

Denominational Health Plan 2020 Annual Report

Affordability, robust provider access, meaningful plan choice, and compassionate service to the Church

Controlling the rising cost of healthcare is critical to the financial well-being of domestic dioceses, parishes, and other ecclesiastical institutions subject to the authority of The Episcopal Church. This Denominational Health Plan (DHP) Annual Report summarizes how the DHP helps participating groups do so.

Response to COVID-19

Beginning March 1, 2020, The Episcopal Church Medical Trust (Medical Trust), an affiliate of The Church Pension Fund, waived all member copayments, deductibles, and coinsurance for healthcare services relating to the evaluation and testing for the novel coronavirus through December 31, 2021. Additionally, the Medical Trust waived active member copayments, deductibles, and in-network coinsurance for healthcare services relating to the treatment of COVID-19 through December 31, 2021. The Medical Trust also waived member cost shares for services received through our vendor partners' telehealth platforms and removed plan exclusions to allow virtual visits with members' personal healthcare providers to be covered at the usual in-person office visit cost share. These provisions will continue at least through December 31, 2021.

The Medical Trust offered a 90-day hardship grace period allowing the deferral of payments for group health plan benefits without interest or penalty and suspended its standard cancellation policies for late or non-payment of group health plan premiums through June 30, 2020.

2020 in Review

Coalition Gains Strength

The DHP aggregates the purchasing power of dioceses. This results in lower rates overall for the healthcare benefits of participating groups. Despite 2020 being a challenging year for employers, the DHP improved on its ability to bargain for the Church by adding 71 new plan subscribers.

Since 2014, all domestic dioceses have been in the DHP. We support dioceses with annual benefits planning and have helped 82% of dioceses implement strategies to achieve parity in how they fund healthcare benefits for clergy and lay employees.

The dioceses decide which Church institutions beyond their parishes are required to participate in the DHP. This leaves some schools, camps, conference centers, and other Episcopal entities with the choice of working directly with the Medical Trust. Forty-nine of these other groups now represent 25% of DHP enrollment.

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 2020, The Church Pension Fund (CPF) made total grants of \$22,159 from the Fund for Medical Assistance. These grants helped protect grantees' health with greater financial security.

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 2020, US employers' premiums increased by an average of 7.1% to 9.9% annually. Over the same period, the average increase to Medical Trust employer groups was only 4.3% to 7.2%. For 2020, the Medical Trust delivered an average rate increase of 5.5% while maintaining a comprehensive array of plans and enhancing our benefits.

Implementing the SaveOnSP manufacturer copay assistance program contributed to our below-market increase. By focusing on certain specialty medications, the program was able to reduce costs for affected members while lowering annual plan costs by more than \$1.5 million.

Improved Member Experience

In 2020, the increased utilization of the enhanced care management programs offered through Anthem (Health Guide) and Cigna (One Guide) resulted in a better member experience. In Anthem's care management programs alone, the number of engaged members increased by more than 600% from January to December 2020 to almost 1,300 members.

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:

- For the same plans, 73% of dioceses are within 10% of the average Medical Trust rates (an improvement over 2019, when 70% of dioceses were within this range). In other words, they fall somewhere between 10% below to 10% above that average rate.
- Rates paid by 25% 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 claims history and the need to remain competitive with local market premiums in those dioceses.
- Rates paid by only 2% of dioceses fall 10% or more above the average Medical Trust rate for the same plans. In most cases, the higher cost is driven by claims history, geographic location, and demographic risk of the clergy and lay employees in those dioceses.

2021

Participating groups and their members can expect the Medical Trust to continue to contain costs and improve benefits throughout 2021 by using these practices and initiatives to maintain comprehensive coverage and caring service:

- Offering a new hearing aid benefit to active members enrolled in the Anthem, Cigna, and Kaiser Permanente health plans
- Conducting a comprehensive evaluation and comparison of pharmacy plans and vendors (along with [Church Benefits Association](#)), which resulted in the Medical Trust's decision to remain with Express Scripts
- Reevaluating the Employee Assistance Program to ensure that members have the resources to improve their mental health and work/life balance through accessible, high-quality services and providers

- Evaluating vendor diversity and inclusion policies while also creating a more equitable suite of employee health benefits, in part by soliciting the wisdom and experience of older adults, underrepresented ethnic groups, and others navigating particular challenges

Outlook

COVID-19 will certainly continue to have a major impact on healthcare in 2021. The instability of the COVID-19 pandemic is resulting in an unusually wide range of trend forecasts from the actuarial consulting community. The vaccine is becoming more widely available, while at the same time members who delayed preventive and other health services will begin receiving needed care. The pandemic has also put a spotlight on mental health, as people deal with not only the added stress but for many, social isolation. The recent surge in telemedicine has shown that online care visits have entered the mainstream, and work/life balance has shifted to integrate more flexible working hours, time off, and caregiver support.

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.

Last, the Medical Trust's long-term strategy will focus on integrating a healthcare program designed to improve member engagement and health outcomes. The main priority of this effort in 2021 is to analyze implementing a robust advocacy and navigation solution that, in turn, should drive higher engagement by creating a single point of contact for our members.