

# Mailing

#434

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**Title of the mailing \***Letter from the Diocesan Health and Welfare Benefits Trust of the Episcopal Diocese of PA

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**Body text of the mailing \***

Diocesan Health and Welfare Benefits Trust  
of the Episcopal Diocese of Pennsylvania

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The Rev. Tom Wand • Chair, Benefits Committee • Email: [thoscwand@aol.com](mailto:thoscwand@aol.com)

January 2011

Dear Clergy, Wardens and Parish Administrators:

The Commission on Clergy Salaries and Pensions continues to monitor the health insurance industry as it applies to the Diocese and its people. 2010 was a year of extraordinary change.

The press has reported astronomical increases in the Philadelphia area ranging anywhere from 20% to 50%.

In recent years, increased medical costs have had a significantly greater impact on medical inflation trend factors. Much of this is driving by new procedures, devices and pharmaceuticals, including specialty biologic drugs that are often customized to an individual's own needs. These specialty biologic drugs were almost unheard of at the beginning of the decade. While they represented less than 5% of the average groups pharmaceutical prescriptions by numbers in 2009, they represent over 20% of such a group's costs. This is a rapidly growing component of our costs and will not be abated by current brand drugs becoming generic drugs in the future.

Another change driving costs is that small and medium sized employers have been hit with increased experience (usage) factors for 2011, as major insurers have increased that portion of a group's high dollar claims that is included for experience calculations in future rate calculations.

In addition, legislative factors increasing rates include, but are not limited to: (a) prohibition of insurers to deny coverage for pre-existing conditions, (b) extension and expansion of family coverage for dependants to age 26 regardless of location or student status, (c) full implementation of mental health parity and (d) addition and extension of autism benefits.

Despite these driving factors, we are pleased to report that we have been able to contain increases in the Diocesan plans for 2011. Our Personal Choice Flex C3-F4-O1 plan has an increase of 10%, while our Keystone HMO Flex C3-F4 plan has an increase of 19%. 2011 rates are found on the reverse side of this letter and at [www.mydiopabenefits.org](http://www.mydiopabenefits.org).

## LIFE AND DISABILITY INSURANCE

The Commission on Clergy Salaries and Pensions made two very important changes to benefits for lay employees in the Diocese effective January 1, 2008. They have proved to be very successful, since these programs were the right thing to do and were critical to bringing our lay employee benefits into parity with our clergy benefits.

In 2011, we hope that all congregations will make sure that every lay employee working over 20 hours per

week is enrolled in these two programs – (1) Group Life Insurance and (2) Disability Coverage.

The first is the Group Life Insurance program – available for both Clergy and Lay Employees – which offers coverage at 100% of the current year salary for lay or total compensation package (i.e., Pension Assessment Base) for clergy at very advantageous group rates. The Commission negotiated a rate that is 26% lower than the rate afforded any other Diocese for life coverage through the Church Life Insurance Company.

Additionally, Clergy and Lay employees, as well as their dependents, can now acquire additional coverage (up to \$500,000) through the Church Life group supplemental life insurance program, subject to brief medical underwriting. A brochure and an application for this important benefit are available at [www.mydiopabenefits.org](http://www.mydiopabenefits.org).

The second program is a Disability Coverage for Lay Employees that parallels the coverage that is provided for clergy by the Church Pension Fund. The coverage seamlessly incorporates both Short-Term Disability (Day 30–360) and Long-Term Disability (day 360 on) coverages. The program is offered by the Church Insurance Company and underwritten by UNUM. A summary of the benefits can be found at [www.mydiopabenefits.org](http://www.mydiopabenefits.org).

We encourage you to provide updated 2011 salary information for your clergy and lay employees when you receive your employee survey so they can be enrolled. The survey will be mailed under separate cover in December.

Disability Coverage for Clergy: We hope all clergy will (a) review the summary of pension benefits mailed annually to all clergy and to (b) update all total compensation information with the Church Pension Fund to reflect any changes.

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Listed below is a brief summary of the more important highlights of the Commission's programs for 2011:

#### SALARY

Salary – The 2011 salary figures for full-time clergy have not changed from the figures adopted by Convention for 2009. A summary of the salary standards Resolution RB-2010 is attached.

