Medical Benefits in the Episcopal Diocese of Alabama in 2019

TO: Administrators, Vestry, Financial and Benefit Committee, Treasurers, Clergy

RE: 2019 Medical and Dental Benefits Annual Enrollment Information

DATE: September 11, 2018

This information may be shared as widely as you see fit. Remember that the clergy are included in most instances and also need this information. It is especially important that you assist your employees in this process. As their employer you bear a responsibility to equally support your eligible employees in obtaining the benefits available through their employment by an entity within the Episcopal Church. Share this information with each eligible employee prior to the medical annual enrollment which begins October 29 and ends November 16.

**Medical Annual Enrollment** not Open Enrollment: To encourage employees to participate (everyone should log into their account to check and update basic information) the process is now referred to as “Annual” enrollment instead of “Open” enrollment. Employees should participate even if they are remaining in their current medical plan.

Here are the “headlines” for the Employee Medical Benefit 2019 Renewal:

- **Annual Enrollment for Medical** runs October 29 through November 16

- With one exception (affects only 1 employee) the plans offered in 2019 are similar to plans offered in 2018. This is true for medical and dental benefits.

- The premiums are rising in 2019 but by varying percentages. For example, the PPO 80 Plan family coverage, which has the most participants, will increase only 5.44%. The premium percentage increase is highest for single coverage in all plans to rebalance the relationship between family and single premiums. Detail premium information is provided later in this document.

- The “Wellness Bonus” for participants in the CDHP 20 Plan remains an important reason to consider switching to or remaining with this plan. The Diocese will contribute to a participant’s HSA $1,000 for single coverage and $2,500 for family coverage when one adult participant in the plan provides proof of a wellness exam within 2019.

- In addition, monthly contributions to employee HSAs for those in the CDHP 20 Plan will increase over 2018. For single coverage the contribution will move from $25 a month to $50 a month. For family coverage the contribution will move from $62.00 a month to $125.00 a month. At the same time, this premium remains the most affordable of the three primary plans.

Information will be available on the web site of the Church Pension Fund (CPG), [www.cpg.org](http://www.cpg.org), during Annual Enrollment. Medical Benefits are provided by the Episcopal Medical Trust.
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(EMT) which is a division of CPG. Employees receive medical benefits through participation in a group which includes employees of congregations and the diocesan office. Note that in the Diocese of Alabama Dental benefits are NOT provided through CPG. More information is in this document on dental annual enrollment.

Canonical Compliance

In 2009 the General Convention of the Episcopal Church adopted two amendments to the Canons of the Episcopal Church. One amendment required parity in medical benefits between ordained and lay employees working 30 hours or more a week (1500 annually). A second amendment required that Episcopal entities obtain medical benefits through The Episcopal Medical Trust of The Church Pension Fund. A long grace period to allow parishes to slowly implement these requirements ended in January 2016. The provisions adopted also provided for each diocese to define parity (Note that parity is not optional, only its definition).

Parity defined: In the Diocese of Alabama medical benefits for clergy include: (1) Payment of the premium solely by the employer (the parish in most cases) for 3 of the plans and premium cost-sharing for the 4th plan offered. (2) Paid coverage for family or single plans at the employee’s discretion. This establishes the definition of “parity”. The intent of the Canons is that medical benefits of employees scheduled to work 30 or more hours per week (1500 annually) whether ordained or lay will include the same provisions.

Premium Cost-Sharing: In 2017 the Diocesan Council amended the definition of parity by introducing premium cost-sharing on one of our plans. Any employee and all employees choosing the PPO 80 Plan should pay a portion of the premium through payroll deductions (The amounts are specified below). Of the four plans being offered, this remains the only plan with premium cost-sharing. This rule applies equally to ordained and non-ordained employees. If your parish is still bearing the full cost of the premium we urge you to introduce the premium payroll deduction. We believe you will eventually find the cost, if not shared, to be prohibitive. We think it is better to ease into premium cost sharing over several years. By delaying you may find introduction of employee premium cost-sharing at a later date even more difficult on employee budgets.

