2024
SUPPLEMENTAL HEALTH, DI & LTC CONFERENCE

The Winning Trifecta

Underwriting Mental Health Risk: New Challenges and Opportunity for DI

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Mental Health Statistics for the U.S.

- **More than one in five U.S. adults live with a mental illness (57.8 million in 2021)**
  - The prevalence was higher among females (27.2%) than males (18.1%)
  - Ages 18-25 had the highest prevalence (33.7%) compared to ages 26-49 (28.1%) and 50+ (15.0%)
  - Co-morbid conditions, including cardiovascular and metabolic conditions and substance use are higher among people with mental illness

- **Since 2017 the percentage of US adults diagnosed with depression has increased by 8.4%**
  - The fastest growing age segment is among ages 18-29

- **Disability Claims Risk**
  - Mental health impairments are the **5th** most common reasons for **short term** disability
  - Mental health impairments are the **4th** most common reason for for **long-term** disability

- **The most common mental health disorders are anxiety disorders, major depression, PTSD and bipolar disorders**

- **Telehealth care, down since the pandemic, still accounts for 37% of mental health visits**

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Changing Perceptions and Impact on Underwriting

- Mental health landscape has changed
  - Less stigma
  - More likely to disclose condition(s)
  - More likely to seek care and treatment
  - More widely available digital data for underwriting
- More options for care and treatment with virtual counseling and telehealth
- How can underwriting react to changing perceptions while still protecting morbidity and delivering on client experience?
- Are there regulatory concerns on the horizon?

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Across the Competition – Contract Comparison

	Company A	Company B	Company C	Company D	Company E	Company F	Company G	Company H
Mental Nervous limitation	• Base policy has 24 month benefit period limitation by **occurrence** built in • Endorsement: Removes the 24 mos. limitation by occurrence (cost is approx. 15% of total premium)	• Built in Base Policy: defines MNBA and refers to the schedule for variability. • Schedule: MNBA Benefit Period: [**Lifetime** maximum 24 months]	• Built in Base Policy as variable • Policy is filed with limitation in brackets [24 mos. **lifetime** limitation for Mental and/or substance-related benefit (discount 13%)]	• Built in Base Policy • Spec has max benefit period filed variable, [24 months] • Endorsement: provides full coverage for Mental and/or substance-related benefit	• Built in Base Policy • Limitation: benefits will not be provided for more than 24 monthly benefit periods per **occurrence** • Extended Mental Disorder and Substance Abuse Benefit (EMSDA)	• Base Policy has limitation built in filed variable: [**lifetime** maximum of 24 months] • Mental or Nervous Disorder and Substance Abuse Benefits Extension Rider Removes the Benefit Period limitation	• Base policy has no limitation • Mental/Nervous Substance Abuse Rider: limits the benefit period to 2 years [during entire **lifetime**] for Mental/Nervous Substance abuse with 10% discount	• Base Policy has no limitation • Endorsement: Limits to a total of 24 months during insured's **lifetime**

SUMMARY:

- Three companies have a built-in limitation and then offer an endorsement or rider to provide full coverage
- Two companies provide full mental nervous and then have a rider or endorsement to limit coverage
- Three companies offer variability built into their policies
- With the 24-month limitation, most are for lifetime versus per occurrence

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Case Study 1

- 42 y/o male, attorney for large corporation. One year with employer, 16 years in profession. Application dated 2/2024
- $7,000 benefit with $13,000 FIO, Extended Partial. $8,000 Employer Paid LTD
- **Part 2:** Dated 7/2023 (Prior Life Application) Disclosed Vitamins, Family Hx of Cancer, No personal Medical Hx. BMI requires 30% rating
- **Irix:**
  - Diagnosis GAD, 32 codes between 4/2023-1/2024
  - CPT code Psychotherapy, 60 minutes, 33 claims between 4/2023-1/2024
  - No related Rx in prescription report
- Could not obtain complete records, only statement from provider that client had Dx of GAD with therapy sessions and was making progress with a positive outlook. Not clear if Telehealth visits or in person.
- Client questioned re: history and stated he saw therapist routinely for maintenance
- Course of action?

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Case Study 2

- 48 y/o M Otolaryngologist, left hospital job in June 2021 to work as employee in private practice
- Previously declined by a competitor in April 2021 due to anxiety
- $25,000 monthly benefit, 90-day EP, Age 67, residual, COLA 3% (well qualified based on income past 2 years)
- Labs – normal blood results, build/BP normal, admits Lexapro on lab slip
- **Part II** – no admitted medical history or PCP
- **Rx check** - Escitalopram, 5 fills, 3/2021 - 10/8/21, RX by psychiatrist
- **Lab Data** – 4/2021 CBC normal; **Billing Codes** – Allergic rhinitis

Case Study 2 Continued

APS - Psychiatrist	APS - PCP
3/1/21 HPI: New evaluation, stressful work situation Reduced appetite, anxiety, worsening mood Good social/family support, very open to help No prior psychiatric history DX: Adjustment reaction RX: Start Lexapro 5 mg, continue psychotherapy 3/11/21 Doing well, increase Lexapro to 10 mg	12/1/21 Establish care Admits burnout in early 2021, no missed work Anxiety, doing well on Lexapro 10mg 8/2023: Annual physical Anxiety, doing well on Lexapro 10 mg

- Course of Action?

