

Bishops approve denominational health insurance plan

By Pat McCaughan

(Episcopal News Service) The House of Bishops approved on July 12 the implementation of a denomination-wide health insurance plan by 2012. The 76th General Convention committee on the Church Pension Fund had unanimously recommended [Resolution A177](#), which now heads to the House of Deputies.

If adopted there, by 2012 the proposal would offer health insurance coverage "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."

Bishop Suffragan Gayle Harris of Massachusetts, committee chair, told bishops that the previous General Convention "requested the Church Pension Group to study the feasibility of this denominational health plan for all employees of The Episcopal Church in response to all of us, facing the spiraling cost of health care."

Fund officials had estimated that \$134 million could be saved in the first six years by replacing the current system with the mandatory one run by the fund.

Some bishops, like William Love of Albany, said the plan was well-intentioned but they weren't convinced that it could deliver as promised. "I have trouble when things are mandatory," he said, adding that it "creates a monopoly."

In lieu of a workable national health plan, Harris said the denominational effort will strengthen buying power and affect rates "helping us to have the standard of the best care available which means there is more access to the best health care for isolated communities with limited resources."

She said the plan offers about a minimum of 10 percent savings for most participants and that savings will increase as more congregations participate. "It is not defined by a special demographic, geographical area, age, or any other feature within the life of The Episcopal Church," she added.

It also offers local control and monitoring; dioceses may allow congregations to opt out of the plan in certain circumstances. Coverage would be provided despite pre-existing medical conditions and assistance given to allow reorganizing dioceses to participate, she added.

"There are options also available for early retirees and we will have regional claim offices to help establish ongoing assistance," she added.

Comparatively speaking, she said the plan offers a lifetime cap of \$5 million per person for medical care, compared to an industry standard of \$2 million. "For every one dollar spent in premiums, 92 cents will be spent on claims; seven cents on administrative costs and one cent to help keep the medical trust fully secure and viable."

"This is a program for church-wide participation. This is a win-win," she said.

Bishop John Rabb of Maryland said the Presbyterian Church has had a health insurance plan which brought down their costs. "It's a justice issue because many of the dioceses will struggle to find quality health care."

Bishop Bruce MacPherson of Western Louisiana said he was gravely concerned about the plan, because some clergy in his diocese would have to be reduced to part-time to accommodate the plan.

But retired Bishop Chilton Knudsen of Maine, who served 12 years as a Church Pension Fund trustee, said, "If we do not do this now we are really behind the curve and I'm fearful about the escalated costs we're all bearing."

Bishop Jim Adams of Western Kansas said he's been asking for a similar plan for "probably 10 years. Since I've become bishop of Western Kansas it's become apparent that we can't continue the cost of healthcare because of our very small size and the amount of retired clergy connected to Western Kansas. It's been tremendously expensive for our diocese. It's our only chance of bringing down our costs."

Harris acknowledged that two to five percent of people might be hurt by the change. She added that the fund might come up with a way to mitigate those expected cost increases or benefit reductions.

The Episcopal Church Medical Trust, a part of Church Pension, currently administers approximately 20 insurance options for 78 of the church's 110 dioceses. There are another nearly 60 plans being used by 20 dioceses not in the medical trust. The cost of Episcopal Church employee healthcare benefits will increase 9.5 percent next year, according to the fund's Blue Book report. The 2010 cost, \$12,343 per cover employee, could equal 10 percent of congregations' pledge and plate income, the report said.

The plan would apply only to the domestic dioceses of the Episcopal Church but could eventually include Colombia, the Convocation of American Churches in Europe, Central Ecuador, Dominican Republic, Haiti, Honduras, Litoral Ecuador, Micronesia, Puerto Rico, Taiwan, Venezuela and the Virgin Islands.