2020 BENCHMARKING TRENDS

SHORT-TERM DISABILITY & LONG-TERM DISABILITY

January 2022

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BACKGROUND

IBI's Disability and Leave Benchmarking database is the nation's largest dataset of claims from employer-sponsored short-term disability, long-term disability, federal family and medical leave, and Workers' Compensation benefits programs. Industry Benchmarking reports for calendar year 2020 are now available.

This year's benchmarks are based on our largest, most comprehensive dataset ever:
- Thirteen carriers and TPAs provided 10.6 million claims
- More than 100,000 employer policies
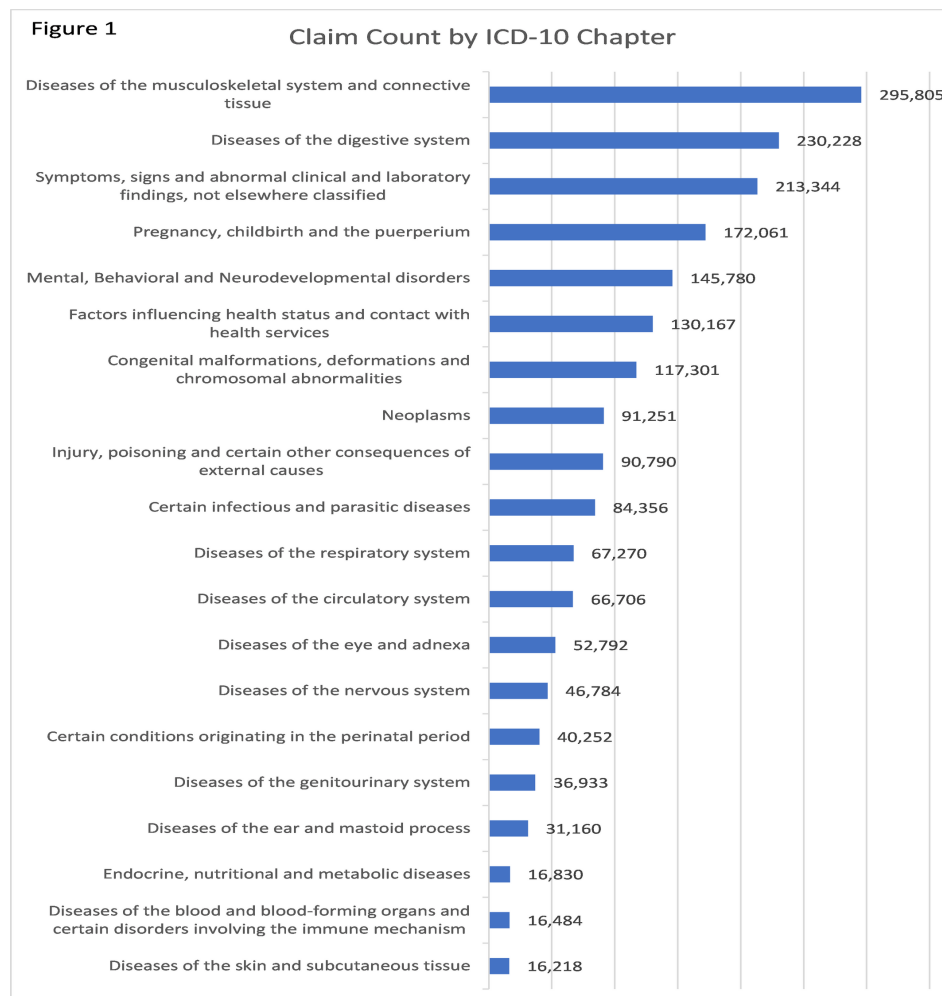- Nearly 1,000 SIC industry codes

While year over year comparisons are difficult due to factors such as changes in our data consortium contributing members, industry merger and acquisition activity, changes in employer groups, and ultimately changes in the underlying employee composition, we are able to present high level summaries by product line highlighting material observable trends in the results both by Standard Industrial Code (SIC), and across International Classification of Diseases (ICD) chapter condition summaries.

SHORT-TERM DISABILITY

As in previous benchmarking periods, the 2020 Short-term Disability (STD) benchmarking data is based on active claims during the calendar year and includes metrics driven by prevalence, summarized, and reported by Standard Industrial Code (SIC), International Classification of Diseases (ICD) Chapter, plan type, gender, age, and percentile. 2020 results are comprised of almost three million unique claims representing 30,000 employers and more than 1,000 SIC codes, once again creating the single largest independent source for STD benchmarking.

Results by Condition

Condition reporting is done at the ICD-10 Chapter level to assure reporting integrity, claim de-identification, and a low enough level of detail to provide insight into identifying anomalies and opportunities for targeted interventional mitigations.

