



Healthflex Exchange



6 Health Plans

Not including dental or vision

6 Health Plans

GOLD 3

SILVER 2

BRONZE 1

Premium

High \$\$ —————> Low \$

Benefits

High \$\$ —————> Low \$

6 Health Plans

GOLD 3

SILVER 2

BRONZE 1

Deductible

Low —————> High

Out-of-Pocket Max

Low —————> High

What about out-of-pocket cost?

GOLD 3

SILVER 2

BRONZE 1

Out-of-Pocket Cost

Low  High

NOT NECESSARILY

You must understand how plans work.



Defined Contribution

A.K.A free money to the pastor

Defined Contribution

	Per month	Per year
For pastor	\$773	\$9,276
Church	\$730	\$8,760
Conference	\$43	\$576

Individual Clergy Only

DEFINED CONTRIBUTION	\$9,276/YEAR or \$773/MONTH
Defined Contribution	+\$773
C2000 Plan	-\$734
Dental Passive PPO	-\$ 39
Basic Vision (Exam Only)	-\$ 0
	<u>\$0</u>

Individual Clergy Only With Upgrades

DEFINED CONTRIBUTION	\$9,276/YEAR or \$773/MONTH
Defined Contribution	+\$773.00
C2000 Plan	-\$734.00
PPO Dental	-\$ 44.00
Premier Vision	-\$ 14.38
	<u>-\$ 19.38</u> ← Withheld from paycheck

Church Bill

CHURCH DEFINED CONTRIBUTION	\$8,760/YEAR or \$730/MONTH
Defined Contribution	+\$730.00
Extra Dental	+\$ 5.00
Extra Vision	+\$ 14.38
	<u>\$749.38</u>

Why?

The Conference can't collect insurance \$\$.

Only the church can collect insurance \$\$ from the pastor.

Can the pastor just write a check for the extra?

Only if they want to pay taxes on it.

WAIT A SECOND! How does that math work?

Total Cost (Everything on one bill)

C2000 Plan	-\$734.00
PPO Dental	-\$ 44.00
Premier Vision	-\$ 14.38
	<hr/>
	-\$792.38
Church Defined Contribution	+\$730.00
Church withholds from pastor's paycheck	+\$ 19.38
Conference Defined Contribution	+\$ 43.00
	<hr/>
	+\$792.38

Grand Total: \$0

Missouri Conference							
United Methodist Church							
Conference Pension and Health Benefits							
3601 Amron Court							
Columbia, MO 65202							
First UMC 1234 Main Street Saint Louis, MO 63140				Account Type: Church [809161] Account # 9876 Statement Date: 1/1/2018 09/15/2017			
Statement Period: 01/01/2018 to 01/31/2018							
Pension and Health Benefit Statement							
Participant	Type	Prior Year Past Due	Arrearage This Year	YTD Paid	Current Amount	Balance Due	Amount Paid
John Smith	CPP	\$0.00	\$0.00	\$0.00	\$191.73	\$191.73	
John Smith	CRSP DB	\$0.00	\$0.00	\$0.00	\$589.24	\$589.24	
John Smith	CRSP DC	\$0.00	\$0.00	\$0.00	\$191.73	\$191.73	
John Smith	MED	\$0.00	\$0.00	\$0.00	\$730.00	\$730.00	
First UMC Total		\$0.00	\$0.00	\$0.00	\$1,702.70	\$1,702.70	

Missouri Conference							
United Methodist Church							
Conference Pension and Health Benefits							
3601 Amron Court							
Columbia, MO 65202							
First UMC 1234 Main Street Saint Louis, MO 63140				Account Type: Church [809161] Account # 9876 Statement Date: 1/1/2018 09/15/2017 Statement Period: 01/01/2018 to 01/31/2018			
Pension and Health Benefit Statement							
Participant	Type	Prior Year Past Due	Arrearage This Year	YTD Paid	Current Amount	Balance Due	Amount Paid
John Smith	CPP	\$0.00	\$0.00	\$0.00	\$191.73	\$191.73	
John Smith	CRSP DB	\$0.00	\$0.00	\$0.00	\$589.24	\$589.24	
John Smith	CRSP DC	\$0.00	\$0.00	\$0.00	\$191.73	\$191.73	
John Smith	DEN	\$0.00	\$0.00	\$0.00	\$5.00	\$5.00	
John Smith	MED	\$0.00	\$0.00	\$0.00	\$730.00	\$730.00	
John Smith	VIS	\$0.00	\$0.00	\$0.00	\$14.38	\$14.38	
First UMC Total		\$0.00	\$0.00	\$0.00	\$1,722.08	\$1,722.08	

Another Example

If you have the B1000 – “the plan we’ve always had” – listen up!

