

## Public Agenda Item #17f

Review, Discussion and Consideration of the Texas Employees  
Group Benefits Program:

Disability Plan and Monitoring Strategy Overview

December 2, 2016

Robert P. Kukla, Director of Benefit Contracts  
Bernely Tharp, CTCM and Program Account Manager

# Disability Plan

## *Texas Income Protection Plan (TIPP)*



TIPP is optional insurance coverage for short-term and long-term disability.

- May increase an employee's financial security
- Provides assistance when employee is unable to work due to a medical condition
- Self-insured; funded by plan participants
- Administered by Reed Group Management, LLC



# TIPP

## Participant Enrollment



### TIPP Participant Enrollment by Plan Type September 1, 2016

	Short Term Disability		
	Enrollment FY2016	Enrollment FY2017	% Change
Members	117,488	115,836	-1.4%
Covered Payroll	\$ 458,731,873	\$ 462,125,607	0.7%

	Long Term Disability		
	Enrollment FY2016	Enrollment FY2017	% Change
Members	90,529	89,260	-1.4%
Covered Payroll	\$ 376,627,172	\$ 379,427,567	0.7%

# TIPP

## Monitoring



### Monthly Administrative Performance Report (MAPR)

- 22 Criteria are monitored for contractual compliance
- Criteria are organized into four major categories:



Account Management



Customer Service



Operations



Systems and Data Management



# Monthly Administrative Performance Report (MAPR)

## Heat Map Summary

Texas Income Protection Program  
Reed Group Management, LLC

### HEAT MAP COLOR LEGEND

No applicable activity.
Performance met standards.
Performance did not meet standards; PG assessment waived.
Performance did not meet standards; not a PG metric.
Performance did not meet standards; PG assessment pending.
Performance did not meet standards; PG assessed.

DESCRIPTION		Assessment Frequency	09-2015	10-2015	11-2015	12-2015	01-2016	02-2016	03-2016	04-2016	05-2016	06-2016	07-2016	08-2016
ACCOUNT MANAGEMENT	Written notice of changes	Any Incident	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Communication materials: quality, timeliness	Any Incident	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Annual participant satisfaction rate	Annually	FY2015											
	Annual enrollment attendance	Any Incident											100.0%	100.0%
	Program reporting: timely and accurately	Quarterly	92.0%			96.0%			100.0%			100.0%		
CUSTOMER SERVICE	Provide MBPDs timely, upon request (when applicable)	Not a PG					100%	100%			100%	100%		
	Manage Call Blockage Rate below 0.5%	Not a PG	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
	Manage Abandonment Rate below 5%	Not a PG	3.5%	3.9%	4.6%	2.9%	6.7%	12.5%	9.1%	5.5%	3.3%	3.3%	3.4%	2.7%
	Answer calls within 30 seconds	Quarterly	77%			69%			76%			82%		
	Resolve participant complaints timely	Not a PG				100%						100%		100%
	Resolve ERS-reported complaints timely	Not a PG	100%			100%	100%	100%	100%	100%	100.00%	100%	100%	100%
OPERATIONS	Process STD claims within 10 days	Quarterly	93%			97%			93%			85%		
	Process residual STD claims timely	Not a PG	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Process LTD claims within prescribed days	Quarterly	88%			93%			98%			100%		
	Process residual LTD claims timely	Not a PG	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Process claim payments; financial accuracy	Quarterly	78%			85%			91%			92%		
SYSTEM & DATA MANAGEMENT	Process eligibility files accurately, timely	Quarterly	100.0%			100.0%			100.0%			100.0%		
	Ensure website availability	Annually	100.0%											
	Ensure claims system availability	Annually	100.0%											
	Resolve errors, unprocessed transactions	Quarterly	100.0%			100.0%			100.0%			100.0%		
	Provide timely notification of file errors	Annually	100.0%											
	Data to Be Restricted to the United States	Any Incident	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# TIPP

## Performance Guarantees



Level of Severity	Definition	Allocation of Risk
Severity 1 Emergency	<ul style="list-style-type: none"><li>• Mission critical systems are down</li><li>• Substantial loss of service</li><li>• Operations have been severely disrupted</li></ul>	50% of the aggregate annual amount at risk
Severity 2 Critical	<ul style="list-style-type: none"><li>• Major functionality is severely impaired</li><li>• Operations can continue in a restricted fashion</li></ul>	25% of the aggregate annual amount at risk
Severity 3 Moderate	<ul style="list-style-type: none"><li>• Operations are adversely impaired</li><li>• Temporary work-around, acceptable to ERS, is immediately available</li></ul>	Occurrence 1: 3% Occurrence 2: 5% Occurrence 3: 6% Occurrence 4: 9%
Severity 4 Minor	<ul style="list-style-type: none"><li>• Operations have been adversely affected in a limited manner</li><li>• Modification of current policies and/or processes is required</li></ul>	2% of the aggregate annual amount at risk

Questions?