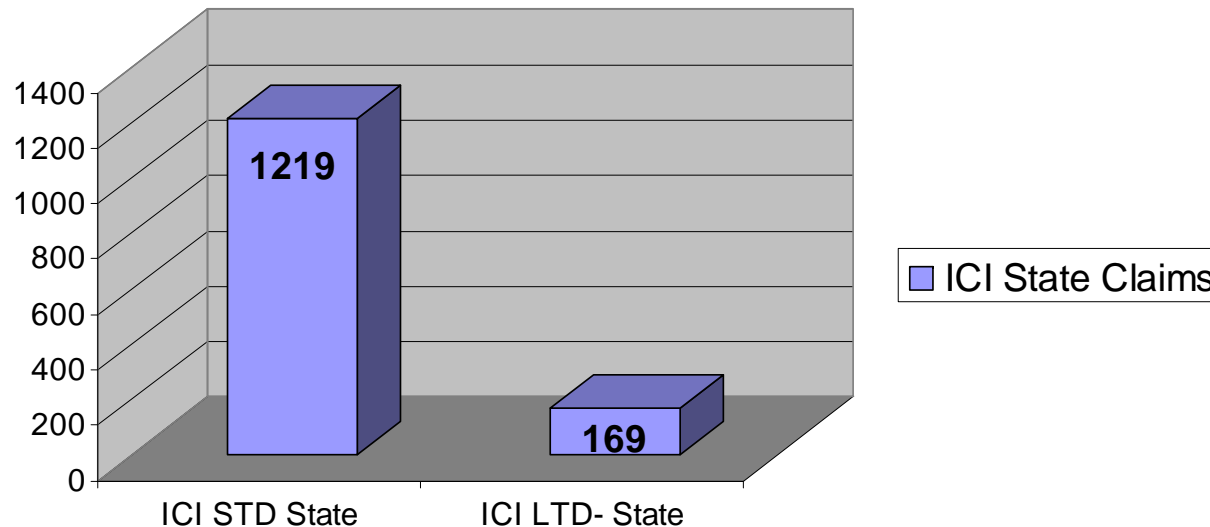
Local ICI - 70
claims

LTDI- 233
claims

2007 ICI State Program Claim Counts

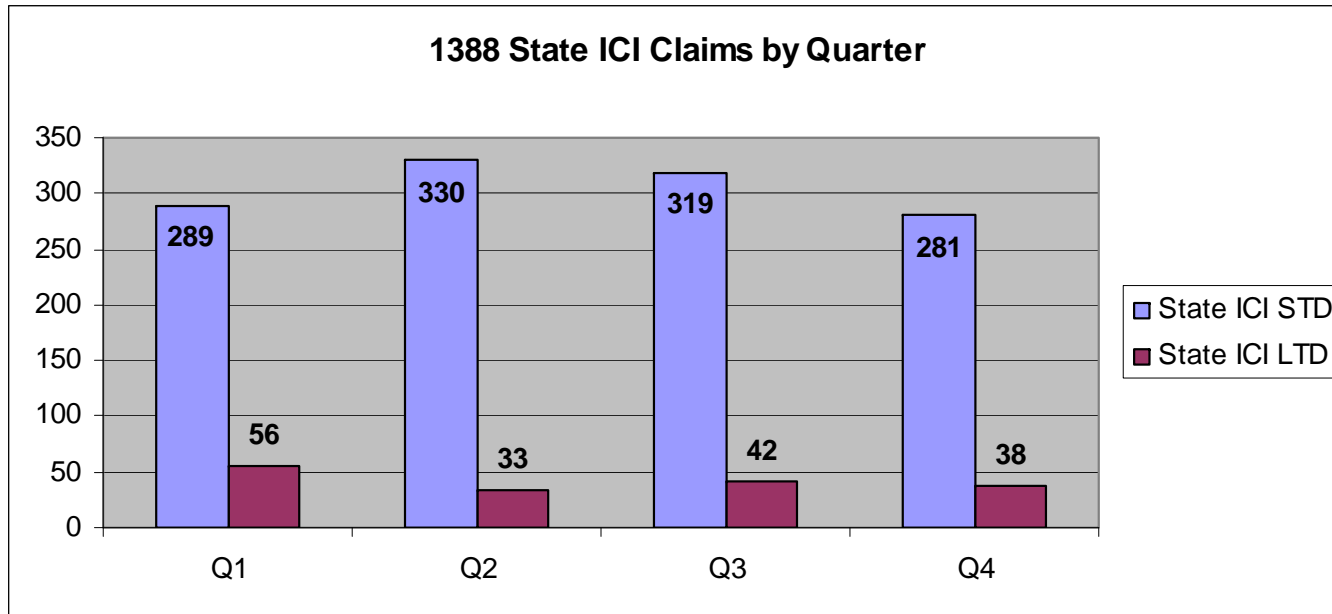


ICI State Claims



- **1219 New ICI State Short Term Disability (STD) claims in 2007**
- **169 State ICI claims moved into the Long Term Disability (LTD) phase:**
 - **An ICI STD claim becomes LTD after one year of duration**

