

August 24, 2023

Dear Friend:

The Episcopal Church Medical Trust (Medical Trust) is honored to serve the health benefit needs of The Episcopal Church. This is an overview of the health benefits landscape, cost containment strategies, 2024 benefit changes and enhancements to the Medical Trust plans, and related information to help you make decisions on behalf of your Participating Group for the coming year.¹

- Introducing Delta Dental
- Healthcare Cost Trends
- Cost-Containment Strategies
 - SaveonSP and Expansion to Consumer-Directed Health Plans
 - Express Scripts Request for Proposal
- 2024 Benefit Changes
 - Changes to Dental Plan Offering
 - Deductible Increases for Consumer-Directed Health Plans
 - Changes to Healthcare Services Related to COVID-19
- Pricing Methodology and Rate Actions for 2024
- Responding to External Market Forces
- APPENDIX A: 2024 Plan Offerings
- APPENDIX B: 2024 Rx Plan Designs
- APPENDIX C: 2024 Dental Plan Designs

¹ Benefit design updates and pricing information do not apply to fully insured plans (e.g., Hawaii Medical Service Association and Kaiser Permanente Washington) offered on a regional basis to select Participating Groups by the Medical Trust.

Introducing Delta Dental, Our New Dental Vendor

Our dental plan offerings are changing. If you want to offer dental coverage through the Medical Trust in 2024, you must select a Delta Dental plan option. *Cigna Dental will no longer be offered.* Learn more below.

Healthcare Cost Trends

Market forces, demographics, healthcare utilization, plan design, regulatory developments, inflation, and technological advances continue to have a major influence on healthcare costs. Over the last several years, the health cost trend has stabilized and remained in the single digits.

Year-over-year actuarial estimates from PwC predict an increased national healthcare cost trend of 7% for 2024.² Additionally, leading consulting firms have advised the Medical Trust they estimate increased commercial healthcare spending for 2024 of 8% to 9%. Specialty pharmacy remains a main cost driver, along with widespread inflation.

High-cost claimants and ineffective use of the healthcare system continue to be secondary cost drivers. Rather than shift these costs to employees, employers are negotiating aggressively with medical vendors and pharmacy benefit managers, pursuing alternative payment and delivery models, and deploying robust healthcare navigation and concierge services. Additionally, plans such as those offered through the Medical Trust are looking at more appropriate sites of care, continuing to steer patients to quality healthcare providers and facilities that are considered centers of excellence, and encouraging the smart use of technology to help suppress upward cost trends in future years.

We continued to improve benefits and manage costs for participants in the Denominational Health Plan (DHP). Read the [DHP Annual Report](#).

² [Medical cost trend: Behind the numbers 2024](#). PwC Health Research Institute.

Cost-Containment Strategies

We realize that employer contributions toward healthcare coverage are significant. The Medical Trust consistently pursues proven cost-containment strategies that have helped us keep average annual rate increases in the single digits and below market trends. We are closely watching and responding to healthcare industry trends and continually evaluate our plans for quality and value. We leverage our purchasing power to achieve maximum savings on plan administration, avoiding commissions, fees, and other costs, and relieving Episcopal employers of many administrative burdens. In 2022, more than 93% of contributions went toward paying claims, and the remaining portion went toward fixed administrative costs to health plans (access to national networks, claims processing, member service, etc.) and internal operations (plan sponsor and administrative responsibilities, billing and collections, call center, etc.).

We also continue to participate in group purchasing coalitions with other denominations, promote Medicare Secondary Payer Small Employer Exception Plans to eligible employers and members, and educate members on how to take an active role in their well-being for better health and to optimize the use of healthcare services.

SaveonSP

The Medical Trust began collaborating with SaveonSP in 2020 to help members save money on certain specialty pharmacy medications by eliminating member out-of-pocket costs. In 2023, the Medical Trust projects net savings of \$2.4 million as a result of our participation in the SaveonSP specialty drug manufacturer copay assistance program. These savings mitigate the Medical Trust's specialty drug costs, which are a primary driver of cost trends in our prescription drug plan.

In 2024, The Medical Trust will expand the SaveonSP to our Consumer-Directed Health Plans (CDHPs). Previously, this program was not available to members in our CDHPs. However, for 2024 Express Scripts has a new program that is designed to be compliant with Health Savings Account (HSA) rules. Specifically, members must satisfy their deductible before the SaveonSP program applies. With this program, we expect to grow the number of members participating in SaveonSP from 250 to 350. These

additional 100 members will collectively save about \$250,000 in annual out-of-pocket costs. In addition, we expect the Medical Trust to save close to \$350,000 annually.

