

2019 ANNUAL REPORT OF THE BENEFITS COMMITTEE

Each year the Benefits Committee is tasked with making any necessary determinations about the health, dental, life and disability insurance plans offered to clergy and lay employees throughout the diocese. The committee meets, on average, six times per year with the Fall being the busiest time preparing for any changes expected for the coming year.

Health Insurance for 2020

For 2020, the health insurance plan options remain the same except that the Behavioral Health component is no longer all through Cigna regardless of health plan. Cigna health plans continue to utilize Cigna Behavioral Health while Anthem health plans will now use Anthem Behavioral Health.

Once again, the Benefits Committee selected the PPO 100 level plan, regardless of carrier, as the standard plan for which churches must pay the full premium for all clergy and lay employees who are scheduled to work at least 1500 hours per year. This is in keeping with our canonical requirement to not change the overall level of benefits without approval of Convention.

All health plans through the Episcopal Church Medical Trust include an Employee Assistance Program (EAP) which provides a wealth of additional benefits. For 2020 we have added the EAP as a stand-alone option for those who are eligible to enroll in health insurance but have chosen not to do so (those scheduled to work at least 1000 hours per year and insured elsewhere). There is a minimal premium of \$4 per month for this plan which must be paid by the employer per federal law.

In 2019, the Medicare Secondary Payer Small Employer Exception option was added to our health insurance offerings. This option can reduce premium costs for those who are over 65, have Medicare Part A and are working in a church that has 19 or fewer employees. Fourteen people across the diocese have qualified and are enrolled in this plan, with new enrollees being added as they become eligible.

Lower Cost, Same (or Improved) Benefit

The committee recognizes the difficult balancing act of providing the highest level of health coverage with the fiduciary responsibility of controlling costs. In order to be good stewards of both our clergy and staff, and our finances, the committee has recommended a change to Canon 36 that will allow us to make decisions about insurance carriers as long as we maintain the same (or higher) level of benefits.

We have spent time this year reviewing a disruption study provided by CPG that shows the impact of switching to a single carrier, the one that is deemed optimal for the diocese. This study demonstrated that a significant percentage of recent out of network claims with the current carrier would have been in network claims if a different carrier had been chosen, thus reducing costs to the individuals receiving care. On the contrary, a very small percent of claims would be negatively impacted. Additionally, the optimal carrier has a larger network of providers and is more likely to have ER physicians in NJ participating in their network.

Maintaining our health insurance offerings through the Church Medical Trust but utilizing only one carrier (the one that is deemed optimal in terms of network coverage) would also reduce our premiums

by approximately 3%. As health insurance premiums continue to rise, this savings to our churches is significant.

The decision to utilize only our optimal carrier can only be made in the fall of each year at a time when Convention is not able to approve the decision. For this reason, the Benefits Committee has recommended a change to Canon 36 which would allow the committee to make these decisions. The recommended change would allow the committee to change carriers so long as the overall level of benefits is not reduced.

Disability Insurance Changes

Church Pension Group has changed our disability insurance carrier from Lincoln Financial to Zurich American Life for 2020. New plan options were developed that are in line with current marketplace standards, including a reduction of short term disability from 52 weeks to 26 weeks and a change in long term disability to begin benefits after 26 weeks. Along with the new plans, this change provided an opportunity to enroll those who perhaps should have been enrolled but weren't, and also to add disability insurance that wasn't previously offered. Those churches that already offer disability insurance had the opportunity to make selections about the new plans in October and ensure all eligible employees were enrolled prior to January 2020. Churches that have not previously offered disability insurance will have the opportunity to add this benefit with new contracts beginning in February 2020.

Annual Workshop

The educational program offered by the committee in October 2019 provided new information about member's experiences with claims for out of network emergency situations, the lack of in network emergency providers, costs of both health insurance coverage and healthcare, and added value benefits that are part of all Church Medical Trust plans such as the Employee Assistance Program and Health Advocate.

This year the Benefits Committee welcomed two new members, Ms. Geri Trost of Trinity Church, Moorestown, and the Rev. Kije Mugisha Rwamasirabo of St. George's by the River, Rumson.

Active members of the Benefits Committee over the past year included Mr. Bill Harmer, Ms. Pat Hawkins (Chair and Diocesan Benefits Administrator), Ms. Cynthia Miller, the Rev. Kije Mugisha Rwamasirabo, the Rev. Dr. Alan Salmon, Mr. Stephen Spencer and Ms. Geri Trost. The contributions of Bishop Chip Stokes, Canon Phyllis Jones, and Standing Commission on Clerical Compensation representative the Rev. Deacon Keith McCoy are deeply appreciated.