More information on these canonical requirements can be obtained from the Diocesan Staff Officer for Finance and Administration, Rob Morpeth.

Who is Eligible for Medical Benefits?

All employees of Episcopal Congregations, ancillary ministries which meet certain requirements (schools and pre-schools operating as separate employers from the congregation may be exempt), and the diocese are eligible to participate if they work a minimum of 20 hours per week. For employees scheduled to work fewer than 30 hours per week, the premium may or may not be paid by the employer (in most cases the congregation) but the employee is eligible to participate at their own expense. In addition, eligible employees may include eligible dependents participating at their own expense if the employee works fewer than 30 hours per week.
Employees must enroll in coverage within 30 days of employment or a change in employment resulting in eligibility for mandatory paid benefits. The enrollment process begins with a call or email to Gallagher Benefit Services in Selma, Alabama (800.752.2569). Speak with Ms. Amy Jones. In addition, eligible employees may enroll during the annual enrollment period. **Open Enrollment for the Diocese of Alabama Group will begin October 29 and end November 16. Please make sure your employees know these dates.**

Note that employees scheduled to work 1500 hours or more annually (approx. 30 hours per week) must be offered paid medical benefits with some or all of the premium expense paid by the employer as determined by the Diocesan Policy on Parity and Plan choices.

**Can Employees Decline the Medical Benefit?**

Individual employees can decline the benefit. Their declination must be in writing and must be retained in the employee file. A parish cannot decline to offer the benefits but an individual employee may decline in writing to participate. **Note that all eligible employees must be offered participation in the medical benefits.** Eligible employees are those scheduled to work 1000 hours or more annually. If they are scheduled to work fewer than 1500 hours annually but 1000 or more hours annually, their participation may be at their own expense.

**Can We Reimburse an Employee for Premiums Paid for a Plan from Another Provider or Pay the Premiums Directly?**

No. Federal regulations prohibit employers from paying the premium of an employee who is purchasing coverage from another provider if that employer (parish) offers a group health plan, which you do! If you need further information on this regulation contact Rob Morpeth in the Diocesan office.

**Can Employees Switch to Medicare at Age 65 and Remain Employed?**

NO! Despite the numerous advertisements and messages to the contrary, there is not a penalty for enrolling in Medicare past age 65 if you have been employed by an employer offering an employee medical plan and you have retained proof of credible coverage provided by the benefit provider. In fact, federal regulations prohibit employees from enrolling in Medicare while they are eligible to participate in a medical plan through their employer. Note that current practice does allow employees working fewer than 20 hours a week to participate in Medicare while employed.

**Any Exceptions?**

Yes. If the employer, i.e. a parish, has fewer than 20 employees and applies for and receives from the government an exemption, an employee can enroll in Medicare and choose the MSP PPO 80 Plan which is designed to work alongside Medicare. More information is available from Rob Morpeth and The Episcopal Medical Trust will assist the parish in applying for the exemption.
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What are the Medical Plan Choices in 2019?

The three primary plans are not changing from 2018: Anthem PPO 80, PPO 70, and the CDHP 20. All plans are administered through Anthem Blue Cross Blue Shield and access the BCBS network of providers. A summary of the benefits in each plan will be available on the CPG web site during annual enrollment and during the plan year: www.cpg.org. I am including a summary of the plan benefits with this letter and will also make them available on the diocesan web site: https://www.dioala.org/Resources/administrative.html.

A fourth plan is also available for employees of employers who have received a “Medicare Exemption”. Note that this plan is changing from The Anthem MS 80/60 to the Anthem MSP PPO 80. The MS 80/60 Plan is no longer offered. At present there is only one group member affected by this change.

Can a Parish (employer) Limit the Plan Choice for their Employees?

