

Our Health, Our Members, Our Church

flash

The Denominational Health Plan

November 2009

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Welcome to the latest issue of FLASH, the Episcopal Church Medical Trust's periodic newsletter about the denominational health plan for The Episcopal Church.

In this issue, intended for diocesan leadership and group administrators...

- What you need to know about the denominational health plan, and key points to communicate to employees
- Details of the implementation plan
- Savings for you in 2010
- How our product partner relationships help control healthcare costs
- Our commitment to member health and wellness
- Healthcare Reform: What's happening in Washington?

The Denominational Health Plan: An Episcopal Partnership

As you know, the 76th General Convention passed Resolution A177 and its associated canonical change asking the Church Pension Fund to establish a denominational health plan for The Episcopal Church. Central to the denominational health plan is a collaboration between Episcopal employers and the Episcopal Church Medical Trust (the Medical Trust), an affiliate of the Church Pension Fund and sponsor and administrator of health plans.

Working with dioceses, congregations, and official agencies of the Church, the Medical Trust will bring together Episcopal employers and employees in order to leverage the Church's size and achieve greater savings and cost-containment. Between now and January 1, 2013, the resolution's deadline for full implementation of both participation and parity, the Medical Trust will be engaging with you on a local level to meet the challenges of rolling out this new program and "make it happen."

In order to ensure that our high quality service to the Church is maintained as we grow, **the Medical Trust has created five regional territories and assigned a Regional Relationship Manager to support each territory. They will live within the territories they serve, and work closely with their constituencies.**

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Collaboration at the Local Level

The key to the success of the denominational health plan lies with Episcopal employers at the local level. While the Medical Trust will be bringing the Church together around healthcare on a national level, it is the dioceses that will engage congregations and agencies/institutions at the local level. Regional differences in healthcare delivery, and the varied healthcare issues faced by your parishes and employees, all call for tailored approaches. Medical Trust [Regional Relationship Managers](#) are available to assist you in adapting the requirements of the denominational health plan to address specific local concerns. Remember, the Medical Trust is committed to providing comprehensive plans at competitive rates, and will work closely with you to ensure a smooth and pastoral transition for all.

How Can You Engage Your Congregations?

- Communicate with all your congregations (i.e., cathedral, parishes, missions, and chapels) so they understand how the requirements of the denominational health plan apply to them and their employees.
- Collaborate with congregations to develop a diocesan healthcare benefits cost-sharing policy for clergy and lay employees scheduled to work 1,500 or more hours per year for one or more employer. (You might want to remind congregations that they are free to do more than the diocesan minimum cost-sharing policy if they so wish.) Creating a diocesan cost-sharing policy that will apply equally to employees in congregations, designated agencies, and institutions will require research and analysis of healthcare policies and practices in your diocese, and probably some compromise. The Medical Trust's Regional Relationship Managers and other staff stand ready to assist.
- Remind congregations that employees working between 1,000 and 1,499 hours per year are eligible to participate, and each diocese, as well as its congregations, can choose to pay for their coverage in whole or part separately from the cost-sharing policy in place for those working 1,500 hours or more. It's a local decision!
- Work in partnership with congregations annually to select the plan designs and networks to be offered to their employees. The Medical Trust Regional Relationship Manager assigned to your area is available to assist you in tailoring your selections.
- Identify parish schools and diocesan agencies/institutions that you want to participate. Remember, each diocese determines for itself which of these diocesan employers are required to participate.
- Decide whether or not your diocese wants to opt out of offering healthcare benefits for domestic partners.
- Make sure everyone understands that employees can opt out of the denominational health plan if they have coverage through approved sources such as spousal coverage, coverage from a former employer, or coverage from Tricare or Medicare.
- Be an active participant in helping your congregations communicate diocese-specific information to employees to help them understand the denominational health plan and the benefits it extends to them. The Medical Trust would like to work with each diocese to ensure that, by mid-2010, all employees have received information about the denominational health plan and understand where they can go to find answers to any questions or concerns they might have.

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Implementation of the Denominational Health Plan — How Will It Happen?

