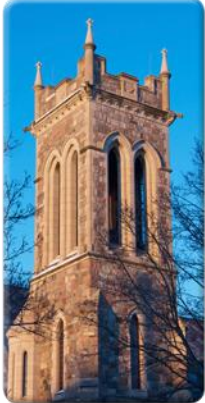




A Century of Service
and Benefits for
the Episcopal Church



Benefits Policy Updates



John Servais

Senior Vice President, Benefits Policy

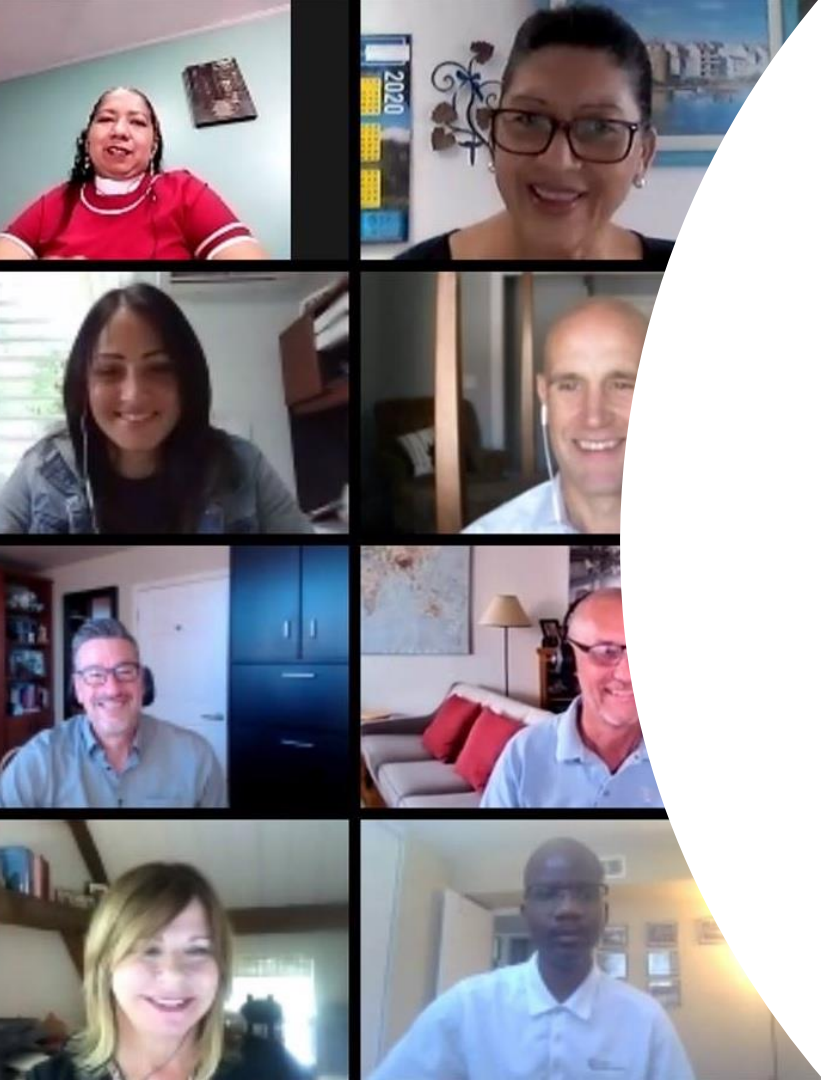
Anthony Cota

Assistant Vice President, Policy & Design

September 29, 2020



EBAC2020



Agenda

- Medical Trust Update
 - Covid-19
 - Retiree Health Benefits Assessment
 - Health Care Strategy
- Resolution A237
- Church Life Insurance
- Let's Talk



Medical Trust Update

COVID-19 Update

Related Design and Policy Change

Plan Design Changes



Out-of-pocket expenses



Telehealth platforms



Telemedicine/
virtual office visits

Policy Changes



Mid-year plan
change exception



Extension of
Benefits extension



Premium grace
period and payment
plan options

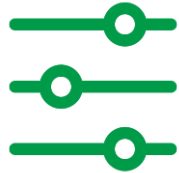
Estimated COVID-19 Financial Impact for 2020

