

Quadrennial
Benefits
Conference

Navigating the Path
2016



FOR ACTIVE AND RETIREE PARTICIPANTS

Health and Wellness Benefits

Requirements, Trends, Decisions

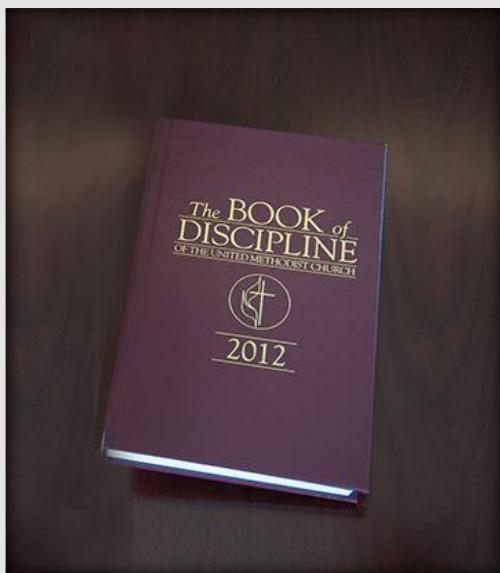


Wespath
BENEFITS | INVESTMENTS

Health Benefits in Annual Conferences

- *The Book of Discipline* requirements
- Active health benefits
 - Trends
 - UMC strategies
 - Clergy well-being
- Retiree health benefits
 - Trends
 - UMC strategies

The Book of Discipline Requirements



¶639.7—access to health benefits for **active clergy and lay employees**

- Health care plan (insurance)
 - Group plan or multiple-employer plan, **or**
 - Federal- or state-facilitated programs

The Book of Discipline Requirements



¶639.7—Health and wellness programs

- Full-time clergy
- Lay employees employed by the conference

The Book of Discipline Requirements

¶639.6—access to health benefits for **retired clergy**

- Medicare supplement plans
- Prescription drug coverage plans



“Providing access does not compel an annual conference
to fund such coverage”

— *The Book of Discipline*

Health and Health Care—Dynamic

Boards of Pensions may spend far more than half of their time talking about health and well-being and the associated costs

- Non-mandatory plan
- Some have group plan/ some rely on public marketplace
- Not every conference has the same approach



Wespath's Center for Health



- Trusted denominational health resource
- Promoting vitality in mission and ministry by improving 5 dimensions of well-being
 - UMC clergy, lay employees, and their families

Physical • Emotional • Spiritual • Social • Financial

Center for Health

Center for Health

A division of Wespath Benefits and Investments

3 Functions

Welfare
Plans

Health
Plans

Well-being

Key Health Risks for UMC



- Weight
- Diabetes and prediabetes
- Hypertension
- Stress
- Depression
- High cholesterol

Source: 2015 Clergy Health Survey n= 1,501 and HealthFlex population n= 9,522

Top Health Benefits Industry Trends

Increasing employee cost through plan design or contributions	75-85% of employers
Adding HDHP* with HSA*	80% of employers offer as an option 60-65% as the only option
Considering private exchanges	20% of employers
Terminating health coverage	Less than 10% of employers

Source: PWC 2016 Touchstone Survey; over 1,000 participating employers from 37 industries

* **HDHP: High-deductible health plan**
HSA: Health savings account

Top Health Benefits Industry Trends



Other Hot Health Benefits Topics

- ACA's "Cadillac" Tax
- Transparency
- Defined contribution

Source: PWC 2016 Touchstone Survey; over 1,000 participating employers from 37 industries

UMC Strategies—Active Plans

- **Maintain group plan for 2017—90+% annual conferences**
 - Adding consumer plan(s)—60-65% with CDHP or HDHP
 - Other creative strategies—>30% with private exchange
- **Exit group health plan—<10% annual conferences**
 - Offsetting cost to participant
- **Blend of above**

UMC-Specific Considerations

High average age → High chronic conditions and health care utilization

Connectionalism → Continuity/ appointment neutrality

Source: Wespath Active/Retiree Health Benefits Survey; 73% plan sponsors responding

Wespath Strategy for Active Health Benefits (HealthFlex)



Cost sustainability via plan design



Vitality and cost sustainability via wellness



HealthFlex Exchange platform (private exchange)



Consumer decision support and transparency tools



Maintaining broad networks, formularies, wellness

Private Exchange—HealthFlex Conceptual Framework

Multiple Plan Options

6 Medical/Rx • 3 Dental • 3 Vision Options



Higher premiums,
lower out-of-pocket



Lower premiums,
higher out-of-pocket



“Shop” for plan with “credit” (DC)



