

Frequently Asked Questions

Proposed Health Insurance Changes for 2017 Plan Year

1. Why can't we send clergy and lay staff to the public exchanges to purchase health insurance in the public marketplace?

The Affordable Care Act required states to set up health insurance exchanges or to participate in the federal exchange. We know that lay members in our Oregon-Idaho congregations have used the public exchanges and had positive experiences purchasing affordable health insurance plans.

When we consider this option for our plan participants, it's a bit more complicated. Because subsidies available for some exchange users are determined by income, the cost of insurance through the exchange could vary greatly among our plan participants because of variation in salaries. In addition, local ministry settings would still need to make contributions to clergy health insurance. Those contributions would be considered additional income for clergy which would not only increase their income tax liability but may decrease the likelihood they would qualify for a subsidy through a public exchange.

2. Why can't the Conference Board of Pensions use its reserves to cover the increased premium costs for the 2017 plan year?

The Conference Board of Pensions (CBOP) does have reserve funds which will be used to pay any difference between premium contributions collected from plan participants and local ministry settings in the 2017 year.

There are a couple of reasons the CBOP is reluctant to use reserves to cover the entire cost of the premium increase. In 2016 new actuarial tables were released for the benefits industry. These tables are the standard by which future benefits costs are projected. They were revised since people are living longer than the previous tables took into consideration. The CBOP needs to have all projected future liabilities for health and retirement benefits revised using these new tables. It is possible reserve funds may be needed to cover future liabilities.

In addition, the CBOP and its Insurance Committee have concerns about starting to use reserve funds to cover the entirety of premium increases. If that practice were to continue over time the reserves would be depleted in just a few years.

3. Will the Equitable Compensation Committee be informed of these proposed changes?

Yes, the Conference Board of Pensions will share the proposed changes to the Equitable Compensation Committee.

4. Why doesn't the Conference Board of Pensions get a new health insurance carrier?

For a number of years, the General Board of Pensions and Health Benefits (GBOPHB) has provided insurance for clergy and lay staff through their HealthFlex plans. Through HealthFlex, any claims over \$100,000 get pooled across all annual conferences participating in HealthFlex. This is a significant benefit in controlling claims costs that would not be available through another provider. In addition, there are other benefits (such as population health data, health risk assessment, WebMD coaching, employee assistance programs, etc.) through HealthFlex that either would not be available through another carrier or would result in additional costs to the annual conference.

With our recent high-cost claims experience and because our insured population tends to be older and in a profession that is linked with poorer health, it is difficult to find an insurance carrier willing to underwrite health insurance for the annual conference. Any carrier for our population must have provider networks that serve both states. A previous attempt to find a carrier other than HealthFlex did not result in any bids, which makes the CBOP reluctant to hire a consultant to develop a request for proposals.

5. What are my options if I cannot afford the additional costs for the PPO plan?

In 2017, the CBOP will continue to offer two health plans, the Preferred Provider Option (PPO) plan and the Consumer Driven Health Plan. We encourage all plan participants to carefully review both plans prior to making their election during open enrollment to determine which plan is the best fit for their health needs. Participants choosing the Consumer Driven Health Plan will pay \$25/month for single coverage and \$75/month for spouse/family coverage, considerably less than PPO participants.

In 2018, the CBOP expects to offer a cafeteria plan that is funded through a set contribution (determined by the annual conference) from local ministry settings. Plan participants will be able to choose from at least five health plans and for the first time will have dental coverage as a standard benefit. If a participant chooses a plan in which premiums cost less than the defined contribution, the savings will be put into a Health Savings Account for the participant. If a participant chooses a plan in which premiums cost more than the defined contribution, the participant will pay the difference. By having more plan choices, the CBOP thinks participants will be able to select a plan that best fits their needs.

6. Why is the cafeteria plan not being offered until 2018 in Oregon-Idaho? I have heard other annual conferences are already offering it.

The cafeteria plan being offered by HealthFlex is available for annual conferences; however, only a few annual conferences are offering the cafeteria plan this year. The cafeteria plan requires administrative changes within the Conference Treasurer's office and the CBOP wants to conduct participant information sessions throughout the annual conference prior to launching the plan. The CBOP looks forward to learning from the experiences of other annual conferences offering the cafeteria plan.

7. Why is the participant contribution so much higher for the PPO Plan?

The CBOP is proposing to the annual conference in June 2016, that PPO participants pay \$125/month for single coverage and \$175/month for spouse/family coverage. Participants choosing the Consumer Driven Health Plan (CDHP) will pay \$25/month for single coverage and \$75/month for spouse/family coverage. The PPO participant contribution is significantly more

than the CDHP because the PPO plan offers more coverage than the CDHP, but premiums also are significantly higher than the CDHP. While both the PPO plan and CDHP saw significantly higher claims costs in 2015, the PPO plan's claims costs are consistently higher than the CDHP.

8. Why do local ministry settings pay the same amount per participant when there are two different plans with different premiums offered?

To determine the monthly billing rate to local ministry settings, all local ministry setting premium costs are pooled across all local ministry settings regardless of the health insurance plan a participant from a local ministry setting selects.

9. How can I get more information?

There are two information sessions scheduled during the annual conference session so plan participants and lay members of annual conference can learn more prior to voting on the proposed changes:

- Information session for plan participants: Wednesday, June 15, 7:00-8:00 p.m., Salem Convention Center.
- Laity workshop: Thursday, June 16, 10:00-11:30, Salem Convention Center.

You can also submit a question to the Conference Board of Pensions on the UMOI website at www.umo.org/InsuranceFeedback.