Additional Costs

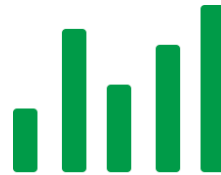


	Best Case	Average Case	Worst Case
■ COVID	\$1,300,000	\$2,700,000	\$4,000,000
■ Other Services	(\$9,500,000)	(\$7,200,000)	(\$4,800,000)
■ Net Impact	(\$8,200,000)	(\$4,500,000)	(\$800,000)
% Net Impact	-4.3%	-2.4%	-0.4%

COVID-19 Outlook



Claim volume has returned back to expected levels in July and August



Lower claim volume in April, May, and June. Possible spike in claims from deferred care



Used \$4 million of surplus to reduce 2021 renewal



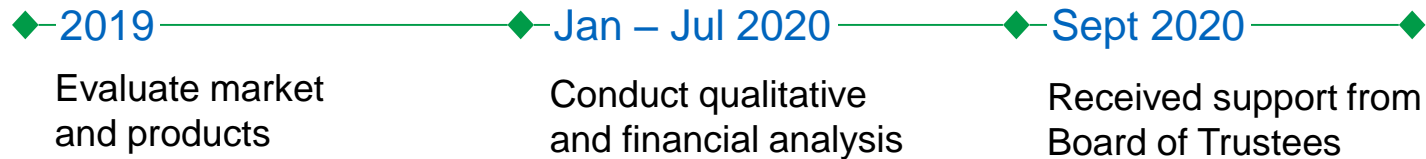
Extending plan design changes through 2021

Retiree Health Benefits Assessment

Process and Objective

- **Transition the current self-insured Medicare Supplement Health Plan to an insured Group Medicare Advantage (GMA) plan**

Assessment involved multiple steps



Product Comparison

Category	Medicare Supplement	Group Medicare Advantage (GMA)	Individual Medicare Advantage
Physicians	Any Medicare Provider*	Any Medicare Provider	Network Providers
Hospitals/Facilities	Any Medicare Provider*	Any Medicare Provider that accepts GMA	Network Providers
Geography	National	National	Local/State
Medical Guidelines	Medicare	Medicare	Medicare
Pre-Existing Conditions (Limitation)	None	None	None
Plan Delivery Model	Fragmented	Integrated	Integrated
Care Coordination	None	Yes	Yes
CMS Quality Rankings	N/A	Yes	Yes

● Positive
 ● Some Concern
 ● Concerning

*Medicare Supplement Plan pays benefit net of what Medicare would have paid.

GMA—Retiree Advantages



Coordinated care and better outcomes



Concierge service model



Integrated plan design



Lower monthly rates, especially for buy-up options and lay retirees

Additional programs and services



Home healthcare services including needs assessment



Wellness incentives

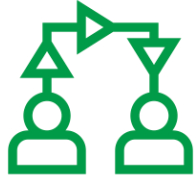


Tele-medicine platform



Robust on-line tools

GMA—Retiree Possible Concerns



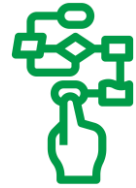
Communication
and education



Changes to
drug formulary
during transition



Facilities that
do not accept
GMAs



Coordination of
care perception

Financial Impact—Aggregate Cost*

Preliminary estimates indicate total plan savings of nearly \$20M or 36% in the first year

	Medicare Supplement (2020 Rates)	Group Medicare Advantage (2020 Illustrative Rates)
Total Premium	\$55.6M	\$35.7M
Annual Savings	N/A	(\$19.9M)

Includes prescription drugs

Retirees could save \$9.3 million primarily from the Plus and Premium plans

- Lower buy-up premiums

*Estimate based on 2020 costs.

