



Design Team

Michigan Conference

THE UNITED METHODIST CHURCH

JOINT DISTRIBUTING COMMITTEE HEALTH CARE STATEMENT MICHIGAN CONFERENCE

RECOMMENDATION TO DESIGN TEAM

VISION

The Michigan Conference will offer a group health care plan for eligible active clergy, conference lay employees, and retired clergy. The program will provide an affordable, comprehensive and wellness-driven health care plan to its participants. Every individual has a responsibility for wellness. Conference clergy and lay employees are expected to live healthy lifestyles and care for themselves spiritually, emotionally, physically, socially and financially, understanding that health care insurance is only one component of a successful health care strategy.

VALUES

Appropriate Benefits:

The conference expects under normal circumstances to provide excellent benefit coverage for participants, while recognizing and evaluating the cost burden to both the participant and the salary paying unit (conference, local churches, conference-related agencies). In the process of developing plan design, funding options, and shared premium requirements, the needs and desires of all involved parties will be considered. A fair and equitable balance for all will always be a primary focus.

Effective Cost Control and Sustainable Coverage:

The conference will strive to develop a plan that can be reasonably maintained and sustained. Cost is critical to the fiscal viability of the salary paying units. Careful management and continuous evaluation will be an ongoing element of the health care plan.

Understanding that the high cost of health care places significant financial burden on all parties, reasonable actions will be taken by the Conference Board of Pension & Health Benefits to benchmark and contain these costs while providing benefits appropriate for conference clergy and lay employees. Elimination of catastrophic financial burden and preservation of purchasing power for the participant are high priorities, but must be balanced against cost.



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OBJECTIVES

Benchmarking:

It is the goal of the Michigan Conference to provide medical and wellness plans comparable to the plans currently in place. The plan benchmark for future changes is to be competitive (comparable to or exceeding) median benefit levels under medical plans offered by other United Methodist Conferences and/or other appropriate health care plan sponsors.

Comparable Cost and Cost Sharing:

The health care plan will focus towards sustainability and cost effectiveness while providing appropriate benefits. In order to maintain comparable benefits with the current plans, no significant savings are anticipated under the new health care plan. Cost is expected to be comparable to the combined expenses of the current health care plans.

The cost of the program will be shared by the salary paying unit and the participant. Specifically, the health care plan will incorporate consistent, equitable and reasonable direct and indirect cost-sharing provisions for active and retired participants and dependents through the design of the benefit structure (deductibles, copayments, coinsurance, coverage levels and limitations) as well as premium cost-sharing contributions based on salary levels.

Enrollment in the conference active group health care plan in most situations will be mandatory for all eligible participants. Enrollment of eligible dependents is optional. Salary paying units with an eligible participant not enrolled in the group plan will be expected to share a portion of the program cost at a reduced rate.

Uniform Premium to Salary Paying Units:

A uniform premium (single blended rate) for the health care plan will be assessed to each salary paying unit for each participant. The uniform premium will be determined by a blended or composite premium rate based on the projected total premium expense for the entire plan.

Wellness Management:

The health care plan will incorporate health management components and/or wellness initiatives as available to promote health awareness and wellness management as well as disease management control.



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Plan Modifications:

The health care plan will include a provision which facilitates plan administration, amendments or changes to the plan. This provision will provide that major plan modifications or amendments that do not constitute a significant change in health care benefits may be subject to review and approval by the Conference Board of Pension & Health Benefits, The Council on Finance and Administration, and the Full Cabinet.

Retiree Eligibility:

Eligibility for continuation of health care coverage in retirement for clergy and conference lay employees will be determined by a formula under the health care policy based on years of service.

(Many of the provisions listed above were previously recommended the joint task force of 2006-2008. They have been reviewed and are being recommended by the current Joint Distributing Committee.)

11/09/16 Approved by JDC

Draft