

HEALTH INSURANCE PROGRAMS AND FUNDING

ACTION TO BE VOTED ON:

It is requested of the Annual Conference that the recommendations of the Conference Board of Pensions and Health Benefits concerning the health insurance plan and health insurance funding for 2009 be approved.

Section I – Health Insurance Provider and Participation

A. The Conference will provide the HealthFlex health insurance plan in 2009.

B. The anniversary date will be January 1.

C. Eligibility will be established by the General Board of Pension and Health Benefits, HealthFlex, and the Conference Board of Pensions and Health Benefits.

D. This plan is available for all clergy serving full-time in the local church. Clergy must have been in the active plan for five consecutive years in the Rocky Mountain Conference immediately prior to their retirement to be eligible for funding of the retired plan. An exception will be made to this rule for pastors appointed from the Rocky Mountain Conference to the Yellowstone Conference. The spouse's eligibility is determined by the participant eligibility. A retiree's spouse who did not participate in the plan for five consecutive years prior to the retirement will not receive the financial benefit as outlined in Section II below.

E. This plan may also be available to clergy appointed beyond the local church, diaconal ministers, and full time lay employees of the Rocky Mountain Annual Conference and local churches, but may require the participation of the employing agency as plan sponsor and subject to eligibility rules as established by the General Board of Pension and Health Benefits and HealthFlex.

Section II - Participation and costs

A. Every charge in the conference will be apportioned and then billed monthly for the insurance cost for single coverage for every elder, deacon in full connection, local pastor, or probationary member appointed full time serving that charge. This rate will be a blended rate of all the plans selected by the Board and will include dental coverage. If the clergy elects a more expensive plan, the charge will be billed at the higher rate and the charge and clergy will determine jointly how to fund the extra cost. The payment for single coverage is mandatory for all charges even if the appointed clergy elects not to participate. There is no financial impact upon the conference for this coverage.

B. If the active clergy serving that charge wish to buy up to a more expensive plan and/or wish coverage for family members, the additional monthly costs will be billed to that charge, to be paid either by the clergy or the charge. There is no financial impact upon the conference for this coverage.

44 C. For retired elders, deacons, local pastors and probationary members, spouses, and
45 surviving spouses of Medicare age, the conference will pay 75% of the premium cost for the
46 Medicare HMO or Supplement coverage. If the retired participant is eligible for a Medicare
47 HMO but decides to buy up to a Supplement Plan, the retired participant will pay the full
48 amount minus the conference's Medicare HMO contribution. The health insurance premium
49 for the retired includes dental insurance if such coverage is included in the plan selected by
50 the Conference Board. For those retiring after December 31, 2003, the clergy must have
51 served for a minimum of ten (10) years of service or more to qualify for the conference
52 support.
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54 D. For those retirees eligible to receive pensions, but not yet of Medicare age, the conference
55 will pay 25% of the cost of the base plan with 20 years of service and 50% of the cost of the
56 base plan with 35 or more years of service. Clergy retiring under the 20-year rule and not
57 receiving pension benefits yet from the General Board of Pension and Health Benefits shall be
58 eligible to remain in the conference health insurance program but shall not receive any
59 conference funding until they are of Medicare age. The retiree's spouse's eligibility is
60 determined by the participant eligibility. The spouse of a retiree who did not participate in the
61 plan for five consecutive years prior to retirement will not receive the financial benefit. The
62 cost to the conference (paragraph D – all retirees' HealthFlex funding support) for the year is
63 estimated to be \$1,500,000
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65 E. For the purpose of this petition, "years of service" shall be defined as years since original
66 ordination/commissioning/licensing (if after 1981) or granting of pension credit (if ordained
67 prior to 1982). Years of leave of absence or honorable location shall not be considered as
68 "years of service."
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70 F. The conference does not pay any of the cost of lay retirees' health insurance except in the
71 case of employees of the annual conference, in which case they are treated the same as retired
72 clergy, with no benefit for the spouse. The benefit is to be paid by the employing agency.
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74 G. Health insurance for clergy (and their enrolled dependants) appointed to Incapacity Leave
75 and receiving disability benefits from the General Board of Pension and Health Benefits will
76 be provided through the selected provider and paid 100% by the conference. If the clergy
77 desires coverage different than the basic coverage in their area, the increased cost (buy up)
78 will be paid by the clergy. The cost to the conference is estimated to be \$195,000.
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80 **Section III - Administration and clarification**

81 A. The conference, working with HealthFlex, will process enrollments, collect premiums,
82 reconcile funds and help to coordinate the plan.
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84 B. The payment of the premium (Section II. A. above) is mandatory for all full time clergy
85 appointed to serve the local church. If a church does not or cannot pay that amount for six (6)
86 months, the Conference Board of Pensions and Health Benefits shall recommend to the
87 bishop and the cabinet that the church not receive a full-time appointment at the next annual
88 conference appointment session.
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90 C. The 2009 insurance rates and the retirees' rates will be established in the fall of 2008 by
91 the Conference Board of Pensions and Health Benefits after receipt of new premium rate
92 information from HealthFlex.

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95 **RATIONALE:**

96 This petition identifies the health insurance program and costs for this conference, and is
97 basically the same as last year. This year's minor changes include:

- 98 • All dates have been changed as necessary.
- 99 • The dollar amounts have been changed to reflect estimated costs.

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102 **PETITION INFORMATION:**

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104 **EFFECTIVE DATE:** January 1, 2009

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106 **TERMINATION DATE:** December 31, 2009.

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108 **FINANCIAL IMPACT:**

109 Yes, and the estimated costs are in the 2009 Annual Conference Budget Proposal.

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111 **ORIGINATOR OF THE PETITION:**

112 Conference Board of Pensions and Health Benefits

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114 **PERSON TO PRESENT PETITION TO CONFERENCE:**

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121 **FINANCIAL IMPACT:**

122 Cost \$1,500,000 Period 2009

123 Funds provided by Annual Conference Tithe

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125 **REVIEWED BY COUNCIL ON FINANCE AND ADMINISTRATION:** March 18, 2008

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127 **RECOMMENDATION BY COUNCIL CONCERNING FUNDING:**

128 Conduct Funding Study during 2008.

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130 **REASON(S):**

131 The General Board has requested, and the Rocky Mountain Conference will take the
132 initiative to evaluate various funding options for health insurance; paying particular
133 attention to the retiree health care component. The purpose of the study will be to
134 identify alternatives for presentation to the 2009 Annual Conference.

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