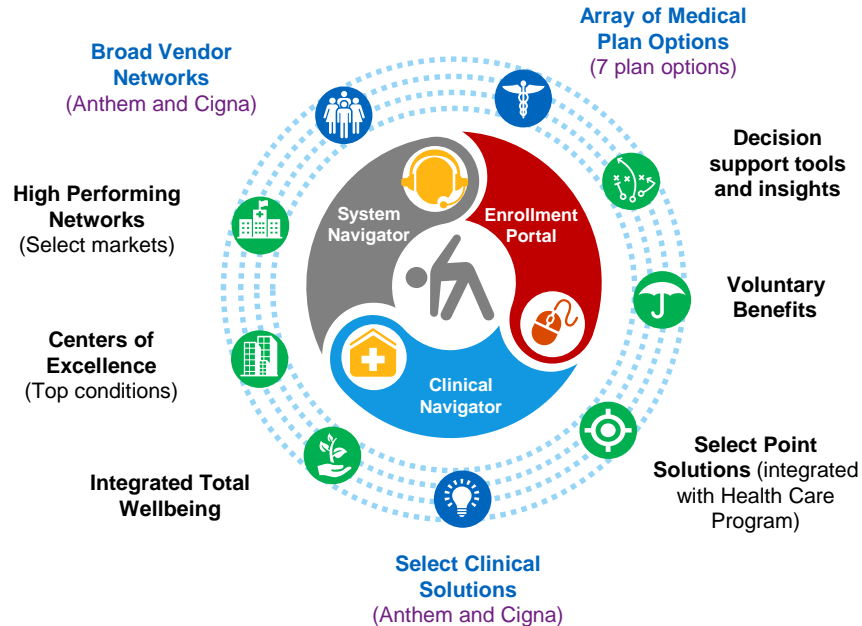
Possible Timeline



Health Care Strategy Update

Future State Vendor Configuration

ILLUSTRATIVE FUTURE STATE Holistic Advocacy Model Expanded Value



Market Research—Innovation Meetings

Performing market research to address current challenges



- Healthcare navigation
- Key cost drivers (point solutions)
 - Diabetes
 - Muscular skeletal support
 - Cancer
 - Behavioral Health

Market Research—Navigator Concept



Market Research—Point Solutions

Conduct vendor interviews to assess solutions across key criteria



- Company capabilities
- Member experience
- Technology
- Integration with health plan
- Engagement/outcomes
- Pricing



Resolution 2018 A237: Report on Pension Parity

Report on Pension Parity—What We Will Cover

- **Key objectives for the study**
- **Methodology**
 - Research
 - Analysis
 - Considerations
- **Next steps**



Resolution A237—Report on Pension Parity

■ Resolved...

Urge the Church Pension Fund to report on the current state of parity between the pensions of lay and ordained Church employees, domestic and non-domestic Church employees and Church employees of disparate incomes, with a particular focus on how those income disparities are manifested across gender and racial or ethnic lines, understanding that lower compensation directly affects pension benefits

■ Resolved

That the Church Pension Fund consider supplemental models for the pension system that would benefit lay and clergy employees while the Church works toward true parity in wages and employment practices

Five Key Objectives of Study

Background



Clergy and Lay Pension history and results

Educate



Defined Benefit vs. Defined Contribution Plans

Compare



Clergy and lay benefit value, employer contribution for employees with disparate incomes

