

## A177 Resolution and Canon

\* FINAL VERSION - Concurred

*Resolution:* **A177**  
*Title:* **Denominational Health Plan**  
*Topic:* **Canons**  
*Committee:* **16 - Church Pension Fund**  
*House of Initial Action:* **Bishops**  
*Proposer:* **Board of Trustees for the Church Pension Fund**

*Resolved*, the House of Deputies concurring, That this church establish The Denominational Health Plan of this church for all domestic dioceses, parishes, missions, and other ecclesiastical organizations or bodies subject to the authority of this church, for clergy and lay employees who are scheduled to work a minimum of 1,500 hours annually, in accordance with the following principles:

1. 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;
2. The Denominational Health Plan shall provide that, subject to the rules of the plan administrator, each diocese has the right to make decisions as to plan design options offered by the plan administrator, minimum cost-sharing guidelines for parity between clergy and lay employees, domestic partner benefits in accordance with General Convention Resolution 1997-C024 and the participation of schools, day care facilities and other diocesan institutions (that is, other than the diocese itself and its parishes and missions) in The Denominational Health Plan;
3. The Denominational Health Plan shall provide benefits that are comparable in coverage to those benefits currently provided by the domestic dioceses and parishes of this church;
4. The Denominational Health Plan shall provide equal access to health care benefits for eligible clergy and eligible lay employees;
5. The Denominational Health Plan shall provide benefits through The Episcopal Church Medical Trust, which shall be the sole plan sponsor for such benefits and continue to be operated on a financially sound basis;
6. The Denominational Health Plan shall have a church-wide advisory committee that is representative of the broader church and appointed by The Church Pension Fund, and such church-wide advisory committee shall receive an annual report about the status of The Denominational Health Plan;
7. For purposes of this Resolution, the term "domestic" shall mean ecclesiastical organizations and bodies located in the United States, including the Dioceses of Puerto

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Rico and Virgin Islands;

8. The Church Pension Fund shall continue to work with the Dioceses of Colombia, Convocation of American Churches in Europe, Dominican Republic, Ecuador Central, Ecuador Litoral, Haiti, Honduras, Micronesia, Taiwan and Venezuela to make recommendations with respect to the provision and funding of healthcare benefits of such dioceses under The Denominational Health Plan; and

9. The implementation of The Denominational Health Plan shall be completed as soon as practicable, but in no event later than by the end of 2012; and be it further

*Resolved*, That Canon I.8 shall be amended as follows:

**Sec. 1.** The Church Pension Fund, a corporation created by Chapter 97 of the Laws of 1914 of the State of New York as subsequently amended, is hereby authorized to establish and administer the clergy pension system, including life, accident and health benefits, of this Church, substantially in accordance with the principles adopted by the General Convention of 1913 and approved thereafter by the several Dioceses, with the view to providing pensions and related benefits for the Clergy who reach normal age of retirement, for the Clergy disabled by age or infirmity, and for the surviving spouses and minor children of deceased Clergy. The Church Pension Fund is also authorized to establish and administer the denominational health plan of this Church, substantially in accordance with the principles adopted by the General Convention of 2009 in Resolution A177, with the view to providing health care and related benefits for the eligible Clergy and eligible lay employees of this Church, as well as their eligible dependents.

\* Reprinted from:

[http://gc2009.org/ViewLegislation/view\\_leg\\_detail.aspx?id=882&type=Final](http://gc2009.org/ViewLegislation/view_leg_detail.aspx?id=882&type=Final)

*Note: The final language, as well as the final status of each resolution is being reviewed by the General Convention office. The Journal of the 76th General Convention and the Constitution and Canons will be published once the review process has been completed.*

