



Understanding the LTD Claim Packet & Process

Presented By:
Tricia Mingucci
MOSERS Senior Benefit Counselor




Session Objectives

- Review the basics of the long-term disability (LTD) benefits
- Gain a better understanding of the LTD claim packet and the review process




Long-Term Disability Insurance

- Coverage begins on the 1st day of employment
- Premiums are paid by the state
- 60% replacement income of pre-disability earnings less any deductible income
- 90 days after your last day on the job or the period of sick leave you are entitled to through your employer's sick leave program, whichever is longer
- While working in own occupation, there must be at least a 20% loss of income




Long-Term Disability Types of Deductible Income

- Social Security Disability or Retirement
- Workers' Compensation
- Wages from part-time employment
- Continuing salary income
- Benefits received or eligible to receive from any other group insurance disability plans




Deductible Income Example

- \$2,500 monthly salary
 - \$2,500 x 60% maximum LTD benefit = **\$1,500**
 - \$225 minimum benefit (15% of the maximum benefit)
 - Social Security Disability offset of **\$1,000**
 - LTD benefit would be reduced to **\$500** per month




Long-Term Disability Benefits Will End....

- Member is no longer disabled
- Member dies
- Member is eligible to receive MOSERS **normal** (unreduced) retirement benefits
- Member begins receiving **early** (reduced) retirement benefits
- Member returns to full-time active employment




Long-Term Disability Benefits Will End....cont'd

- Member is able to work but does not accept available employment
- Member begins receiving benefits under any other group long-term disability insurance policy under which an employee becomes insured during a period of Temporary Recovery




Role of MOSERS In the LTD Process

- MOSERS contracts with Standard Insurance to administer the Long-Term Disability benefits for the employees of the State of Missouri
- Once a claim is opened at Standard Insurance, MOSERS receives a copy of the Employer's Statement
- MOSERS is responsible for verifying the member's eligibility for LTD benefits




Role of MOSERS In the LTD Process....cont'd

- MOSERS serves as a liaison between the member, agency HR department, and Standard Insurance




HR Representative Role With LTD Benefits

- Inform employees of LTD benefits before FMLA is exhausted and they are leave w/out pay
- Ensure LTD Employer's Statement is complete and accurate before mailing/faxing to Standard Insurance
- Provide copies of employee's leave records with the LTD Employer's Statement

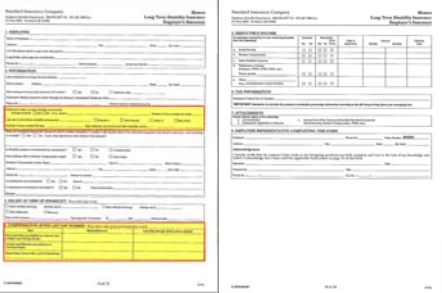


Standard Insurance LTD Claim Packet

- LTD claim packet consists of 4 forms
 - Employee's Statement
 - Authorization to Obtain Information
 - Attending Physician's Statement
 - Employer's Statement
- Standard Insurance will not open a claim and start the review process until all 4 forms have been received




LTD Employer's Statement




**Standard Insurance
New Claim Review Process**

- Initial review is made within 7 working days from the assigned date
- Decision to approve, deny, or pend the claim for further investigation
- If further investigation is needed, the disability analyst will request additional medical records or eligibility information from MOSERS
- Disability Analyst will communicate the claim status to the member in writing and by phone




**Standard Insurance
New Claim Review Process....cont'd**

- If LTD claim is approved, the member will receive written notice and possibly a phone call
- Disability Analyst will contact the HR rep to re-validate the sick leave balances
- LTD approval notice will be faxed to the employer and MOSERS
- Members with a pending claim will receive written updates every 15 working days



**Standard Insurance
New Claim Review Process....cont'd**

- Member will receive written notification if the LTD claim is denied
- Denial letter will have detailed information regarding the reason for denying the claim
- Standard Insurance will send MOSERS and the employer written notification of the denial w/out any confidential medical information



Standard Insurance LTD Claim Issues

- Standard Insurance receives a lot of claims where members have not stopped working
- Members must suffer a loss of income of at least **20%** of pre-disability earnings in their own occupation
- Members will not meet the definition of disability if they don't stop working or significantly reduce their working hours
- These type of claims will be denied

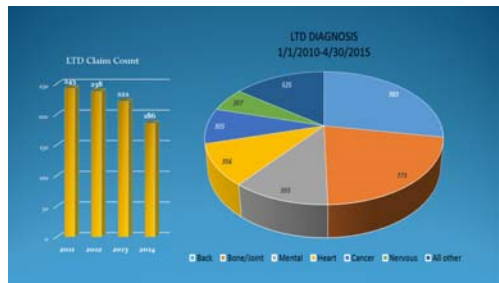


Standard Insurance LTD Claim Issues....cont'd

- Members working light duty or highly modified work and no longer working in their own occupation are appropriate claims that can/will be reviewed by Standard Insurance



LTD Experience Summary



Workplace Possibilities Summary

- December 2010 through May 2015
- **\$4,614,450 in potential LTD liability savings**
- 386 Stay at Work/Claims Completed
- 82 Stay at Work/Claims Not Completed
- Cost of equipment for claims prevention was \$476,724
- Cost of consultant services for claims prevention was \$522,231



WPP Questions?

Debbi Cross, CPDM CEES
 Workplace Possibilities Program (WPP) Coordinator
 Standard Insurance Company
 900 SW Fifth Avenue, Portland OR 97204
 Phone 971-321-7581 Fax 971-321-5880
 Email: Debbi.Cross@standard.com
 WPP Website: <http://workplacepossibilities.com>



LTD Questions?

Contact Information

MO State Employees' Retirement System
 Tricia Mingucci
 Senior Benefit Counselor
 (800) 827-1063 ext. 6134
 Email: triciam@mosers.org