

Denominational Health Plan (DHP)

Resolution A177

Diocesan Convention Update:

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Review: The Denominational Health Plan (DHP)

- Convention **Resolution A177** of the 76th General Convention and its associated Canon in July, 2009. The DHP 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 regularly scheduled to work 1,500 hours or more per year (i.e., 30 or more hours per week) — with healthcare benefits, as delineated by the diocese, through the Episcopal Church Medical Trust (the Medical Trust).

What Role does the diocese have in the implementation process?

The diocese must establish canons, policies, rules, or guidelines to determine:

1. Whether other institutions under its authority (parish/diocesan schools, daycare facilities, social service agencies, and other organizations under diocesan control) are required to participate in Medical Trust plans through the diocese. [**Decision: Council / Bishop**] **Institutions Exempt**
2. Whether the diocese wishes to provide healthcare benefits coverage to the domestic partners of its clergy and lay employees. [**Decision: Council / Bishop**] **Domestic partners are covered**
3. A cost-sharing policy that provides a minimum level of funding for healthcare benefits that is the same for clergy and lay employees of that diocese who are regularly scheduled to work 1,500 or more hours per year (30 or more hours per week)
4. Which Medical Trust plans meet the needs of its clergy and lay employees. The diocese makes this decision annually.

Cost-Sharing Policy Minimum (Single Coverage)

Single Coverage			
CIGNA HMO			
Employee Expense	Cost Distribution		
Percentage	Employee	Employer	Total
0%	\$0.00	\$613.00	\$ 613.00
10%	\$61.30	\$551.70	\$ 613.00
20%	\$122.60	\$490.40	\$ 613.00
30%	\$183.90	\$429.10	\$ 613.00
40%	\$245.20	\$367.80	\$ 613.00
50%	\$306.50	\$306.50	\$ 613.00
60%	\$367.80	\$245.20	\$ 613.00
70%	\$429.10	\$183.90	\$ 613.00
80%	\$490.40	\$122.60	\$ 613.00
90%	\$551.70	\$61.30	\$ 613.00
100%	\$613.00	\$0.00	\$ 613.00

Cost-Sharing Policy Minimum (Employee +1)

Employee +1			
CIGNA HMO			
Employee Expense Percentage	Cost Distribution		
	Employee	Employer	Total
0%	\$0.00	\$1,105.00	\$ 1,105.00
10%	\$110.50	\$994.50	\$ 1,105.00
20%	\$221.00	\$884.00	\$ 1,105.00
30%	\$331.50	\$773.50	\$ 1,105.00
40%	\$442.00	\$663.00	\$ 1,105.00
50%	\$552.50	\$552.50	\$ 1,105.00
60%	\$663.00	\$442.00	\$ 1,105.00
70%	\$773.50	\$331.50	\$ 1,105.00
80%	\$884.00	\$221.00	\$ 1,105.00
90%	\$994.50	\$110.50	\$ 1,105.00
100%	\$1,105.00	\$0.00	\$ 1,105.00

Cost-Sharing Policy Minimum (Family Coverage)

Family Coverage			
CIGNA HMO			
Employee Expense Percentage	Cost Distribution		
	Employee	Employer	Total
0%	\$0.00	\$1,719.00	\$ 1,719.00
10%	\$171.90	\$1,547.10	\$ 1,719.00
20%	\$343.80	\$1,375.20	\$ 1,719.00
30%	\$515.70	\$1,203.30	\$ 1,719.00
40%	\$687.60	\$1,031.40	\$ 1,719.00
50%	\$859.50	\$859.50	\$ 1,719.00
60%	\$1,031.40	\$687.60	\$ 1,719.00
70%	\$1,203.30	\$515.70	\$ 1,719.00
80%	\$1,375.20	\$343.80	\$ 1,719.00
90%	\$1,547.10	\$171.90	\$ 1,719.00
100%	\$1,719.00	\$0.00	\$ 1,719.00

Issue of Parity

- A cost-sharing policy that provides a minimum level of funding for healthcare benefits that is the same for clergy and lay employees.

For Example:

What if the Minimum = 80%

What/If	Clergy	Lay	Compliant
Parish Pays	80%	80%	Parity
Parish Pays	80%	50%	Non-Parity
Parish Pays	100%	80%	Non-Parity
Parish Pays	100%	80%	Non-Parity
Parish Pays	80%	100%	Non-Parity
Parish Pays	100%	100%	Parity

Example: Parish (Single Coverage)

- 1 Full-Time Clergy with Family Coverage
- 3 Lay Employees
 - 1 – Full-Time Organist (15,00 hours) with Employee +1
 - 1 – Lay Employee (1,500 hours) with Single Coverage
 - 1 – Lay Employee (1,400 hours)
- At 80% / 20% Cost – Sharing for Parish and Employee

Example: Parish (Single Coverage)

- Monthly Expense w/ CIGNA HMO

Name of Plan	Single Coverage	Employee +1	Family Coverage
CIGNA HMO	\$613.00	\$1,105.00	\$1,719.00

Cost To	Clergy (Family)	Organist (Employee+1)	Lay Employee 1500hrs (Single)	Lay Employee (1400hrs)	Total Expense
Parish	\$1,375.20	\$884.00	\$490.40	0	\$2,749.60
Employee	\$343.80	\$221.00	\$122.60	0	

Example: Parish (Single Coverage)

- Annual Expense w/ CIGNA HMO

Name of Plan	Single Coverage	Employee +1	Family Coverage
CIGNA HMO	\$7,356.00	\$13,260.00	\$20,628.00

Cost To	Clergy (Family)	Organist (Employee+1)	Lay Employee 1500hrs (Single)	Lay Employee (1400hrs)	Total Expense
Parish	\$16,502.40	\$10,608.00	\$5,884.80	0	\$32,995.20
Employee	\$4,125.60	\$2,652.00	\$1,471.20	0	