Figure 1

Claim Count by ICD-10 Chapter

ICD-10 Chapter	Claim Count
Diseases of the musculoskeletal system and connective tissue	295,805
Diseases of the digestive system	230,228
Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified	213,344
Pregnancy, childbirth and the puerperium	172,061
Mental, Behavioral and Neurodevelopmental disorders	145,780
Factors influencing health status and contact with health services	130,167
Congenital malformations, deformations and chromosomal abnormalities	117,301
Neoplasms	91,251
Injury, poisoning and certain other consequences of external causes	90,790
Certain infectious and parasitic diseases	84,356
Diseases of the respiratory system	67,270
Diseases of the circulatory system	66,706
Diseases of the eye and adnexa	52,792
Diseases of the nervous system	46,784
Certain conditions originating in the perinatal period	40,252
Diseases of the genitourinary system	36,933
Diseases of the ear and mastoid process	31,160
Endocrine, nutritional and metabolic diseases	16,830
Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism	16,484
Diseases of the skin and subcutaneous tissue	16,218

Musculoskeletal System and Connective Tissue

Diseases of the musculoskeletal system and connective tissue is the number one condition identified in IBI 2020 benchmarking driving short-term disability claims with almost 300,000 claims falling into this ICD-10 Chapter Summary covering ICD-10 code range M00 – M99 accounting for almost 15% of the new 2020 STD claims. This code range includes conditions such as soft tissue disorders, muscle disorders, and joint disorders. The claims are evenly split between male (47%) and female (53%), and are most prevalent in the 50-59 age range.

Diseases of the musculoskeletal system and connective tissue has a long history of being a significant contributor to STD claims and IBI has published a wide variety of research, employer guidance, and informational infographics on the subject. These include:

- Managing Pain and Treating Musculoskeletal Conditions | Integrated Benefits Institute (ibiweb.org)
- Managing Pain and Treating Musculoskeletal Conditions: A PCORI-Sponsored Conference on the Use of Patient-Centered Evidence and Best Practices at Worksite Health Centers | Integrated Benefits Institute (ibiweb.org)
- Patients as Experts: The Evidence for Managing Musculoskeletal Disorders and Pain | Integrated Benefits Institute (ibiweb.org)
- Disability Diagnostics: Musculoskeletal Conditions (MSK) | Integrated Benefits Institute (ibiweb.org)

Diseases of the Digestive System

Diseases of the digestive system is the second most prevalent condition identified in IBI 2020 benchmarking driving short-term disability claims with approximately 230,000 claims falling into this ICD-10 Chapter Summary covering ICD-10 code range K00 – K95 accounting for almost 14% of the new 2020 STD claims. This code range includes conditions such as stomach disorders, hernias, and liver and digestion disorders. The claims are 88% attributable to females and are most prevalent in the 30-39 age range.

Historically, IBI has not analyzed this condition as the prevalence did not rise to be a material driver of total claims, however, due to the extreme stress levels seen in 2020, heightened awareness of food related sensitivities, and a higher general focus on digestive health, this may be an appropriate topic for future investigation.

Pregnancy, Childbirth, and the Puerperium

STD claims related to pregnancy, childbirth, and the puerperium fall into ICD code range O00 – O9A and account for approximately 9% of all new claims. Historically, pregnancy related STD claims have been markedly higher. However, 2020 was an atypical year and may need to be viewed in the context of other significant lifestyle disruptions for a fair comparison. Research shows during economic downturns, social upheavals, and times of war, birth rates do tend to fall. STD claims are reflective of the lower birth rates, people already being home, and heightened stress and uncertainty about the future.

IBI has performed research relating to pregnancy claims and the associated cost and duration (Benchmarking Analytics: Costs and Durations of Short-Term Disability Claims for Pregnancy | Integrated Benefits Institute (ibiweb.org)) but more work may need to be done based on current pandemic experience.

Effects of Covid-19 on Results

During most of 2020 there was a lack of guidance for appropriately coding Covid-19 related diagnoses and services leading to inconsistency amongst healthcare professionals regarding how Covid-19 claims are captured. In fact, even though Covid-19 was declared a pandemic in March 2020, the CDC did not release additional codes specific to Covid-19 until December 3, 2020 effective January 1, 2021 (Announcement New ICD 10 code for coronavirus 2 20 2020 (cdc.gov)). Preliminary guidance was released in the middle of 2020 (COVID-19 Guidelines (cdc.gov)) suggesting how to code using existing ICD-10 codes, but this was just a temporary fix until the Covid-19 specific codes were released in December. As a result, 2020 claims, based on CDC preliminary guidance, falls into several ICD condition chapters all showing sizable percentage and numerical count increases from previous reporting periods. These include:

- Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified – ICD 10 Chapter includes diagnosis code range R00 – R-99. Specific potential Covid-19 related conditions falling into this chapter include symptoms and signs involving the circulatory and respiratory systems, ill-defined and unknown cause of mortality, and general symptoms and signs. This chapter recorded a substantial increase in claim count (134,000), a substantial percentage increase (171%), and accounted for 12.5% of all new claims. This undoubtedly is where many Covid-19 related cases fall.