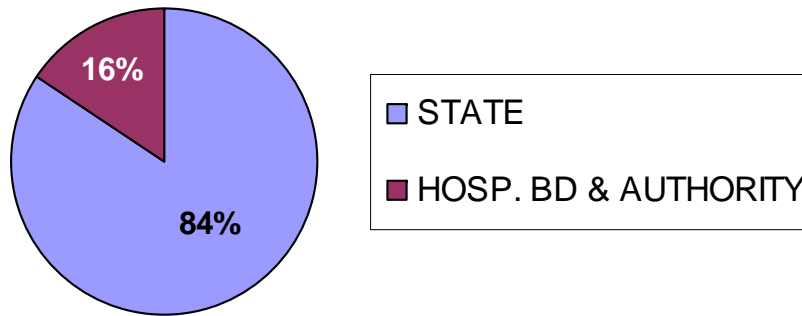
ICI STATE STD/LTD by Quarter



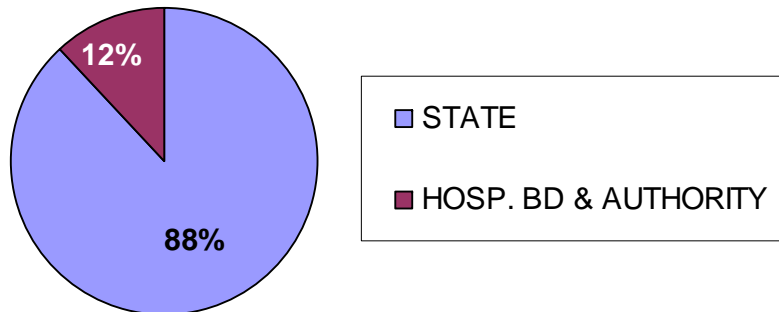
- There is a slight seasonality for STD claims within Q2 and Q3
- LTD claims are relatively steady across all quarters
- Just over 10% of STD claims will become an LTD claim

2007 State ICI Claims by Employer Type

ICI State STD by Employer



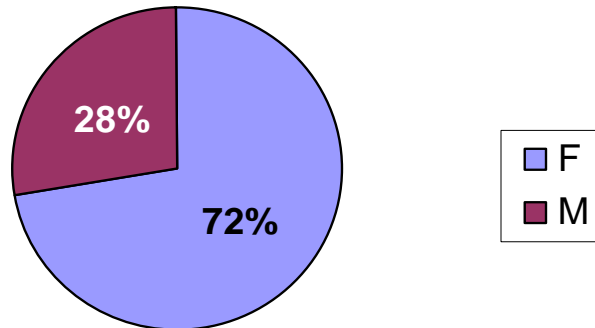
ICI State LTD By Employer



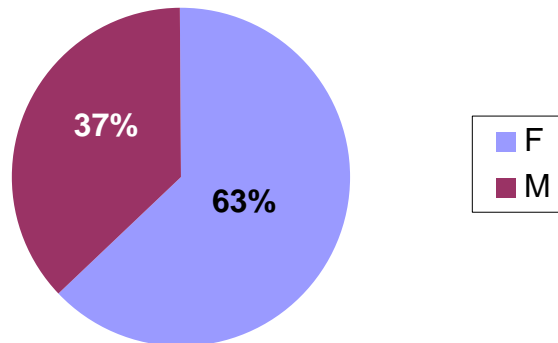
- All ICI STD Claims are recorded as either
 - State or Hospital
- Of the 1219 STD Claims
 - 1029 were State
 - 190 were Hospital
- Of the 169 ICI LTD Claims
 - 149 were State
 - 20 were Hospital

2007 State ICI Claims by Gender

State ICI STD by Gender
1219 Claims



State ICI LTD Claims by Gender
169 Claims



- **ICI State STD**
 - **881** have been initiated by the Female population
 - **338** by the Male population
 - **Maternity as an exclusive category for Female supports the ratio- and is common as an STD statistic**
- **ICI LTD**
 - **106** Claims- Female
 - **63** Claims- Male