Analyze



Specific focus on income disparity across gender and racial or ethnic lines

Explore



Potential supplemental pension models

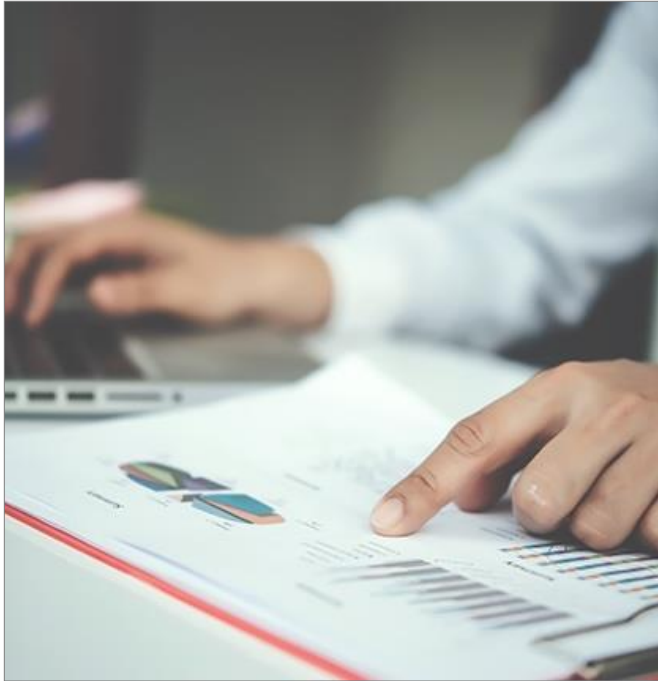
Report includes domestic and non-domestic Church populations.

Research

- **Demographics**
- **Compensation**
- **U.S. private sector retirement readiness**
- **A181 and D045 reports**
- **Benefits inventory**
- **Lay Retirement Readiness Survey**
- **Financial Literacy Survey**
- **Listening events**



Analysis



- **Census**
 - Employer type, tenure, age, and income

- **Benefit Comparison – Income replacement ratio**
 - Clergy: Domestic versus non-domestic
 - Domestic: Clergy versus lay

- **Population analysis**
 - Gender
 - Race/ethnicity
 - Income

Potential Supplemental Pension Models



Identify Options



Cost Analysis



**Retiree Impact
Analysis**



Church Life Update

Church Life Insurance Corporation

Major updates



Clergy Group Life Plan

- CPG will continue to administer
 - Convert to self-insured (i.e., 7702(j))
 - Benefits Paid by CPF