Rollout Will Be Gradual, Pastoral

Now that the denominational health plan is a reality, many of you are asking, "What happens next?" First, it is important to realize that the full implementation will happen over time. It will be gradual, pastoral, and with the least amount of disruption to employees and dependents. Our comprehensive, multi-year implementation program encompasses benefits administration, staffing, and communications. Under the leadership of Laurie Kazilionis, Vice President, Account Management, the Medical Trust, the implementation program will take a simultaneous four-pronged approach:

- Transition those dioceses, congregations, and groups that do not currently participate in the Medical Trust's health plans ("non-participants").
- Include and expand health and wellness programs that may not have been available to non-participants.
- Assist dioceses to develop policies to implement parity in the funding of healthcare benefits for clergy and lay employees.
- Ensure a seamless, efficient transition to the denominational health plan.

2009 - 2010 Implementation Schedule

Through the End of 2009:

We will be enrolling those non-participating diocesan groups who have been in discussions with the Medical Trust over the past year to begin benefits on January 1, 2010.

Beginning in Early 2010:

We will begin conversations with the other non-participating dioceses to determine the best transition strategy for each while providing diocesan leadership with data, communications materials, and hands-on support as they make decisions regarding the enrollment of their parishes and employees.

During the Second Half of 2010:

We will focus on providing quotes and enrollment support for non-participating groups and renewing already-participating groups. In all cases, each group will receive personal attention from the Regional Relationship Manager to address specific local concerns.



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Denominational Health Plan Savings Begin in 2010

Even though the U.S. economy has been contracting since 2008, the cost of providing employee healthcare benefits continues to grow. The comparison between increased employee healthcare benefit costs and a shrinking Plate and Pledge presents the Church with a unique challenge for 2010. However, the impact of the denominational health plan is already being positively reflected in our 2010 rate increases. The average U.S. employer is expecting to receive a rate increase of 9% in health insurance premiums. By contrast, the Medical Trust is pleased to tell you that our average rate increase for 2010 across participating employers is only 5.7%. Although the full amount of savings to the Church will be realized only when the denominational health plan is completely implemented, this differential reflects a first-year savings of 3.3%, on average, for the Church. This is early evidence that leveraging our size, and using that size to negotiate with our product partners, can yield sustainable savings for the Church.

But leveraging size isn't the only way to effect savings. As the Church continues to struggle with congregational finances, the Medical Trust is also looking to other strategies for improving cost-containment. These include enhancing the management of our relationships with our product partners, and expanding our wellness and disease management programs since improved member health can save the Church healthcare dollars. Each of these initiatives is discussed separately in this issue of *Flash*.

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Controlling Health Benefits Costs Through Effective Product Partner Relationships

One of the major findings of the Healthcare Coverage Feasibility Study was, not surprisingly, that employee health insurance represents the lion's share of the Church's benefits costs. Therefore, any actions we take regarding these benefits have tremendous short- and long-term implications.

One of the goals of the denominational health plan is to ensure that we are doing everything possible to keep costs down and employee satisfaction up. This requires effective product partner relationship management on the part of the Medical Trust; it is also vital that we work closely with dioceses and group administrators to review the options offered to clergy and lay employees.

Ensuring access to the most efficient plans is an ongoing task, and is being managed by Andrea Still, Vice President of Plan Administration, the Medical Trust. The uniquely integrated system provided through the Kaiser Permanente model is one of the best examples of efficient plans in the marketplace today. Over the past two years, the Medical Trust has worked with the national accounts team at Kaiser, and we are now pleased to announce that, effective January 1, 2010, we will be expanding our product offerings to include the Kaiser plan options wherever possible.

Over the next triennium, the Medical Trust will continue to build on our excellent product partner relationships to ensure that our employer groups are aligned with the optimal vendors and plan designs.