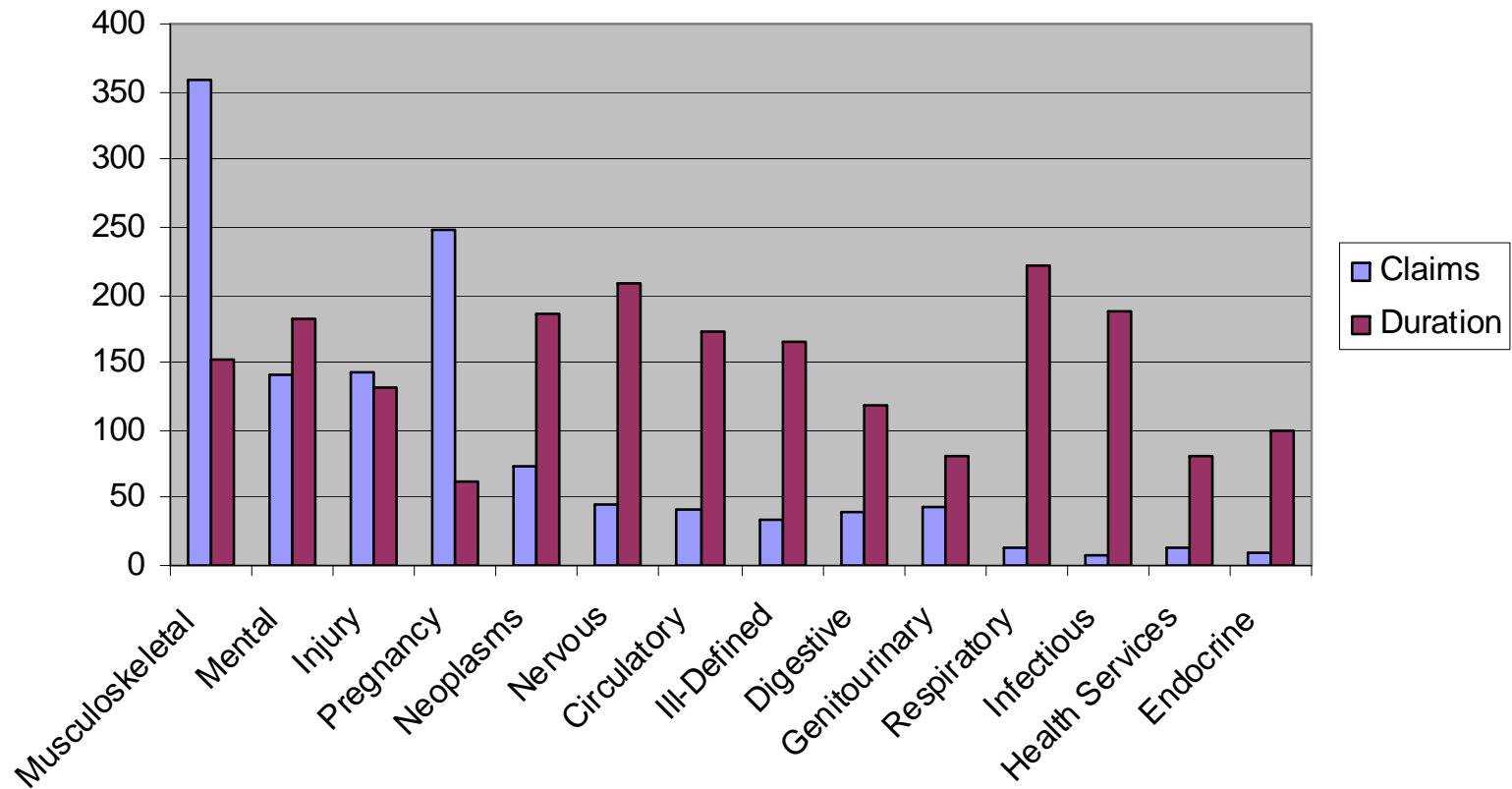
2007 State ICI STD Claims by Disability Top 14 Categories

<u>Benefit</u>	<u>Diagnosis</u>	<u>Claims</u>	<u>Days Lost</u>	<u>Duration</u>
STDICI	Musculoskeletal	358	54628	152
STDICI	Mental Disorders	141	25717	182
STDICI	Injury and Poisoning	142	18878	132
STDICI	Pregnancy, Childbirth	248	15443	62
STDICI	Neoplasm	73	13515	185
STDICI	Nervous/Sense Organs	45	9410	209
STDICI	Circulatory	41	7096	173
STDICI	Ill-Defined	34	5671	166
STDICI	Digestive	40	4752	118
STDICI	Genitourinary	43	3522	81
STDICI	Respiratory	13	2877	221
STDICI	Infectious	8	1496	187
STDICI	Health Services	14	1147	81
STDICI	Endocrine	9	896	99

- ICI State STD comprises a majority of the volume and claim processing in administration of ETF's programs
- The chart details what medical conditions drive absence

