

Group Insurance Board 2023 ICI Program Annual Report



A Powerful Partner

As a top Disability carrier with 70+ years of employee benefits experience and 20+ years perfecting Leave Management solutions, we excel at supporting employees with the right balance of empathetic professionals and intuitive technology throughout their claim experience.

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 2023. 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 2023 performance compared to 2022 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 2024. 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. We have re-engineered our claim experience through continued investments in our claim platform and digital capabilities and by aligning our experienced support team to critical moments of the claimant's journey.

The Hartford partnered with ETF on the following in 2023:

- Discussing and planning for phasing out supplemental coverage;
- continued integration with Benefitfocus; and,
- revision of standard forms and letters.

2023 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 2023 The Hartford did not meet the abandonment rate statistic metrics every month, nor did The Hartford consistently meet the average queue time metric. The abandonment rate and the average queue time were not met in the 4th quarter of 2023. There was an unanticipated increase of calls to the customer contact center, which has been addressed through additional staffing in 2024.

The 2023 quarterly and annual call metrics are shown in the table below:

Call Metrics					
2023	Total Calls Received	Service Level	Average Seconds Answered	Call Abandonment Rate	Abandoned Calls
Q1	601	100%	5.5	0.2%	1
Q2	644	100%	5.8	0.2%	1
Q3	643	67%	23.3	1.5%	8
Q4	610	73%	66.3	3.62%	22
Total YTD	2,498	85%	25.2	1.4%	32

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. Please note in 2022 the performance standard for answer time moved from total answered in 60 seconds to average time in queue of 30 seconds or less. We met this performance standard in 2023 with a score of 25.2 seconds.

Telephone Performance Standards				
Year	Total Calls Received	Average Time in Queue ≤30 seconds	Total Answered in 60 seconds	Abandonment Rate
2023	2,498	25.2		1.4%
2022	1,649	5.4		0.2%
2021	2,321		92.3%	0.23%
2020	3,009		95.0%	0.08%
2019	5,269		98.0%	0.7%

It does appear 2022 was an outlier with respect to total calls received. Claims volume has remained consistent, and likely is not having an impact on the total calls received by the Call Center.

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 2023 with no exceptions.

In 2023, The Hartford processed 226 EOI applications for ETF members. A summary by plan is shown in the table below:

Summary by Plan		
	State	Local
Received	181	45
Approved	97	29
Denied	84	16

Annual Total	
Received	226
Approved	126
Denied	100

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 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 2023 was **8.3** out of 10.
- For LTD ICI, Hartford's average score for 2023 was **9.1** 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 ICI participants:

“Excellent communication, they keep you updated on the progress of your claim, along with the payment process. I've used the portal many times to review the process. Great Experience during a difficult medical situation.”

“The empathy shown by the claim specialists has been fantastic.”

“Hartford was beyond wonderful to work with. Easy to get ahold of, returned my calls promptly, and kept in communication during my leave. It was very much appreciated during a stressful time.”

“Everyone has been so patient, kind & helpful”

“Pam was very thorough in dealing with my issues and took her time to understand and treat me with compassion while trying to gather information. Pam was very understanding of what I am going through and really did her best to advocate for me during this time.”

“Always quick to get to work on claims. Regina stayed on top of my claim status and answered my questions.”

“Very responsive, easy to follow up with formalities. All the representatives are very cordial and giving proper guidance and answers all the doubts or questions.”

“Hartford has been friendly and helpful through this whole process”

“The claims specialist was very helpful, extremely understanding, accessible, flexible and informative during the claims process.”

“The people make it simple to understand. If you have any questions they are answered”

“The claim experience was very positive during a very challenging medical condition and leave of absence from work. The Hartford staff worked closely with my employer's benefit specialists to provide the needed information and documentation. I was very satisfied with the service provided by The Hartford.”

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	2023 Result	Performance Standard	2023 Result
STD	98%	99.153%	98%	99.842%
LTD	98%	99.559%	98%	100%

Over/underpayment Processing

A total of 309 claims in 2023 were impacted with either an underpayment or overpayment. This is down from 335 claims in 2022. All claimants received written notice of an underpayment or overpayment no later than 15 calendar days after receipt of all information.

Reconsideration Processing

There was one (1) reconsideration request in 2023. This claimant received written notice 29 days after receipt of all information, and the overpayment decision was upheld. (The performance standard is no later than 60 calendar days after receipt of all information.)

2023 New Claim Experience

This section of the annual report will focus on *new claims* in 2023.

There has been an overall decrease in the total claim volume, as noted in the chart showing total claims reported since 2019. We continue to see a decrease in claim volume in the State ICI plan.

