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# Group Insurance Board 2022 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 2022. 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 2022 performance compared to 2021 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 2023. 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 2022:

- the implementation with Benefitfocus;
- revision of account structure;
- continued update to manuals and letters as needed;
- finalization of the successful transition from MyETF to OnBase; and,
- supporting data for proposed plan changes.

## 2022 Performance Measures

ETF measures The Hartford's performance by:

1. Phone statistics
2. Evidence of insurability (EOI) processing
3. Claim decision turnaround time
4. Phone surveys
5. Financial and Coding Accuracy
6. Over/underpayment Processing
7. Reconsideration Processing

### Phone Statistics

Hartford's phone performance standards are the following:

1. Average time in queue of 30 seconds or less
2. Abandonment rate of 3% or less

In 2022 The Hartford did meet the phone statistic metrics every month. All quarterly and annual call metrics in 2022 are shown in the table below:

Call Metrics					
2022	Total Calls Received	Service Level	Average Seconds Answered	Call Abandonment Rate	Abandoned Calls
Q1	426	100%	7.4	0.5%	2
Q2	389	100%	4.6	0.0%	0
Q3	370	100%	4.7	0.2%	1
Q4	464	100%	5.0	0.0%	0
<b>Total YTD</b>	<b>1,649</b>	<b>100%</b>	<b>5.4</b>	<b>0.2%</b>	<b>3</b>

The Hartford continues to evaluate phone technology and processes 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 Calls Received	Total Answered in 60 seconds	Abandonment Rate
2022	1,649	*	0.2%
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%

\* The 2022 contract no longer requires this performance standard. In 2022 the performance standard moved to average time in queue of 30 seconds or less. We met this performance standard in 2022 with a score of 5.4 seconds.

We attribute the continued decrease in call volume to our claim analysts providing direct phone number to State of Wisconsin employees. When an employee calls the claim analyst directly, the call bypasses the call center, and therefore the call is not recorded as an incoming call. Also contributing to the continuing decrease in call volume is the closure of the Long-Term Disability Insurance (LTDI) program, with claim runout handled by ETF. In addition, Disability Retirement and LTDI medical recertifications and annual earnings statements are no longer being processed by The Hartford.

**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 to obtain coverage. Documentation of good health is required 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 2022 with no exceptions.

In 2022, The Hartford processed 197 EOI applications for ETF members. A summary by plan is shown in the table below:

<b>Summary by Plan</b>		
	<b>State</b>	<b>Local</b>
Received	145	52
Approved	94	32
Denied	51	20

<b>Annual Total</b>	
Received	197
Approved	126
Denied	71

**Claim Decision Turnaround Time**

The Hartford’s performance standard for Claim Decision Turnaround Time is 93% of the STD claims will be approved/denied within five (5) business days of receiving complete information. This is based on all claims received for the ETF plan. 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.)

The Hartford's performance standard for claimant satisfaction is an overall annualized rating of satisfied which is defined as an aggregate score of 7.5 or above out of 10 based on the claimant satisfaction surveys compiled by WRS claimants.

- For STD ICI, Hartford's average score for 2022 was **8.3** out of 10.
- For LTD ICI, Hartford's average score for 2022 was **9.5** out of 10.

The Hartford prides itself in being an extension of the ETF team. The disability loyalty survey results reflect the high-quality service we provide to ETF claimants. The survey allows for claimants to provide comments.

Below are verbatim survey comments from ETF employees:

*"Thank you so much for your assistance in my time of need."*

*"Everyone was very to the point and helpful! It never felt like it was a huge chore."*

*"Everything has gone smoothly. Absolutely no problem."*

*"Tricia is always very prompt in contacting me and she is clear and concise! Wonderful representative! She is great to work with and very professional!"*

*"Mary has been wonderful. Thank you."*

*"Regina was fantastic in every way! She was efficient and returned my calls quickly leaving detailed voicemails and was very helpful."*

*"Everything was taken care of quickly. Was able to contact claim manager when I had questions, which where [sic] also answered promptly. THANK YOU!"*