More premium owed



Less premium owed



Premium costs offset by “credit”
(fixed defined contribution)



Premium less than DC (“credit”)
= “Excess” deposit to:
HRA or HSA*

or



Premium exceeds DC
= Salary deduction
(medical, dental, vision)

* HRA: Health reimbursement account; HSA: health savings account

Public and Private Exchanges—Differences

Public Exchange(s)

- Narrow provider networks
 - Up to half of doctors omitted; many don't realize how narrow when selecting
- Age-banded rating
 - Premiums vary up to 3:1 by age
- No pre-tax funding
 - Tax credits for those who qualify (not everyone)
- No wellness programming

HealthFlex Exchange

- Broad networks
 - Nationwide networks
- No age-band rating
 - Important for clergy at or above our average age (>50)
- Non-taxable plan sponsor contributions
- Wellness programs and related incentives **always included**

Active Health Plan Decision Points

Offer an Active Health Plan or No?

If YES—How?

- Self-insured vs. fully-insured group health plan
- Private exchange
- HealthFlex/
HealthFlex Exchange

If YES—What Type?

Plan Type

- HMO
- PPO
- CDHP (consumer-driven health plan)
- HDHP (high-deductible health plan)

Whom to Cover

- Mandatory? Optional?
- Clergy? Conference lay staff? Local church lay staff?

Well-Being—Trends in the Field



- Linking well-being to business outcomes
- Wellness vs. well-being

Linking Well-Being to Sustainability

- Aligning well-being goals with organizational goals
- Using well-being programs to:
 - Define company culture
 - Recruit and retain employees
 - Drive employee engagement
 - Improve productivity, vitality and safety

Well-Being Programs—Helpful Hints

From June 2016 EEOC Rule



Reasonable design, notification



Always consult legal counsel regarding incentives, wellness program design and communications



Make program **voluntary**

- Don't make health plan coverage contingent on wellness program participation or outcomes
-

UMC Strategies

- Virgin Pulse—**75%** of annual conferences
- Wellness embedded with health plan
- Systemic strategies at conference, district, local church levels

Center for Health Support

Population health consultations and well-being program design consultation

Center for Health newsletter and bulletin inserts

Well-Being Decision Points

Offer Well-Being Support?

If YES—How?

- Through health plan
- Separate program

If YES—What Type?

- Fitness
- Healthy eating
- Blood tests
- Weight loss

Whom to Cover

- Actives? Retirees?
- Clergy? Lay employees?

Post-65 Retiree Landscape

Growing prevalence of individual policies or exchange solution
vs. group coverage

UMC Is a Leader in this Area

Medical Coverage Offered	Industry 2016	Industry 2015	UMC 2016
Individual insurance policies (exchange solution)	29%	20%	47%
Group supplement plans	41%	47%	-
Group Medicare Advantage plans	21%	23%	-

Source: PWC 2016 Touchstone Survey; over 1,000 participating employers from 37 industries

Why Are Individual Plans Attractive?

Many UMC conferences have found that offering **access to individual plans for retirees**, with an option to provide **funding assistance**, is best aligned with individual and conference needs

Choice

Cost Effective

Flexibility

Sustainable

**Retiree exchanges are considerably different
than exchanges for actives**

UMC Strategies—Retiree Plans

- Maintain group retiree plan for 2017—**42-45%** of annual conferences
- “Connect” to individual market via OneExchange—nearly **50%** of annual conferences
 - 23 annual conferences through Wespeth as of 2017
 - Most offer funding via health reimbursement accounts (HRA)
- “Stipend” (taxable)—**5-8%** of annual conferences
- Total cost share/stipend—varies considerably
- Access without funding—**<5%** of annual conferences

Source: Wespeth Active/Retiree Health Benefits Survey; 73% plan sponsors responding

Retiree Health Benefits—Wespath Strategy



Elimination of Medicare Companion (Medigap) offering



Transition of existing sponsors to OneExchange, as desired



Support new plan sponsors in transitioning to OneExchange



As of 2016: 21 plan sponsors and 6,600 members transitioned to OneExchange through Wespath

Decision Points

Offer Retiree Health Coverage?

If YES—How?

- Group health plan?
Individual plan?
- With or without “connector”?

If YES—Funding?

- Portion of premium?
- HRA? Taxable stipend?
- Fund indefinitely?
- Who gets funding?

HRA: Health reimbursement account

Your Own Well-Being



Health and health care are dynamic and challenging—
your ministry makes
a difference for those
you serve



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