Therefore, throughout the implementation of the denominational health plan, the Medical Trust staff is committed to:

- reassessing plan designs
- providing access to quality provider networks that maximize discounts
- monitoring the performance of our product partners
- identifying factors that drive costs so that they can be addressed
- adding proactive measures to help keep costs under control
- ensuring our plan design offerings fit the needs of Church employees
- ensuring employees and their dependents have access to the best-in-class options available

In order to provide an array of plans and vendors to meet the various needs of The Episcopal Church, and to continue to drive efficiencies for those plans, the Medical Trust has undertaken several initiatives with its product partners:

- We initiated a Request For Proposal process with Aetna, CIGNA, Empire BCBS, and UnitedHealthcare to reconfirm and enhance the products and services currently offered, to renegotiate administrative service fees and performance guarantees, and to reinforce our expectations of plan performance and partnership in the coming years.
- Under the direction of Libby Miller, Assistant Vice President for Clinical Management & Member Education, the Medical Trust, we evaluated the health management and wellness programs available through our product partners, with the goals of maximizing employee benefits, and lowering costs wherever possible.

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Our Commitment to Member Health and Wellness

Over the past triennium, it has become apparent to the Medical Trust that it is in everyone's best interest to focus greater attention on the well-being of clergy and lay employees. In addition to ensuring that our offices and churches are free of occupational hazards, protecting the health of employees means that the Church must face the challenge of dealing with infectious diseases like the H1N1 virus, as well as chronic conditions such as heart disease, high blood pressure, diabetes, and cancer. Recent research estimates that chronic disease accounted for 60% of all deaths in 2005. Furthermore, 80% of healthcare costs are lifestyle-related and therefore preventable. Because of these concerns, the Medical Trust launched its multi-year wellness initiative in order to empower our members to take better care of themselves and their families.

As part of this initiative, the Medical Trust is taking steps to remove barriers to care. Effective January 1, 2010, copays will be eliminated (resulting in \$0 copays) for adult and child annual in-network routine physicals in health plans sponsored and administered by the Medical Trust¹ in order to encourage members to get annual physicals. Furthermore, all of our dental plans now include three free in-network dental cleanings and related oral examinations per year.

In addition to increasing participants' access to preventive healthcare benefits, we continue to expand our wellness programs. Member education meetings increase awareness of benefits and how to best access them for optimum health. We sponsor health fairs at employer locations, offering free screenings by/consultations with local healthcare providers and educational materials on relevant topics. And we provide ongoing communications such as our monthly *Health & Wellness Newsletter*, which provides wellness tips, disease-specific information, and general health articles. We are committed to helping Episcopal clergy and lay employees and their families create a culture of wellness, become more aware of health-related issues, and make positive lifestyle choices. We also work with our product partners to continually adopt the best practices in healthcare.

To learn more about our wellness initiative, contact Libby Miller, Assistant Vice President for Clinical Management & Member Education at lmiller@cpg.org.

¹Local managed care plans (BCBS HMO, MVP POS, etc) offered by the Medical Trust may continue to have a copayment in place during 2010. Employees should verify copayments and co-insurance requirements prior to seeking care.



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Healthcare Reform: What's Happening in Washington?

For almost a century, presidents and members of Congress have tried to provide greater access to and quality of healthcare for Americans. Meanwhile, healthcare costs have spiraled: in 2008, one out of every six dollars was spent on healthcare, and an estimated 46 million people were without coverage. Under the Obama administration, healthcare reform has become a major goal, but bringing it to fruition is complicated by the two mammoth tasks of expanding coverage and reining in ever-increasing costs.

Over the last several months, lawmakers have focused on objectives that include:

- reining in private insurance companies by banning underwriting practices that have prevented millions of Americans from obtaining affordable insurance
- providing federal subsidies to help make insurance affordable for people with modest incomes
- expanding Medicaid eligibility
- creating health insurance exchanges where people can shop for insurance and compare policies

While it is too soon to know what impact national healthcare reform will have on the denominational health plan, the Medical Trust has both the flexibility and the scale to make necessary adjustments while continuing to provide high-quality healthcare benefits to our members. We continue to monitor the national activities around healthcare reform, and look for opportunities to voice our concerns along with other denominations. We know that many weeks of legislative maneuvering lie ahead before a final bill is produced and sent to President Obama for signature. Once the final bill is signed, it will be carefully analyzed to determine its impact on The Episcopal Church. If you have any questions regarding healthcare reform, please contact Tim Vanover at tvancouver@cpq.org.

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