- Certain infectious and parasitic diseases – ICD-10 Chapter includes diagnosis code range A00 – B99. Specific potential Covid-related conditions falling into this category include bacterial and viral infectious agents, Sequelae of infectious and parasitic diseases, protozoal diseases, other bacterial diseases,

and other infectious diseases. This chapter recorded a significant increase in claim count (60,000), a significant percentage increase from prior year (220%) and accounted for almost 5% of all new STD cases, a 4% increase over the prior year.
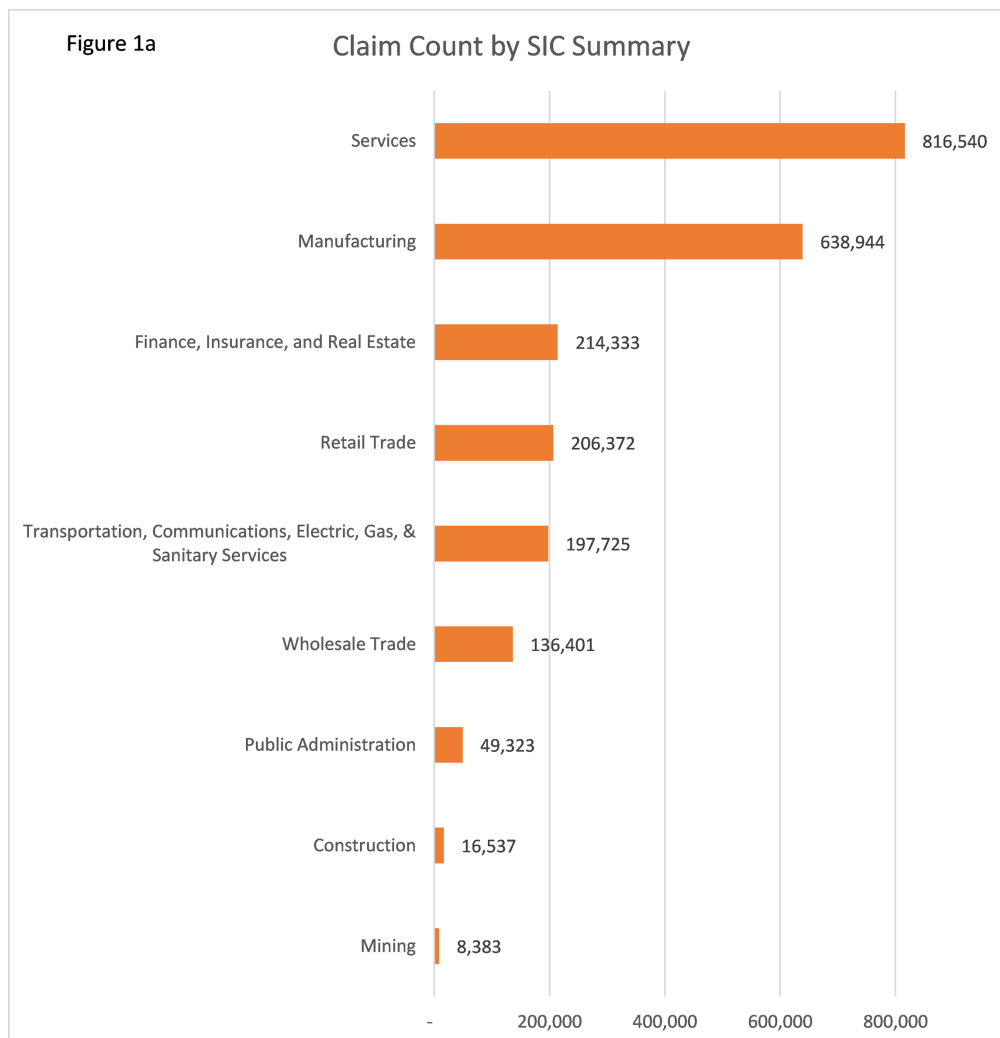
- Diseases of the respiratory system – ICD-10 Chapter includes diagnosis range J00 – J99. As Covid-19 presents as a respiratory condition, almost all the sub-categories could be valid diagnosis codes for Covid-related symptoms. This chapter did not show a dramatic increase in case count (5,000), nor a sizable percentage increase from prior year (8%) and did continue to account for approximately 3-4% of total new cases. So, on the surface, this may not seem remarkable, however, recall during 2020 due to quarantines, social distancing, masking, and other Covid-19 mitigation efforts, we experienced an exceedingly small number of flu cases. Covid-19 related cases replaced flu-related cases in this category.