New Claim Counts by Plan					
	2023	2022	2021	2020	2019
State ICI	980	1,088	1,238	1,262	1,253
Local ICI	256	266	214	210	203
Total	1,236	1,354	1,452	1,472	1,456

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 79% of all new ETF claims in 2023. A lookback of 5 years of claims reported the State ICI plan represents 83.5% of the claims volume in the ICI Program.

There was a total of 980 new State ICI claims in 2023. A breakdown of new claims by quarter are shown in the table below:

2023 State Quarterly Claim Counts		
	STD ICI	LTD ICI *
Q1	213	30
Q2	206	33
Q3	230	21
Q4	215	32
TOTAL	864	116

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

The STD claims accounted for 88% of new State ICI claims in 2023.

The volume of State ICI claims decreased by 10% compared to 2022, which was a decrease from 1,088 in 2022 to 980 in 2023.

From a claim demographic perspective 79% of State STD ICI claims are from females and 21% of claims from males. In comparison, 59% of State LTD ICI claims are from females and 41% 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 claims.
- The table does not include claims with a withdrawn status, those entered in error, or cancelled. There were 55 claims in these categories.
- 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 five (5) claims for 2023. The category does include three (3) claims with the Covid-19 diagnosis.

State STD ICI Claims – Diagnostic Categories and Durations			
Diagnostic Category	Claims	Total Days	Average Duration
Pregnancy	206	10,989	53
Musculoskeletal	170	22,092	130
Injury/poisoning	111	13,027	117
Behavioral health	91	15,001	165
Neoplasms	54	7,611	140
Genitourinary	32	1,994	62
Nervous	31	6,774	218
Circulatory	24	4,255	177
Ill-defined conditions	19	3,534	186
Digestive	20	1,451	73
Endocrine/metabolic	19	1,214	64
Eye/Adnexa	8	1,348	168
Other	24	3,935	164

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 total days lost in 2023 are: musculoskeletal disorders, behavioral health, and injury/poisoning.

These were also the top categories in 2022 and 2021.

Although the number of claims has decreased, pregnancy has been the top diagnostic category for claim volume over the last 5 years. The average duration in 2023 increased by 5 days when compared to 2022.

Diagnostic Category: Pregnancy		
Claim Year	Claims	Average Duration
2023	206	53
2022	238	48
2021	238	47
2020	327	49
2019	323	49

The number of claims in the musculoskeletal disorders category has decreased. In addition, the average duration continues to decrease. It decreased by 12 days in 2023. The number of claims in the musculoskeletal category decreased by 13 claims and a decrease of 3,876 lost days for this category compared to 2022.

Diagnostic Category: Musculoskeletal Disorders			
Claim Year	Claims	Total Days	Average Duration
2023	170	22,092	130
2022	183	25,968	142
2021	241	34,882	145

Behavioral health claims decreased by 10 claims in 2023, however the average duration of a claim has increased by 24 days. This resulted in 2,357 fewer total lost days in this diagnostic category.

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 claims in the diagnostic category.
- The table does not include claims with a withdrawn status, those entered in error, or cancelled. There were 14 claims in these categories.
- Included in the “Other” category is all other diagnostic categories reporting less than 5 claims for 2023.

State LTD ICI Claims – Diagnostic Categories and Durations			
Diagnostic Category	Claims	Total Days	Average Duration
Musculoskeletal	26	6,682	257
Behavioral Health	20	6,820	341
Injury/Poisoning	10	2,761	276
Nervous	10	2,593	259
Circulatory	8	2,689	336
Neoplasms	8	2,098	262

Ill-defined Conditions	6	2,051	341
Other	14	4,403	314

Musculoskeletal disorders continue to drive the State LTD ICI plan in utilizations in 2023. Musculoskeletal disorders and behavioral health are the top diagnostic categories in 2023 for the State LTD ICI plan. Musculoskeletal disorders and behavioral health disorders were also the top two categories for LTD diagnosis in 2022. Musculoskeletal disorders average duration increased by 16 days from 2023 to 2022 and behavioral health claims decreased by 28 days in 2023.

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

There was a total of 256 new Local ICI claims in 2023. A breakdown of new claims by quarter are shown in the table below:

2022 Local Quarterly Claim Counts		
	STD ICI	LTD ICI*
Q1	59	6
Q2	53	4
Q3	53	7
Q4	69	5
TOTAL	234	22

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

The STD ICI plan accounts for 91% of new Local ICI claims in 2022. The volume of Local ICI claims decreased by 10 claims from 2023 to 2022.

