

## 2019 Denominational Health Plan Annual Report

Achievements include affordability, robust provider access, meaningful plan choice, and compassionate service to the Church.

### Introduction

Many domestic dioceses, parishes, and other ecclesiastical institutions subject to the authority of the Episcopal Church continue to experience financial pressure resulting from rising healthcare costs. The ability to control these rising costs remains one of the main goals of the Episcopal Church's Denominational Health Plan (DHP). This Annual Report summarizes how the DHP helps participating groups do so. For a full description of the DHP's background, please visit [cpg.org/DHP](http://cpg.org/DHP).

### Highlights

In its mission to balance compassionate benefits with financial stewardship, The Episcopal Church Medical Trust (Medical Trust) reached these milestones in 2019:

#### Healthcare Costs Contained

- For 2020, most participating groups received below-average rate increases, compared to nationwide health cost trends as tracked by leading consulting firms.

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#### Employers Chose From Multiple Providers

- Participating groups enjoyed meaningful choice, consisting of both traditional Preferred Provider Organization and Consumer-Directed Health Plan offerings, through vendors including Anthem Blue Cross and Blue Shield, Cigna, and Kaiser Permanente.

#### Groups Received Benefits Planning Assistance

- Groups benefited from educational and other support in choosing their plan offerings.
- Diocesan strategies aimed at providing competitive healthcare benefits for clergy and lay employees were informed by strategic assistance from the Medical Trust.

## 2019 in Review

### I. Coalition Gains Strength

The DHP combines the purchasing power of the Church, enabling the Medical Trust to leverage economies of scale with program vendors. The result is more competitive rates for healthcare benefits for the entire Church. Since 2014, all domestic dioceses have been in the DHP.

In addition, the Medical Trust serves 48 other groups—schools, camps, conference centers, and other Church institutions—together representing 25% of enrollment. In 2019, the DHP improved on its ability to bargain for the Church by adding 530 new plan subscribers.

### Health Benefit Support of Non-Domestic Episcopal Dioceses

Some healthcare expenses of eligible participants in non-domestic dioceses are not covered by public or private insurance. In 2019, The Church Pension Fund (CPF) made total grants of \$55,355 from the Fund for Medical Assistance (Fund). These grants helped protect grantees' financial security. Due to

CPF's ongoing outreach to eligible dioceses, more participants also now know about, and make use of, Fund benefits.

## II. Commitment to Cost Containment Renewed

To provide competitive levels of health coverage at the lowest rates possible, the Medical Trust employs multiple approaches:

### Cost Increases Below Norms

From 2011 to 2019, U.S. employers' premiums increased by an average of 5.0% to 10.7% annually. Over the same period, the average increase to Medical Trust employer groups was 4.3% to 7.2%. For 2020, the Medical Trust delivered an average rate increase of 5.5% while providing broad provider network access. This compares to an average forecasted rate increase of 6.5% among U.S. employers.<sup>1</sup>

### Holding the line on cost inflation: Medical Trust rates in comparison

Employer type	Average rate increase (2011 to 2019)
All U.S.	5.0% to 10.7%
Medical Trust groups	4.3% to 7.2%

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### Improved Member Experience and Health Outcomes

To better members' experience and health outcomes, 2019 saw the successful rollout of enhanced care management programs from Anthem (Health Guide) and Cigna (One Guide). These programs provide the following resources:

- Enhanced service teams dedicated to helping patients manage their health conditions
- Proactive outreach to at-risk populations promoting engagement in case management
- An emphasis on medical management through medical necessity principles and clinical evidence, defined as follows:
  - ~ *Clinical appropriateness*: the type, frequency, extent, and duration of service is correct for the individual
  - ~ *Clinical effectiveness*: the treatment of illness, injury, disease, or symptom has been proven clinically sound
  - ~ *Cost effectiveness*: the treatment or service is not more expensive than an alternative treatment or service with equal therapeutic and diagnostic results

### Reduced Cost Disparity Among Dioceses

In keeping with the 2012 General Convention Resolution B026, the Medical Trust continued to work toward decreasing disparity in healthcare costs between the highest-priced and lowest-priced dioceses:

- Across diocesan rates for the same plans, 70% are within the average range of Medical Trust rates. In other words, they fall somewhere between 10% below to 10% above that average rate.
- Rates among 28% of dioceses fall 10% or more below the average Medical Trust rate for the same plans. In most cases, this larger difference is driven by the need to remain competitive with local market premiums in those dioceses.
- Rates among 2% of dioceses fall 10% or more above the average Medical Trust rate for the same plans. In most cases, this is driven by the claims history, geographic location, and demographic risk of those dioceses.

### III. Going Forward

Paired with the comprehensive coverage and caring service the Medical Trust is known for, participating groups and their members can expect ongoing work to contain cost increases during 2020. The following measures will help support this goal:

- Regularly assessing plans for quality and value, including vendor relationships, clinical programs, and appropriateness of member cost share
- Leveraging increasing purchasing power with vendors to achieve maximum savings on plan administration
- Participating in a group prescription drug purchasing coalition with other denominations and implementing the SaveonSP manufacturer copay assistance program
- Requiring appropriate authorizations, coverage, and utilization management to ensure optimal outcomes and use of evidence-based treatments
- Encouraging members to take active responsibility for their own health and wellness through educational programs, care management programs, and other resources in collaboration with participating groups
- Promoting the Medicare Secondary Payer Small Employer Exception Plans to eligible groups and members, which continue to provide value and reduce overall costs for eligible employees who are 65 or older

### IV. 2020 Outlook

Bolstered by the full implementation of our plan array strategy, the outlook for the DHP remains positive. Our members can choose among plans from Anthem and Cigna, as well as regional offerings from Kaiser, and continue to enjoy multiple advantages, including robust provider access, affordable coverage, and meaningful choice.

The future of national healthcare reform remains unsettled, and contrasts with the stability that the DHP offers the Church. With an eye on healthcare reform, our focus will remain on cost-effective, comprehensive health benefits, and compliance with applicable laws and best business practices.

Lastly, the Medical Trust's long-term roadmap will focus on vendor strategy, member experience, and healthcare delivery to ensure we offer plans that are relevant and affordable to our participating groups.

<sup>1</sup>Aon plc 2020 Global Medical Trend Rates Report ([bit.ly/38NRNH4](https://bit.ly/38NRNH4))