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Group Insurance Board 2021 ICI Program Annual Report



Introduction

The purpose of The Hartford's annual Income Continuation Insurance (ICI) program report to the Group Insurance Board is to share disability program results, observations, and trends for the year 2021. The Hartford will review customer service metrics and statistics for the ICI program. This report will review the claim counts, claim statuses, claim demographics, and diagnostic categories. In addition, The Hartford will show 2021 performance compared to 2020 performance in each category.

For the purposes of the annual report, ICI is broken out by State and Local ICI plans and then separated by Short-Term Disability (STD) and Long-Term Disability (LTD).

Executive Summary

Employee Trust Funds (ETF) and Hartford's partnership continues in 2022. ETF's long-standing relationship with the Hartford team and the tenured Hartford operations team results in another year of outstanding customer service.

The Hartford continues to invest in improved systems which allow for better use of resources and improved customer service.

The Hartford partnered with ETF on the following in 2021:

- We successfully navigated institutional changes related to Covid-19.
- We successfully transitioned to the new annual earnings process and continue to update manuals and letters as needed.
- We successfully transitioned from MyETF to OnBase and continue to work with ETF staff to streamline processes within the new system.

2021 Performance Measures

ETF measures Hartford's performance by four categories:

1. Phone statistics
2. Evidence of insurability (EOI) processing
3. Claim decision turnaround time
4. Phone surveys

Phone Statistics

Hartford's phone performance standards are the following:

1. 90% of calls will be answered within 60 seconds
2. 5% or less abandoned calls

In 2021, The Hartford did not meet the phone statistic metrics for the months of April, September, and October. All quarterly and annual call metrics in 2021 are shown in the table below:

Call Metrics					
2021	Total Calls Received	Service Level	Total Answered in 60 seconds	Abandonment Rate	Calls Abandoned
Q1	727	94.0%	683	0.3%	2
Q2	611	93.0%	570	0.2%	1
Q3	474	92.0%	436	0.2%	1
Q4	509	90.0%	462	0.2%	1
Total YTD	2,321	92.3%	2,151	0.23%	5

The Hartford continues to evaluate phone technology and processes in order to meet and exceed ETF's performance standards. The table below demonstrates this effort with the telephone performance standards over the last five years:

Telephone Performance Standards			
Year	Total Number of Phone Calls	Total Answered in 60 seconds	Abandonment Rate
2021	2,321	92.3%	0.23%
2020	3,009	95.0%	0.08%
2019	5,269	98.0%	0.7%
2018	6,400	98.0%	0.7%
2017	7,543	94.5%	1.3%
Average over last 5 years	4,908	96.0%	0.6%

The decrease in call volume is likely the result of our claim analysts giving out their direct phone number to WRS employees. When an employee calls the claim analyst directly, they bypass the call center, and therefore the call is not recorded as an incoming call.

Evidence of Insurability (EOI)

Evidence of Insurability is the process by which The Hartford determines if an employee is healthy enough to be considered eligible for coverage. Employees who did not elect ICI coverage when first hired or at the time of a deferred enrollment opportunity must go through EOI in order to obtain coverage. Documentation of good health is required in order to be approved for ICI coverage.

The Hartford’s performance standard for EOI processing is to send a determination notice to the EOI applicant within 15 days of Hartford receiving all information required to render a decision. The Hartford met this performance standard in 2021 with no exceptions.

In 2021, The Hartford processed 160 EOI applications for ETF members. A summary by plan is shown in the table below:

Summary by Plan	
Total State Applications Received:	122
Approved:	81
Denied:	41
Total Local Applications Received:	38
Approved:	31
Denied:	7
Annual Total	
Total Applications Received:	160
Approved:	112
Denied:	48

Claim Decision Turnaround Time

The Hartford’s performance standard for Claim Decision Turnaround Time is all claims must have a claim determination with written notice to the claimant within 15 days from receipt of all information needed to make a determination. The Hartford met this turnaround time without exception.

Customer Phone Surveys

The Hartford offers all WRS claimants a disability loyalty satisfaction survey at the end of their claim experience with Hartford. The survey asks a series of questions about their claim experience and the claimant rates Hartford's service level from 1 (lowest) to 10 (highest.)