- Mental, behavioral, and neurodevelopmental disorders – ICD-10 Chapter includes diagnosis range F01 – F99. IBI has devoted a large amount of resources to investigate the state of mental health of Americans during the pandemic for our members. Publications include:
    - How are you Supporting the Mental Health of Your Employees? | Integrated Benefits Institute (ibiweb.org)
    - Webinar Slides: Prioritizing Mental Health in the Workplace | Integrated Benefits Institute (ibiweb.org)
    - Integrated Benefits Institute Analysis of Impact of COVID-19 on the Mental Health of US Workforce Finds 400% Increase in Anxiety and Depression (ibiweb.org)
    - Impact of COVID-19 on Employee Mental Health: Infographic | Integrated Benefits Institute (ibiweb.org)
    - Impact of COVID-19 on Employee Mental Health: Executive Summary and Employer Guidance | Integrated Benefits Institute (ibiweb.org)
    - Getting Insights on Employee Mental Health Starts with Organizational Culture | Integrated Benefits Institute (ibiweb.org)
    - Uncovering Gender Differences in the Mental Health Toll of COVID-19 | Integrated Benefits Institute (ibiweb.org)

While the research clearly shows the negative effects of the pandemic on our mental health, the 2020 benchmarking does not reflect a dramatic increase in leave cases. This could be due to the treatments needing additional time to result in an STD claim, the continuing stigma of seeking behavioral health services depressing the number of cases, and individuals continuing to suffer in silence. Mental health cases continue to be a high area of interest for our members and IBI will continue to investigate going forward.

Results by Industry

Short Term Disability industry reporting is based on SIC reporting hierarchy. IBI collects claim data categorized at the lowest level of detail, 4 digit SIC, and then consolidates and summarizes the results by 3-digit, 2 digit, and single letter summary categories. The SIC classifications and hierarchies are promoted and supported by the United States Department of Labor (SIC Manual | Occupational Safety and Health Administration (osha.gov)) and is widely used as the standard for industry reporting. IBI benchmarking provides members with all levels of SIC reporting from the lowest level of detail, 4 digit, to the highest-level summary, single letter category. The availability of the benchmarking reporting is subject to data integrity and de-identification guidelines and may not be available for each 4 digit SIC iteration.

IBI 2020 STD Benchmarking results include more than 1,000 SIC codes representing almost every SIC classification. While year over year comparisons is complicated by potential changes in underlying cohort, looking at summaries at the single letter level will smooth out anomalies seen at lower levels of detail.

Figure 1a

Claim Count by SIC Summary

Category	Claim Count
Services	816,540
Manufacturing	638,944
Finance, Insurance, and Real Estate	214,333
Retail Trade	206,372
Transportation, Communications, Electric, Gas, & Sanitary Services	197,725
Wholesale Trade	136,401
Public Administration	49,323
Construction	16,537
Mining	8,383

As shown in Figure 1a, the number of new STD claims is shown by SIC single letter category. While the number of underlying claims change year over year, the SIC categories rank ordering based on the claim count remained the same from 2019 to 2020. Employees classified as Service Industry employees continues to be the highest contributor to new claims in our benchmarking data and mining represents the fewest.

Even though the rank order of the contributing industry sectors did not change based on new claim count, the number of new claims/100 within the industry classifications did change. Overall, across all US employers, new STD claims year over year fell by approximately 10% from 6.7 cases per 100 in 2019 to 6.0 cases per 100 in 2020. Reductions of varying degrees are seen throughout the industry classification summaries.

Two Categories, Services and Wholesale Trade, both had a year-over-year percentage decrease in claims per 100 greater than the overall average decrease experienced across all US sectors. IBI has not researched this phenomenon specifically, however, this may be intuitive for several reasons including:

- Services – This sector experienced an 18% reduction in STD claims in our benchmarking results. Due to the pandemic, this sector of the economy was both classified as essential and subject to large numbers of worker separations due to quarantines, shutdowns, social distancing mandates, and revenue reductions due to the general fear of being out in public and crowds. Both factors could contribute a lower overall prevalence of STD claims at a higher rate than the overall average across all US employers.

- Wholesale Trade – This sector experienced a 17.5% reduction in new STD claims. Again, in the absence of specific research on the topic, intuitively there are potentially several contributing factors. Wholesale Trade includes sub-categories such as automobile sales, new construction materials, electronic part and materials, meat products, and petroleum products. Each of these categories has experienced supply chain issues, demand uncertainty, and overall sales malaise as consumers "hunker down" under pandemic conditions. Decreased sales along with pandemic conditions leads to worker contractions and fewer employees able to file STD claims.

Figure 1c shows the relationship between 2020 and 2019 new STD claims per 100 across all applicable single letter SIC summaries.