## Denominational Health Plan Model

This Denominational Health Plan (DHP) model for The Episcopal Church (TEC) is presented to the Healthcare Coverage Feasibility Study Advisory Group for their consideration. It provides solutions to five issues. The first is it increases potential savings by leveraging the Episcopal Church's aggregated size for the large scale purchasing of healthcare benefits. Secondly, it attempts to balance the Church's financial constraints with the cost of providing adequate employee healthcare benefits. Thirdly, it addresses equity in coverage between clergy and lay employees who are regularly scheduled to work 1,500 or more hours per year. Fourthly, it attempts to provide for diocesan/group level control so that dioceses, agencies and institutions have the flexibility to make decisions about healthcare benefits that reflect local polity and preferences. Finally, it provides access for all eligible<sup>1</sup> employees, according to the rules of the Episcopal Church Medical Trust (ECMT), of participating employers to purchase healthcare benefits at a group rate, even if their employers are not required by canon to fund the coverage.

### 1. DHP Savings through Collective Purchasing

Using a single plan sponsor for healthcare benefits will enable the Church to leverage its aggregate size and obtain lower unit costs. Healthcare plans for TEC employers included in the canon will be administered by a single plan sponsor, the Episcopal Church Medical Trust.

### 2. Diocesan/Group Level Control and Choice

- Plan Design Options - The DHP will provide *Participating Groups*, i.e., agencies, institutions, and dioceses and their congregations, with a number of plan options from which to choose. *Participating Groups* may offer one or more of the available options. Additionally, *Participating Groups* may change plans annually. Likewise, employees will have the ability to make an annual enrollment decision, i.e., open enrollment.
- Cost Sharing – The ECMT will establish an annual process by which *Participating Groups* will adopt a group-wide level of employee contributions for health benefits coverage. Examples of cost-sharing levels are: 85% of *Family* coverage, 100% of *Individual* coverage, 100% of *Family* coverage, etc. The cost sharing requirements will be the same for both clergy and lay employees, within a *Participating Group*, who work 1,500 or more hours per year and be implemented no later than the end of 2012.
- Domestic Partner Benefits: *Participating Groups* will determine whether or not to offer domestic partner benefits. Domestic partner benefits will be administered in accordance with General Convention Resolution 1997-C024.
- Schools, Day Care Facilities and other Diocesan Institutions: The ECMT will establish a process by which dioceses will, on an annual basis, adopt a policy as to whether or not schools, day care facilities and other diocesan institutions must participate in the DHP. The diocesan policy will apply to employees of said school, daycare facilities and institutions who would otherwise be required to participate in the DHP. The policy will provide that qualified clergy and lay employees working for these employers are treated in the same way.

### 3. TEC employers required by canon to participate in the DHP

- Dioceses – Domestic U.S. dioceses, including Puerto Rico and the Virgin Islands. The study of non-domestic dioceses (Colombia, Convocation of Churches in Europe, Dominican Republic, Ecuador Central, Ecuador Litoral, Haiti, Honduras, Micronesia, Taiwan, and Venezuela) has occurred through data collection and meetings with their diocesan representatives during spring 2008. Efforts to create a Province IX benefits council for all employee benefits are currently underway with Province IX leadership.

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<sup>1</sup> Currently, the guidelines of the Episcopal Church Medical Trust generally provide that those hourly employees routinely scheduled to work 20 or more hours per week and all salaried employees are eligible.

- Congregations – Includes all cathedrals, parishes, missions and chapels. As of the 2007 parochial data, 7,055 entities are in this category. This number includes Puerto Rico and other U.S. territories.
- Official ecclesiastical organizations or bodies (subject to the authority of the General Convention) which are defined as The Domestic and Foreign Missionary Society, the Church Pension Fund, Episcopal Relief and Development, Forward Movement, The General Theological Seminary and the Archives.
- Any other societies, organizations, or bodies in the Church may participate on a voluntary basis.