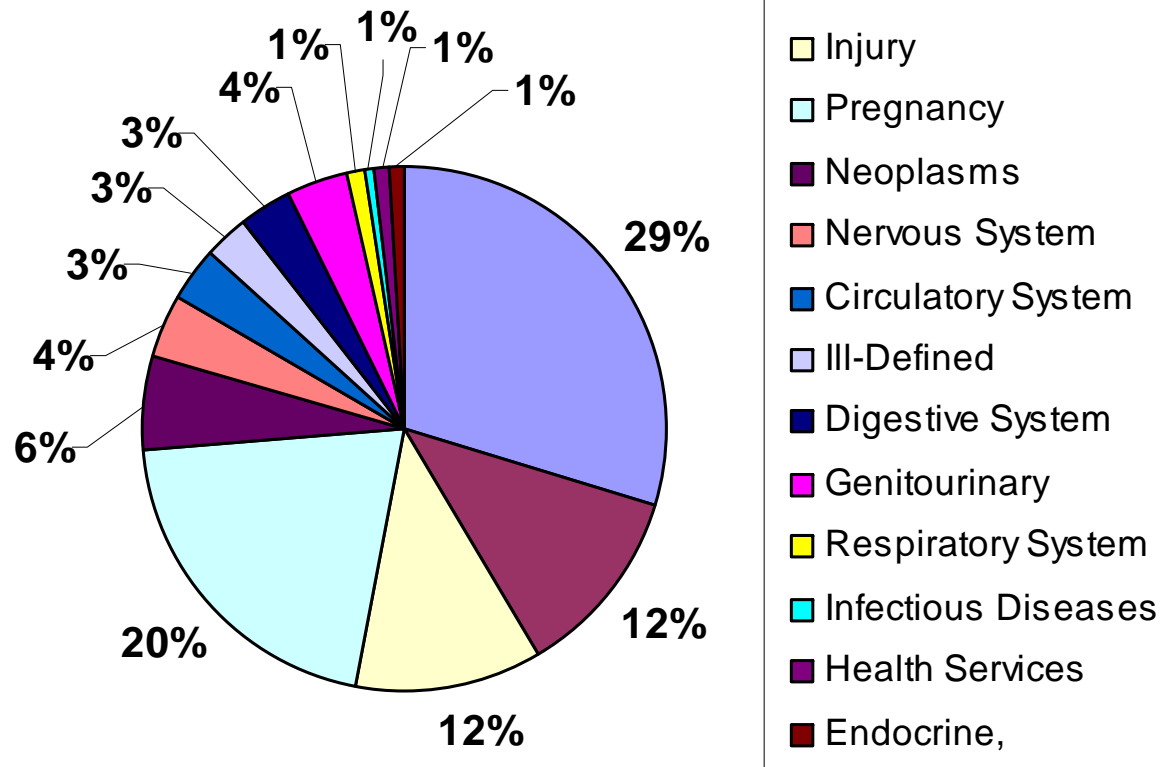
Diagnostic Categories and Durations 2007 ICI STD

Diagnostic Categories and Durations



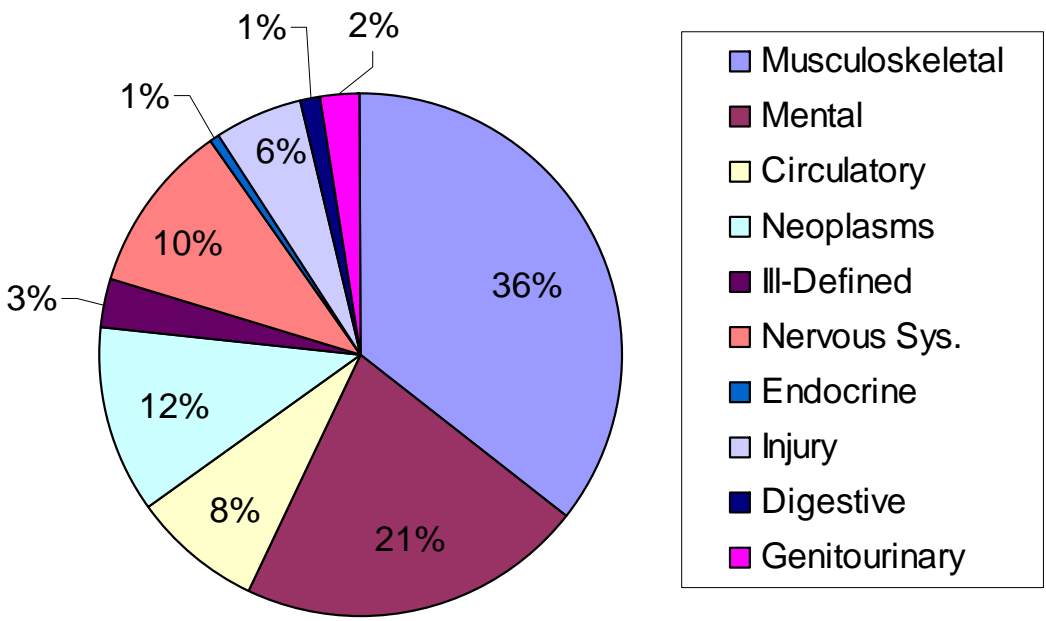
State ICI STD Diagnosis as a Percent of Claims Top 14

