

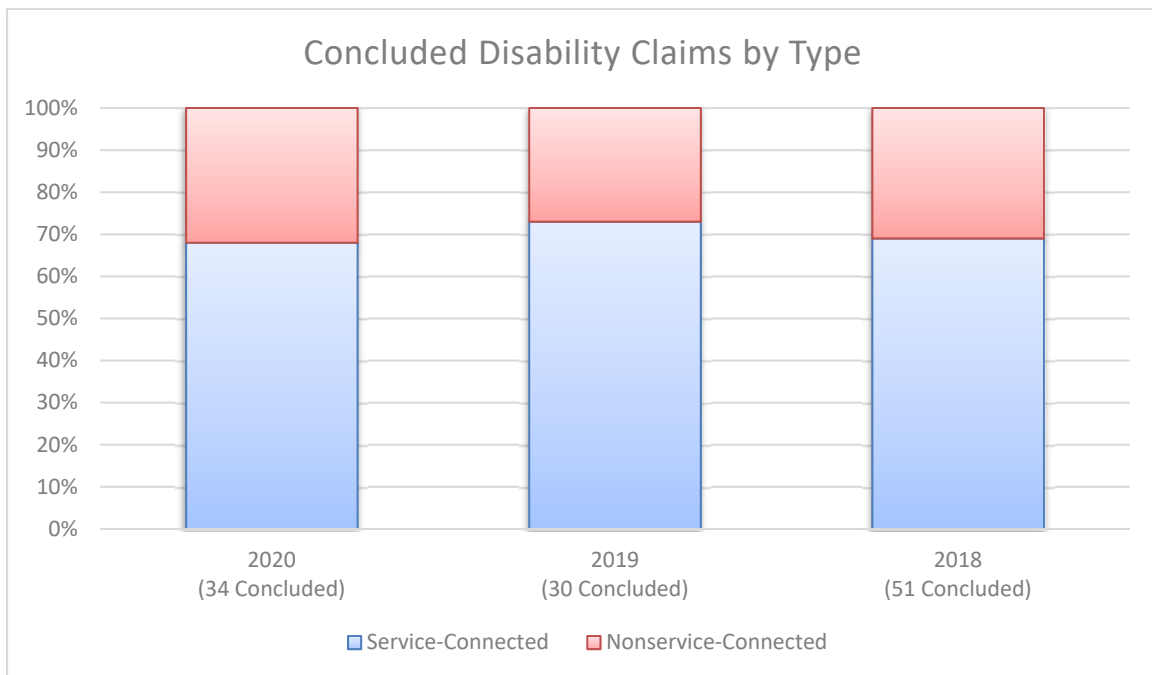


By the end of 2019 the disability retirement program began to experience a more normalized business flow.

**DISCUSSION**

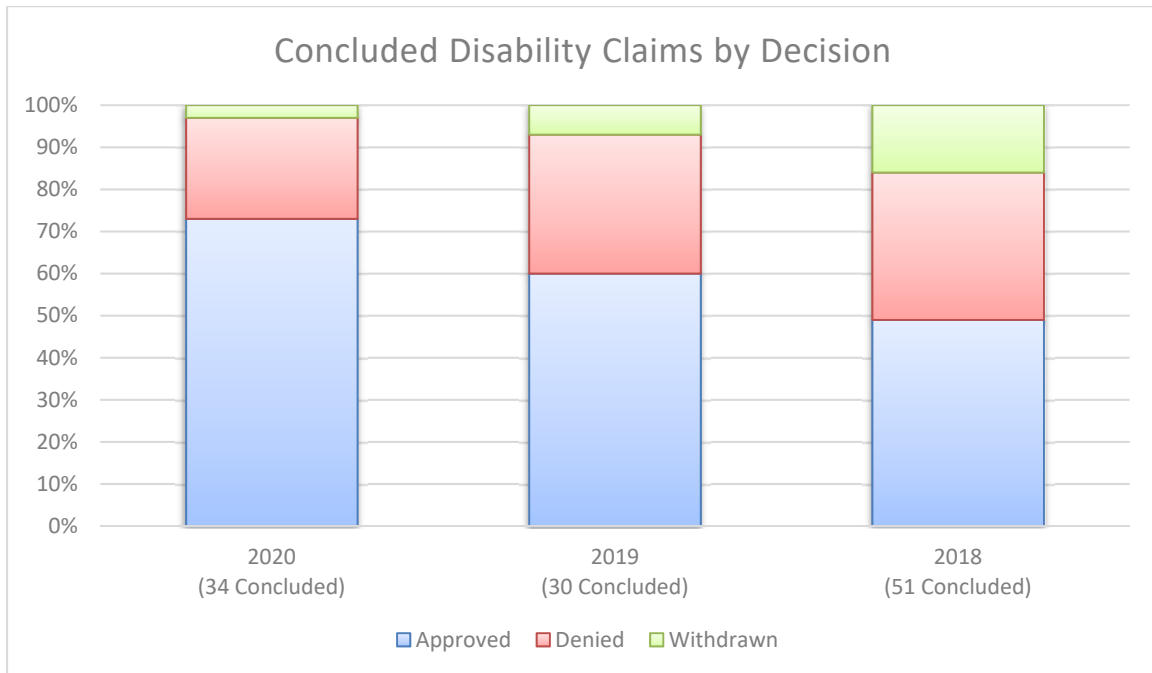
Of the 34 applications concluded, service-connected claims represented 68% of total disability retirement claims with 32% of claims being nonservice-connected, which is consistent with prior years.