Another Example

DEFINED CONTRIBUTION	\$9,276/YEAR or \$773/MONTH	
Defined Contribution	+\$773	
B1000 Plan	-\$771	
Passive PPO 1000 Dental	-\$ 39	
Basic Vision (Exam Only)	\$ 0	
	<hr/>	
	-\$ 37	← Withheld from paycheck

Total Cost (Everything on one bill)

B1000 Plan	-\$771
PPO Dental	-\$ 39
Basic Vision (Exam Only)	\$ 0
	<hr/>
	-\$810
Church Defined Contribution	+\$730
Conference Defined Contribution	+\$ 43
	<hr/>
	+\$773

Grand Total: -\$37, withheld from pastor's paycheck

**If you have had the B1000,
and do nothing, you'll still
have the B1000.**

**Once annual election is over,
you can't change it.**

Church Billing

- Every full-time church will have **AT LEAST** \$730 billed for each full-time pastor.
- That \$730 is **NOT** withheld from payroll.
- Any additional amounts **ARE** withheld.

Family Examples



Just a Spouse (or 1 child) “Participant + 1”


H1500 Plan	\$1,335
Passive PPO 1000 Dental	\$ 71
Basic Vision (Exam Only)	\$ 0
	<u> </u>
	\$1,406/month → \$16,872/year
	for two people

Paying For It

Participant + 1

Total Cost	-\$1,406
Church Defined Contribution	+\$ 730
Conference Defined Contribution	+\$ 43
	<u> </u>
	\$633/month → \$7,596/year
	for two people

Billed to the church
and withheld from paycheck



Multiple Dependents with Upgrades

C2000 Plan	\$1,718.00
Best Dental	\$ 129.00
Premier Vision	\$ 37.02
	<u>\$1,884/month</u> → \$22,608/year



Paying For It

Multiple Dependents with Upgrades

Total Cost	-\$1,884.02
Church Defined Contribution	+\$ 730.00
Conference Defined Contribution	+\$ 43.00
	<u>\$1,111.02/month</u> → \$13,332.24/year
	for two people

Billed to the church
and withheld from paycheck



What Will The Local Church Bill Be?

Multiple Dependents with Upgrades

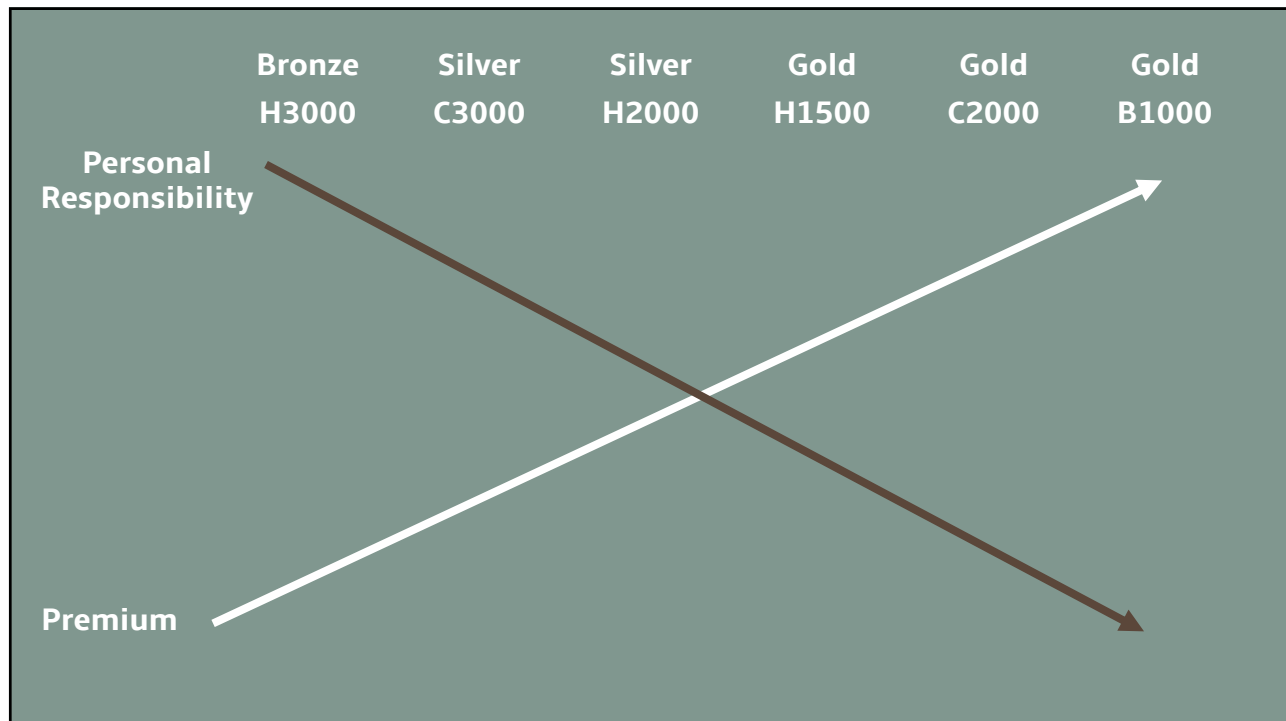
Church Defined Contribution	\$ 730.00
Conference Defined Contribution	<u>\$1,111.02</u>
	\$1,841.02/month