Diagnosis as percent of claims



2007 State ICI LTD Claims by Diagnosis

State ICI LTD - Top 10 Diagnosis



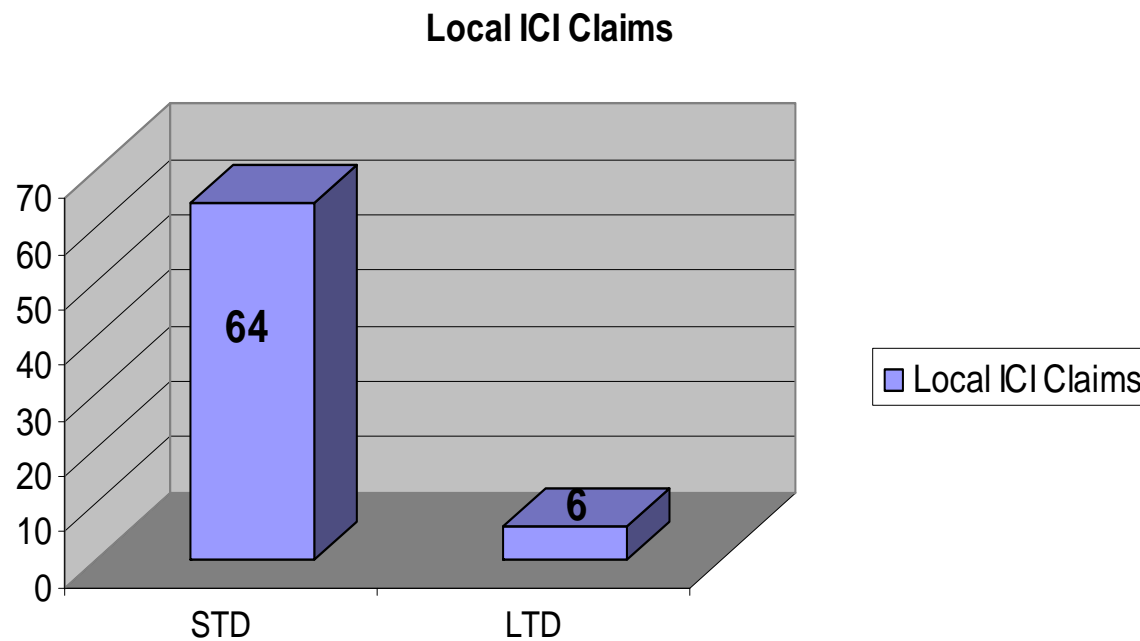
<u>Diagnosis</u>	<u>Claims</u>
Musculoskeletal	58
Mental	35
Circulatory	13
Neoplasm	19
Ill-Defined	5
Nervous Sys.	17
Endocrine	1
Injury	9
Digestive	2
Genitourinary	4



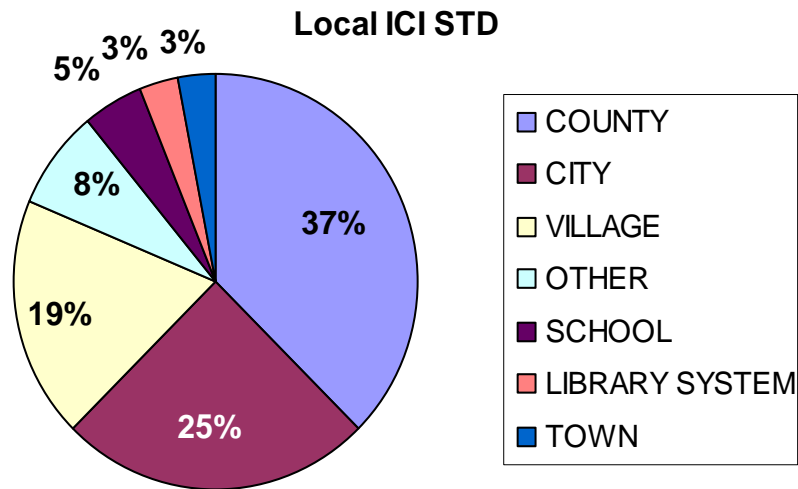
2007 Local ICI Claims Statistics



- **64 Short-Term Disability claims are a majority of the Local ICI claims**
- **There were 6 Local ICI LTD claims**

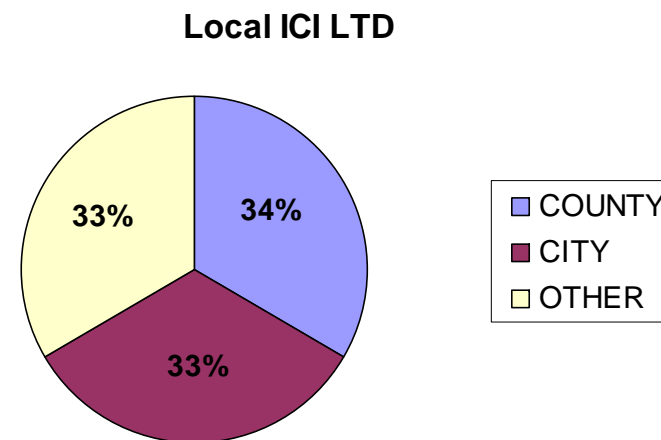


2007 Local ICI Claims by Employer Type



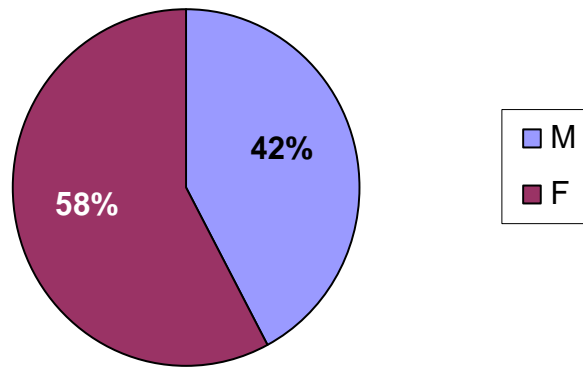
Local ICI	STD
COUNTY	24
CITY	16
VILLAGE	12
OTHER	5
SCHOOL	3
LIBRARY SYSTEM	2
TOWN	2