**SERVICE-CONNECTED VS. NONSERVICE-CONNECTED**

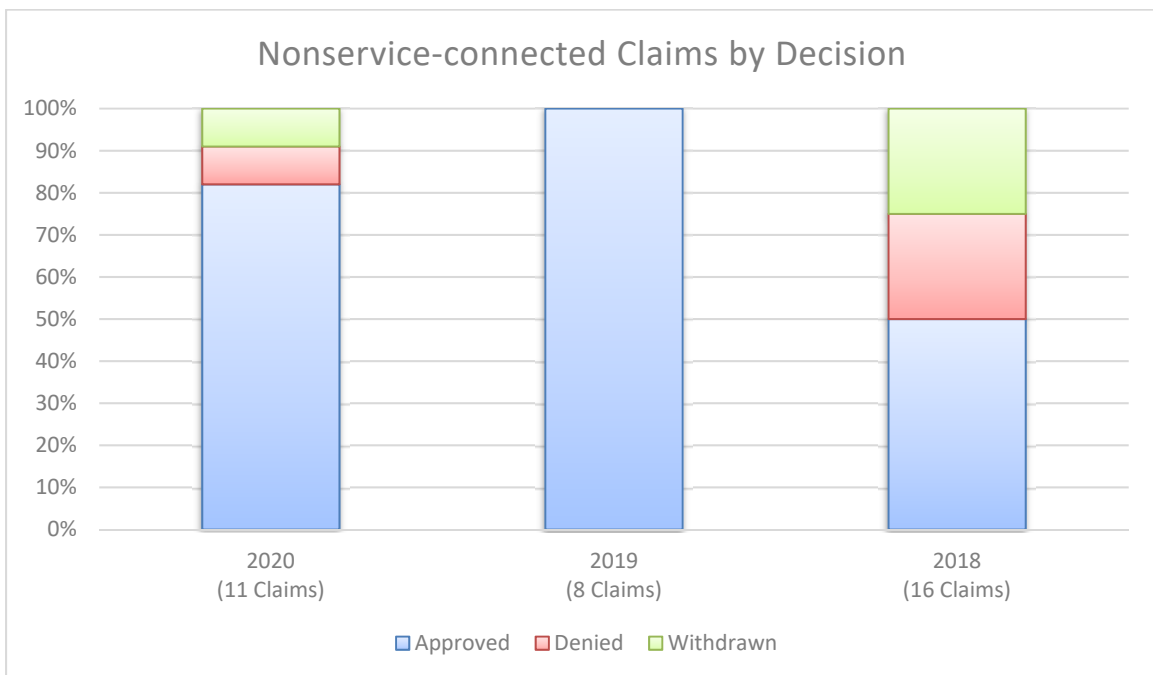
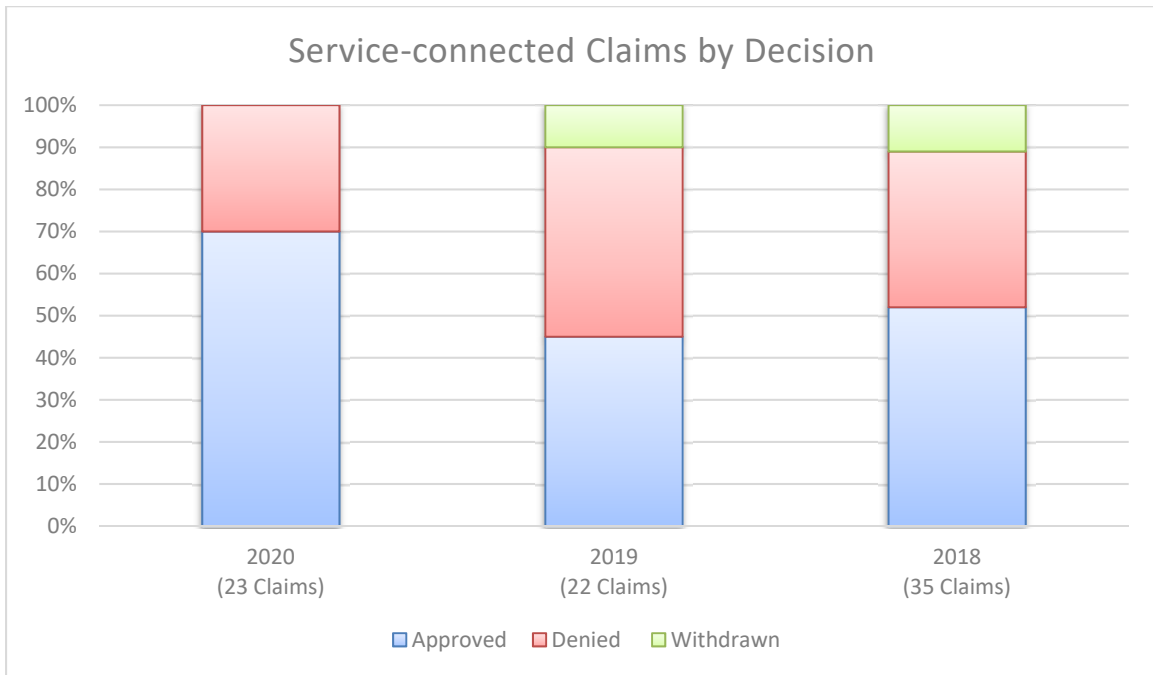