#### HEALTH AND DENTAL INSURANCE

Benefits – The Personal Choice Flex C3-F4, Keystone HMO 105, HMO Flex C3-F4 medical plans have not changed for 2011.

- Personal Choice Flex C3-F4 – The benefits for this program have not been changed. There continue to be out-of-network benefits and freedom of choice. The 2011 rate increase is an average of 10%.
- Keystone HMO 105 – The benefits for this program have not been changed. There are no out-of-network benefits. The 2011 rate increase is an average of 12%.
- Keystone HMO Flex C3-F4 – The copays for this new program are comparable to those of the Personal Choice Flex C3-F4 plan with the restrictions of an HMO structure requiring a primary care physician serving

as a “gate-keeper.” There are no out-of-network benefits. The 2011 rate increase is an average of 19%.

Detailed plan information can be found at [www.mydiopabenefits.org](http://www.mydiopabenefits.org).

#### COPAY AND MENTAL HEALTH RIDER PROGRAM

The Commission is modifying the CoPay rider program slightly for 2011.

- CoPay Rider – The annual deductible for the copay rider increases to \$500 per individual (\$1,000 per family) for claims with a 2011 service date and beyond. After meeting the copay, the program will pay 80% of all eligible copays with a Date of Service in 2011 after the deductible has been met.
- Mental Health Rider – The calendar year annual maximum remains at \$3,000 per person with payments for an MD and PhD up to \$100 per visit, and payments for a pastoral counselor, psychologist (master’s degree) and LSW up to \$80.

Prescription Drugs – In 2011, there are two important considerations that need to be reviewed that were implemented in 2010:

First, there is a \$250 deductible per person for prescriptions. That is to say, in 2010 and thereafter, the first \$250 of the cost of prescriptions per person is not paid by FutureScripts.

Second, all participants are required to use mail order for any maintenance medications. Maintenance drugs include drugs that are taken regularly (every day, week or month) and include cholesterol, asthma and blood pressure medications. (Independence Blue Cross will allow the first 30 day prescription to be purchased at a local pharmacy, but all future refills will need to be purchased at FutureScript®.) Mail order prescriptions are generally written for a 90 day supply, with 3 additional 90 days refills, for a total of 360 days.

**IMPORTANT: AN ENOLLEE WILL NOT BE REIMBURSED FOR ANY MAINTENANCE MEDICATIONS IF THEY ARE PICKED UP AT A PHARMACY AFTER THE FIRST MONTH.** A three month mail order supply costs the same as a two month supply purchased at a local pharmacy. Use of mail order for maintenance prescriptions represents a huge saving for both the Trust’s copay rider program and you! (We recognize that certain control medications and diabetic insulin may also be exempt from mail order.) A subscriber should call the IBX or FutureScript® service number on their ID card for further information. If you have any additional questions, you should contact the Trust by emailing to [help@mydiopabenefits.org](mailto:help@mydiopabenefits.org)

Dental – The maximum annual dental benefit continues at \$2,500 per person for active clergy and lay employees (and each of their enrolled dependents). The benefit limit is \$2,000 for retirees and their spouses. Four cleaning per year are the foundation to this year’s plan and our dental benefits continue to include a percentage of the cost of implants and crowns up to the annual maximum per person.

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The Commission is aware of the burden of trying to keep salaries current while absorbing health care and benefit increases. These challenges face every organization in the US today.

In the event you have any questions or concerns, or need clarifications, please feel free to contact any member of the Commission or our Trust Administrator, Parke Rouse, at [parke@mydiopabenefits.org](mailto:parke@mydiopabenefits.org). He will

be glad to help you. We would also encourage you to visit [www.mydiopabenefits.org](http://www.mydiopabenefits.org) where you will find current information, forms, rates, benefit information and a plethora of other information.

Sincerely,

The Rev. Thomas C. Wand  
Chairperson, Committee on Benefits  
Commission on Clergy Salaries and Pensions  
Of the Episcopal Diocese of Pennsylvania

Parke Rouse  
Administrator  
Diocesan Health and Welfare Benefits Trust  
Of the Episcopal Diocese of Pennsylvania

Attachments

1. 2011 Health Care, Life and Disability Rates
2. Salary Compensation Resolution RB2011

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[letter from csp january 2011 with attachments.pdf](#)

118.17 KB · PDF

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- Clergy
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