Local ICI	LTD
COUNTY	2
CITY	2
OTHER	2



2007 Local ICI Claims by Gender

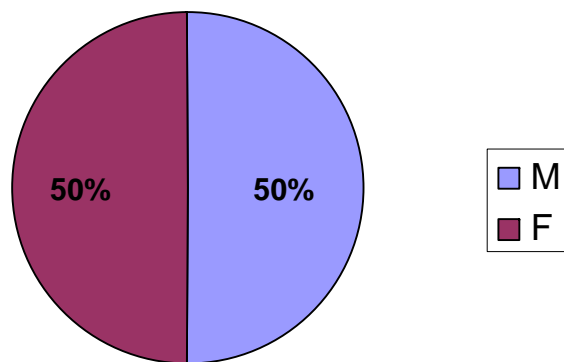
Local ICI STD by Gender



Local ICI STD

- **37 Female**
- **27 Males**

Local ICI LTD by Gender

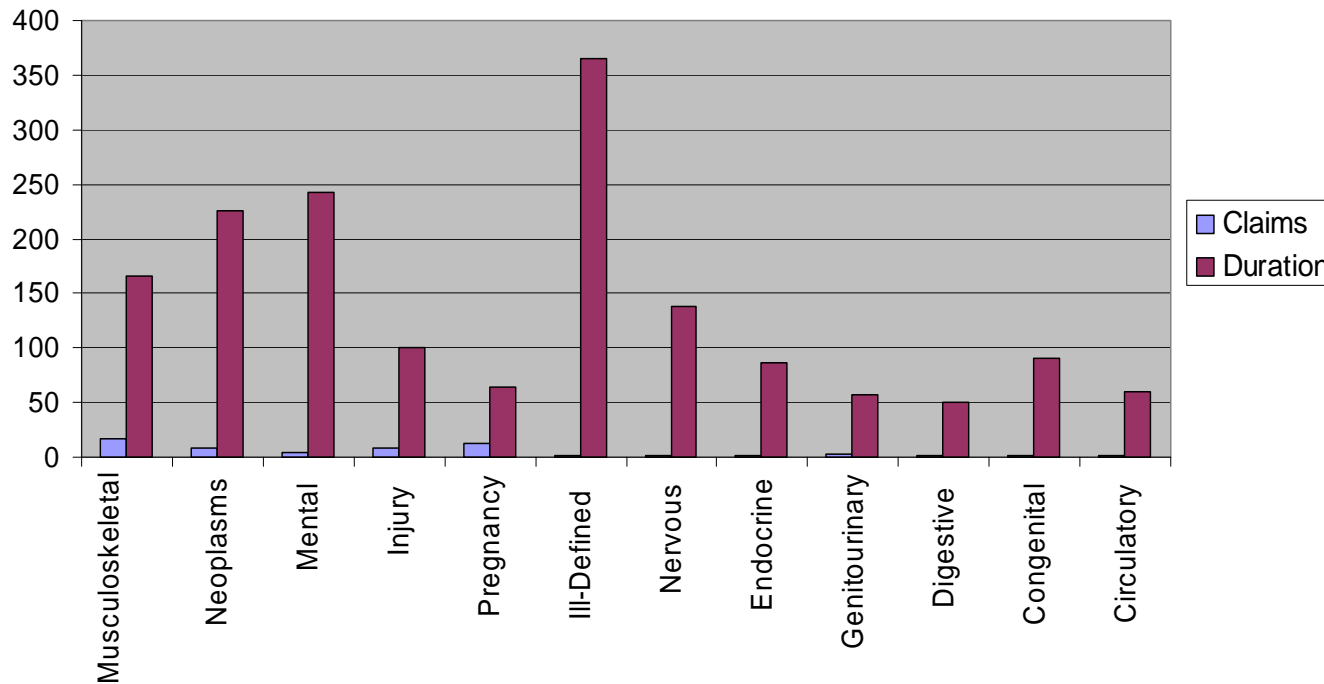


Local ICI LTD

- **3 Female**
- **3 Male**

2007 Local ICI STD Claims by Disability Type

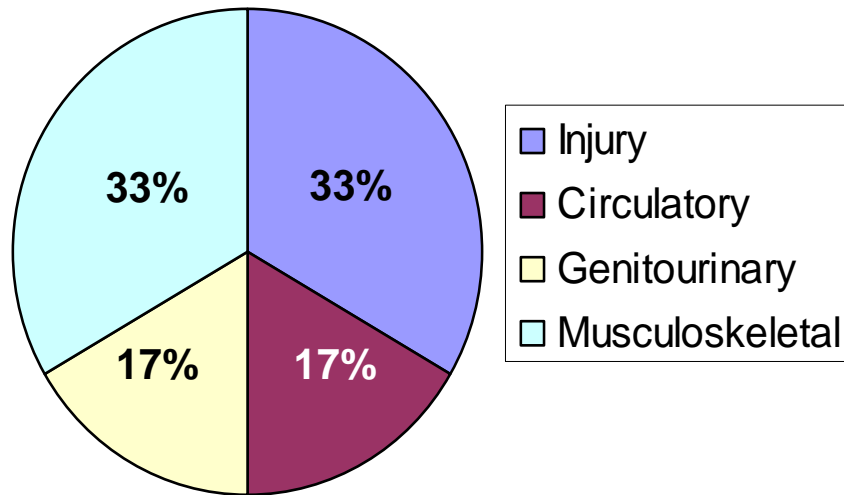
Local ICI STD by Diagnosis



Diagnosis	Claims	Duration
Musculoskeletal	17	166
Neoplasm	9	226
Mental	4	242
Injury	9	101
Pregnancy	13	64
Ill-Defined	1	365
Nervous	2	138
Endocrine	2	87
Genitourinary	3	57
Digestive	2	50
