

**PETITION TO THE 2016 ROCKY MOUNTAIN ANNUAL CONFERENCE**

**TITLE: HEALTH INSURANCE PROGRAM AND FUNDING**

**ACTION TO BE VOTED ON:**

**1 SECTION I – Health Insurance Provider, Plan Sponsor, Plan Availability and Plan Eligibility**

2 As Plan Sponsor, the Conference will provide and/or make health insurance programs available consistent with the  
3 2012 Book of Discipline of The United Methodist Church, Paragraph 639.6 (Retiree Health Care Access) and  
4 Paragraph 639.7 (Group Health Care Plans). For 2017, this program will be provided through the HealthFlex health  
5 insurance plan for active clergy and lay staff. For retired clergy and their spouses, and retired lay staff, the program  
6 will be provided through OneExchange.

7 Plan availability, eligibility and participation for active clergy and lay staff are subject to the terms and conditions of  
8 the applicable documents for the coverage period, and are available from the Conference Treasurer and Benefits  
9 Officer or the General Board of Pension and Health Benefits. Coverage and plan participation information for retired  
10 clergy and their spouses, and retired lay staff, is available from the individual plans selected by each participant  
11 through the OneExchange program.

12 Eligibility will be established by the General Board of Pension and Health Benefits and the Conference Board of  
13 Pension and Health Benefits for active clergy and lay staff. Eligibility for retired clergy and their spouses, and retired  
14 lay staff, will be established by the Conference Board of Pension and Health Benefits.

15 **A. ACTIVE CLERGY**

16 1. HealthFlex shall be available for all clergy serving full-time in a Rocky Mountain Conference local church or  
17 in the Conference office or any other unit of the Conference which provides pension contributions to the  
18 Clergy Retirement Security Program (CRSP), with the exception of clergy described in I.A.3.

19 2. HealthFlex shall be available for active clergy serving full-time who are Medicare-eligible but do not qualify  
20 under the Multiple Small Employer Exception (serving a church with 20 or more employees).

21 3. OneExchange shall be available for active clergy serving full-time who are Medicare-eligible and qualify  
22 under the Multiple Small Employer Exception (serving a church with 19 or less employees).

23

24 **B. RETIRED CLERGY**

25 The OneExchange program shall be available to assist all retired clergy and spouses meeting the qualification  
26 guidelines established by the Conference to identify a supplemental plan in addition to Medicare.

27 Clergy must be Medicare-eligible and have been in the active plan for five consecutive years in the Rocky Mountain  
28 Conference or Yellowstone Conference immediately prior to their retirement to be eligible to participate in the  
29 OneExchange plan sponsored by the Rocky Mountain Conference. An exception shall be made for clergy who retire  
30 prior to the age of Medicare-eligibility and elect to have qualified group plan coverage or coverage through a private  
31 plan outside of the Conference. Other exceptions may be requested for consideration and approval by the Conference  
32 Board of Pension and Health Benefits. Retirees who have been granted exceptions and who are not enrolled in  
33 HealthFlex when they attain the age of Medicare-eligibility shall be offered a one-time opt-in privilege 30 days prior  
34 to attaining the age of Medicare-eligibility. If this opt-in privilege is not exercised at least 30 days prior to attaining the  
35 age of Medicare-eligibility by contacting the Conference Benefits office, the retiree is not eligible to participate in the  
36 OneExchange program.

37 Clergy who have opted out of Social Security will need to be enrolled in both Medicare Parts A and B to be eligible to  
38 participate in the OneExchange plan.

39

40 C. CLERGY ON MEDICAL LEAVE

41 HealthFlex shall be available for clergy on Medical Leave and receiving disability benefits from the General Board of  
42 Pension and Health Benefits, until such time as the clergy becomes Medicare-eligible. When these clergy become  
43 Medicare-eligible, the OneExchange program shall be available for them.

44

45 D. LAY EMPLOYEES

46 HealthFlex shall be available for all eligible full-time lay employees of the Rocky Mountain Conference meeting the  
47 qualification guidelines established by the Conference. The OneExchange program shall be available for all eligible  
48 retired lay staff. Lay employees must have been in the HealthFlex plan for five consecutive years immediately prior to  
49 their retirement to be eligible to participate in the OneExchange program.