Figure 1c

STD New Claims per 100

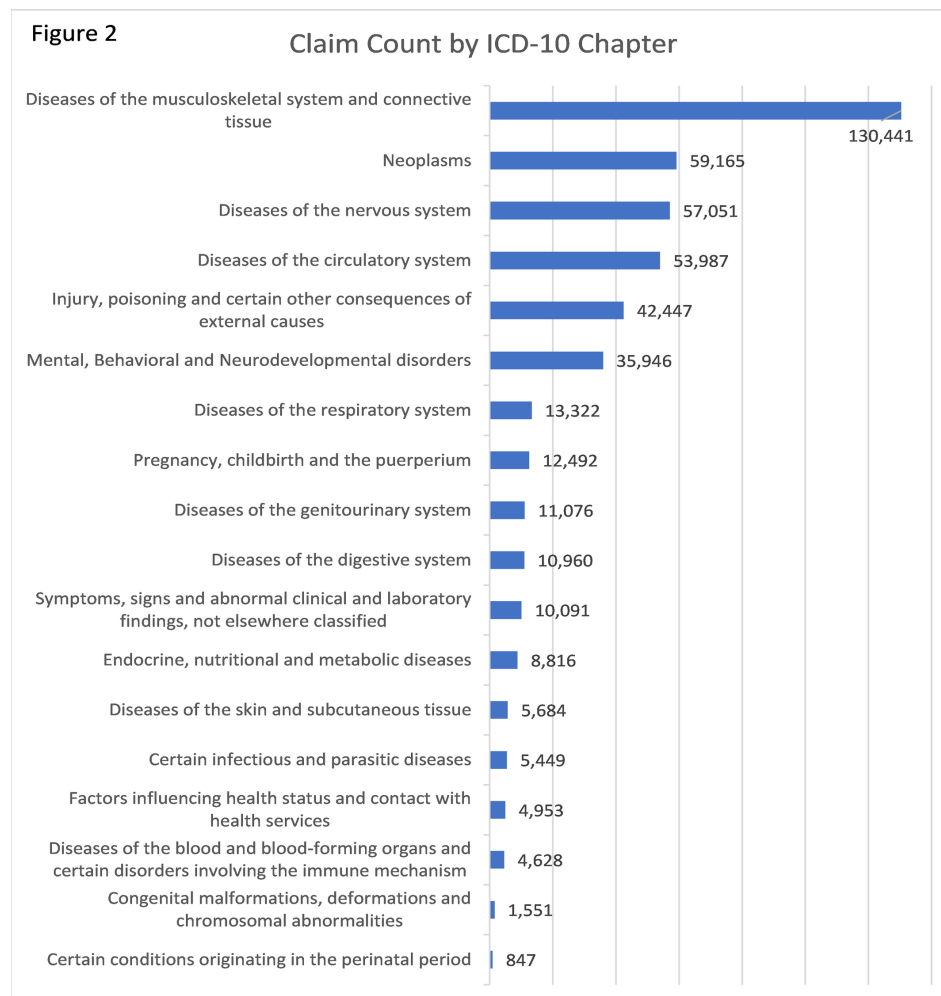| Category	2019	2020
All	6.7	6.0
Services	7.1	5.8
Manufacturing	6.3	6.0
Finance, Insurance, and Real Estate	7.0	6.8
Retail Trade	6.9	6.6
Transportation, Communications, Electric, Gas, & Sanitary Services	6.5	5.7
Wholesale Trade	5.7	4.7
Public Administration	6.2	5.3
Construction	6.3	5.6
Mining	5.7	3.6

LONG-TERM DISABILITY

As in previous benchmarking periods, the 2020 LTD benchmarking data is based on active claims during the calendar year and includes metrics driven by prevalence, summarized, and reported by Standard Industrial Code (SIC), International Classification of Diseases (ICD) Chapter, plan type, gender, age, and percentile. 2020 results are comprised of over 500,000 unique claims representing more than forty thousand employers across 1,200 SIC codes, once again creating the single largest independent source for Long-Term Disability (LTD) benchmarking.

Results by Condition

Condition reporting is done at the ICD-10 Chapter level to assure reporting integrity, claim de-identification, and a low enough level of detail to provide insight into identifying anomalies and opportunities for targeted interventional mitigations.