#### 4. **TEC employees required by canon to be covered by the DHP**

- Clergy regularly scheduled to work at least 1,500 hours per year for one or more TEC employers and receiving a W-2. There are an estimated 5,900 active clergy in this category, of which an estimated 1,000 have medical coverage through non-TEC sources, e.g., spousal coverage, Tricare, Medicare, etc. (Note: Non-stipendiary clergy and retired clergy serving in congregations are eligible but not required to participate.)
- Diocesan and congregational lay employees regularly scheduled to work at least 1,500 hours per year for one or more TEC employers receiving a W-2. An estimated 6,950 lay employees are in this category, and approximately 4,450 (65%) are covered through their TEC employer, 2,150 (31%) have medical coverage through non-TEC sources, and an estimated 350 (4%) of them have no medical benefit coverage.
- Lay employees of official ecclesiastical organizations or bodies regularly scheduled to work at least 1,500 hours per year for one or more TEC employers and receiving a W-2. There are an estimated 1,400 employees in this category who have medical coverage through TEC sources.
- Lay employees of any other societies, organizations, or bodies of the Church may participate on a voluntary basis if their employer chooses to participate in the DHP.

#### 5. **Employee Opt Out Option**

Clergy and lay employees who have health benefits through approved sources will be allowed to waive coverage under the DHP (“opt out”) and may choose to maintain their healthcare benefits through the approved source. Approved sources will be fully defined in the future. Examples include coverage through a spouse’s or partner’s employment, military service benefits through Tricare, or coverage from a previous employer.

#### 6. **Employee Registration/Enrollment Process**

The Church Pension Fund will provide an employee registration process through which employees will enroll in the DHP.

#### 7. **Church-wide Advisory Board**

A Church-wide Advisory Board will be established and its members selected from participating employer groups and employees.

## Implementation of the Denominational Health Plan

PROPOSER

Alvarez, The Rt. Rev. David

ENDORSED BY

Robinson, The Rt. Rev. V. Gene; Benhase, The Rt. Rev. Scott

SPONSORED BY

PAGE NUMBER(S) FOR REFERENCE

Blue Book: p. N/A; Constitution & Canons: p. N/A

HOUSE OF INITIAL ACTION / LEGISLATIVE COMMITTEE

HB / Church Pension Fund

CURRENT FILING STATUS

Filed

REVIEW STATUS (PB&F, CONSTITUTION, CANONS)

None required

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RESOLUTION TEXT

1 *Resolved*, the House of Deputies concurring, That the 77th General Convention  
2 acknowledges and commends the 94% of domestic dioceses (United States,  
3 Puerto Rico and the U.S. Virgin Islands) which have already enrolled in the  
4 Denominational Health Plan, and further commends those dioceses which have  
5 achieved parity between clergy and lay employees; and be it further  
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7 *Resolved*, That the 77th General Convention reaffirms that all domestic dioceses,  
8 parishes, missions, and other ecclesiastical organizations or bodies subject to the  
9 authority of this church be enrolled in the Episcopal Church Medical Trust by  
10 December 31, 2012; and be it further  
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12 *Resolved*, that the 77th General Convention commends the Episcopal Church  
13 Medical Trust for progress made toward containing health care premium costs,  
14 and urges it to continue to reduce the disparity in those costs among dioceses;  
15 and be it further  
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17 *Resolved*, that the Episcopal Church Medical Trust continues to explore  
18 alternative strategies to arrive at a more equitable sharing of health care premium  
19 costs, including alternative means of achieving such equity by December 31, 2015,  
20 and that the Episcopal Church Medical Trust make an annual written report to  
21 the Executive Council, the House of Bishops, the Board of Directors of the  
22 Episcopal Church Medical Trust, and the Board of Trustees of the Church  
23 Pension Fund detailing continuing progress in containment of costs and  
24 achievement of such equity; and be it further  
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26 *Resolved*, that within each diocese, parity in cost-sharing shall be achieved  
27 between their clergy and lay employees as soon as possible, but no later  
28 than December 31, 2015.

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EXPLANATION

With the uncertainty about the future of health care in America, there is wisdom and purchasing power in The

Episcopal Church holding together as a group. Various methods exist to achieve greater equity in health care premium costs; continuing study of such alternatives is clearly warranted.