[Pharmacy Benefit Manager Request for Proposal](#)

The Medical Trust, through the Church Benefits Association (CBA), participates in a group purchasing coalition for pharmacy benefits. In 2023, the CBA conducted a Request for Proposal (RFP) for Pharmacy Benefit Management (PBM) services. The goal of the RFP was to evaluate the competitiveness of financial offers from multiple PBM vendors and to evaluate the services provided to members. After this extensive review, it was decided that Express Scripts will remain our PBM through 2026. As part of their proposal, we expect that the Medical Trust (including member cost share) will save 12%, estimated to exceed \$20 million in savings, over the three-year term.

2024 Benefit Changes

The following benefit changes and enhancements take effect January 1, 2024:

[Changes to Our Dental Plan Offering. Action Required!](#)

Delta Dental has the largest network of dentists nationwide and will be our new dental vendor for 2024. If your Participating Group offers dental coverage with Cigna Dental through the Medical Trust, that coverage will not be offered after December 31, 2023. To offer dental coverage through the Medical Trust in 2024, your group must select a Delta Dental plan from the Premium, Comprehensive, and Basic plan options.

How Delta Dental Can Work for Your Employees

Members will be able to access services in two Delta Dental dentist networks (PPO and Premier) or use out-of-network dentists. Their coinsurance, deductible, and maximum annual benefit will vary based on the network they use for a covered dental service. That puts your members in charge of making their money go further. But they must select a Delta Dental plan if they want dental coverage through the Medical Trust in 2024.

See Appendix C for 2024 dental plan design details.

Deductible Increases for Consumer-Directed Health Plans (CDHPs)

For 2024, the Internal Revenue Service increased the minimum and maximum amounts that a high-deductible health plan (HDHP) (note that the Medical Trust refers to HDHP as CDHP) may impose as a deductible.³

For 2024, the minimum amount that must be imposed as a deductible for self-only coverage under a HDHP is \$1,600. The minimum amount that must be imposed as a deductible for family coverage under a HDHP is \$3,200. The amounts for 2023 were \$1,500 and \$3,000, respectively.

Anthem and Cigna CDHP-15

Effective January 1, 2024, the Medical Trust's Anthem and Cigna CDHP-15 network deductible for self-only coverage will be \$1,600 and the network deductible for family coverage will be \$3,200. The out-of-network deductible for self-only coverage will be \$3,200 and the out-of-network deductible for family coverage will be \$6,400.

Anthem, Cigna, and Kaiser CDHP-20

Effective January 1, 2024, the Medical Trust's Anthem, Cigna, and Kaiser CDHP-20 network deductible for self-only coverage will be \$3,200 and the network deductible for family coverage will remain \$5,450. The out-of-network deductible for self-only coverage will be \$3,200 and the out-of-network deductible for family coverage will remain \$6,000.

Changes to Healthcare Services Related to COVID-19

On May 11, 2023, the federal COVID-19 public health emergency declaration expired.

Effective January 1, 2024, member cost sharing (i.e., copays, deductibles, and coinsurance) will apply based on service type and place of service for healthcare services related to the evaluation and testing for COVID-19.

³ See [IRS Notice 2023-23](#).

In addition, effective January 1, 2024, member cost sharing (i.e., copays, deductibles, and coinsurance) will apply based on service type and place of service for healthcare services relating to the treatment of COVID-19.

COVID-19 Over-the-Counter (OTC) Home Test Kits

Through December 31, 2024, eligible individuals and their dependents who are enrolled in Anthem and Cigna PPO medical plans and Kaiser EPO medical plans through the Medical Trust may receive up to four COVID-19 OTC home test kits per month without cost-share (i.e., copay, deductible, and coinsurance).

Eligible individuals and their dependents who are enrolled in CDHPs with Anthem, Cigna, and Kaiser may receive up to four COVID-19 OTC home test kits per month with no coinsurance after they meet their annual network deductible.

Although the Medical Trust is no longer required by law to provide OTC home test kits at no cost, we will still allow members to receive up to four test kits per member per month as described above until further notice.

Pricing Methodology and Rate Actions for 2024

Based on market conditions, the Medical Trust's consulting actuaries forecasted an 8.1% increase to the combined medical and pharmacy claim trend. Adjustments were then made based on plan value, modest improvement in our demographic risk profile (average age and gender mix), and our cost-containment strategies.