Figure 2

Claim Count by ICD-10 Chapter

Chapter	Claim Count
Diseases of the musculoskeletal system and connective tissue	130,441
Neoplasms	59,165
Diseases of the nervous system	57,051
Diseases of the circulatory system	53,987
Injury, poisoning and certain other consequences of external causes	42,447
Mental, Behavioral and Neurodevelopmental disorders	35,946
Diseases of the respiratory system	13,322
Pregnancy, childbirth and the puerperium	12,492
Diseases of the genitourinary system	11,076
Diseases of the digestive system	10,960
Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified	10,091
Endocrine, nutritional and metabolic diseases	8,816
Diseases of the skin and subcutaneous tissue	5,684
Certain infectious and parasitic diseases	5,449
Factors influencing health status and contact with health services	4,953
Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism	4,628
Congenital malformations, deformations and chromosomal abnormalities	1,551
Certain conditions originating in the perinatal period	847

Musculoskeletal System and Connective Tissue

Diseases of the musculoskeletal system and connective tissue is the number one condition identified in IBI 2020 benchmarking driving LTD claims with 130,000 claims falling into this ICD-10 Chapter Summary covering ICD-10 code range M00 – M99 accounting for almost 27% of the new 2020 LTD claims. This code range includes conditions such as soft tissue disorders, muscle disorders, and joint disorders. The claims are evenly split between male (48%) and female (52%), and are most prevalent in the 50-59 age range.

IBI research and guidance on the subject listed in STD section.

Neoplasms

Neoplasms is the number two condition identified in IBI 2020 benchmarking driving LTD claims with approximately 59,000 claims falling into this ICD-10 Chapter Summary covering ICD-10 code range C00 – D49 accounting for 14% of the new 2020 LTD claims. This code range includes conditions such as malignant tumors and melanomas throughout the body. The claims are evenly split between male (43%) and female (57%), and are most prevalent in the 50-59 age range. This is consistent with prior reporting periods.

IBI membership has a longstanding interest in better understanding best practices along with mitigation strategies for this widespread condition and its effect on worker productivity. IBI has published the following research and guidance on the topic to inform decision-making:

- How can employers address colorectal cancer and its productivity impact? | Integrated Benefits Institute (ibiweb.org)
- Disability Diagnostics: Cancer | Integrated Benefits Institute (ibiweb.org)
- Cancer Screenings Fall Short of Targets | Integrated Benefits Institute (ibiweb.org)
- Benchmarking Analytics: Disability Leaves for Five Common Types of Cancer | Integrated Benefits Institute (ibiweb.org)
- The work disability costs of 5 common cancers—Engaging employers as public health partners | Integrated Benefits Institute (ibiweb.org)
- Cancer in the Workplace - Supporting Treatment for Positive Employee and Employer Results | Integrated Benefits Institute (ibiweb.org)

Diseases of the Nervous System

Diseases of the nervous system continues to be a significant driver of LTD claims in IBI 2020 benchmarking with approximately 57,000 claims falling into this ICD-10 Chapter Summary covering ICD-10 code range G00 – G99, accounting for nearly

7% of the new 2020 LTD claims. This code range includes conditions such as migraine headaches, sleep disorders, nerve related back pain, and other conditions attributable to nerve issues. The claims are evenly split between male (46%) and female (54%), and are most prevalent in the 50-59 age range. This is consistent with prior reporting periods.

IBI has published several reports on this topic to better inform our members and guide employer decision-making. These publications include:

