



**Maine**PERS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

# Disability Retirement Program January 31, 2023

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# Disability Retirement Benefit

- MainePERS' Disability Retirement benefit covers permanent disabilities that result in a member being ***unable to perform the essential functions of the member's employment position with reasonable accommodation.***
- Disability Retirement benefits replace either 59%, 60% or 66.67% of income, depending on the plan under which an employee has coverage.
- The program currently receives ~100 new applications annually and provides benefits to ~1,000 individuals with a core monthly payroll of ~\$2.1 million.

# Public Law 2021, c. 277

- Replaces “*impossible to perform the duties of the member’s employment position*” standard with “*unable to perform the essential functions of the member’s employment position with reasonable accommodation*”
- Calls on MainePERS to create a form to be completed by the member’s provider addressing eligibility requirements
- Eliminates the Medical Board and provides for a medical review service provider
- Requires an independent medical examination before an application can be denied on medical grounds unless the requirement is waived

# Public Law 2021, c. 277 cont.

- Requires primary consideration of medical opinions in the record and whether the opinions are supported by sound medical evidence and consistent with other medical evidence
- Specifies that hearing officers are independent contractors
- Gives an appellant a role in selecting the hearing officer
- Provides for de novo court review, and
- Allows attorney's fees of up to \$12k for successful appellant.

# Overview of Current Application Process

- New provisions of the law ensure applicant every opportunity to provide information and enable an accurate assessment of their eligibility for a benefit
- Application process takes longer, but more likely to result in approval under new provisions of the law

