



The Episcopal Diocese of San Diego

RESOLUTION 2016-08-03 Changes to the Denominational Health Plan Policy

Resolved: That the Executive Council of The Diocese of San Diego approve following revisions to the denominational health plan policy.

Further resolved: That the diocese offer the following health insurance plans for 2017:

Anthem BCBS CDHP 15/HSA
Anthem BCBS CDHP 20/HSA
Anthem BCBS PPO 90/70
Kaiser EPO High Option
Kaiser EPO 80

THE DIOCESE OF SAN DIEGO HEALTH INSURANCE COMMITTEE RECOMMENDATION ON THE REVISION OF THE EPISCOPAL DIOCESE OF SAN DIEGO DENOMINATIONAL HEALTH PLAN OCTOBER 2016

PREAMBLE

In consideration of the spirit envisioned by The Episcopal Church Resolution A177 (2009), the financial challenges of its implementation, and the complexities of California employment law, the Health Insurance Committee has thoughtfully and prayerfully recommended guidelines for changes to the Denominational Health Plan.

Three operational issues were especially important in the task forces deliberations and the formulation of our recommendation. First, we recognize that financial resources vary significantly among congregations within our diocese and have no intent to impose a financially burdensome mandate on any community of faith. Second, we want to ensure that every employee who works over 1000 hours per year has access to health insurance through the medical trust and every employee working greater than 1500 hours per year has no financial barriers to obtaining health insurance. Finally we do not support a reduction in existing benefits or an increase in the individual's current financial responsibility for the cost of health insurance solely to comply with A177 or this recommendation.

RECOMMENDATION

Therefore, the Health Insurance Committee offers the following recommendation for consideration by the Bishop of San Diego and The Executive Council of the diocese.

1. In accordance with Title I, Canon 8 of the Episcopal Church and to be implemented no later than January 1, 2017, congregations within The Diocese of San Diego and the Office of the Bishop shall pay a minimum of 100% of the cost of individual health insurance coverage of the Anthem CDHP15 Health Plan with funding of the HSA equal to x% of the single only deductible ("Base Plan") for all lay and ordained employees working full time. If an employee chooses a plan with a higher premium, then that employee will pay the difference between that plan and the cost of the base plan. If employees choose a lower cost plan, they can apply the difference to family coverage. Employees working between 1500 hours and full time (to be defined by each employer) per year will be offered the same benefit prorated by the number of hours they work with a maximum contribution of 10%. If an employee is 65 or over, the base plan will be Anthem PPO 90/70.
2. Employers will contribute an additional \$150 per month for employee plus one coverage and \$300 per month for family coverage. In 2018, a cost share by all full time diocesan and church employees equal to 2.5% of the CDHP 15/HSA premium will be required. In 2019, the cost share will increase to 5%. Employees working between 1500 hours and full time will have the cost share prorated but no more than 12.5% in 2018 and 5% in 2019.
3. Lay and clergy employees of The Episcopal Diocese of San Diego and the Office of the Bishop eligible for required individual health insurance coverage under Section 1 of this recommendation will participate in the Diocesan Health Plan unless they have access to coverage through other approved sources, including for example: Medicare; Tricare; a former employer; or a spouse's or domestic partner's health insurance plan. We recommend that individuals who opt out receive an equivalent benefit to single only coverage of the base plan in the form of a contribution to a 403(b) or 125 plan or similar benefit but not an increase in salary.
4. Benefit design and premium support parity is required within each congregation of The Episcopal Diocese of San Diego and the Office of the Bishop in the provision of health insurance coverage for lay and ordained employees with the exception outlined in section 4 below.
5. Where applicable, congregations within The Episcopal Diocese of San Diego and the Office of the Bishop will provide coverage to employees consistent with existing letters of agreement. Letters of agreement effective after February 28, 2012 will be compliant with the parity requirements of the Denominational Health Plan (Section 3).
6. Parishes within The Episcopal Diocese of San Diego are encouraged to exceed the minimum standard of health insurance coverage for their lay and ordained employees. Employees of missions and the office of the bishop will adhere to this policy
7. Schools, day care facilities, thrift shops and other congregational and diocesan institutions, regardless of the independence of their incorporation or tax status, are encouraged to adopt the principles articulated in this recommendation. However, they are not required to comply.

