DENOMINATIONAL HEALTH PLAN
Highlights and Frequently Asked Questions
The Diocese of Southern Ohio – 2012

Background and Overview: The Denominational Health Plan was established by General Convention Resolution A177 of the 76th General Convention and its associated Canon in July, 2009, and was amended by the 77th General Convention's Resolution B026 that extended the deadline for achieving parity. The Denominational Health Plan shall be designed and administered by the Trustees and officers of The Church Pension Fund, following best industry practices for comparable plans.

Effective no later than January 1, 2013, all domestic dioceses, congregations and other ecclesiastical organizations or bodies subject to the authority of the Church, as well as any diocesan institutions that the diocese has said must participate in the Denominational Health Plan, are required to provide eligible clergy and lay employees — *those who are scheduled for at least 1,500 hours of compensated work per year* — with healthcare benefits, as delineated by their respective diocese, through the Episcopal Church Medical Trust (the Medical Trust).

- Employees regularly *scheduled between 1,000 and 1,499 hours of compensated work per year* are eligible to participate voluntarily.
- Employees with coverage from an approved source may waive ("opt-out" of) coverage from their Episcopal employer.

Dioceses have autonomy and choice in certain key areas: choice of health plan options to offer its congregations and institutions; establishment of a diocesan-wide policy regarding the minimum employer cost-sharing requirements; the offering of healthcare benefits to domestic partners, and the participation of local parish schools and diocesan institutions.

A diocesan-wide minimum cost-sharing policy must apply equally to clergy and lay employees *who are scheduled for at least 1,500 hours of compensated work per year.*

These Resolutions (A177 and B026) seek to address social justice issues around adequate benefits for the Church's lay employees. Currently, some lay employees do not have access to healthcare benefits, and others have a higher cost share than clergy for the same benefits. This initiative requires that each diocese establish a cost-sharing policy, and that it be the same for clergy and lay employees *who are scheduled for at least 1,500 hours of compensated work per year.*

While cost concerns around this initiative are real, so is the need of lay employees to have adequate pension and healthcare benefits. The support and dedication of lay employees make many ministries possible, and providing them with adequate benefits is not only necessary, it's the right thing to do.

Ultimately the Medical Trust expects these changes to reduce overall costs, as they seek economies-of-scale purchasing. The ability to buy healthcare benefits collectively rather than per diocese or per congregation means savings for the Church. Additionally, national healthcare reform is expected to have significant short - and long-term effects on healthcare. While the Medical Trust already conforms to many of the requirements, further changes may be necessary.

Frequently Asked Questions:

1. Who is eligible for the Denominational Health Plan?

- Clergy and lay employees who *are scheduled for at least 1,500 hours of compensated work per year* are considered full-time. Their employers (dioceses, congregations and others as designed by Resolution A177) must provide healthcare benefits as delineated by their respective diocese.
- Employees *who are scheduled for between 1,000 and 1,499 hours of compensated work per year* (at least 20 to 29 hours weekly) are eligible to participate voluntarily in the Denominational Health Plan.

2. What is the cost-sharing policy for full-time employees in the Diocese of Southern Ohio?

- At a minimum, all full-time clergy and lay employee shall be provided by their employers with single medical coverage paid at 100% through the Medical Trust. Access to family coverage (for dependents, spouses, domestic partners) must also be made available for purchase by employees. Employers are encouraged, if financially possible, to exceed the minimum standard of healthcare insurance for their clergy and lay employees. For instance, a congregation may decide to provide family coverage for all full-time employees. The difference is that this must include both lay and clergy full-time employees.
- The minimum coverage to be paid by employers for full-time clergy and lay employees shall be equal to the cost of the single employee premium for the High Deductible Health Plan/Health Savings Account plus the cost of single employee basic dental coverage, and the cost of funding the employee's Health Savings Account. The amount of the employer's contribution to the Health Savings Account will be established annually by Diocesan Council.
- If an employee shares his or her time among multiple congregations, the employers will coordinate enrollment and cost-sharing.
- **Note:** Information on the **"2012 Medical and Dental benefits"** and their current premium costs available through the Diocese of Southern Ohio can be found at http://www.diosohio.org.

3. Will it be possible – depending on the Patient Protection and Affordable Care Act ; i.e., the National Health Plan – to enroll employees working less than 1,000 hours? What about non-stipendiary employees, such as deacons? Will they be permitted to enroll with The Medical Trust through **the Denominational Health Plan?**

- Because the Episcopal Church Clergy and Employees' Benefit Trust - the trust through which the Medical Trust's plans are administered - is a Voluntary Employee's Beneficiary Association it must evaluate eligibility of non-employees and those *who are scheduled for fewer than 1,000 hours of compensated work per year* carefully. Currently *non-employees and those who are scheduled for fewer than 1,000 hours of compensated work per year* are not permitted to enroll with The Medical Trust through the Denominational Health Plan.
- The Medical Trust is evaluating the eligibility of non-stipendiary clergy as part of a strategic project initiated in 2010.