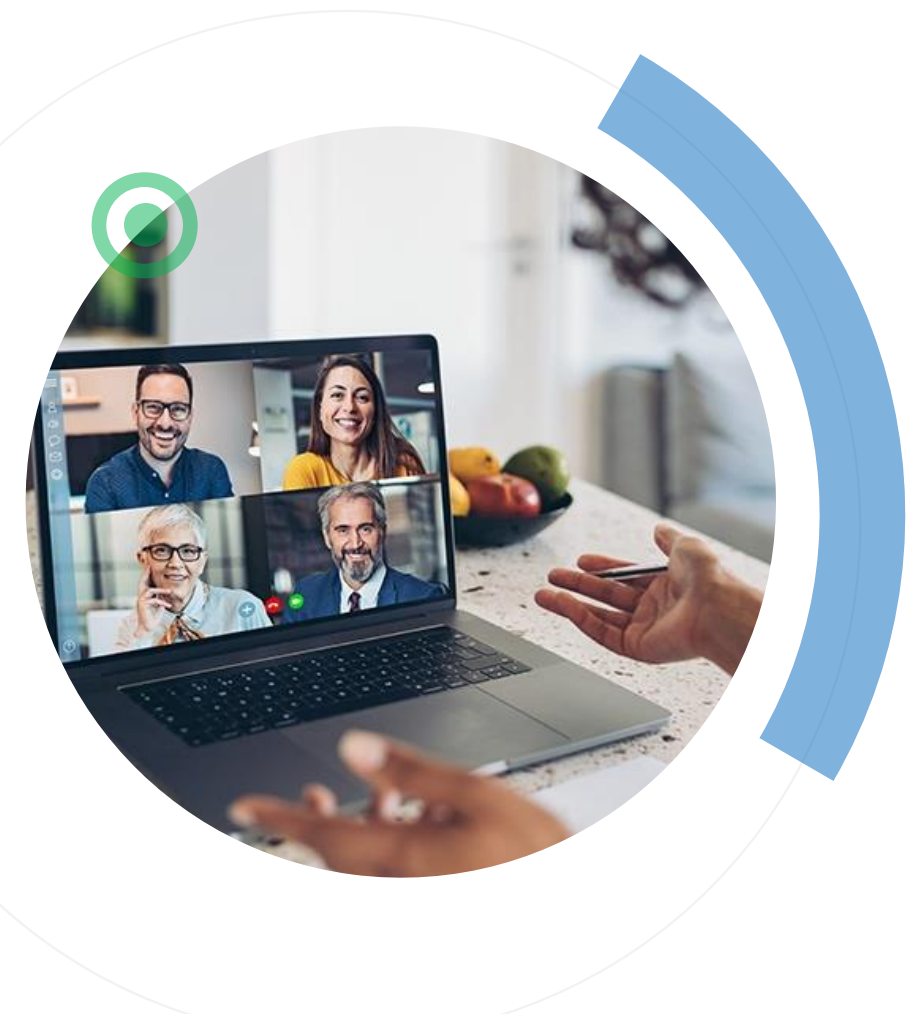
Other Products

- Leverage third-party carriers
- Group Life: establish group contract
- Individual Life: maintain current relationship with Protective
- Group and Individual Annuities: select product partners



Runout Existing Individual Life and Annuity Policies

- Third-party administrator assessment



Let's Talk!

Important Disclosures

This material is provided for informational purposes only and should not be viewed as investment, tax, or other advice. It does not constitute a contract or an offer for any products or services. In the event of a conflict between this material and the official plan documents or insurance policies, any official plan documents or insurance policies will govern. The Church Pension Fund (“CPF”) and its affiliates (collectively, “CPG”) retain the right to amend, terminate, or modify the terms of any benefit plan and/or insurance policy described in this material at any time, for any reason, and, unless otherwise required by applicable law, without notice.

CPF currently offers a post-retirement health subsidy to eligible clergy and spouses. However, CPF is required to maintain sufficient liquidity and assets to pay its pension and other benefit plan obligations. Given uncertain financial markets and their impact on assets, CPF has reserved the right, at its discretion, to modify or discontinue the post-retirement health subsidy at any time.

Church Pension Group Services Corporation (“CPGSC”), doing business as The Episcopal Church Medical Trust, maintains a series of health and welfare plans (the “Plans”) for eligible employees (and their eligible dependents) of the Episcopal Church. The Medical Trust serves only eligible Episcopal employers. The Plans that are self-funded are funded by the Episcopal Church Clergy and Employees’ Benefit Trust, a voluntary employees’ beneficiary association within the meaning of section 501(c)(9) of the Internal Revenue Code.

The Plans are church plans within the meaning of section 3(33) of the Employee Retirement Income Security Act of 1974, as amended, and section 414(e) of the Internal Revenue Code. Not all Plans are available in all areas of the United States or outside the United States, and not all Plans are available on both a self-funded and fully insured basis. Additionally, the Plan may be exempt from federal and state laws that may otherwise apply to health insurance arrangements. The Plans do not cover all healthcare expenses, so members should read the official Plan documents carefully to determine which benefits are covered, as well as any applicable exclusions, limitations, and procedures.

Church Life Insurance Corporation, NAIC No. 61875, a New York life insurance company, with its home office located at 19 East 34th Street, New York, New York 10016 (“Church Life”), offers group and, in certain circumstances, individual life insurance and annuities to clergy and lay employees, and their families, in the service of the Episcopal Church. Product availability and features may vary by state, and products may not be available in all states. Church Life is not licensed in all states. Any and all guarantees by Church Life are based on and expressly subject to the claims-paying ability of Church Life. The Church Pension Fund does not guarantee the payment of principal of or interest on any Church Life insurance policy or annuity contract. Information and descriptions of products and services are provided solely for general informational purposes and are not intended to be complete descriptions of, or to create a contract or an offer to provide, coverage. For complete details of coverage, including exclusions, limitations and restrictions, please see the actual life insurance policy or annuity contract. If any description of a Church Life product conflicts with the terms of the actual life insurance policy or annuity contract, then the terms of such life insurance policy or annuity contract will govern.