

EXECUTIVE SUMMARY

Report of the Disability Income Insurance and Parity for Behavioral Health Conditions Task Force (P.A. 102-0304)

P.A. 102-0304 created the Disability Income Insurance and Parity for Behavioral Health Conditions Task Force under the Department of Insurance (DOI) to “review the plans and policies for individual and group short-term and long-term disability income insurance issued and offered to individuals and employers in this State in order to examine the use of such insurance for behavioral health conditions.”

The task force membership composition consisted of the following representation to be appointed by the Governor:

- Two representatives of the disability income insurance industry;
- Two experts in the behavioral health conditions and treatment industry;
- Two consumers of disability income insurance who have or are experiencing a behavioral health condition.

The task force also consisted of four members of the General Assembly, appointed by each leader of their respective caucuses in the House and Senate.

The appointed members who served on the task force are as follows:

- Laura Minzer, Illinois Life and Health Insurance Council (disability income insurance representative)
- VACANT (disability income insurance representative)
- Mark DeBofsky, DeBofsky Law, Ltd. (behavioral health representative)
- Ron Vlasaty, Family Guidance Centers, Inc (behavioral health representative)
- Biana Anderson (consumer representative)
- Steven Flowers (consumer representative)
- Representative Jonathan Carroll, Chair
- Representative Dan Brady
- Senator Julie Morrison
- Senator Dave Syverson

The task force first convened on March 15 and met eleven times over the course of the year to complete its charges as outlined in P.A. 102-0304:

- Review existing plans and policies for individual and group short-term and long-term disability income insurance issued, delivered, and offered in the State;
- Compare coverage provided by short-term and long-term disability income insurance policies for behavioral health conditions with coverage provided by such policies for physical conditions and the reasons for differences in coverage;

- Gather information on the cost of requiring individual and group short-term and long-term disability income insurance to cover behavioral health conditions at parity with physical conditions; and
- Provide recommendations on the economic feasibility and cost-effectiveness of requiring individual and group short-term and long-term disability income insurance to cover behavioral health conditions.

The summary of findings and task force recommendations have been compiled in the attached report for submission to the Governor and the General Assembly by December 31, 2022. The task force sunsets on January 1, 2023.

Summary of Work

Members of the task force undertook several approaches to completing the charges as outlined under P.A. 102-0103, including reviewing other state experiences and reports related to disability income insurance, disability income insurance policies filed and approved for sale and marketing in Illinois, and hearing from a variety of experts in the regulation of and pricing of disability income insurance, those who have experience in treating behavioral health conditions, as well as consumers who have filed claims under their respective disability income insurance policies.

The list of speakers who presented testimony before the task force include:

- Phil Keller, Former Regulator, Vermont Department of Insurance (August 15)
- Susan Fendell, Legal Director, Mental Health Legal Advisors Committee of the Commonwealth of Massachusetts (August 15)
- Susan Yousuf, Senior Supervising Attorney, Mental Health Legal Advisors Committee of the Commonwealth of Massachusetts (August 15)
- Steve Clayburn, FSA, MAAA, Senior Actuary, Health Insurance & Reinsurance, American Council of Life Insurers (ACLI) (September 12)
- Kristen Medica, Certified Child Life Specialist (September 12)
- Jennifer Worstell, Retired Private Practice Attorney (September 12)
- Steven Rothke, Ph.D. (October 17)
- Henry Conroe, M.D. (October 17)
- Dan Jolivet, Ph.D. (November 14)
- Rick Leavitt, ASA, MAAA, Ph.D. (November 14)

The task force also examined and discussed a 2011 report to the Massachusetts Department of Insurance summarizing the disability income insurance coverage market in that state at that time; Illinois disability income insurance policy SERFF filings; and Vermont Department of Insurance Revised Bulletin 127 regarding discrimination against disability due to a mental health condition prohibited in disability income replacement.

The attached report contains a background of disability income insurance and a detailed summary of the task force findings associated with the testimony presented and the review of the aforementioned documents, with the following key themes noted throughout:

- Uptake in disability income insurance products is relatively small in the group and individual markets.
- Policies present a variety of benefit options available to prospective consumers and employers, including policies that do not place a limitation on the available benefits as it relates to mental health and substance use conditions. However, the number of policies currently in force without those limitations is difficult to assess given the lack of publicly available data.
- Costs associated with unlimited mental health benefits in disability income insurance vary, and based on the data and testimony presented, demonstrates a range of potential costs to the consumer and employer depending on different factors and variables.

The task force's recommendations reflect two distinct perspectives for policymakers to consider when discussing potential legislation related to the removal of limitations on mental health and substance use disorders in disability income insurance: 1) a recommendation that advocates for maintaining choice in disability income insurance; and 2) a recommendation that advocates for mandating coverage options in disability income insurance.

Due to the varied findings presented to the task force and the absence of specific data that could help inform a uniform set of recommendations, members of the task force believed it was important to capture the variety of perspectives in the recommendations presented to policymakers.

The two recommendations and their supporting rationales are detailed in the attached report.