4. How does the Denominational Health Plan work in the instance of multi-congregations with less than full-time clergy and staff? For instance: one priest or deacon assigned to multiple congregations, or clergy who are full-time in one congregation but serve as part-time clergy at a nearby congregation

(parish or mission)? Will such circumstances require that a diocese have an administrative role; e.g., the forwarding of premiums to the Medical Trust?

- In such arrangements their employers must coordinate enrollment and cost-sharing if the total number of *compensated hours worked* for both employers equal or exceed the requirements for mandatory coverage; i.e., *1,500 or more of compensated hours worked per year.*

5. How are hourly lay employees who are hired to work fewer than 1,500 hours per year, but who actually work and are compensated for 1,500 hours or more per year, treated regarding participation? Similarly, what about clergy who receive a salary with no established hourly schedule?

- The requirement of employers to provide healthcare benefits and the eligibility of their employees for such benefits are governed by *actual compensated hours worked.* In such cases the employers would be required to provide healthcare benefits because the *actual hours of compensated work equal or exceed 1,500 per year.*
- Clergy generally know if they are full-time (more than 1,500 hours annually) employees. Their employers must provide healthcare benefits as prescribed in the Denominational Health Plan because their *actual compensated hours worked equal or exceed 1.500 hours per year.*

6. How flexible can an employer's plan be relative to full and part-time employees? For example, could the plan for full-time employees pay 100% of the premium for family coverage, while paying only the premium for single coverage for that employer's part-time employees?

- The Denominational Health Plan requires that all ***full-time*** clergy and lay employees be treated equally, including how much they may be required to pay; that is, the premium's cost-share. Employers are free to provide a different cost-share to the part-time employees.

7. How can clergy be assured that they will have adequate healthcare coverage under the Denominational Health Plan – that parishes and missions will not quickly migrate to the minimum coverage required by the Denominational Health Plan?

- The Denominational Health Plan is guided by the principle of providing equity and balance in healthcare coverage for all of a congregation's full-time employees. Therefore coverage levels for full-time lay employees are to be as equitable as coverage levels for clergy. Further, it is anticipated that existing Letters of Agreement will be honored as written. Vestries and Mission Councils in the search process to hire are free to explore whether adjusting their healthcare coverage for the yet-to-be-identified clergy makes financial sense, or if such an adjustment would diminish their chance to hire a desirable priest.

8. Will employees who are covered by a spouse's, a partner's, or some other healthcare insurance plan is allowed to opt-out of the Denominational Health Plan?

- Clergy and lay employees who have healthcare benefits through approved sources will be allowed to waive healthcare coverage under the Denominational Health Plan ("opt out") and may choose to maintain their healthcare benefits through an approved source. Examples of approved sources include coverage through a spouse's or partner's employment, health- care benefits through a government sponsored program such as Medicaid or TRICARE, or coverage from a previous employer. Declaration of the individual waiver will occur on an annual basis through the Medical Trust's

Benefits Registration System. Note: The Medical Trust's list of approved sources may be subject to change based on the Patient Protection and Affordable Care Act.

9. Will the diocese be required to maintain a check-off list to confirm that every eligible employee is either enrolled or has submitted a valid opt-out form?

- Yes. We assume that we will be and that it is possible that the Medical Trust's annual Benefits Registration System will provide the required record.

10. How will the Denominational Health Plan mesh with the Patient Protection and Affordable Care Act?

- The Medical Trust continues to review both the initial legislation and the follow-up agency declarations to determine how such will impact the Medical Trusts and its clients.

11. Can a congregation "grandfather" existing employees – clergy, lay, or both? For example, can a congregation have a different cost-sharing arrangement for a long-time employee than a newly hired full-time employee?

- No. By December 31, 2015 all clergy and lay employees *who are scheduled for at least 1,500 hours of compensated work per year* must be treated equally with regard to cost-sharing of the healthcare plan premiums, no matter when they were hired.

12. What flexibility is permitted for interim, supply, multi-congregation, and Licensed to Officiate clergy?

- The operative data is whether or not the clergy person is ***scheduled for at least 1,500 hours of compensated work per year and is therefore considered for purposes of being eligible for the Denominational Health Plan*** as being "full-time," If so, then that individual must have the same plan -- that is, the cost-share must be the same for all of an employer's full-time clergy and lay employees.

13. Can the "plan" be different for pre-schools operated by a congregation than the "plan" for a congregation's other full and part-time employees?

- Yes. Employers are free to provide a different cost-share to their part-time or other "classes" of employees.
- Although employee cost-share must be consistent and equitable among full-time employees, churches and Episcopal institutions may establish different levels of employee cost-share between full-time employees and part-time employees. For example, the "cost-sharing plan" can be different for pre-schools operated by an unrelated organization: however, the cost-sharing for such employees will have to be the same if the pre-school is operated as a unit of the congregation.

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This document was prepared by the Diocese of Southern Ohio's Advisory Committee on Compensation and Resources (the ACCR) with the assistance of the Director of Communications, Richelle Thompson, and Garth Howe, our liaison with the Episcopal Church Medical Trust. For further information about implementation of the Denominational Health Plan in the Diocese of Southern Ohio, contact Jon B. Boss, Chair of the ACCR at jbboss@fuse.net, or David Robinson, Director of Finance at drobinson@diosohio.org.