When all factors of the rate-setting process—including the current plan offering of the Participating Groups—are considered, the Medical Trust's overall final 2024 average rate increase, prior to employer and employee Annual Enrollment decisions, is 6.4%. This average is below the market trend increase estimated by our actuarial consultants. As in 2023, none of our groups that are mandated to participate with the Medical Trust by the DHP will see a double-digit increase, and the majority of groups will see an increase that is within +/-1% of the average. Episcopal employers participating in the Medical Trust but not mandated by the DHP may have a higher

average rate increase of 7.7% based on their claims experience.

The Way Forward

The Medical Trust continues to examine ways we can improve member benefits while further managing costs. This includes such ongoing efforts as selecting a healthcare navigator to support members, leveraging industry innovations to improve service, and collaborating with other denominations through the Church Alliance to ensure that new laws consider the unique nature of Church plans.

As part of the [Church Benefits Association purchasing coalition](#), we perform market checks to analyze the value of our current vendor arrangement and negotiate better pricing terms when appropriate.

Additional opportunities to improve member benefits and/or further manage costs include:

- Virtual care options
- Social determinants of health (SDOH)⁴
- Design modifications targeting top cost drivers

For more information about these efforts, see our [DHP Annual Report](#).

We are thankful for your support as we strive to provide comprehensive healthcare benefits to our members while managing overall costs. As always, we stand ready to assist you if you have questions or need clarification.



John Servais
Senior Vice President
Benefits Policy and Design

⁴ According to the US Department of Health and Human Services, [social determinants of health](#) are “the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.”

APPENDIX A: 2024 Plan Offerings

The medical plan array is unchanged from 2023 and includes seven plan designs with Anthem and Cigna (four traditional PPO plans and three Consumer-Directed Health Plans/Health Savings Accounts (CDHP/HSA) and, in certain regions, three Kaiser plans (two traditional network-only plans and one network-only CDHP/HSA). Through a multi-vendor strategy and an array of plan designs, we provide meaningful choice to our employer groups in selecting the plan offering that best suits both members and employers.

Please note that a Participating Group must offer the same plan designs for both Anthem and Cigna if the Participating Group chooses to offer both networks.

This means that you have the following options for your 2024 medical plan offering:

- Select one or more plan design(s) using the Anthem network alone.
- Select one or more plan design(s) using the Cigna network alone.
- Select one or more plan design(s) using both the Anthem and Cigna networks.
For example, under this option, if you choose to offer the Anthem PPO 80, you must also offer the Cigna PPO 80.

Requiring the same plan designs for both Anthem and Cigna is necessary to prevent any adverse risk selection between vendor networks. Also, offering identical plan designs provides an equitable plan value choice to your employees. Members who choose to be in one vendor network will have the same plan design options as members who select another.

APPENDIX B: [2024 Rx Plan Designs](#)

[EXPRESS SCRIPTS, INC.](#)

Standard Rx

	Retail (up to 30-day supply)	Home Delivery (up to 90-day supply)
Generic	Up to \$10	Up to \$25
Preferred brand-name	25%; up to \$40 min / \$80 max	25%; up to \$100 min / \$200 max
Non-preferred brand-name and brand non-sedating antihistamines	40%; up to \$80 min / \$160 max	40%; up to \$200 min / \$400 max
Specialty	40%; up to \$100 min / \$200 max	40%; up to \$250 min / \$500 max

Premium Rx

	Retail (up to 30-day supply)	Home Delivery (up to 90-day supply)
Generic	Up to \$5	Up to \$12
Preferred brand-name	Up to \$35	Up to \$87
Non-preferred brand-name and brand non-sedating antihistamines	Up to \$70	Up to \$175
Specialty	Up to \$90	Up to \$225

CDHPs (coinsurance-based)

	Retail (up to 30-day supply)	Home Delivery (up to 90-day supply)
Generic	15% after deductible	15% after deductible
Preferred brand-name	25% after deductible	25% after deductible
Non-preferred brand-name and brand non-sedating antihistamines	50% after deductible	50% after deductible
Specialty	50% after deductible	50% after deductible

KAISER**EPO High and EPO 80 Rx**

	Retail (up to 30-day supply)	Home Delivery (up to 90-day supply)*
Generic	Up to \$5	Up to \$5 for a 30-day supply, or \$10 for a 90-day supply*
Preferred brand-name	Up to \$30	Up to \$30 for a 30-day supply, or \$60 for a 90-day supply*
Non-preferred brand-name and brand non-sedating antihistamines	Up to \$70	Up to \$70 for a 30-day supply, or \$140 for a 90-day supply*
Specialty	Up to \$90	Up to \$90 for a 30-day supply