- For STD ICI, Hartford's average score for 2021 was **8.9** out of 10.
- For LTD ICI, Hartford's average score for 2021 was **9.1** out of 10.

The Hartford prides itself in being an extension of the ETF team. The disability loyalty survey results are a reflection of high-quality service provided to ETF claimants. Below are verbatim survey comments from ETF employees:

“Laurie has been AMAZING. I've had to deal with my health difficulties and navigating health systems, government programs and lots of red tape “I was satisfied with the help because when I needed them they help in a timely manner”

“(they have) been very helpful when I have questions. I really appreciate the caring and kindness when talking on the phone.”

“Excellent customer service, my representative is highly knowledgeable on the process and what needs to be done.”

“Heather has been so understanding and great to work with. actually like online very easy to manage and it gives me all the information I need to know.”

“Simply put I never had a problem. Hartford contacted me before I realized that I had a claim. Cheryanne was so sweet and responsive, I wish all companies had such a person to talk to their customers but they don't. The Hartford is one of a kind with Cheryanne!”

“Laurie has been amazing, very understanding and easy to communicate with. I have appreciated being able to work with her.”

“Both Patricia and now Cheryl have been extremely forthcoming and helpful.”

“Professionalism, thorough communication, kindness, no judgement. I give an 11!”

2021 New Claim Experience

This section of the annual report will focus on *new claims* in 2021.

Since 2017 we have seen a fluctuation in claim volume where it has decreased as much as 8% (2018 to 2019) and increased as much as 3% (2017 to 2018.) In 2021 we saw a 1.4% decrease in new claims compared to 2020.

New Claim Counts by Plan					
	2021	2020	2019	2018	2017
State ICI	1,238	1,262	1,253	1,386	1,413
Local ICI	214	210	203	195	129
Total	1,452	1,472	1,456	1,581	1,542

State ICI – Short-Term Disability (STD) & Long-Term Disability (LTD)

When disabled under ICI, the first twelve (12) months are considered STD. During the STD period, disability is defined as:

- The inability by reason of any physical or mental impairment, supported by objective medical evidence, to perform the duties of one's position.

After the first twelve (12) months the claims may transition to LTD. During the LTD period, disability is defined as:

- The claimant's complete inability by reason of any medically determinable physical or mental impairment, as supported by objective medical evidence, to engage in any substantial gainful activity for which the claimant is reasonably qualified with due regard to the claimant's education, training, and experience.

ETF's State ICI plan comprises the majority of the volume and claim processing in Hartford's administration of the ICI program. State ICI claims accounted for 85% of all new ETF claims in 2021.

There were a total of 1,238 new State ICI claims in 2021. A breakdown of new claims by quarter are shown in the table below:

2021 State Quarterly Claim Counts		
	STD ICI	LTD ICI*
Q1	259	34
Q2	272	42
Q3	265	41
Q4	286	39

**New LTD ICI claims are transitioned from existing STD ICI claims.*

The STD claims accounted for 87% of new State ICI claims in 2021.

Total new STD ICI claims: 1,082

Total new LTD ICI claims: 156

The volume of State ICI claims decreased by 1.9% compared to 2020, which had a total of 1,262 State ICI claims.

From a claim demographic perspective, 77% of State STD ICI claims are from females with an average age of 41 and 23% of claims from males with an average age of 48. In comparison, 67% of State LTD ICI claims are from females with an average age of 50 and 33% of claims from males with an average age of 51.

The table below details the medical conditions that drive work absence for the State STD ICI plan. The table is sorted highest to lowest based on the number of days lost for disability (total days). The table does not include claims with a withdrawn status. The Injury/Poisoning diagnostic category includes injuries due to fractures of the skull, neck and trunk, upper or lower limb, etc. Poisoning includes wrong substance given or taken in error, complications of surgical or medical care, overdose of substances, etc. Ill-defined conditions include abnormal findings on examination of blood, without a diagnosis; abnormal findings on diagnostic imaging, without a diagnosis; general symptoms and signs, with no diagnosis; etc. The “Other” category includes all diagnostic categories reporting less than 5 claims for 2021. Covid claims fall under the infectious/parasitic diagnosis.