\$43 less than
total actual cost



Picking a Plan

- Are lower premiums always better? **NO**
- Are higher benefits better? **NO**
- Are HSAs best? **Maybe, but not always**
- Isn't it best to keep what I know? **Not always**



Out-of-pocket?

Depends.

Best for me?

Depends.



What to Consider

The banner features a series of interlocking hexagons in shades of brown, teal, and grey. Several hexagons contain photographs: a man in a brown jacket speaking into a microphone; a group of people at an outdoor event; a large crowd of people; a person in a purple tank top and white helmet; a person in a white shirt standing next to a large stack of white containers; a group of people in front of a building with a 'bridge bread' sign; and a person in a purple shirt looking down.

What to Consider

Premium for which you are responsible

Remember, you get \$773 free

Prescription Benefits

B1000 – Co-pay

C2000 – Co-pay after deductible

H1500 – Full cost then co-insurance

What to Consider

Doctor Visits

B1000 – Co-pay

C2000 – Co-pay after deductible

H1500 – Full cost then co-insurance

Why would I not pick the B1000?

Why would I not pick the B1000?

Remember the premium is partially paid by \$773 of defined contribution.

*Picking the B1000 costs \$500 + **out-of-pocket** in premium*



Why would I not pick the B1000?

Benefits of accompanying accounts:

- *"H plans" have HSA, some with free \$*
- *"C plans" have HRA, all with free \$*
- *B1000 has a flex spending account, but it's funded only with payroll withholding.*

Consider potential hospital stays/procedures with surgery, multiple prescriptions and doctor visits.

Example



Pastor John

B1000 PLAN

2 Doctor Visits
2 Prescriptions
No hospitalization
No surgery



Pastor Jane

H1500 PLAN

2 Doctor Visits
2 Prescriptions
No hospitalization
No surgery

Example: Out-of-Pocket Costs



Pastor John

B1000 PLAN

\$60 2 x \$30 for doctor visits

\$30 2 x \$15 for generic Rx

\$90

BUT \$444 in premiums

\$534 TOTAL



Pastor Jane

H1500 PLAN

\$240 2 x \$120 for doctor visits

\$150 2 x \$75 for Rx

\$390

BUT has \$750 in an HSA **AND**
another \$84 in excess DC in that
HSA

**If Jane uses her HSA,
what's her out-of-pocket
cost for the year?**

\$0



Pastor Jane

H1500 PLAN

HSA	+\$750
Excess defined contribution	-\$ 84
Amount spent on services	<u>-\$390</u>
	+\$444

\$444 left as HSA balance to roll over to 2019

With family and dependent coverage, the estimations are similar, but you have to account for all participants and higher deductibles and costs.

Other things to consider and compare

Premium (less than \$773) compared to premiums for family in outside plans

- *Marketplace – no tax subsidy*
- *Other employers*
- *Private insurance*

Other things to consider and compare

Remember tax savings for group health.

- *Suppose you pick C2000*
 - *\$1,822/month or \$21,864/year*
 - *Subtract \$773 defined contribution*
 - *Total is \$1,049/month*

$$\mathbf{\$1,822 - \$773 = \$1,049/month}$$

Other things to consider and compare

**Compare to a similar plan outside at \$950/month.
Appears cheaper!**

- *But the \$950 is paid with taxable dollars, and the \$1,049 is pre-tax.*
- *Suppose an effective tax rate of 15 percent*
 $\$1,049 - 15\% = \892

What about catastrophe?

With our plans, out-of-pocket max never exceeds:

- *\$6,500 per individual*
- *\$13,000 per family*

for the C3000, H2000 and H3000 plans.



