

2017 Policies for Clergy and Lay Participation in the Denominational Health Plan of the Episcopal Church

Episcopal Diocese of Pittsburgh



**Adopted by Diocesan Council
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Episcopal Diocese of Pittsburgh

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Participation in the Denominational Health Plan of the Episcopal Church provided by the Medical Trust of the Church Pension Fund of the Episcopal Church was mandated by the 76th General Convention of the Episcopal Church in 2009, Resolution A177, amending Canon I.8. The effective date of the canonical mandate for participation in the Denominational Health Plan was January 1, 2013.

All parishes, dioceses, and other organizations and institutions subject to the authority of the Constitution and Canons of The Episcopal Church and of the Episcopal Diocese of Pittsburgh are required to offer medical benefits on an equal basis to all Clergy and Lay Employees scheduled to work 1,500 hours per year or more through the Denominational Health Plan, and may not contract to offer such benefits through other providers.

While it is not canonically mandatory, Clergy and Lay Employees of parishes and other organizations under the authority of the Episcopal Diocese of Pittsburgh working fewer than 1,500 hours per year but at least 1,000 hours per year are eligible to participate in the Medical Trust's health insurance coverage voluntarily and at their own expense. Parishes and other organizations may, but are not required to, participate in the cost of the health plan if the employee chooses to participate. Those persons working less than 1,000 hours per year are not eligible for these benefits.

Each year the Bishop, with the advice of the Compensation Committee appointed by the President of Diocesan Council, will recommend one or more plans from the Denomination Health Plan offerings to be approved by Diocesan Council. Each eligible participant, clergy or lay, then selects a plan from that diocesan menu during the Open Enrollment period. The parish or other employing organization or institution receives and pays the Insurance Premium invoice.

Individual Clergy and Lay Employees scheduled to work 1,500 hours per year or more (but not parishes or other organizations) may choose to “opt out” of participation in the Denominational Health Plan if they are currently receiving comparable medical benefits through dependent coverage in a parent or spouse’s plan or through another employer or retirement benefit (e.g., Tricare). A Waiver of Health Benefits form must be completed by the employee and submitted to the diocesan office by the end of the Open Enrollment period. Employing parishes or other organizations may provide a financial “premium offset” when eligible Clergy or Lay Employees choose to decline the DHP benefit because they are otherwise covered.

Insurance Plan Offerings and Premiums: All Clergy and Lay Employees scheduled to work 1,500 hours per year or more shall be offered the choice of the medical and dental Denominational Health Plan programs approved by Diocesan Council and in the appropriate tier of coverage necessary for the Employee’s family situation. This year’s offerings are as follows:

Medical Plan / Monthly Rates	Single	Employee + Spouse	Employee + Children	Family
1) Anthem High Option PPO (MSPH)	\$823	\$1,646	\$1,481	\$2,469
2) United Healthcare Choice Plus (MMUP)	825	1,650	1,485	2,475
3) Anthem PPO 80/60 (MSPZ)	728	1,456	1,310	2,184
4) Cigna Open Access Plus (MGOP) UPMC in-network plan comparable to Anthem 80/60 plan	728	1,456	1,310	2,184
5) Anthem BCBS CDHP-20 w/ HSA (MHDE) Consumer Directed Health Plan (previously known as HDHP)	572	1,144	1,030	1,716
6) Cigna CDHP-20 w/ HSA (MHDC) Consumer Directed Health Plan (previously known as HDHP)	572	1,144	1,030	1,716
7) Anthem PPO MS 80/60 (MSG3) Employees age 65 or older	596	1,192	1,073	1,788

Minimum Medical Premium Allowance (MPA): Each parish or other employing organization is required to allocate and fund a minimum Medical Premium Allowance (“MPA”) of \$728 per month to provide medical coverage for the Employee. In circumstances where the Employee elects a medical coverage which is less expensive than the MPA, the difference in cost is to be provided to the Employee in the form of a contribution to a Health Savings Account (“HSA”) which can then be used by the Employee to cover medical deductibles and copays required by the plan design chosen. In circumstances where the Employee elects a medical coverage which is more expensive than the MPA, the Employee will be responsible to pay the cost difference through after-tax payroll deduction each month unless the parish reaches a negotiated arrangement with the Employee to provide a higher MPA above the minimum requirement stated above, up to and including full premium payment covered by the parish. MPAs set by the parish may be negotiated at higher levels of allowance as long as there is parity between Clergy and Lay Employees.

Medical Plan Options with Health Savings Accounts (HSA): Placing money into an HSA, in conjunction with a CDHP, is an effective way to manage out-of-pocket costs because employees can set aside funds to be used for qualifying medical expenses, such as deductibles and copays, on a pre-tax basis. For parishes that choose to provide more than the minimum coverage, such a parish-provided contribution is possible with no added cost since a CDHP option has a much lower cost than other plans. The annual cost of family coverage for the CDHP plans is over \$5,600 cheaper (\$450 monthly) than the 80/60 plans and over \$9,000 cheaper (\$750 monthly) than the high-option plans. As an example, the parish could contribute \$5,450, the full amount of the family deductible, to the employee’s HSA in exchange for enrolling in the lower cost CDHP, and the parish will still save \$3,550 per year in medical premium cost. The employee wins because he/she pays less out of own pocket and keeps any unused HSA balance at year-end, and the parish wins by saving annual medical premium expenses. It may also be an attractive option to provide a parish contribution early in the calendar year so that any medical expenses incurred could be managed with available HSA funds.

Insurance Plan Cost Sharing: All Employees selecting a medical plan are subject to consideration by the parish for a premium cost-sharing arrangement wherein the Employee may be required to contribute from 0-10% of the premium cost (and which may not exceed 5% of the employee's total annual compensation). For example, a plan costs \$728 per month, so the parish may require up to \$72.80 per month in cost sharing payments, reducing the net cost to the parish of \$655.20 per month. No cost sharing is permitted for a plan costing less than the MPA indicated above.

Medicare Secondary Payer – Small Employer Exception: Employees who are 65 years old and eligible for Medicare may enroll in a Medicare Secondary Payer (MSP) plan. In most cases, Medicare is the secondary payer of healthcare claims for employees covered under Medicare Part A and Part B, and the Medical Trust's health plan is the first, or primary payer. However, Medicare allows for an exception to the "secondary payer" rule for small employers (including all employers in the Diocese of Pittsburgh) who may request that Medicare serve as the primary payer for eligible Medicare beneficiaries by submitting an Employee Certification Form for each eligible participant seeking a "small employer exception."

When Medicare becomes the primary payer of medical claims, the cost of providing medical coverage is lower because the Medical Trust's health plan becomes the secondary payer. The reduction in cost may reduce premiums compared to plans in which Medicare is not the primary payer. An employee's out-of-pocket medical costs may be lower, too. For an employee or their eligible dependent(s) to be approved for these plans, they must first be enrolled in Medicare Part A (hospital insurance). Individuals who opt for an MSP plan will continue to have access to the value-added benefits included in the Medical Trust plans. Please refer to the Member Fact Sheet for additional information, or contact the Diocesan Office with questions. The Member Fact Sheet is available here:

www.cpg.org/linkservid/2682C7BC-B1BC-B186-34AC2147924BC7B4/showMeta/0/?label=Health-Medicare%20Secondary%20Payer%20SEE%20Member%20Fact%20Sheet

Dental Coverage: Dental coverage is made available through the Denominational Health Plan and as approved by Diocesan Council. There is no requirement of parish funding for this benefit.