Note that under parity all eligible employees scheduled to work 30 or more hours weekly (1500 annually) must have the same choices. Because it is our policy to provide our eligible ordained employees with single or family coverage with all or a portion of the premium paid by the employer depending on the plan selection, non-ordained employees must be offered the same benefit according to the Church Canons. Further, individual employers within the diocesan medical benefits group may not alter the choice unilaterally, i.e. one parish cannot decide that all employees including clergy are permitted to select only the Anthem BCBS HD Plan. Note, however, that parity in medical benefits applies only to eligible employees scheduled to work 30 or more hours weekly (1500 annually). Employees scheduled to work 20 or more hours per week but less than 30 hours may choose to participate but in most parishes at their own expense.

A Word on Premiums and Plan Choices.

Our premiums (the amount we pay The Episcopal Medical Trust for the Plans) will increase in 2019 by varying amounts. The percentage increase in 2019 for single coverage is higher than for family coverage to partially address an imbalance that has developed between the two pricing tiers.

The diocesan medical benefits plan will continue to include differing premiums and, please note, that payment of a portion of the premium through payroll deductions is continued for one of the plans in 2019. Frankly, we want very much to encourage employees to select the CDHP Plan because we anticipate it being the only affordable option at some point for our congregations and the diocese. We want employees to learn how the plan works while we as employers are still able to make contributions to their Health Savings Accounts (HSA). We anticipate a day when the CDHP Plan will be the only plan available and we as employers will not be able to assist with funding of the HSA. Those employees who remain on the PPO Plan until that year may have a more difficult transition. At the same time, let me be clear, the choice of plan is an employee privilege and while incentives such as employer funding of the HSA are provided, the same choice and benefit must be made available to all, ordained and lay, under parity as provided in the Church Canons.
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Medical Benefit Premiums & Plan Choices in 2019

Anthem BCBS CDHP-20/HSA
$ 558 Single-Employer Portion
$1,337 Family-Employer Portion

While this plan has higher Out of Pocket Maximums, these costs are partially offset by contributions from the employer and the diocese to an employee Health Savings Account (HSA). Once the Out of Pocket Maximum is met the Plan works like a PPO Plan. The total contribution to the employee’s HSA in 2018 assuming receipt of a wellness bonus will be $1,600 for single coverage and $4,000 for family coverage. This money belongs to the employee and can be used tax-free for approved medical purposes.

Anthem PPO 80
$ 596 Single-Employer Portion
$  70 Single-Employee Portion
$1,416 Family-Employer Portion
$ 175 Family-Employee Portion

Employees should pay a portion of the premium through payroll deductions.

Anthem BCBS PPO 70
$ 609 Single-Employer Portion
$1,454 Family-Employer Portion

This plan is familiar in that you pay pre-set deductibles and co-insurance for doctor’s visits and procedures. However, the Out of Pocket Maximum is higher than the PPO 80 Plan which moderates the premium. There is NO payroll deduction allowed for employee premium cost-sharing on this plan.

Anthem MSP PPO 80
$ 537 Single-Employer Portion
$1,281 Family-Employer Portion

This plan is available only to small employers (parishes with fewer than 20 employees) that have received a small employer exemption from Medicare and is available only to employees who are Medicare eligible, and scheduled to work more than 20 hours per week. If you think you may have an eligible employee contact Rob Morpeth (rmorpeth@dioala.org) for more information on the employer application for an exemption.

1 This includes an employer contribution to the employee Health Savings Account of $50/month for single and $125/month for family coverage. An additional bonus contribution is available from the diocese.
Are There Bonus HSA Contributions for CDHP Participants in 2019?

Yes. There are two different bonus contributions available in addition to the monthly contribution. These contributions go directly into employee Health Savings Accounts at a bank of their choice which handles HSA deposits (We recommend using HealthEquity, Inc.). The money belongs to the employee and is theirs to use for medical purposes tax-free even after they leave employment. The monthly employer contribution increases this year rising from $25 a month for single coverage to $50 monthly and from $62 monthly for family coverage to $125 a month.

In addition to the monthly contribution, employees who switch to the CDHP 20 Plan in 2019 will receive a one time “Enrollment Bonus” contribution to their HSA account of $300 for single coverage and $500 for family coverage putting money at their disposal early in the year.