*"So helpful at a rough time. A couple small glitches, but all was remedied fast and easy. I had back to back surgeries so it was tricky. But everyone helping me was great!"*

*"Cherylanne was extremely helpful during my disability. She listened to my needs and answered all of my questions. She talked to me when I unsure of my future and got me thru times when several family members had passed in a couple of months and I needed someone to talk to. She also gave me the time to respond to the needs of The Hartford for paperwork that needed to be done at a really hectic time."*

*"Mary is very competent, responsive, and knowledgeable. She also seems to be a caring person. With regard to the claim process, it seems to be well organized and straightforward. Thank you"*

## Financial and Coding Accuracy

The Hartford met its coding and financial accuracy performance standards for ETF. This is measured for both STD and LTD claims. Coding accuracy represents accuracy in claim data entered in The Hartford’s claim processing system. Financial accuracy represents accuracy in total dollars paid.

Benefit	Coding Accuracy		Financial Accuracy	
	Performance Standard	2022 Result	Performance Standard	2022 Result
STD	98%	98.458%	98%	99.618%
LTD	98%	98.387%	98%	100%

## Over/underpayment Processing

A total of 335 claims in 2022 were impacted with either an underpayment or overpayment. All claimants received written notice of an underpayment or overpayment no later than 15 calendar days after receipt of all information.

## Reconsideration Processing

Two reconsideration requests were received in 2022. One claimant received written notice 29 days after receipt of all information. (The performance standard is no later than 60 calendar days after receipt of all information.) The other claimant withdrew her reconsideration process prior to all information being submitted to The Hartford.

## 2022 New Claim Experience

This section of the annual report will focus on *new claims* in 2022.

Since 2018 we have seen a decrease in claim volume in the State ICI plan and an increase in the claim volume in the Local ICI plan. In 2022 we saw a 6.7% decrease in new claims compared to 2021.

New Claim Counts by Plan					
	2022	2021	2020	2019	2018
State ICI	1,088	1,238	1,262	1,253	1,386
Local ICI	266	214	210	203	195
<b>Total</b>	<b>1,354</b>	<b>1,452</b>	<b>1,472</b>	<b>1,456</b>	<b>1,581</b>

## 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 most of the volume and claim processing in Hartford’s administration of the ICI program. State ICI claims accounted for 80% of all new ETF claims in 2022.

There was a total of 1,088 new State ICI claims in 2022. A breakdown of new claims by quarter are shown in the table below:

<b>2022 State Quarterly Claim Counts</b>		
	<b>STD ICI</b>	<b>LTD ICI *</b>
Q1	273	42
Q2	223	45
Q3	213	33
Q4	211	48
<b>TOTAL</b>	<b>920</b>	<b>168</b>

\* *New LTD ICI claims are transitioned from existing STD ICI claims.*  
 The STD claims accounted for 84.5% of new State ICI claims in 2022.

The volume of State ICI claims decreased by 12% compared to 2022, which was a decrease from 1,238 in 2021 to 1,088 in 2022.

From a claim demographic perspective 75% of State STD ICI claims are from females and 25% of claims from males. In comparison, 77% of State LTD ICI claims are from females and 23% of claims from males.

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. There were 60 withdrawn claims.
- 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.
- Included in the “Other” category is all other diagnostic categories reporting less than 5 claims for 2022.
- Covid claims fall under the infectious disease diagnosis.

<b>State STD ICI Claims – Diagnostic Categories and Durations</b>			
<b>Diagnostic Category</b>	<b>Claims</b>	<b>Total Days</b>	<b>Average Duration</b>
Musculoskeletal	183	25,968	142
Behavioral health	101	14,230	141
Injury/poisoning	106	12,551	118
Pregnancy	238	11,402	48
Neoplasms	42	6,649	158
Nervous	33	5,616	170
Circulatory	27	4,819	178
Ill-defined conditions	23	3,138	136
Other	22	2,832	129
Digestive	29	2,701	93
Infectious disease	16	2,310	144
Genitourinary	25	1,883	75
Endocrine/metabolic	15	1,454	96

Musculoskeletal disorders continue to drive State STD ICI lost workdays and utilization in 2022. Musculoskeletal claims include back pain, osteoarthritis, and other degenerative conditions.