* California residents may receive up to a 100-day supply at home delivery

CDHP-20 (coinsurance-based)

	Retail (up to 30-day supply)	Home Delivery (up to 90-day supply)*
Generic	15% after deductible	15% after deductible
Preferred brand-name	25% after deductible	25% after deductible
Non-preferred brand-name and brand non-sedating antihistamines	50% after deductible	50% after deductible
Specialty	50% after deductible	50% after deductible

* California residents may receive up to a 100-day supply at home delivery

APPENDIX C: [2024 Dental Plan Designs](#)

[DELTA DENTAL](#)

Premium Dental Plan

	PPO Network	Premier Network	Out-of-Network
Deductible	\$0/\$0	\$0/\$0	\$50/\$150
Annual Benefit Limit*	\$3,000	\$2,500	\$2,000
Preventive and Diagnostic	No charge	No charge	No charge**
Basic Restorative	Plan pays 85% Coins.	Plan pays 85% Coins.	Plan pays 75% Coins.**
Major Restorative	Plan pays 85% Coins.	Plan pays 85% Coins.	Plan pays 75% Coins.**
Implants	Plan pays 85% Coins	Plan pays 85% Coins.	Plan pays 75% Coins.**
Orthodontia Services	Plan pays 50% Coins	Plan pays 50% Coins.	Plan pays 40% Coins.**
Orthodontia Lifetime Maximum*	\$2,000	\$2,000	\$1,500

* Plan maximums cross-accumulate between the PPO Network, Premier Network, and out-of-network dentists.

** Members are responsible for any applicable deductibles, coinsurance, amounts over annual or lifetime maximums and charges for non-covered services. Out-of-network dentists may bill the difference between their usual fee and Delta Dental's maximum contract allowance.

Comprehensive Dental Plan

	PPO Network	Premier Network	Out-of-Network
Deductible	\$0/\$0	\$0/\$0	\$100/\$300
Annual Benefit Limit*	\$2,500	\$2,000	\$1,500
Preventive and Diagnostic	No charge	No charge	No charge**
Basic Restorative	Plan pays 85% Coins.	Plan pays 85% Coins.	Plan pays 75% Coins.**
Major Restorative	Plan pays 50% Coins.	Plan pays 50% Coins.	Plan pays 40% Coins.**
Implants	Plan pays 50% Coins.	Plan pays 50% Coins.	Plan pay 40% Coins.**
Orthodontia Services	Plan pays 50% Coins	Plan pays 50% Coins.	Plan pays 40% Coins.**
Orthodontia Lifetime Maximum*	\$1,500	\$1,500	\$1,000

* Plan maximums cross-accumulate between the PPO Network, Premier Network, and out-of-network dentists.

** Members are responsible for any applicable deductibles, coinsurance, amounts over annual or lifetime maximums and charges for non-covered services. Out-of-network dentists may bill the difference between their usual fee and Delta Dental's maximum contract allowance.

Basic Dental Plan

	PPO Network	Premier Network	Out-of-Network
Deductible	\$0/\$0	\$0/\$0	\$0/\$0
Annual Benefit Limit*	\$2,000	\$1,500	\$1,000
Preventive and Diagnostic	No charge	No charge	No charge**
Basic Restorative	Plan pays 80% Coins.	Plan pays 80% Coins.	Plan pays 70% Coins.**
Major Restorative	Plan pays 40% Coins.	Plan pays 40% Coins.	Plan pays 1% Coins.**
Implants	Not Covered	Not Covered	Not Covered
Orthodontia Services	Not Covered	Not Covered	Not Covered
Orthodontia Lifetime Maximum*	N/A	N/A	N/A

* Plan maximums cross-accumulate between the PPO Network, Premier Network, and out-of-network dentists.

** Members are responsible for any applicable deductibles, coinsurance, amounts over annual or lifetime maximums and charges for non-covered services. Out-of-network dentists may bill the difference between their usual fee and Delta Dental's maximum contract allowance.

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.

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 "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.

This material is not a substitute for professional medical advice or treatment. CPG does not provide any healthcare services and, therefore, cannot guarantee any results or outcomes. Always seek the advice of a healthcare professional with any questions about your personal healthcare, including diet and exercise.

Neither The Church Pension Fund nor any of its affiliates (collectively, "CPG") is responsible for the content, performance, or security of any website referenced herein that is outside the www.cpg.org domain or that is not otherwise associated with a CPG entity.