Everyone in the CDHP 20 Plan is also eligible for a “Wellness Bonus”. In 2019 a contribution of $1,000 for single coverage and $2,500 for family coverage will be made to the participant’s HSA once proof of an adult in the plan receiving a “wellness exam” is provided to the diocesan office. The exam itself is 100% covered under the plan and is important because it can help with early diagnosis. Again and again early diagnosis has proven to help reduce overall medical costs and, of course, improve the likelihood of successful treatment.

Together, the monthly employer contribution and the wellness bonus offset $1,600 of the out of pocket maximum for single coverage and $4,000 for family coverage (this does not include the Enrollment Bonus available to new CDHP enrollees). These are tax-free funds which remain in the employee’s Health Savings Account (HSA) even if not used during 2019 and even when they leave employment. These funds are intended to assist the employee in covering the higher out of pocket expenses potentially associated with the CDHP.

To receive the “Wellness Bonus” contribution, the eligible employee must be enrolled in the Anthem CDHP and submit proof of an adult member in the plan having received a “wellness exam” (Please, NO medical information or social security numbers) to:

Staff Officer for Finance and Administration
ATTN Wellness Exam
Episcopal Diocese of Alabama
521 20th ST N
Birmingham AL 35203

A note on physician’s stationary simply stating the patient’s name; that a “wellness exam” was performed; and the date of the exam is sufficient. I would prefer NOT to receive anything with the employee’s social security number, birthdate, or medical information. The HSA bonus contribution will be deposited directly to the employee’s HSA account.

To receive the “Enrollment Bonus” an employee must choose to enroll in the CDHP 20 Plan for 2019 having not been enrolled previously in the CDHP 20 Plan. It will be helpful if we are

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2 The funds are not subject to taxes when used for approved medical expenses.
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alerted to the plan choice but we will also monitor enrollment and contribute the bonus as soon as the HSA accounts are open.

NOTE: Both bonuses are extra benefits provided by the Diocese of Alabama and do not involve the Episcopal Medical Trust. All questions and requests for the bonuses should be directed to Rob Morpeth in the Diocesan office NOT to the Church Pension Group, the Episcopal Medical Trust or to Anthem Blue Cross Blue Shield.

How Does Annual Enrollment Work?

Current plan participants (employees) will receive information from the Church Pension Fund, Episcopal Medical Trust and from my office. The information will alert them to open enrollment and inform them of the procedures. Participants should have already created online accounts with the CPG. They will use this login information to access open enrollment. Everyone should login and, at the minimum, be sure their information is correct. Participants in the current MS 80/60 Plan MUST choose a new plan (Currently only one employee is affected). Please, communicate all of this to your employees. Open Enrollment begins October 29 and closes November 16. Employees must weigh carefully their plan options and are encouraged to make informed choices. Eligible employees who are not currently enrolled who wish to enroll must go through the normal enrollment process during the Annual Enrollment Period.

Will there Information Meetings this Year?

We have not scheduled meetings this year.

What about Dental Coverage?

Please help your employees understand that our dental benefit is voluntary and is NOT OFFERED THROUGH THE EPISCOPAL MEDICAL TRUST. They should ignore any choices for dental coverage indicated when they log into their CPG accounts for open enrollment. Dental benefits in the Diocese of Alabama are completely separate from the benefits offered through the Church Pension Fund and the EMT. All parishes must offer dental coverage but the choice of handling premiums through payroll deduction or as a paid benefit is left to the parish (This is different from the Medical benefit). Note that it must be handled the same way for all employees of the parish working 30 or more hours per week (1500 annually). Premium information on dental plans will be distributed later in the year. Open Enrollment for Dental benefits will be 12/3/2017 through 12/21/2017. Amy Jones with Gallagher Benefits can assist your employees who wish to enroll. No action is required for those who wish to continue their existing dental benefits.

What Happens Next?