- New Resource to Help Employees Manage Migraines | Integrated Benefits Institute (ibiweb.org)
- The Debilitating Impact of Migraines on Health | Integrated Benefits Institute (ibiweb.org)
- The Health and Productivity Impact of Chronic Conditions Report: Migraine and Other Headaches | Integrated Benefits Institute (ibiweb.org)
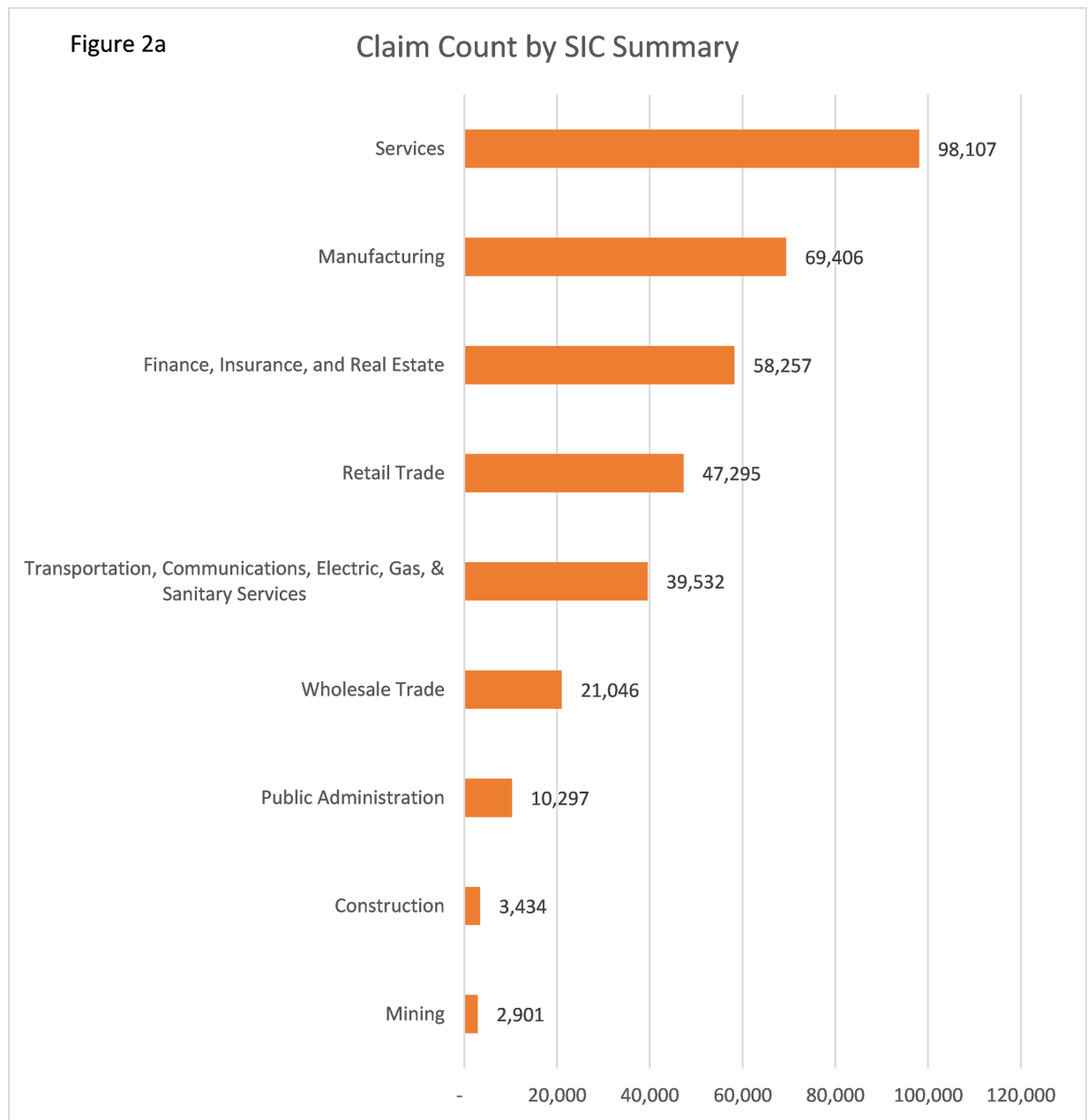
Effects of Covid-19 on Results

LTD results were similarly affected as were STD results. As a result of late CDC guidance, condition coding was inconsistent, irregularly categorized, and benchmarking results were affected accordingly.

Factors influencing health status and contact with health services– ICD 10 Chapter includes diagnosis code range Z00 – Z99. Specific potential Covid-19 related conditions falling into this chapter include ill-defined and unknown cause of mortality, and general symptoms and signs. This chapter recorded an increase in claim count (2,000), a substantial percentage increase (60%), and accounted for 2% of all new claims. This undoubtedly is where many Covid-19 related cases fall. IBI will continue to monitor Covid cases via our interactive map (https://files.ibiweb.org/uploads/general/ibi-Employee-COVID-19-Cases.html) and provide periodic research updates throughout the year.
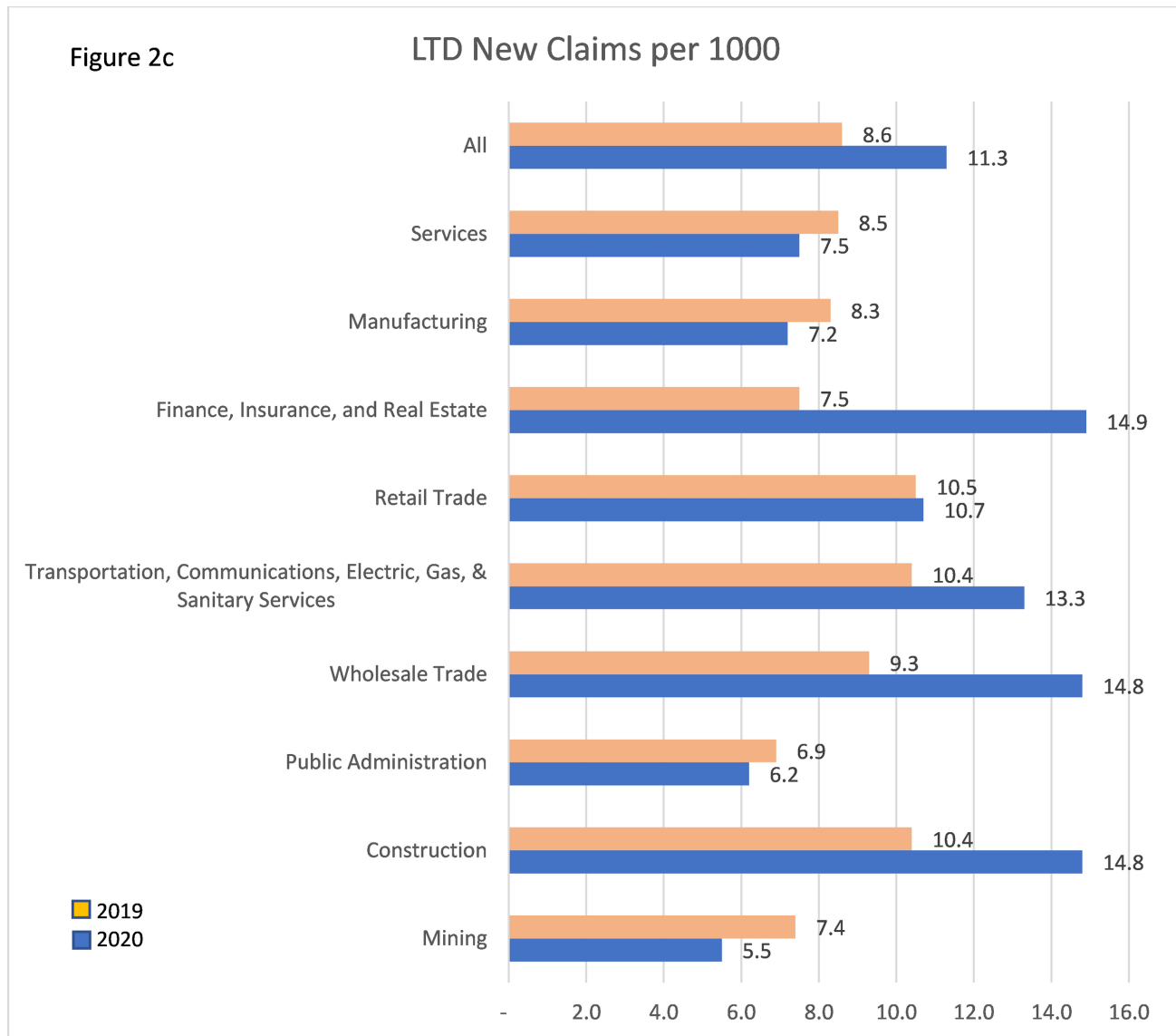
Results by Industry