State STD ICI Claims - Diagnostic Categories and Durations			
Diagnosis	Claims	Total days	Average Duration
MUSCULOSKELETAL	241	34882	145
BEHAVIORAL HEALTH	111	16587	149
INJURY/POISONING	130	14238	110
PREGNANCY	238	11071	47
NEOPLASMS	55	9227	168
CIRCULATORY	35	6874	196
NERVOUS	31	4162	134
OTHER	29	3580	123
ILL-DEFINED CONDITIONS	15	2402	160
DIGESTIVE	36	2047	57
INFECTIOUS DISEASE	26	1972	76
ENDOCRINE/METABOLIC	18	1476	82
GENITOURINARY	29	1458	50
RESPIRATORY	10	1300	130
SKIN/SUBCUTANEOUS	7	624	89
INFECTIOUS/PARASITIC	6	593	99

Musculoskeletal disorders continue to drive State STD ICI lost workdays and utilization in 2021. Musculoskeletal claims include back pain, osteoarthritis, and other degenerative conditions.

Musculoskeletal disorders, pregnancy, and injury/poisoning are the top categories for diagnoses in 2021 for the State STD ICI plan.

Musculoskeletal disorders average duration increased by 12 days from 2020 to 2021 and there were 53 more claims in 2021. Behavioral Health claims decreased by 4 claims and the average duration increased by 23 days compared to 2020. Injury/poisoning claims decreased by 23 claims in 2021 compared to 2020 and the average duration increased by 6 days.

The table below details the medical conditions that drive work absence for the State LTD ICI plan. The table is sorted highest to lowest based on the number of days lost for disability (total days). The table does not include claims with a withdrawn status. The “Other” category includes all diagnostic categories reporting less than 5 claims for 2021.

State LTD ICI Claims - Diagnostic Categories and Durations			
Diagnosis	Claims	Total days	Average Duration
MUSCULOSKELETAL	39	13184	338
BEHAVIORAL HEALTH	27	8968	332
OTHER	24	7341	306
NERVOUS	16	4751	297
CIRCULATORY	13	4679	360
NEOPLASMS	9	2227	247
INJURY/POISONING	10	1470	147

Musculoskeletal disorders continue to drive the State LTD ICI plan in utilizations in 2021.

Musculoskeletal disorders and behavioral health are the top diagnostic categories in 2021 for the State LTD ICI plan.

Musculoskeletal disorders average duration increased by 160 days from 2020 to 2021 and behavioral health claims also increased by 37 days in 2021.

Local ICI – Short-Term Disability (STD) & Long-Term Disability (LTD)

There were a total of 214 new Local ICI claims in 2021. A breakdown of new claims by quarter and length of disability are shown in the table below:

2021 Local Quarterly Claim Counts		
	STD ICI	LTD ICI
Q1	45	2
Q2	46	7
Q3	53	7
Q4	50	4

The STD ICI plan accounts for 91% of new Local ICI claims in 2021.

Total new STD ICI claims: 194

Total new LTD ICI claims: 20

The volume of Local ICI claims increased from 2020 to 2021 by 1.9%. In 2020, there were 195 STD claims and 15 LTD claims for a total of 210 new claims.

From a claim demographic perspective, 71% of Local STD ICI claims are from females with an average age of 37 and 29% of claims from males with an average age of 47. In comparison, 60% of Local LTD ICI claims are from females with an average age of 53 and 40% of claims from males with an average age of 50.

The table below details the medical conditions that drive work absence for the Local STD ICI plan. The table is sorted highest to lowest based on the number of days lost for disability (total days). The table does not include claims with a withdrawn status. The “Other” category includes all diagnostic categories reporting less than 5 claims for 2021.

Local STD ICI Claims - Diagnostic Categories and Durations			
Diagnosis	Claims	Total days	Average Duration
MUSCULOSKELETAL	42	6964	166
PREGNANCY	80	4418	55
INJURY/POISONING	19	2495	131
OTHER	20	1899	95
NEOPLASMS	9	1782	198
NERVOUS	6	1509	252
BEHAVIORAL HEALTH	9	1261	140
CIRCULATORY	7	1129	161

Musculoskeletal disorders also drive the Local STD ICI plan in lost workdays and utilization in 2020 and 2021. Pregnancy claims remains high in claim volume in 2021, but the average duration remains low at 55 days.

