



**DATE:** September 18, 2020  
**TO:** Evangelical Covenant churches, camps, conferences, and affiliates  
**FROM:** Christina Kempe, Scott Hanson and Steve Klimkowski  
**RE:** **2021 benefits updates and premium rates**

**We pray this letter finds you and your ministry in good health and hopeful for the future. Bethany Benefit Service ("BBS") has had a busy year responding to needs arising from COVID-19, approving the first group of pastors in our Covenant Subsidized Benefits program, and following through on the promise we made to many of you by moving our premium structure from two to four tiers (detailed below). Although it has been a challenging year, we are proud of our successes and are pleased to be able to better support our members going forward.**

**Responding to COVID-19:** In an effort to encourage our members to pursue proper care without unnecessarily exposing themselves to public spaces, we have waived office visit copays for all virtual health visits from March 16 to at least December 31, 2020. We are also covering all COVID-19 testing and treatment at 100% to alleviate any financial obstacles to receiving relevant care. Third, we added mental health services to our Teladoc program to make coping with anxiety, depression, or loss more easily accessible.

**Covenant Subsidized Benefits program:** On July 1, we initiated our program of benefits for Covenant ministers serving in under-resourced settings. This program includes no-cost life, long-term disability, Employee Assistance Program, telehealth through 98point6, as well as subsidized retirement contributions to the ECC's 403b9 plan at GuideStone. We are grateful for the Lilly Foundation who provided initial funding to jumpstart this program!

**Service and administration of the Covenant Pension Plan:** BBS staff have begun faithfully serving the denomination in an even more comprehensive way by adding the service and administration of the Covenant Pension Plan to our repertoire. This addition has allowed us to expand our expertise and discover new and better ways to serve our plan participants.

**Answering the call and responding to your requests on premium tiers:** Our participants' most requested plan enhancement has been the addition of premium tiers between "individual" and "family." We have heard you, and we are very pleased to announce that beginning in 2021, **we are making available two new tier options: "Employee plus spouse" and "employee plus child(ren)."** We hope this new structure will better accommodate and serve our participant families. We look forward to working with you in your transition into this plan enhancement.

**2021 benefits changes:** BBS has held the plan's deductibles, copays and maximum out-of-pocket limits flat for at least twelve years. This has, in effect, increased the benefits provided year-over-year as most health plans increase these out-of-pocket costs slightly every year to accommodate inflation. In 2021, we will keep office visit and prescription copays the same, but marginally increase deductible and maximum out-of-pocket limits.

Deductible and maximum out-of-pocket limits will change as follows:

	<u>Deductible</u>	<u>Max out-of-pocket</u>
<b>2020</b>	\$300	\$1,500
<b>2021</b>	\$350	\$1,575

This change has the potential to increase total family out-of-pocket costs for healthcare by \$250 for the year.

**Rates:** Despite 2021 rate increase recommendations (from our insurance vendor actuaries and our consultant) ranging from 14% to 26%, **BBS is holding our annual rate increase at 5%**. Also, participants who move from the “full family” tier to the “employee plus spouse” or “employee plus child(ren)” will experience a rate decrease.

Please know that Evangelical Covenant Church and BBS leadership takes into great account the benefit needs and financial capabilities of our participating entities in making our annual rates determination. We understand many may struggle to absorb an increase in premium costs after this tumultuous year. **Accordingly, the Finance Committee of the ECC Executive Board approved President John Wenrich’s proposal to expand the ECC Financial Relief Initiative (“FRI”) to provide \$250,000 in funds to cover the incremental cost of the 2021 premium increase for churches, camps, and other affiliates (current BBS participants only) who are experiencing COVID-19 related financial distress.** The form to request this assistance will be included in December premium invoice mailings and on our website.

### **BBS’S 2021 HEALTH INSURANCE PREMIUMS**

*(Life and long-term disability premium rates will remain flat.)*

<b>TIER</b>	<b>2021 RATE</b>	<b>RATIO TO EMPLOYEE ONLY RATE</b>
<b>EE: EMPLOYEE ONLY</b>	<b>\$710</b>	<b>1</b>
Dental/vision EE	\$56	1
Med/script EE	\$660	1
<b>EC: EMPLOYEE + CHILD(REN)</b>	<b>\$1,680</b>	<b>2.36</b>
Den/vis EC	\$138	2.47
Med/script EC	\$1,562	2.37
<b>ES: EMPLOYEE + SPOUSE</b>	<b>\$1,775</b>	<b>2.5</b>
Den/vis ES	\$145	2.59
Med/script ES	\$1,645	2.49
<b>FF: FULL FAMILY</b>	<b>\$1,899</b>	<b>2.67</b>
Den/vis FF	\$156	2.8
Med/script FF	\$1,762	2.67
<b>MEDICARE SUPPLEMENT</b> (actively working)	<b>\$440</b>	<b>0.62</b>

**Enrollment:** BBS has traditionally handled enrollment at the employee level, not requiring local churches, camps, or other affiliates to enroll in benefits as an employer group. We are changing this policy due to the possibility for adverse selection and the resulting negative impact on claims costs and premium rates. While we always seek to be accommodating and accessible, we also need to institute practices that will protect the assets of the plan to be able to serve the Covenant Church long into the future.

Beginning in 2021, churches, camps, and other affiliates wishing to enroll staff for the first time will be required to meet minimum enrollment requirements—at least 75% of benefits-eligible staff must enroll. This policy is relatively fluid and can be adjusted if the organization provides supportive evidence against adverse selection (i.e., all pastoral staff enrolled in BBS, nonpastoral staff enrolled in other coverage). Participant churches, camps, and other affiliates who do not currently meet this requirement will have until January 1, 2023, to comply to provide ample time for planning and transition.

When comparing BBS to other options for your pastors and staff, it is important to remember the **comprehensive and high-quality nature of coverage** that is included in the health insurance package—a low-deductible Blue Cross Blue Shield PPO, prescriptions, dental and vision. It is also important to remember that BBS exists to serve the Evangelical Covenant Church. By enrolling your pastors and staff in this insurance package, you are “in it together” with other local Covenant churches, camps, and affiliates to care for one another.

Please take time to review the enclosures for more information.

We are blessed and honored to serve you in your ministry.

**On behalf of the Covenant Board of Pension and Benefits,**



**Christina Kempe**  
BENEFIT ADMINISTRATOR



**Scott Hanson**  
DIRECTOR OF PENSION



**Steve Klimkowski**  
CHIEF FINANCIAL OFFICER OF THE ECC