Please, please share this information with your employees. Check back with them to be sure they are making plans to participate in Annual Enrollment and during the Annual Enrollment period check with them to be sure that have logged in and indicated their plan choice. You might make access to the internet available on site at specified times. It is important that you let
employees know of their eligibility for benefits even if it is not a “paid” benefit. **ALL ELIGIBLE employees should know about the available benefits even if their participation will be at their own expense.**

Watch for information from the Episcopal Medical Trust and the Church Pension Fund on open enrollment for the medical benefits. **If an employee has moved during the year and did not change their address in their CPG account, the notice will go to the wrong address!** This is why it is best for everyone to log in and have a look during medical open enrollment even if their plan selection is not changing.

Remember to have on file signed statements from eligible employees scheduled to work 30 or more hours weekly (1500 annually) who are eligible for medical benefits but choose to decline coverage.

Of course, share this information with those responsible for developing the budget. If you need help understanding some portion of this or other leaders within your parish need assistance, please contact Rob Morpeth, rmorpeth@dioala.org. As much as possible, I am available to meet with vestries and finance committees who are struggling to understand. I am glad to talk with them either in person or in a conference call. Do not overlook the tremendous amount of information available on the web site of the Church Pension Fund (www.cpg.org).

**Where do I or my employees go for help?**

For **questions about current benefits or claims**, it is best to begin with a call to the client service center of the Episcopal Medical Trust or to Anthem Blue Cross Blue Shield. The number for the client service center is 1-800-480-9967. The number for Anthem BCBS is 1-844-812-9207 (on the back of your benefit card).

An important resource rarely used is the **Employee Assistance Program**. This service, available 24 hours a day, is included in all the medical plans. It provides assistance in accessing the resources available in your plan. EAP can help with referrals for in-person counseling, legal consultation, financial services and referrals, tips for balancing work and family, and assistance for finding child and senior care. Access EAP by calling 1-866-395-7794. Much more information is also available at https://www.cpg.org/active-clergy/insurance/health-and-wellness/additional-benefits/employee-assistance-program/. (Go to www.cpg.org and click through for the Employee Assistance Program – EAP).

If you need help in finding the best in-network doctors or hospitals, obtaining second opinions, resolving benefit claims and issues, correcting billing mistakes (other than those on invoices from Gallagher Benefit Services) call the **Health Advocate** at 1-866-8622. This free service is provided as a part of your medical plan benefits. You can also learn more at https://www.cpg.org/active-clergy/insurance/health-and-wellness/additional-benefits/health-advocate/?ref=tabbedBanner (Go to www.cpg.org and click through for the “Health Advocate”).
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If your question is about an invoice for medical benefit premiums or about beginning or stopping medical benefits for an employee, please call Amy Jones at Gallagher Benefit Services. The number is 1-800-752-2569. Her email address is amy_jones@ajg.org.

If your question is about the Canonical Requirements for Parity in Medical Benefits please visit the Church Pension Fund website Go to www.cpf.org and click through for the Denomination Health Plan information or contact me in the Diocesan office.

If you are seeking a summary of medical benefits so that you can make or help your employees make informed plan selections visit the Church Pension web site at the address provided in the Annual Enrollment information. No one should make a plan selection until they understand the plan benefits. Summaries accompanying this letter and are being sent to employees.

For More Information

Rob Morpeth, Staff Officer for Finance and Administration of The Episcopal Diocese of Alabama, is the manager of the medical benefits program for employees of Episcopal entities in the Diocese of Alabama. You can reach him by email at rmorpeth@dioala.org (note: the address starts with an ‘r’), by USPS at Episcopal Diocese of Alabama, 521 20th Street North, Birmingham, Alabama 35203, or by phone at 205-358-9225 DD, or 205-715-2060 ext. 9225 Main Number.

We are grateful for your assistance in providing these benefits and distributing this information to your employees. The Church is enriched through their service. The example we set as an employer can and should be an important part of our witness to the world.

Sincerely,

Rob Morpeth
Staff Officer for Finance and Administration
Episcopal Diocese of Alabama