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Case Study 3

- 38 y/o Female attorney, 3 years in current corporate role (as of January ‘24)
- Applying for $8,000 IDI, age 70 benefit period, 91-day EP, no increase option
- **Medical History Questionnaire** (part 2) reports seeing PCP for mental health. Sees GI specialist for ulcerative proctitis history.
- **Phone interview** with app reports monthly talk therapy from October ‘21 to present for maintenance mental health. Last sxs in ‘21 related to mom’s cancer diagnosis. No meds and no impact on work or social activity.
- **Rx/Dx** has no mental health care diagnosis or prescription
- Suggested underwriting approach?

Case Study 3 Continued

GI APS: Was seen in February 2021 after starting a new job and feeling really stressed. She can get abdominal pain when really stressed. Interim follow up since then shows stable symptoms/history. This resulted in small policy rating.

Counselor APS was ordered, and we received a summary statement:

- Client seen since October 2021 and focus has been on adjustment disorder, unspecified, primarily pertaining to external stressors regarding work and career, her personal relationships and emotional support for her mother.

- Course of action??

Case Study 4

- 33 y/o M Family Medicine provider, 2 years in current role – outpatient only
- Applying for $7,000 IDI, age 70 benefit period, 91-day EP, $10,000 increase option
- **Medical History Questionnaire** (part 2) reports seeing provider from June 2022 through June 2023 for transcranial magnetic stimulation, reason is anxiety
- **Phone interview** with app reports saw provider for TMS due to anxiety around a family member's death and was getting it every 2 weeks. Insured noted that they did not want to take medications. Never had diagnosis of anxiety before or required treatment before
- **Rx/Dx** has a diagnosis for adjustment disorder from a primary care provider but no codes relating to TMS.
- Unable to get APS from treating TMS provider
- Suggested underwriting approach??

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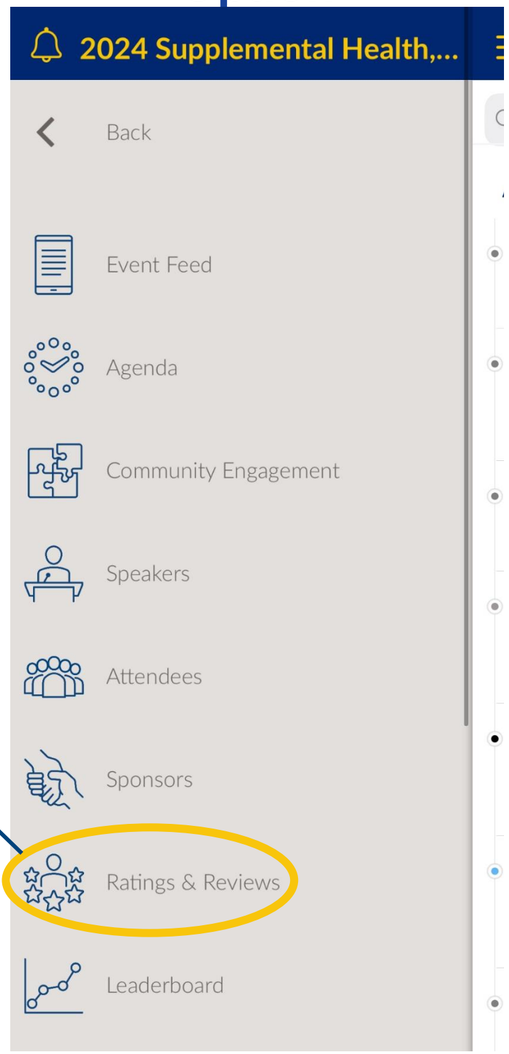
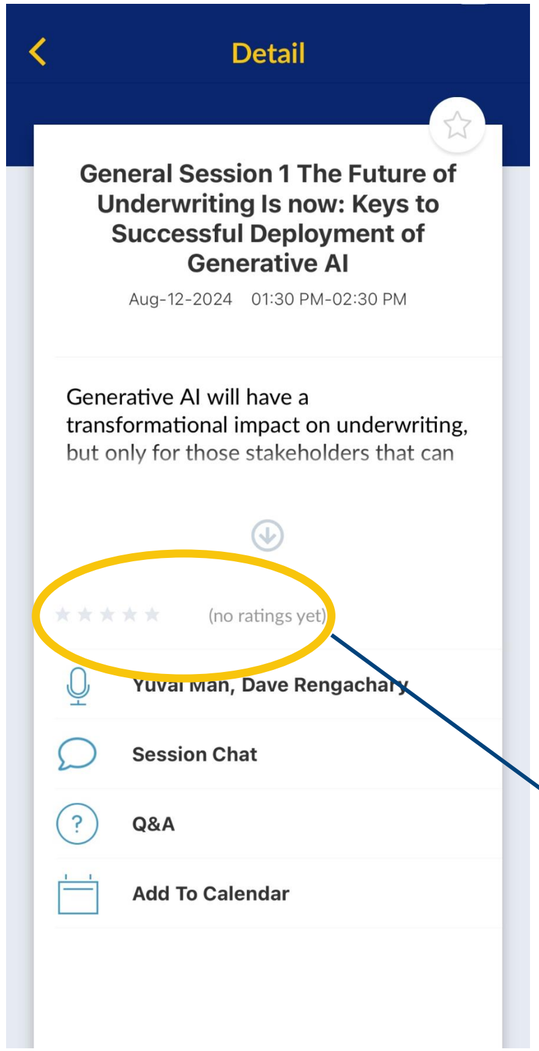
Module Option



Agenda Option



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Thank You

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