

Denominational Health Plan (DHP) Policy
*(Adopted at the October 15, 2015, meeting of the
Bishop & Council of the Diocese of West Tennessee)*

The Episcopal Diocese of West Tennessee, in accordance with the Canons of the Episcopal Church, establishes a policy ensuring that the Diocese and all of its congregations provide health insurance for all eligible employees (those lay and ordained employees who work 1,500 hours or more per year) through an approved Diocesan plan according to the following:

1. **All eligible employees will be offered health insurance.** The plans available will be selected by DWTN from those offered by Episcopal Church Medical Trust. Employees may opt out of DWTN health insurance coverage and will be required to sign a release declining coverage if they choose to opt out.
2. **All eligible employees will, at a minimum, be offered health insurance at the level of 90% of “Single” of any of the approved health plans**
3. **Premium cost sharing on the part of the employee shall not exceed 10%**, and all parity clergy and lay employees within a parish must be at the same level of premium cost sharing from 0% to 10%, depending on each parish’s policies. Parity clergy shall apply to any member of the clergy whose Letter of Agreement is dated after December 31, 2015.
4. **Schools, day care facilities and other congregational and Diocesan non-parish institutions are not required to achieve parity between clergy and lay employees. Schools, day care facilities and other institutions sponsored by parishes may be considered as separate from the parish and from each other for purposes of health insurance coverage.** These institutions are encouraged but are not required to purchase insurance from the Episcopal Church Medical Trust and will be required to solicit bids from the Episcopal Church Medical Trust when purchasing insurance for their employees.
5. **Diocesan Council shall annually assess health insurance plan options** from the Episcopal Church Medical Trust to ensure that DWTN plan options provide adequate cost choices and quality coverage for all eligible employees in the Diocese.
6. **Clergy Letters of Agreement dated prior to December 31, 2015 will be honored at the level of health insurance coverage contained in the Letter of Agreement and the level of health insurance provided in the Letter of Agreement shall not be considered when determining parity in that parish.**

This policy, with full implementation of required parity, will take effect on January 1, 2016.

The implementation plan is attached.

Implementation and Notes on the Denominational Health Plan Policy:

Compliance: The DWTN DHP policy is written in such a way as to conform to the Canons of the Episcopal Church.

Eligibility: Health insurance **MUST** be offered to all employees who work 1,500 or more hours annually. Insurance may be made available to employees who work 1,000 to 1,499 hours and they may purchase their own coverage through the Diocesan plan.

Opting Out: The Episcopal Church Medical Trust allows eligible employees to opt out of the DHP coverage **provided** they have insurance coverage from an approved source. Parishes may not opt out – only individual employees. Lay or ordained employees who opt out must sign a release noting their desire to decline coverage as it has been offered. Under no circumstances should an employee be pressured to opt out by the employer.

Level of Coverage: DWTN has set 90% of “Single” as the minimum level of coverage, a level that includes the majority of plans already utilized by lay employees in the Diocese. A parish may also elect to offer their eligible employees a higher coverage. An employee may always purchase additional coverage or a more expensive plan than the minimum their employer offers.

Parity refers to the fact that the employer cost-sharing must be the same for all parity clergy and lay employees scheduled to work 1,500 or more hours per year. In other words, all full-time parity clergy and lay employees in a Diocese must receive the same minimum level of funding – such as a percentage of the premium cost, a flat dollar amount, or a coverage level (i.e., single, family, etc.) – for medical benefits.

Premium Cost Sharing: As parishes continue to balance the needs of their employees with the economic realities of their budgets in meeting the DHP policy, it may be prudent for some parishes to consider premium cost sharing between employees and the parish. This means that employees may be asked to share the cost of the insurance premium through out of pocket contributions. This cost sharing would be in addition to co-insurance, deductibles and co-pays built into various plan choices. The most any employee in DWTN should be asked to contribute towards insurance premiums, regardless of plans, will be 10% of the cost of the premium. No matter what percentage of cost sharing a parish institutes (and it may elect to pay 100% of premiums), all eligible lay employees and parity clergy in that parish must participate at the same level of cost sharing at the highest tier of coverage for which any other lay employee or parity clergy is covered at the expense of the parish.

Schools and Other Institutions: The Episcopal Church has made it clear that as a body we seek parity among all our employees, lay or ordained, when considering health insurance offerings. All Episcopal institutions are included in this vision, although DWTN recognizes that the economic realities of the DHP around purchasing insurance create a particular hardship for some schools and institutions. As long as the spirit of the resolution is being met, schools and other institutions have the option to seek their own plans and pricing. In order to keep the door open to future participation in the Episcopal Church Medical Trust, all Diocesan schools and institutions engaged in a bid process for health insurance must request a quote from the Trust as a part of that process.

Ultimately, as more institutions join the Episcopal Church Medical Trust, everyone shares in the cost effectiveness of large group insurance. In cases where the Trust is competitive with other options, it is the hope of DWTN that schools and institutions will consider joining the Trust. Parity will not be required of any school or institution voluntarily choosing to purchase their health plans through the Church Medical Trust.

Plan Options and Pricing: Diocesan Council makes annual selections for health insurance plans with counsel and recommendation from the Diocesan Human Resources Committee. Moving forward, Council recognizes the need for a careful review of plan options. Church Medical Trust has already informed the Diocese of significant changes over the next two years in what plans will be offered. Current and recent plan offerings have been very full benefits and therefore carry considerable premiums. Some parishes will experience increased costs associated with the DHP Policy, and we will work diligently to find plan options that balance good coverage and affordable premiums.

Implementation: While this policy takes effect on January 1, 2016, we realize that some parishes may require additional time to plan for the changes this DHP policy is creating. As with all Diocesan policies, parishes should do their best to meet the requirements of the policy, and should be in conversation with the Diocese if that is not possible.

As a part of implementation, all new hires on or after January 1, 2016 must be made in accordance with the DHP Policy of the Diocese. For all clergy called after December 31, 2015, Letters of Agreement must contain language that is compatible with the DHP Policy.