Congenital	1	91
Circulatory	1	60

2007 Local ICI LTD Claim by Disability Type

Local ICI LTD by Diagnosis

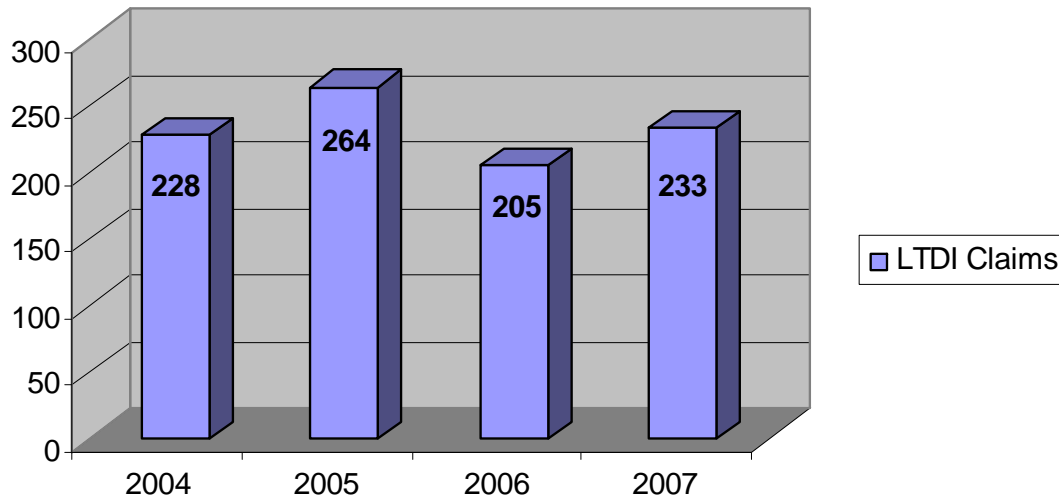


<u>Diagnosis</u>	<u>Claims</u>	<u>Duration</u>
Injury	2	338
Circulatory	1	374
Genitourinary	1	284
Musculoskeletal	2	86

2007 New LTDI Claims



LTDI Claims



4 year data:

- 2004- 228 LTDI claims
- 2005- 264 LTDI claims
- 2006- 205 LTDI claims
- 2007- 233 LTDI claims

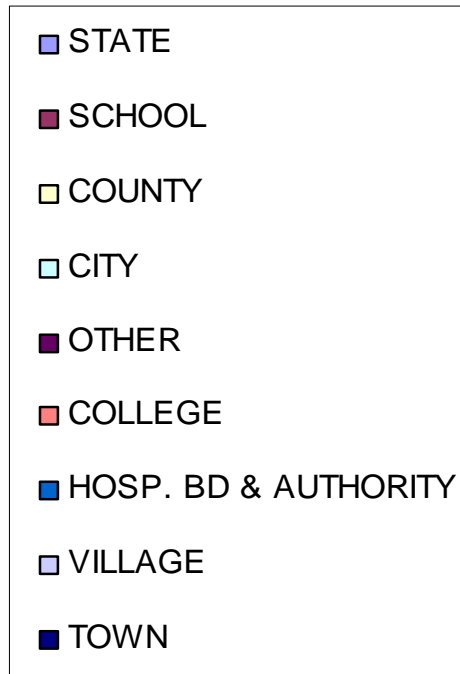
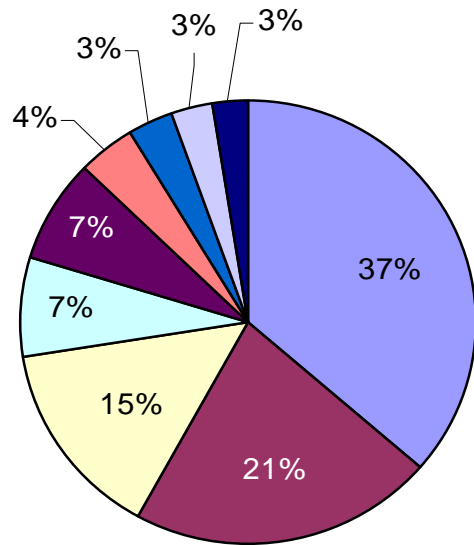
2006 comment:

- "We'll monitor to see if the drop in LTDI is a trend or is simply a leveling off pattern."