The top 3 diagnostic categories by claim volume in 2022 are: pregnancy, musculoskeletal disorders, and injury/poisoning. These were also the top categories in 2021.

Although the number of claims has decreased, pregnancy has been the top diagnostic category for claim volume over the last 5 years. In addition, the average duration has remained consistent.

<b>Diagnostic Category: Pregnancy</b>		
<b>Claim Year</b>	<b>Claims</b>	<b>Average Duration</b>
2022	238	48
2021	238	47
2020	327	49
2019	323	49
2018	352	53

Although the number of claims has fluctuated, musculoskeletal disorders average duration continues to decrease. It decreased by 3 days in 2022. The number of claims in the musculoskeletal category decreased by 58 claims and a decrease of 8,914 lost days for this category compared to 2021.

<b>Diagnostic Category: Musculoskeletal Disorders</b>			
<b>Claim Year</b>	<b>Claims</b>	<b>Total Days</b>	<b>Average Duration</b>
2022	183	25,968	142
2021	241	34,882	145
2020	230	34,424	150

Behavioral health claims decreased by 10 claims and 8 days in the average duration of a claim. This resulted in 2,357 fewer total lost days in this diagnostic category.

Injury/poisoning claims decreased by 24 claims in 2022. The average duration decreased by 6 days and total days lost decreased by 1,687 days.

The following table details the medical conditions that drive work absence for the State LTD ICI plan. The table is sorted highest to lowest based on total days lost for disability (total days). The table does not include claims with a withdrawn status. There were 35 withdrawn claims. Included in the “Other” category is all other diagnostic categories reporting less than 5 claims for 2022.

<b>State LTD ICI Claims – Diagnostic Categories and Durations</b>			
<b>Diagnostic Category</b>	<b>Claims</b>	<b>Total Days</b>	<b>Average Duration</b>
Musculoskeletal	45	10854	241
Behavioral health	19	7019	369
Nervous	12	4517	376
Neoplasms	19	4111	216
Other	18	3220	345
Injury/Poisoning	12	3025	252
Ill-defined conditions	8	2482	310

Musculoskeletal disorders continue to drive the State LTD ICI plan in utilizations in 2022. Musculoskeletal disorders and behavioral health are the top diagnostic categories in 2022 for the State LTD ICI plan. Musculoskeletal disorders average duration decreased by 97 days from 2021 to 2022 and behavioral health claims increased by 37 days in 2022.

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

There was a total of 266 new Local ICI claims in 2022. A breakdown of new claims by quarter are shown in the table below:

2022 Local Quarterly Claim Counts		
	STD ICI	LTD ICI*
Q1	60	7
Q2	58	9
Q3	59	9
Q4	52	12
<b>TOTAL</b>	<b>229</b>	<b>37</b>

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

The STD ICI plan accounts for 86% of new Local ICI claims in 2022. The volume of Local ICI claims increased from 2021 to 2022 by 20%. In 2021 there were 214 claims.

From a claim demographic perspective, 69% of Local STD ICI claims are from females and 31% of claims from males. In comparison, 35% of Local LTD ICI claims are from females and 65% of claims from males.

The following table 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 2022.

Local STD ICI Claims – Diagnostic Categories and Durations			
Diagnostic Category	Claims	Total Days	Average Duration
Musculoskeletal	46	7,281	158
Pregnancy	92	4,356	47
Neoplasms	16	3,362	210
Injury/Poisoning	22	2,688	122
Other	12	1,791	145
Behavioral health	11	1,381	125
Nervous	6	1,136	189
Digestive	8	1,111	138
Genitourinary	9	650	72

Musculoskeletal disorders also drive the Local STD ICI plan in lost workdays and utilization in 2022. Pregnancy claims remains high in claim volume in 2022, but the average duration remains low at 47 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.