Predictions

Forces that drove Affordable Care Act will not relent.

- *More individual responsibility*
- *More account-like mechanisms (HSA)*
- *More emphasis on choice (i.e. Exchange-like tools)*

Predictions

Stabilizing of markets, though that doesn't mean lower costs, just more predictability

Employer-coverage still has an uncertain future.

New Addendum



INDIVIDUAL CLERGY WITH UPGRADES

	A	B	C	D	E	F	G	H	I	J	K
1											
2					2018 PASTORAL SUPPORT INFO PAGE						
3											
4				PASTOR'S NAME	<input type="text"/>						
5				CHURCH NAME	<input type="text"/>						
6					<input type="text"/>						
7				DISTRICT	<input type="text"/>						
8					<input type="text"/>						
9					<input type="text"/>						
10				Enter Amount Line 1 of PSF - "Taxable Salary"					<input type="text"/>		
11					<input type="text"/>						
12				Enter Amount Line 2 of PSF - "Non-Taxable Salary"					<input type="text"/>		
13					<input type="text"/>						
14				TOTAL SALARY (match Line A on PSF)			\$		-		
15					<input type="text"/>						
16				Health Insurance Status: Put a "1" in the correct box							
17								Pastor ONLY	<input type="checkbox"/>		
18								Pastor and 1 Dependent	<input type="checkbox"/>		
19								Pastor and Family	<input type="checkbox"/>		
20					<input type="text"/>						
21					<input type="text"/>						
22					<input type="text"/>						
23				PROCEED TO NEXT TAB AT BOTTOM LABELED "MEDICAL"							
24					<input type="text"/>						
25					<input type="text"/>						
26					<input type="text"/>						
27					<input type="text"/>						

PSF Info Medical Dental Vision Summary Addendum Form Healthflex Depend. Ins.

INDIVIDUAL CLERGY WITH UPGRADES

	A	B	C	D	E	F	G	H	I	J	K
1											
2					2018 PASTORAL SUPPORT INFO PAGE						
3											
4				PASTOR'S NAME	John Smith						
5				CHURCH NAME	First UMC						
6					<input type="text"/>						
7				DISTRICT	Gateway Central						
8					<input type="text"/>						
9					<input type="text"/>						
10				Enter Amount Line 1 of PSF - "Taxable Salary"			\$	57,692.00			
11					<input type="text"/>						
12				Enter Amount Line 2 of PSF - "Non-Taxable Salary"			\$	19,000.00			
13					<input type="text"/>						
14				TOTAL SALARY (match Line A on PSF)			\$	76,692.00			
15					<input type="text"/>						
16				Health Insurance Status: Put a "1" in the correct box							
17								Pastor ONLY	<input type="checkbox" value="1"/>		
18								Pastor and 1 Dependent	<input type="checkbox"/>		
19								Pastor and Family	<input type="checkbox"/>		
20					<input type="text"/>						
21					<input type="text"/>						
22					<input type="text"/>						
23				PROCEED TO NEXT TAB AT BOTTOM LABELED "MEDICAL"							
24					<input type="text"/>						
25					<input type="text"/>						
26					<input type="text"/>						
27					<input type="text"/>						

PSF Info Medical Dental Vision Summary Addendum Form Healthflex Depend. Ins.

INDIVIDUAL CLERGY WITH UPGRADES

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
2	2018 PSF ADDENDUM WORKSHEET -- MEDICAL															
4	PASTOR'S NAME	John Smith														
6	CHURCH NAME	First UMC														
8	DISTRICT	Gateway Central														
10	Medical Plan Chosen															
11	Please put a "1" in the box of your chosen plan - mark only one box															
13	<input type="checkbox"/>	PPO B1000	Traditional Plan (Gold)	\$	444	Premium										
14		[Includes basic vision/dental]														
16	<input type="checkbox"/>	CDH C2000	Consumer Driven Plan (Gold)	\$0	Premium											
18	<input type="checkbox"/>	CDH C3000	Consumer Driven Plan (Silver)	\$0	Premium	\$	1,236	Excess to H R A								
20	<input type="checkbox"/>	HDH H1500	High Deductible Plan (Gold)	\$0	Premium	\$	84	Excess to H S A								
22	<input type="checkbox"/>	HDH H2000	High Deductible Plan (Silver)	\$0	Premium	\$	828	Excess to H S A								
24	<input type="checkbox"/>	HDH H3000	High Deductible Plan (Bronze)	\$0	Premium	\$	1,920	Excess to H S A								
26	PROCEED TO NEXT TAB AT BOTTOM LABELED "DENTAL"															
31	<div style="display: flex; justify-content: space-between; border-top: 1px solid black; padding-top: 5px;"> PSF Info Medical Dental Vision Summary Addendum Form Healthflex Depend. Ins. </div>															