When comparing the number of applications between approvals, denials, and withdrawn cases, 73% of all disability retirement claims were approved and 24% were denied and 3% were withdrawn. In comparison, the three-year average demonstrates 61% of applications were approved, 31% were denied, and 8% were withdrawn. Last year SCERS reported that no applications were withdrawn, and after further research Staff discovered that two applications were withdrawn, which is updated in this report.

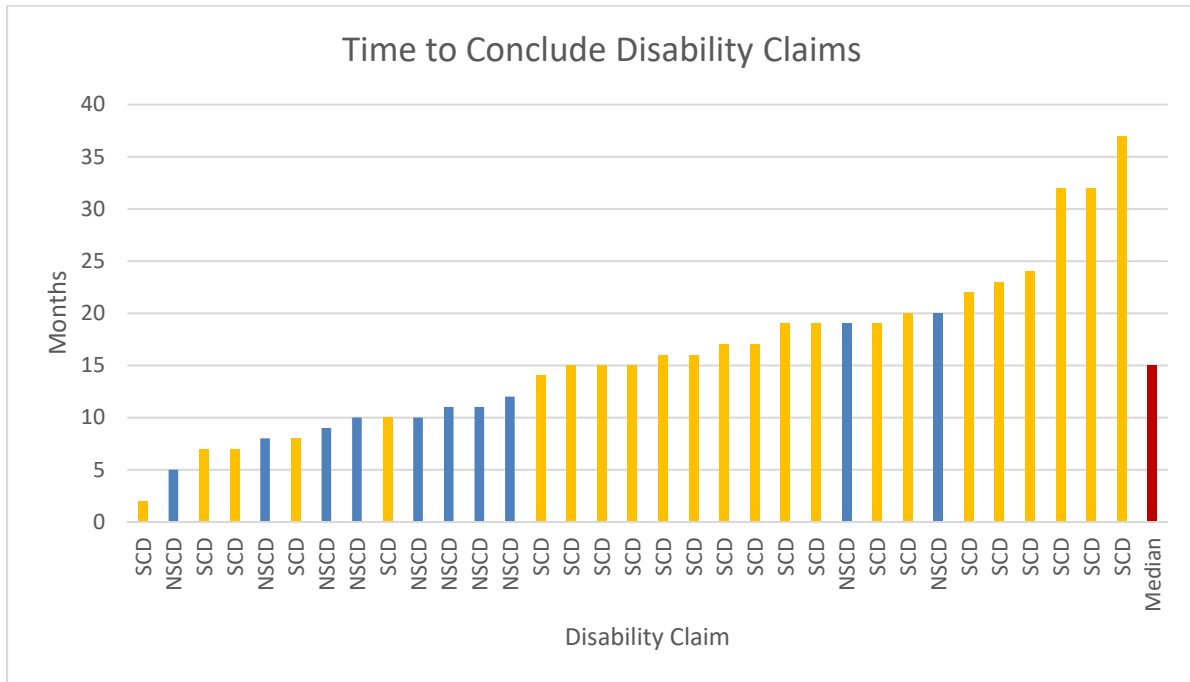
### APPROVED / DENIED / WITHDRAWN



Of the 23 service-connected disability retirement claims concluded during the fiscal year, 70% of claims were approved and 30% were denied with no withdrawals. In contrast, of the 11 nonservice-connected disability retirement claims concluded during the fiscal year 82% were approved, 9% were denied, and 9% withdrew.



The median and average processing times to conclude applications were 15 months each. While the median processing time was consistent with last year’s processing time, the average processing time for all applications decreased by 6 months to 15 months this year from 21 months last year. The majority of staff recommendations were concluded in 14 months or less, which is an increase from last year. However, disability retirement claims referred to hearing concluded in 24 months on average this year compared to 36 months on average last year. This does not include disability cases that were appealed to the Superior Court.



**ANALYSIS**

The performance results were mixed this year. Overall, Staff processed more applications (34 vs. 30) with less resources and continued staffing transitions and challenges. Additionally, applications were processed an average of 6 months faster than last year (15 months vs. 21 months). When comparing the processing time for staff recommendations, the average time-to-process increased to 14 months this year compared to 12 months last year. However, for the applications referred to hearing, the average time-to-process decreased by 12 months from 34 months to 22 months. Consistent with prior years, most applications received by SCERS were approved for disability, while those applications recommended for denial were almost always upheld in the adjudication process.

Staff has processed most of the backlogged applications and those that remain are actively being processed and are in various stages of the disability retirement process. The volume of applications in-flight over the year has remained consistently in a range of 55-60 applications. To date, SCERS has 52 applications in inventory.