<b>Local LTD ICI Claims – Diagnostic Categories and Durations</b>			
<b>Diagnostic Category</b>	<b>Claims</b>	<b>Total Days</b>	<b>Average Duration</b>
Musculoskeletal	12	4188	349
Nervous	4	1447	361
Behavioral health	4	1320	330
Neoplasms	6	1297	216
Injury/Poisoning	4	1061	265
Infectious/Parasitic	1	616	616
Genitourinary	2	429	214
Circulatory	1	380	380

The Musculoskeletal diagnostic category leads the Local LTD ICI in lost days and claim volume in 2022.

### **Claim Payment Summary**

The tables below contain both new and existing claims paid in 2018 through 2022. These are the total number of active claims at the end of each calendar year.

Total State ICI cost of claims is \$18,689,998.31. State LTD ICI claims make up 62% of the cost of all ICI claims combined. State STD ICI claim counts decreased in 2022 but the average cost per claim slightly increased.

<b>State ICI: STD</b>			
<b>Year</b>	<b>Total Cost of Claims</b>	<b>Number of Claims</b>	<b>Average Cost per Claim</b>
2022	\$7,120,861.01	1,082	\$6,581.20
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

<b>State ICI: LTD</b>			
<b>Year</b>	<b>Total Cost of Claims</b>	<b>Number of Claims</b>	<b>Average Cost per Claim</b>
2022	\$11,569,137.30	1,109	\$10,432.04
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

Local STD ICI claim counts increased by 16% with an average cost per claim increasing by 3.4%. The LTD ICI claim counts increased by 8 claims and the average cost per claim increased by \$2,542.17.

<b>Local ICI: STD</b>			
<b>Year</b>	<b>Total Cost of Claims</b>	<b>Number of Claims</b>	<b>Average Cost per Claim</b>
2022	\$1,424,545.61	261	\$5,458.03
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

<b>Local ICI: LTD</b>			
<b>Year</b>	<b>Total Cost of Claims</b>	<b>Number of Claims</b>	<b>Average Cost per Claim</b>
2022	\$1,103,591.17	98	\$11,261.13
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

The following table represents the total of all ICI plans. In 2022 the total cost of all State and Local ICI plans combined increased by 5.5%, or \$1,169,472.14.

<b>All Disability Programs (State ICI and Local ICI)</b>		
<b>Year</b>	<b>Total Cost of Claims</b>	<b>Number of Claims</b>
2022	\$21,218,135.09	2,550
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

## Conclusion

Customer service metrics were exceeded in the areas of claim decision turnaround times and customer service surveys. Call volume continues to decrease, which we attribute to claimants being able to directly contact ability (claim) analysts as well as The Hartford no longer processing LTDI claims or the medical recertifications and annual earnings statements for the Disability Retirement and LTDI programs.

Musculoskeletal was the leading cause of non-pregnancy short term disability in 2022, representing 21.5% of claim volume (up from 15% in 2021) and 19% of lost time. Musculoskeletal was also the leading cause of LTD and represents as the greatest opportunity for health and wellness initiatives such as The Hartford's Ergonomics & Workplace Productivity Services. The Hartford would work with you to evaluate work site practices, along with employees' postures and movements/repetitive motions, by one of The Hartford's Workplace Productivity Consultants. The Hartford's Ergonomics & Productivity team offers Return to Work & Stay at Work program consultation, Office & Remote Work Ergonomics, and Industrial Ergonomics (most services included at no additional fee).

Behavioral health disability account for 10.3% of STD and 13.7% of LTD claims; representing 13% and 18% of lost workdays respectively. The Hartford has partnered with mental health allies to provide support in this area; and included with our annual report a list of allies and resources for business leaders.

The workplace evolution witnessed throughout the early 2020s has taken root and is poised to continue in 2023 with business leaders prioritizing health, wellness and outcomes. In 2021 we shared our Future of Benefits Study with you, which found that the pandemic accelerated a positive shift in attitudes about benefits, workplace culture, and mental health. Our continued research is part of The Hartford's ongoing effort to deliver new insights about U.S. workers and their benefits preferences as well as trends in the benefits employers provide to their workforce. Included separately are the highlights from the 2022 study as another appendix.

The Hartford looks forward to continuing our relationship with ETF in 2023 and being your partner on the path forward.