50

51 **SECTION II - Plan Participation, Coverage, Costs and Conditions**

52 A. ACTIVE PARTICIPANTS

53 Every charge in the Conference shall be direct-billed monthly for the insurance cost for single coverage for every  
54 elder, deacon in full connection, local pastor, associate member, or provisional member appointed full-time serving  
55 that charge and eligible for HealthFlex, regardless of participation. The cost includes vision and dental coverage.

56 Less than full-time clergy are not eligible to enroll in the HealthFlex plan; however the local church may choose to  
57 provide other coverage for its  $\frac{3}{4}$  time and  $\frac{1}{2}$  time appointed clergy. For  $\frac{3}{4}$  time and  $\frac{1}{2}$  time appointments the local  
58 church, working with its respective District Superintendent, may contribute up to \$4,000 annually to provide health  
59 insurance coverage outside of HealthFlex. Costs for this coverage will be borne totally by the local church and/or  
60 appointed pastor. This is in addition to the minimum salary, housing, pension and allowable professional  
61 reimbursable amounts for pastors serving less than full-time. Per the Affordable Care Act, funding provided by  
62 employers to assist employees in purchasing individual health insurance is considered taxable compensation.

63 Each charge shall be direct-billed monthly for the insurance cost of its lay staff participants. The Conference shall pay  
64 the insurance cost for single coverage under HealthFlex for lay staff as specified by Personnel Policies for lay staff.

65 Active clergy serving full-time who are Medicare eligible and who qualify under the Multiple Small Employer  
66 Exception (serving a church with 19 or less employees) will participate in the OneExchange program. It is  
67 recommended that the employing church reimburse the clergy for medical, dental, Medicare and pharmacy premiums  
68 as applicable. Such reimbursement is considered taxable income.

69

70 B. RETIRED PARTICIPANTS

71 Each eligible retired participant and eligible spouse shall work with a Licensed Benefit Advisor at OneExchange to  
72 identify the appropriate coverage and cost-effective supplemental plan most suitable to the individual needs and  
73 requirements of the participant. Each eligible participant shall be provided a monthly stipend established as a fixed  
74 dollar amount which shall be deposited in a personal Health Reimbursement Account (HRA) to be used by the  
75 participant to pay for health insurance premiums and other qualifying medical expenses. Any HRA money unused in  
76 one calendar year will be rolled over for use in subsequent years—consistent with then-existing tax laws.

77

78 The stipend amount will be reviewed at least every two years. The review will take into account the two categories of  
79 HRA contribution levels.

80 a) Retired eligible participants with 20 or more years of Pre-82 service

81 b) Retired eligible participants with less than 20 years of Pre-82 service

82 The spouse's eligibility is determined by the retired participant's eligibility. However, a non-HealthFlex participant  
83 spouse of a retired eligible participant may take advantage of the OneExchange program but will not receive a stipend  
84 payment to a Health Reimbursement Account.

85 Retirees, spouses and surviving spouses eligible to receive pensions but not yet eligible for Medicare who choose to  
86 remain in HealthFlex shall receive a subsidy from the Conference up to 20% of their applicable active rate. These  
87 retirees may also choose to enroll in another qualified group plan or in a private plan, but this coverage will not be  
88 subsidized by the Conference. If they choose to enroll in a private plan, it may have a negative impact on their ability  
89 to obtain coverage for pre-existing conditions when they move to the OneExchange program.

90 The Conference shall not provide a health insurance stipend for retired lay employees from a local church. Eligible  
91 retired employees of the Conference office shall be eligible for a stipend as specified in Section II.B.

92

### 93 C. CLERGY ON MEDICAL LEAVE

94 Health insurance for clergy on Medical Leave and receiving disability benefits from the General Board of Pension and  
95 Health Benefits shall be provided through HealthFlex and paid 100% by the Conference. Spousal and dependent  
96 coverage shall be made available but not subsidized in any manner by the Conference. Clergy on Medical Leave and  
97 receiving disability benefits will be required to participate in the OneExchange program upon Medicare eligibility, and  
98 will receive an HRA as specified in Section II.B. When clergy on Medical Leave and receiving disability benefits who  
99 have opted out of Social Security retire, they will need to be enrolled in both Medicare Parts A and B to be eligible to  
100 participate in the OneExchange program.

