

The Episcopal Diocese of West Tennessee

Diocesan Denominational Health Plan Policy (2023)

The Episcopal Diocese of West Tennessee, in accordance with General Convention Resolution 2012-B026 and 2009-A177 (attached as Appendix A) and the Canons of The Episcopal Church (including Canons I.8.1 and I.8.2, as my be amended), establishes this Diocesan Denominational Health Plan Policy (Policy) to ensure that the Diocese, all of its Faith Communities and all other organizations set forth on Appendix B (collectively, DHP Participants) offer health insurance through an approved Diocesan health insurance plan as set forth below.

1. **Approved Plans, Diocesan Base Plan.** All Eligible Employees (defined below) of DHP Participants will be offered the opportunity to enroll in health insurance plans approved each year by Bishop and Council (Approved Plans). In determining its selection of Approved Plans, Bishop and Council shall annually assess health insurance plan options from the Episcopal Church Medical Trust to ensure that plan options for DHP Participants provide adequate cost choices and quality coverage. Each year prior to open enrollment Bishop and Council will designate by resolution a Diocesan Base Plan.

a. **Eligibility:** Health insurance coverage under the Approved Plans must be offered to all Clergy and lay employees who are scheduled to work 1,500 or more hours annually for a DHP Participant (Eligible Employees). Coverage under the Approved Plans may be made available to other employees (Clergy or lay), who are scheduled to work 1,000 to 1,499 hours (Purchasing Employees) and these Purchasing Employees may purchase their own coverage during Church Pension Group's open enrollment period for the Diocese or at any other time they are eligible to enroll.

Persons who are age 65 or older should determine which plans offered by the Episcopal Church Medical Trust best fit their situation. As of 2023, persons who are enrolled in Medicare are not eligible to have a Health Savings Account or Health Reimbursement Arrangement (see Section 2(d) below).

For the purposes of this Policy, "Clergy" refers to the clergy of The Episcopal Church who meet the Church Pension Group's requirements for participation in the Denominational Health Plan. Clergy of other denominations or faiths, clergy from Provinces of the Anglican Communion that do not participate in the plans offered by the Episcopal Church Medical Trust, and Episcopal Church clergy who do not meet the requirements of the Church Pension Group for inclusion in the Denominational Health Plan, are examples of clergy who not considered to be Clergy for the purposes of this Policy. Some of these clergy, however, may qualify to participate in the Denominational Health Plan as lay employees.

If there are questions about eligibility the Canon for Finance and Administration should be consulted.

b. **Opting Out:** The Episcopal Church Medical Trust allows Eligible Employees to opt out of the Denominational Health Plan coverage provided they have insurance coverage from an

approved source.¹ DHP Participants may not opt out of Denominational Health Plan coverage; only individual Eligible Employees (Clergy or lay) may opt out. Eligible Employees who opt out of Denominational Health Plan health insurance must complete and sign a form from Church Pension Group noting their desire to decline coverage that it has been offered. This form must be completed each year that the Eligible Employee declines coverage. Under no circumstances should an Eligible Employee be pressured to opt out. The Canon for Finance and Administration can assist with providing the form to be filled out for declining coverage.

2. Parity, Premium Cost-Sharing, Level of Coverage

a. **Parity** means that employer cost-sharing for a DHP Participant must be the same for all its Eligible Employees scheduled to work at least 1,500 compensated hours per year. In other words, all Eligible Employees who are scheduled to work at least 1,500 compensated hours per year 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, single + 1, family, *etc.*) for healthcare benefits.

b. **Premium cost-sharing.** As DHP Participants continue to balance the needs of their employees with the economic realities of their budgets in meeting the requirements of this Policy, it may be prudent for some DHP Participants to consider premium cost-sharing between Eligible Employees and the DHP Participant. This means that Eligible 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 Eligible Employee should be asked to contribute toward insurance premiums, regardless of plans, will be 10% of the cost of the premium. No matter what percentage of cost-sharing a DHP Participant institutes (and it may elect to pay 100% of premiums), all Eligible Employees of that DHP Participant must participate at the same level of cost-sharing at the highest tier of coverage for which any other Eligible Employee is covered at the expense of the DHP Participant.

Premium cost-sharing on the part of the Eligible Employee shall not exceed 10%, and all Eligible Employees within a DHP Participant must be at the same level of premium cost sharing from 0% to 10%, depending on each DHP Participant's policies.

c. **Level of Coverage:** The minimum level of coverage that must be provided by a DHP Participant to its Eligible Employees is 90% of coverage for one Eligible Employee (Single Coverage). An Eligible Employee may purchase, at the Eligible Employee's cost, additional coverage beyond Single Coverage or a more expensive Approved Plan than the DHP Participant offers.

d. **Provision of HSA/HRA.** DHP Participants must provide a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA) for Eligible Employees who subscribe to consumer directed health plans (CDHP) and must contribute to those accounts at an annual amount equal to or greater than 75% of the deductible applicable to the Diocesan Base Plan. A Purchasing Employee may have an HRA or HSA set up but the DHP Participant has no obligation to fund the Purchasing Employee's HRA or HSA.

¹ Examples of approved sources include coverage through a spouse's or partner's employment, medical benefits through a government-sponsored program such as Medicaid or TRICARE, or coverage from a previous employer. The list of approved sources is subject to change based on the federal healthcare reform law.

e. **Pooling.** DHP Participants may choose to pool each Eligible Employee's premium and deductible contributions into a single allowance for that Eligible Employee's healthcare.