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The decrease in performance (longer processing time for staff recommendations) is attributable to the carryover of staff turnover experienced in early 2019 and to the time it took to hire and train new staff. The onboarding and training of new staff extended through the end of 2019, and in late 2019 SCERS continued to experience staff turnover with a dedicated support position for the disability retirement program leaving SCERS a few months after being hired. The performance improvements are attributable to improved workload management tools and oversight and to the natural progression of training and demonstrated program proficiency. In an effort to build support and succession for the program, SCERS hired a dedicated disability program employee in March and reassigned current resources to assist on a part-time basis.

### **OPPORTUNITIES**

Staff continues to streamline processes and has developed tools to better identify and manage the workload and the workflow. Staff has improved and increased its communications with members and employers to help them better understand the process, requirements, procedures and rules for disability retirement.

Two key opportunities ahead for improving the process, timing, and experience for members are leveraging increased program proficiencies by Staff (i.e. less onboarding and training and more doing) and dedicating focused attention to the intake process, which is being addressed by reallocating part-time resources to assist.

Finally, earlier this year performance metrics were developed for the disability retirement program to *provide an initial disability retirement determination within 6 months of receiving a completed application for 80% or more of applications received*. With continued staff and program development, cross-training and reassigning part-time resources, Staff is focusing its resources on reviewing applications for completeness and notifying applicants within 30 days of receipt whether or not the filing requirements were met. With these changes, Staff will be better positioned to meet the targeted goal while establishing baseline performance since inception of the goal.

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**APPENDIX**

**Annual Period Ended 6/30/2020**

**34 Applications Concluded (11 NSCDR and 23 SCDR):**

- 25 Staff Recommendations for Approval
  - 1 Staff Recommendation for Denial
- 0 Proposed Decisions for Approval
- 7 Proposed Decisions for Denial
- 1 Withdrawn Applications

**Average Processing Time: 15 Months**

**Annual Period Ended 6/30/2019**

**30 Applications Concluded (8 NSCDR and 20 SCDR):**

- 17 Staff Recommendations for Approval
  - 1 Proposed Decision for Approval
- 10 Proposed Decisions for Denial
- 2 Withdrawn Applications

**Average Processing Time: 21 Months**

**Annual Period Ended 6/30/2018**

**51 Applications Concluded (16 NSCDR and 35 SCDR):**

- 24 Staff Recommendations for Approval
  - 1 Proposed Decision for Approval
- 18 Proposed Decisions for Denial
- 8 Withdrawn Applications

**Average Processing Time: 19 Months**