IBI 2020 LTD Benchmarking results include more than 1,200 SIC codes representing almost every SIC classification. While year over year comparisons is complicated by potential changes in underlying cohort, looking at summaries at the single letter level will smooth out anomalies seen at lower levels of detail.

Figure 2a

Claim Count by SIC Summary

Category	Claim Count
Services	98,107
Manufacturing	69,406
Finance, Insurance, and Real Estate	58,257
Retail Trade	47,295
Transportation, Communications, Electric, Gas, & Sanitary Services	39,532
Wholesale Trade	21,046
Public Administration	10,297
Construction	3,434
Mining	2,901

As shown in Figure 2a, the number of new LTD claims is shown by SIC single letter category. While the number of underlying claims change year over year, the SIC categories rank ordering based on the claim count remained relatively the same from 2019 to 2020. Employees classified as Service Industry employees continues to be the highest contributor to new claims in our benchmarking data and mining represents the fewest.

Even though the rank order of the contributing industry sectors did not change based on new claim count, the number of new claims/1,000 within the industry classifications did change. Overall, across all US employers, new LTD claims year over year rose by approximately 30% from 8.3 cases per 1,000 in 2019 to 11.3 cases per 1,000 in 2020. Individual results were mixed depending on the SIC classification.

Figure 2c depicts the SIC categorization claims per 1,000 prevalence for 2020 and 2019.

Figure 2c

LTD New Claims per 1000

Category	2019	2020
All	8.6	11.3
Services	8.5	7.5
Manufacturing	8.3	7.2
Finance, Insurance, and Real Estate	7.5	14.9
Retail Trade	10.5	10.7
Transportation, Communications, Electric, Gas, & Sanitary Services	10.4	13.3
Wholesale Trade	9.3	14.8
Public Administration	6.9	6.2
Construction	10.4	14.8
Mining	7.4	5.5

■ 2019
■ 2020

It is interesting to note, while the 2020 LTD benchmarking does show an overall 30 % increase in claims per 1,000 across all US employers, there are reductions in prevalence in several categories including Services and Manufacturing due most likely to the reasons presented in the STD Discussion.

Industry Sectors showing larger than average percentage increases in claims per 1,000 are not in the categories with relatively large claim counts, and the percentage increase in year over year claims per 1,000 employees could be impacted by a somewhat shifting cohort and an increase in claims at several employer organizations. This is something IBI will investigate further with subsequent research looking into lower-level detail industry classifications.

Finance, Insurance, and Real Estate had a substantial year over year increase in prevalence. There are 67 sub-categories rolling into this specific letter summary classification including, banking, investments, Insurance, and mortgage related services. As we roll out supplemental research, we will notify our members.