LTDI has fallen into a level predictable pattern

2007 Total LTDI Claims by Employer Type

Percent LTDI Claims by Employer

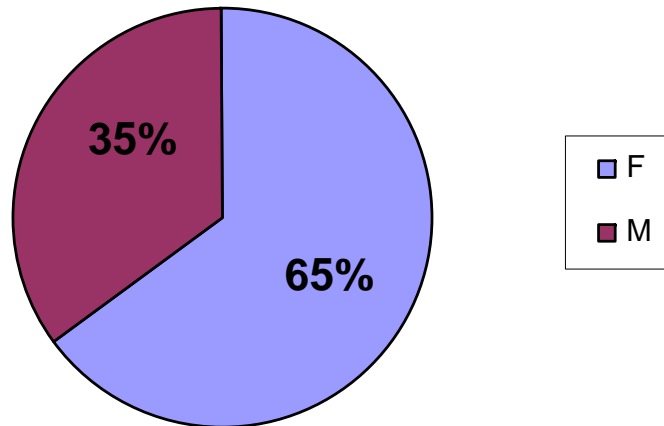


Employer	Claims
STATE	85
SCHOOL	50
COUNTY	34
CITY	17
OTHER	17
COLLEGE	10
HOSP. BD & AUTHORITY	7
VILLAGE	7
TOWN	6

- **LTDI Claims**
 - State employer is again the majority at 37%
 - School employers make up 21%, County employers make up 15%

2007 Claims by Gender - LTDI

LTDI By Gender



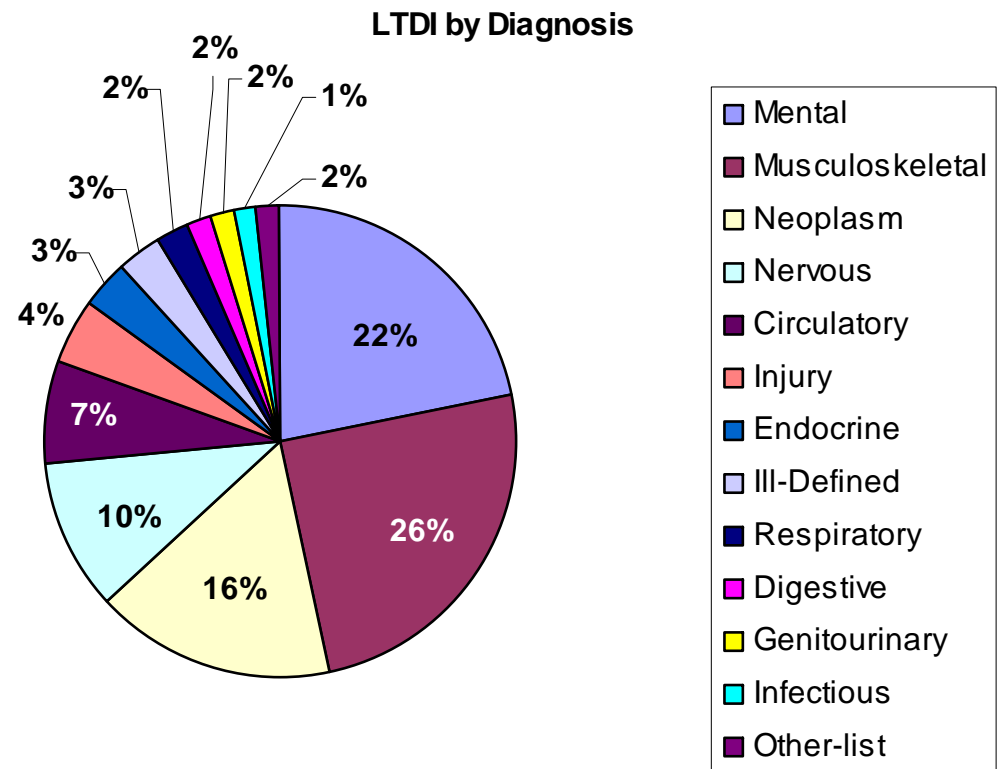
Of the LTDI Claims

- Female claims are disproportionately higher than male for approved LTDI claims
- This lines up with demographics
- WRS population:
 - 36% Male
 - 64% Female

2007 LTDI Claims by Disability Type



Diagnosis	Claims
Mental	51
Musculoskeletal	57
Neoplasm	38
Nervous	24
Circulatory	17
Injury	10
Endocrine	8
Ill-Defined	7
Respiratory	5
Digestive	4
Genitourinary	4
Infectious	3
Other- list	5



Approach for 2008



- **Maintain customer service levels**
- **Maintain staffing strength, experience and numbers**
- **Agree upon future program evolution - contract**
- **Look for program efficiency and enhancement opportunities:**
 - **Continue online technology to ETF team- claims status, statistical reporting**
 - **Continue to build relationships with employers**
- **Look to ETF/GIB for priority guidance**
- **Protect program strengths while evolving the program**



Questions & Answers