The table below details the medical conditions that drive work absence for the Local LTD ICI plan. The table is sorted highest to lowest based on the number of days lost for disability (total days). The table does not include claims with a withdrawn status.

Local LTD ICI Claims - Diagnostic Categories and Durations			
Diagnosis	Claims	Total days	Average Duration
MUSCULOSKELETAL	6	2639	440
NERVOUS	2	747	374
BEHAVIORAL HEALTH	3	702	234
CIRCULATORY	2	574	287
ENDOCRINE/METABOLIC	1	390	390
INJURY/POISONING	2	389	195
NEOPLASMS	1	372	372
INFECTIOUS DISEASE	1	61	61

The Musculoskeletal diagnostic category leads the Local LTD ICI in lost days and claim volume in 2021.

Claim Payment Summary

The tables below contain both new and existing claims paid in 2017 through 2021. These are not just new claims, but the total number of active claims at the end of each calendar year.

State LTD ICI claims make up 54% of the cost of all ICI claims combined. State STD ICI claim counts decreased in 2021 by 5.4% and the average cost per claim increased by \$1,314.98.

State ICI				
	Year	Total Cost of Claims	Number of Claims	Average Cost per claim
STD	2021	\$7,239,791.19	1,129	\$6,412.57
	2020	\$6,086,518.97	1,194	\$5,097.59
	2019	\$7,265,997.96	1,368	\$5,311.40
	2018	\$7,322,976.85	1,149	\$6,373.35
	2017	\$8,167,400.85	1,496	\$5,459.49
LTD	2021	\$10,832,122.19	1,142	\$9,485.22
	2020	\$11,148,870.90	1,160	\$9,612.00
	2019	\$10,582,649.96	1,234	\$8,575.89
	2018	\$9,971,963.94	1,219	\$8,180.44
	2017	\$10,507,216.43	1,080	\$9,728.90

Local STD ICI claim counts increased by 12% from 2020 to 2021 with an average cost per claim increasing by \$867.63. The LTD ICI claim counts increased by 2 claims and the average cost per claim increased by \$1,547.68.

Local ICI				
	Year	Total Cost of Claims	Number of Claims	Average Cost per claim
STD	2021	\$1,192,043.55	226	\$5,274.53
	2020	\$890,193.80	202	\$4,406.90
	2019	\$902,077.11	207	\$4,357.86
	2018	\$648,357.46	165	\$3,929.44
	2017	\$544,201.03	148	\$3,677.03
LTD	2021	\$784,706.02	90	\$8,718.96
	2020	\$631,072.22	88	\$7,171.28
	2019	\$562,939.70	87	\$6,470.57
	2018	\$586,428.28	75	\$7,819.76
	2017	\$705,553.65	74	\$6,251.49

In 2021 the total cost of all State and Local ICI plans combined increased by 7%, or \$1,292,007.06.

All Disability Programs (State ICI, Local ICI)			
	Year	Total Cost of Claims	Number of Claims
All Disability Programs	2021	\$20,048,662.95	2,587
	2020	\$18,756,655.89	2,644
	2019	\$19,313,664.73	2,896
	2018	\$18,529,726.53	2,608
	2017	\$19,924,371.96	2,798

Conclusion

Customer service metrics were exceeded in the areas of claim decision turnaround times, and customer service surveys. The phone service metrics were missed for a few months throughout the year; however, they were met for quarter. The performance standard for EOI processing was also met for the year.

The total new claim volume for State and Local ICI in 2021 decreased by 1.4% compared to 2020; or by 20 claims.

Since 2017 we have seen a gradual decrease in the number of new State ICI claims; with the exception of 2020, where the State ICI plan saw a slight increase of .72%. The Local ICI plan also saw a small increase of 2%, or an increase of 4 new claims from 2020 to 2021.

The Hartford looks forward to continuing our relationship with ETF in 2022 and beyond.