In offering this recommendation, we offer the following excerpt from "Workplace Values in the Episcopal Church" (Resolution A125, General Convention 2006.):

Believing in the call to the Church to strive for justice and peace among all people, and to respect the dignity of every human being, The Episcopal Church seeks to promote professional employment environments that offer opportunity for development and advancement. The Church's commitment to this is summed up in the widely accepted "Golden Rule":

"In everything, therefore, treat people the same way you want them to treat you . . ."
(Matthew 7:12a)

Respectfully submitted,
Denominational Health Plan Task Force
The Diocese of San Diego

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1) Explanation:

- 2) At the 2009 General Convention, The Episcopal Church passed resolution A177 with two key components:
 - a) Parity is required between clergy and lay employees
 - b) All churches and dioceses must use the Church Pension Group Medical Trust for their health insurance
- 3) During 2010, the bishop convened a denominational health policy task force to recommend to diocesan convention a diocesan denominational health policy that was in compliance with the general convention resolution. The committee had a number of listening sessions to gather the will of the diocese and to communicate the recommendation. Their work culminated in the recommendation of resolution 12-09 which was passed at the February 2012 diocesan convention (see Attachment 1). The plan called for a base plan to be the basic EPO Health Plan which has been the Aetna plan. The Aetna EPO will not be offered in 2017 nor will the other EPO plans that are administered by United Health Care.
- 4) Health Insurance costs continue to rise and are becoming unsustainable for both the church and the employees who are required to fund their family's insurance. Part of the expense associated with the diocesan health plan is that the base plan is a very rich plan. CPG's research indicates that the majority of participants are over insured; that is, the plans offer more benefits than the participant needs.
- 5) Consumer Driven Health Plans (CDHP), formerly known as High deductible health plans (HDHP) coupled with a Health Savings Account (HSA) is gaining popularity among dioceses. In our diocese, it is beginning to make inroads particularly this year with the offering of the Anthem BCBS CDHP 15 plan which has a lower deductible and out of pocket maximum.
- 6) Employees that need family coverage are most at risk with the rise in health insurance costs. This is particularly true with the medical trust since it does not have age banded rates. Young priests and lay employees are more likely to have families and are having to pay for their family's coverage at the rates that reflect the costs of providing insurance to older individuals. The cost of full family coverage under the Aetna plan in 2016 is \$28,488; under the denominational health plan, \$18,312 of this is at the employee's expense.
- 7) The Health Insurance Committee which convenes annually to review plan selection were tasked this year with the following:

- a) Choosing a base plan to replace the Aetna plan
 - b) Identify other recommended changes to the policy to make it more sustainable without sacrificing an appropriate level of benefit.
 - c) Offer meaningful choices to employees.
- 8) In September the committee met with representatives of the Church Pension Group to review the plan and the choices. These recommendations are the basis of this resolution. Key changes include the following:
- a) Base plan changed from Aetna EPO to CDHP 15 plus funding of HSA equal to x% of deductible
 - b) Employee plus one contribution by employer equal to \$150 per month (currently zero)
 - c) Family Coverage contribution by employer equal to \$300 per month (currently zero)
 - d) Cost share of 2.5% in 2018 and 5% in 2019.
- 9) The cost analysis done in preparation for this meeting indicates that in aggregate, the revised policy including the contributions outlined for family coverage can be done for slightly less than the projected 2017 Aetna cost.
- 10) A meeting on October 5, 2016 with 10 clergy of the diocese resulted in a recommendation that the HSA funding be \$1000 per year instead of \$750. They also are not in favor of the employee plus one or family contributions. In addition, they are not in favor of the cost share.

Signed _____

Title _____

Date _____