## **2014**

- 30% of applications approved
- Average processing time of 3 months

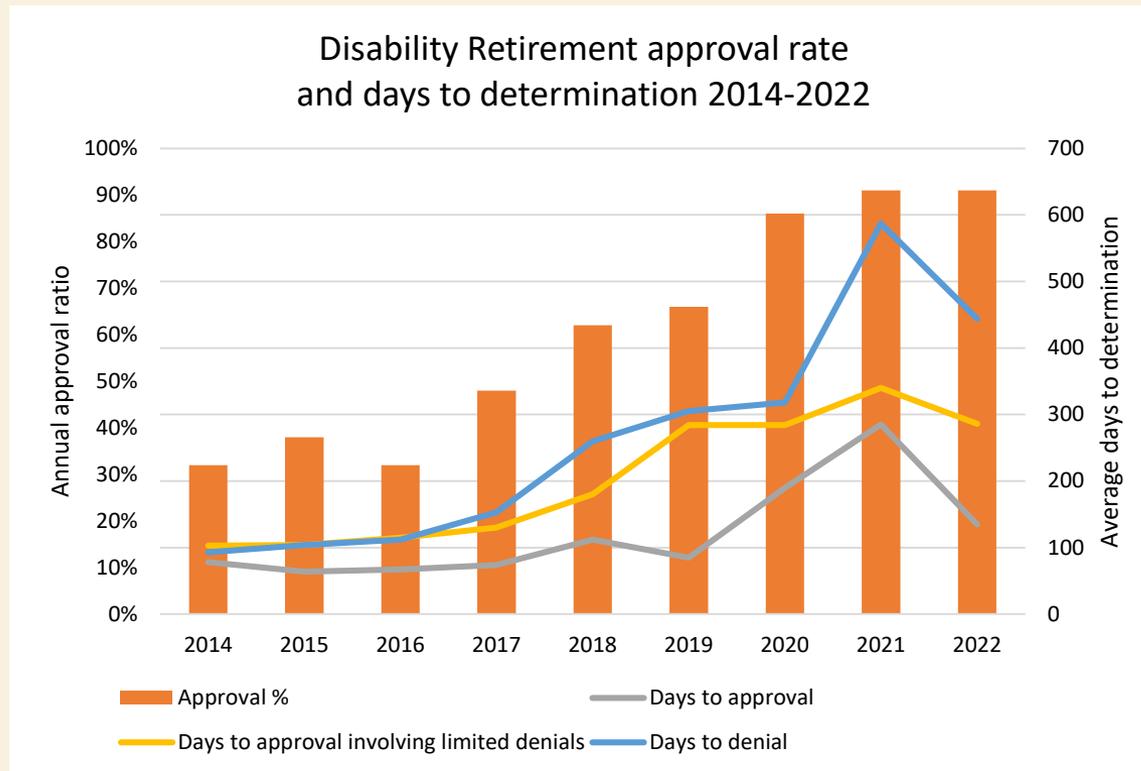
## **2022**

- 90% of applications approved
- Average processing time:
  - 4 months for approvals
  - 15 months for denials

# Overview of Current Application Process cont.

- Factors contributing to processing time include:
  - Compilation of medical and employer records
  - Medical review service provider (UMass) processing
  - Independent medical examination prior to denial of application
  - Applicant requested extensions
- Outline of Process and Time Variables
  - Please see memorandum to the Disability Working Group in your materials

# Historic View 2014-2022



*Note: new law was effective in 2021; other factors, including the pandemic, impacted processing times*

# Report to the Legislature

- MainePERS is required to report on the experience of the system and its members following the implementation of the new law pursuant to Public Law 2021, c. 277
- Report was filed January 31, 2023 with the Committee
- In preparation for the report, MainePERS undertook the following efforts over the past year:
  - Program Audit
  - Review of the Medical Review Service Provider (UMass)
  - Member Experience Survey
  - Consensus-based Rulemaking

# Program Audit

- Contracted with CliffLarsonAllen LLC (CLA) to conduct an internal audit consulting engagement on the disability program to assess compliance with the implementation of the new law
- The program audit resulted in two findings, both of which are being addressed:
  1. Identified limitations of the current line of business software (V3) and suggested consideration for improvements. MainePERS has launched a review of the current system to include the future needs of MainePERS. This process will result in an upgrade or replacement of the V3 system and is expected to take 3-5 years.
  2. Identified the need to complete the review of Disability Services Policy 2.1, which was in progress at the time of the program audit. This policy was implemented in January.

# Review of UMass Services

- Medical Review Service Provider (UMass)
- Reviewed current relationship with UMass and explored opportunities to expand services
- Interviewed:
  - Disability Services Staff
  - UMass Personnel
  - Other Pension System Customers of UMass

# Member Experience Survey

- Surveyed all members who completed the application process under the new law
  - Sample size small due to the newness of the legislation, 27 individuals
- 92% reported they “*agree*” or “*strongly agree*” the application process was easy to understand and follow
- 92% reported they were “*satisfied*” or “*very satisfied*” the process was fairly conducted
- 100% reported they “*agree*” or “*strongly agree*” they were treated respectfully.
- The single individual whose application was denied stated,  
*“Even [though] I did not qualify for disability you explained everything to me. Thank you”*

# Consensus-based Rulemaking

- Initiated a process to include stakeholders in a review of MainePERS disability retirement and appeals rules
- Participants included representatives from:
  - Maine Education Association
  - Maine Service Employees Association
  - Professional Fire Fighters of Maine
  - An attorney who represents appellants
- Principles:
  - Standards are clear, fair, and consistent
  - All relevant information is considered
  - Applicant information is viewed holistically
  - Unnecessary burdens on applicants are avoided
  - Process is timely and efficient
  - Applicants are kept informed

# Next Steps

- Complete process for consensus-based rulemaking (Feb 2023)
- Implement changes following program audit findings
  - Disability Services Policy 2.1 (completed, Jan 2023)
  - Upgrade/replace line of business software (2023 – 2028)
- Continue to solicit feedback from applicants to identify opportunities for improvements (ongoing)
- Explore new opportunities for program improvements (2023)
  - Strengthen communication with UMass
  - Explore additional services with UMass
  - Improve information and forms for applicants
  - Explore approaches similar to the Social Security *Compassionate Allowances List*

Thank you.  
Questions?