



Center for Health

# Comprehensive Protection Plan

Transition to Liberty Mutual

AUMCPBO Annual Meeting  
October 22-25, 2013



General Board

**Pension and Health Benefits**

*Caring For Those Who Serve*

# Agenda

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- Challenges
- Liberty Mutual Solutions
- What Is the Impact?
  - Process
  - Plan Sponsor and Participant
- Transition Plan: **Unum to Liberty Mutual**

# Need for Change

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## Historical administration challenges/ “service gaps”

- Long claim adjudication times
- Long claim duration
- Limited return-to-work (RTW) ability
- Lack of denominational experience

# Why Liberty Mutual

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- Transition to an industry leader
  - Average national account size: 14,000+ lives
  - Industry-leading service model
- Growth in large self-insured clients
- 70 practicing on-site physicians
  - $\frac{1}{3}$  physicians focus on mental-nervous (MN)
- Denominational experience to leverage best practices

# Liberty Mutual Solutions— Claim Adjudication

Longer-than-average claim adjudication

**Liberty Mutual:** Business model supports shorter adjudication times

- Liberty physicians involved up-front in process

Claims Adjudication	Days After Claim Submitted
Unum	64 days (average)
Liberty Mutual	25 days (average)

# Liberty Mutual Solutions— Claim Duration

Longer-than-average claim duration  
(88 months—2012 average)

**Liberty Mutual:** Improved level of  
ongoing case management

Claims Duration	
Liberty Mutual: Active claims	3-4 months review
Liberty Mutual: Extended duration claims	6-12 months review

# Liberty Mutual Solutions— Claim Intake Process

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Burdensome claim intake process

Unum	Liberty Mutual
<i>Forms A and B</i>	<i>Form A only</i>

## **Liberty Mutual:** Faster adjudication

- Streamlines participant's process—doctor visit not needed to complete *Form A*
- General Board team enters claims directly into Liberty's claim system

# Liberty Mutual Solutions— Return-to-Work Services

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## Limited RTW Services

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**Unum: 2007-2012**  
**5% RTW through program**

- Identified only through *vocational rehabilitation* services

### **Liberty Mutual**

- SCORE—automated RTW referral tool
- Dedicated team of vocational specialists
  - Former clergy on staff



# Liberty Mutual Solutions— Denominational Experience

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## Denominational Experience

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**Unum: 2 church groups, fully insured**

**Liberty Mutual: 3 church groups (Presbyterian, Lutheran, Disciples of Christ)**

- Dedicated claims management team for all church groups
- Extensive experience with clergy
- Leverage best practices across denominations

# Process Impact— Claim Adjudication Process

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## Proof of claim—60 days

- Step approach in obtaining medical data from treating providers
- Determination made after 60 days based on medical data received to date

# Process Impact— Claim Intake Process

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- Only *Form A* needed to begin adjudication process
- General Board Disability Team enters information directly into Liberty Mutual's claim system
- Participants and treating physicians: contact within 48 hours

# Process Impact— System Reporting

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- Plan sponsor
  - Access to limited claim information in Liberty Mutual's system
  - Enhanced reporting capabilities
    - Monthly claim status reports
    - Benchmark reports
- Webconferences for plan sponsors
  - Q1 2014

# What Does Vendor Change Mean for Plan Sponsors?

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## Minimal impact to plan sponsors

- Change in claim intake process
  - Streamlined; *Form A* only
- Communication between Liberty and conference—same process as before
- All other processes remain the same

# What Does Vendor Change Mean for Participants?

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## Favorable impact for current claimants

- More efficient claim management
- Improved customer service

Claimants have expressed dissatisfaction with Unum's processes, communication and overall service level

# Transition Plan—Current Claims

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## Three-Phase Current Claim Transition

### Phase 1: October 1, 2013

- Oldest claims (roughly 300)—sent to Liberty Mutual

### Phase 2: November 1, 2013

- Other old claims (roughly 300)—sent to Liberty Mutual

### Phase 3: December 2013

- Active claims send to Liberty Mutual: **December 2**
- Mental nervous limitation claim send to Liberty Mutual: **December 6**

# Transition Plan—Pending Claims

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- **Pending/undecided claims**
  - Send to Liberty Mutual—December 16
- **New claims**
  - Send to Liberty Mutual—starting **December 16**
    - Plan sponsors use *updated Form A* as of **December 1**
    - General Board will enter new claims in Liberty Mutual's system as of **December 16**



# Transition Plan—Cutover

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- Send all medical information to Unum until **December 13**
- Outstanding questions, etc.—direct to Unum until **December 13**

Unum will turn over all claim files and updated medical by **December 16**

# Communications Plan 2013— Plan Sponsors

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- *OnBoard Express*—**October 1**
  - Liberty Mutual transition announcement
- Webconferences—**November**
  - Same content as today; ability to ask more questions, etc.
- *OnBoard Express*—**mid/late November**
  - Updated *Form A*
  - Sample participant letter

# Communications Plan 2013— Participants

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Participants currently receiving CPP disability

- **Mid/late November**
  - Letter from General Board:  
Announce transition to Liberty Mutual
- **December 1**
  - Introduction letter from Liberty Mutual
  - Include contact information for case manager

# Next Steps

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- Plan sponsors and participants—  
**No action needed at this time**
- General Board is working very closely with Unum and Liberty Mutual to ensure a smooth transition



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