101

### 102 SECTION III - Plan Administration and Mandatory Payments

103 A. The Conference benefits staff, working with HealthFlex, will process active participant enrollments, collect  
104 premiums, reconcile funds and help coordinate plan activities. Retired participants will work directly with  
105 OneExchange advisors on an annual and as needed basis.

106 B. The monthly payment of the health premiums specified in Section II. A. is mandatory for all full-time clergy  
107 appointed to serve a local church in the Rocky Mountain Conference. If a church is delinquent in health  
108 premium payments, the Conference Treasurer's office will initiate action and notify the respective District  
109 Superintendent and Bishop of the delinquency. The Conference Cabinet will be kept apprised of all  
110 communication regarding the delinquency. The affected charge will continue to be direct-billed for the  
111 monthly premiums throughout this entire period.

112 C. The 2017 active insurance rates will be established by the Conference Board of Pension and Health Benefits  
113 after premium rate information is received from HealthFlex.

### PETITION DETAILS

This Petition is

A Legislative Petition (Binding on the Annual Conference)

A Resolution (Not Binding)

Effective Date: January 1, 2017

Termination Date: December 31, 2017

Does this Petition modify the Annual Conference Standing Rules and Operational Procedures (SROP)?

Yes  
 No

If "Yes," please complete the information below.

This petition will modify Section 5.4  
 This petition will create a new Section x.x.x

Conference Agency responsible for implementation and termination review:  
Conference Board of Pension and Health Benefits

NOTE: All paragraph numberings within the SROP and the final designation of the Conference Agency responsible for implementation and termination review are subject to review by the Rules Committee.

**ORIGINATOR OF THE PETITION (individual, church, or organization):**

Name Conference Board of Pension and Health Benefits  
Address  
City, State, Zip  
Email  
Phone

**PERSON TO PRESENT PETITION AT ANNUAL CONFERENCE:**

Name Rev. Kimal James  
Address First United Methodist Church (Ogden)  
1339 W 400 N  
City, State, Zip Marriott-Slaterville, UT 84404-3406  
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Phone @ Conference

**FINANCIAL IMPACT:**

Will there be any identifiable financial impact to the Conference?

Yes  
 No

If "Yes," please fill in the information below.

To Be Completed by the Originator of the Petition

Cost: \$390,000 to subsidize to subsidize healthcare for retirees and clergy on medical leave receiving disability benefits.  
\$235,319 for healthcare for conference clergy and lay staff  
Health care costs direct-billed to local churches are identified and included in the 2017 Health Fund Budget.

Period

One Time  
 One Year  
 Multiple Years

To Be Completed by Conference Council on Finance and Administration (CFA)

Review by CFA 04/22/2016

Included in proposed 2016 budget

Yes  
 No

Amount if included \$390,000 to subsidize to subsidize healthcare for retirees and clergy on medical leave receiving disability benefits.

\$235,319 for healthcare for conference clergy and lay staff

May be considered for budgets in future years

Yes  
 No

Projected Amount \$

Recommendation by CFA concerning funding: Approved

Reason for recommendation

Supports the requirements of the 2012 Book of Discipline to provide health insurance programs or make health insurance programs available to active and retired clergy

**RATIONALE (Not debatable):**

1 This petition specifies how the Rocky Mountain Conference provides or makes health insurance programs available to  
2 active and retired clergy, consistent with the requirements in the Book of Discipline. It also specifies how it provides  
3 health insurance programs to Conference lay staff.

4 The total amount for healthcare is \$31,421 less in the 2017 budget than the 2016 budget. The reduction includes the  
5 Retiree Health Subsidy (\$15,000) and Conference staff healthcare (\$16,421). Funds invested with Wespath  
6 Investment Management are available to supplement if needed the 2017 Conference budget for retiree healthcare.

7

**ATTACHMENTS (For Information / Not Debatable)**