3. **Additional DHP Participants.** Organizations in the Diocese, such as Episcopal Schools, camps, and other organizations, may elect to opt into the Denominational Health Plan and become DHP Participants by petitioning the Bishop, who shall refer the request to Bishop and Council for consideration.

4. **Effective Date.** The revisions to this Denominational Health Plan Policy adopted by Bishop and Council at its October 26, 2023 meeting will take effect on January 1, 2024.

The Denominational Health Plan Policy of the Episcopal Diocese of West Tennessee was originally adopted at the October 15, 2015 meeting of the Bishop and Council, and amended as set forth in this document at the October 26, 2023 meeting of the Bishop and Council.

APPENDIX A
GENERAL CONVENTION RESOLUTIONS 2012-B026 AND 2009-A177
AND EPISCOPAL CHURCH CANONS I.8.1 AND I.8.3

Resolution Number: 2012-B026

Title: Reaffirm Denominational Health Plan and Explore Equitable Costs

Legislative Action Taken: Concurred as Amended

Final Text:

Resolved, That the 77th General Convention acknowledges and commends the 94% of domestic dioceses (United States, Puerto Rico and the U.S. Virgin Islands) which have already enrolled in the Denominational Health Plan, and further commends those dioceses which have achieved parity between clergy and lay employees; *and be it further*

Resolved, That the 77th General Convention reaffirms that all domestic dioceses, parishes, missions, and other ecclesiastical organizations or bodies subject to the authority of this church be enrolled in the Episcopal Church Medical Trust by December 31, 2012; *and be it further*

Resolved, That the 77th General Convention commends the Episcopal Church Medical Trust for progress made toward containing health care premium costs, and urges it to continue to reduce the disparity in those costs among dioceses; *and be it further*

Resolved, That the Episcopal Church Medical Trust continues to explore alternative strategies to arrive at a more equitable sharing of health care premium costs, including alternative means of achieving such equity by December 31, 2015, and that the Episcopal Church Medical Trust make an annual written report to the Executive Council, the House of Bishops, the Board of Directors of the Episcopal Church Medical Trust, and the Board of Trustees of the Church Pension Fund detailing continuing progress in containment of costs and achievement of such equity; *and be it further*

Resolved, That within each diocese, parity in cost-sharing shall be achieved between their clergy and lay employees as soon as possible, but no later than December 31, 2015.

Citation: General Convention, Journal of the General Convention of...The Episcopal Church, Indianapolis, 2012 (New York: General Convention, 2012), pp. 599-600.

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Resolution Number: 2009-A177

Title: Amend Canon I.8 to Establish a Denominational Health Plan

Legislative Action Taken: Concurred as Amended

Final Text:

Resolved, 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 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.

Sec. 3. For the purpose of administering the pension system, The Church Pension Fund shall be entitled to receive and to use all net royalties from publications authorized by the General Convention, and to levy upon and to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the pension system, assessments based upon the salaries and other compensation paid to Clergy by such Parishes, Missions, and other ecclesiastical organizations or bodies for services rendered currently or in the past, prior to their becoming beneficiaries of the Fund. *For the purpose of administering the denominational health plan, The Church Pension Fund shall determine the eligibility of all Clergy and lay employees to participate in the denominational health plan through a formal benefits enrollment process, and The Church Pension Fund shall be entitled to levy upon and collect contributions for health care and related benefits under the denominational health plan from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church with respect to their Clergy and lay employees.*

Citation: General Convention, Journal of the General Convention of...The Episcopal Church, Anaheim, 2009 (New York: General Convention, 2009), pp. 640-642.

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Episcopal Church Canon I.8.1 (as of 2023):

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 lay employee pension system and denominational health plan of the Church, substantially in accordance with the principles adopted by the General Convention of 2009 in Resolution 2009-A177, with the view to providing pensions, health care and related benefits for the eligible Clergy and eligible lay employees of this Church, as well as their eligible beneficiaries and dependents.

Episcopal Church Canon I.8.3 (as of 2023):

Sec. 3. For the purpose of administering the pension system, The Church Pension Fund shall be entitled to receive and to use all net royalties from publications authorized by the General Convention, and to levy upon and to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the pension system, assessments based upon the salaries and other compensation paid to Clergy by such Parishes, Missions, and other ecclesiastical organizations or

bodies for services rendered currently or in the past, prior to their becoming beneficiaries of the Fund. For the purpose of administering the lay employee pension system and denominational health plan, The Church Pension Fund shall be entitled to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the lay employee pension system, assessments and/or contributions based upon the salaries and other compensation paid to eligible lay employees by such Parishes, Missions, and other ecclesiastical organizations or bodies, determine the eligibility of all Clergy and lay employees to participate in the denominational health plan through a formal benefits enrollment process, and The Church Pension Fund shall be entitled to levy upon and collect contributions for health care and related benefits under the denominational health plan from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church with respect to their Clergy and lay employees.

This Appendix A may be updated by the Bishop and Chancellor without the need for formal amendment to the purposes of presenting updated revisions to the Canons.

APPENDIX B

DHP PARTICIPANTS

The following are DHP Participants:

All Faith Communities (as defined in the Diocesan Canons) of the Diocese of West Tennessee

The Diocesan office

Barth House Episcopal Center