From a claim demographic perspective, 73% of Local STD ICI claims are from females and 27% of claims from males. In comparison, 54.5% of Local LTD ICI claims are from females and 45.5% 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 total number of claims in a diagnostic category.
- The table does not include claims with a withdrawn status. There were 5 claims withdrawn.
- The “Other” category includes all diagnostic categories reporting less than 5 claims for 2023.

Local STD ICI Claims – Diagnostic Categories and Durations			
Diagnostic Category	Claims	Total Days	Average Duration
Pregnancy	95	4,541	47
Musculoskeletal	49	6,120	124
Injury/Poisoning	29	4,122	142
Behavioral Health	11	1,297	117
Genitourinary	9	509	56
Circulatory	8	2,689	336
Neoplasms	8	2,098	262
Nervous	6	1,077	179
Other	14	1,109	79

Musculoskeletal disorders drive the Local STD ICI plan in lost workdays in 2023. Pregnancy claims remains high in claim volume in 2023, 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 claims in the diagnostic category. The table does not include the 5 claims with a cancelled status.

Local LTD ICI Claims – Diagnostic Categories and Durations			
Diagnostic Category	Claims	Total Days	Average Duration
Musculoskeletal	6	1,457	242
Behavioral Health	3	754	251
Nervous	3	612	204
Circulatory	2	540	270
Injury/Poisoning	1	169	169
Genitourinary	1	265	265
Neoplasms	1	197	197

Based on claims reported in 2023, the leading diagnostic category by total claims and total days is in the musculoskeletal diagnostic category. This category includes, but is not limited to, sprains/strains, fractures, mechanical joint disorders, back pain and degenerative disorders.

Claim Payment Summary

The tables below contain both new and existing claims paid in 2019 through 2023. These are the total number of active claims at the end of each calendar year.

Total State ICI cost of claims is \$17,714,170.35. State LTD ICI claims make up 66.5% of the cost of all ICI claims combined. The State STD ICI claim count continues to decrease. In comparison to 2022 the average cost of a claim has decreased by over \$500 per claim.

State ICI: STD			
Year	Total Cost of Claims	Number of Claims	Average Cost per Claim
2023	\$5,939,074.11	980	\$6,041.78
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

State ICI: LTD			
Year	Total Cost of Claims	Number of Claims	Average Cost per Claim
2023	\$11,775,096.24	1063	\$11,077.23
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

Total Local ICI cost of claims is \$2,088,293.47. Local STD ICI claim count has decreased, and likewise the average cost per claim has decreased. However, 2022 and 2023 claim counts are higher than prior years. Although the number of Local LTD claims has increased in 2023, the average cost of claims has decreased to the average in 2022. This is likely due to 2022 LTD claim demographics by plan enrollment, salary, and severity of diagnosis.

Local ICI: STD			
Year	Total Cost of Claims	Number of Claims	Average Cost per Claim
2023	\$1,156,864.97	257	\$4,501.52
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

Local ICI: LTD			
Year	Total Cost of Claims	Number of Claims	Average Cost per Claim
2023	\$931,428.50	107	\$8,704.94
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
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The following table represents the total of all ICI plans. In 2023 the total cost of all State and Local ICI plans combined decreased by \$1,415,671.26 and the total number of claims decreased by 140 claims.

All Disability Programs (State ICI and Local ICI)		
Year	Total Cost of Claims	Number of Claims
2023	\$19,802,463.83	2,410
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

Conclusion

Survey results from claimants continue to be above the satisfactory range of 7.5.

Musculoskeletal disorders continue to be the leading cause of non-pregnancy short term disability. Musculoskeletal disorders represent 20% of all STD claims in 2023. It represented 21.5% of claim volume in 2022 and 15% in 2021. Musculoskeletal disorders represent the greatest opportunity for health and wellness initiatives.

Behavioral health disability account for 9.3% of STD claims; with an average duration of 165 days. There is a clear need for employers to continue prioritizing mental health initiatives within the benefits program. A thoughtful business approach is needed to provide competitive, caring benefits while exercising fiscal prudence, demonstrating value, and achieving desired results.

- Regularly review mental health resources to ensure they are in line with workers' needs to closely align solutions with target audience.
- Adopting technology-enabled solutions that fit employee lifestyles can increase access while optimizing cost efficiencies.
- Cultivate inclusive and collaborative workplaces that foster connections to the unique needs of employees and their families.
- Recognize that managers play a crucial role in delivering support and education of mental health resources to employees – ongoing training and communication of these resources is critical to management.

The Hartford looks forward to continuing our relationship with ETF in 2024 and being your partner on the path forward.