INDIVIDUAL CLERGY WITH UPGRADES

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
2	2018 PSF ADDENDUM WORKSHEET -- MEDICAL															
4	PASTOR'S NAME	John Smith														
6	CHURCH NAME	First UMC														
8	DISTRICT	Gateway Central														
10	Medical Plan Chosen															
11	Please put a "1" in the box of your chosen plan - mark only one box															
13	<input type="checkbox"/>	PPO B1000	Traditional Plan (Gold)	\$	444	Premium										
14		[Includes basic vision/dental]														
16	<input type="checkbox"/>	CDH C2000	Consumer Driven Plan (Gold)	\$0	Premium											
18	<input checked="" type="checkbox"/>	CDH C3000	Consumer Driven Plan (Silver)	\$0	Premium	\$	1,236	Excess to H R A								
20	<input type="checkbox"/>	HDH H1500	High Deductible Plan (Gold)	\$0	Premium	\$	84	Excess to H S A								
22	<input type="checkbox"/>	HDH H2000	High Deductible Plan (Silver)	\$0	Premium	\$	828	Excess to H S A								
24	<input type="checkbox"/>	HDH H3000	High Deductible Plan (Bronze)	\$0	Premium	\$	1,920	Excess to H S A								
26	PROCEED TO NEXT TAB AT BOTTOM LABELED "DENTAL"															
31	<div style="display: flex; justify-content: space-between; border-top: 1px solid black; padding-top: 5px;"> PSF Info Medical Dental Vision Summary Addendum Form Healthflex Depend. Ins. </div>															

INDIVIDUAL CLERGY WITH UPGRADES

2018 PSF ADDENDUM WORKSHEET -- DENTAL			
PASTOR'S NAME	John Smith		
CHURCH NAME	First UMC		
DISTRICT	Gateway Central		
[Enter "1" in the appropriate box]			
DENTAL			
<input type="checkbox"/>	PASSIVE PPO 1000	\$ -	Pastor Only
<input type="checkbox"/>	PPO	\$ 60.00	Pastor Only
<input type="checkbox"/>	PASSIVE PPO 2000	\$ 180.00	Pastor Only
PROCEED TO NEXT TAB AT BOTTOM LABELED "VISION"			

INDIVIDUAL CLERGY WITH UPGRADES

2018 PSF ADDENDUM WORKSHEET -- DENTAL			
PASTOR'S NAME	John Smith		
CHURCH NAME	First UMC		
DISTRICT	Gateway Central		
[Enter "1" in the appropriate box]			
DENTAL			
<input type="checkbox"/>	PASSIVE PPO 1000	\$ -	Pastor Only
<input checked="" type="checkbox"/>	PPO	\$ 60.00	Pastor Only
<input type="checkbox"/>	PASSIVE PPO 2000	\$ 180.00	Pastor Only
PROCEED TO NEXT TAB AT BOTTOM LABELED "VISION"			

INDIVIDUAL CLERGY WITH UPGRADES

2018 PSF ADDENDUM WORKSHEET -- VISION			
PASTOR'S NAME	John Smith		
CHURCH NAME	First UMC		
DISTRICT	Gateway Central		
[Enter "1" in the appropriate box]			
VISION			
<input type="checkbox"/>	EXAM CORE	\$ -	Pastor Only
<input type="checkbox"/>	FULL SERVICE	\$ 67.44	Pastor Only
<input type="checkbox"/>	PREMIER	\$ 172.56	Pastor Only
PROCEED TO NEXT TAB AT BOTTOM LABELED "SALARY REDUCTIONS"			

INDIVIDUAL CLERGY WITH UPGRADES

2018 PSF ADDENDUM WORKSHEET -- VISION			
PASTOR'S NAME	John Smith		
CHURCH NAME	First UMC		
DISTRICT	Gateway Central		
[Enter "1" in the appropriate box]			
VISION			
<input type="checkbox"/>	EXAM CORE	\$ -	Pastor Only
<input type="checkbox"/>	FULL SERVICE	\$ 67.44	Pastor Only
<input checked="" type="checkbox"/>	PREMIER	\$ 172.56	Pastor Only
PROCEED TO NEXT TAB AT BOTTOM LABELED "SALARY REDUCTIONS"			

INDIVIDUAL CLERGY WITH UPGRADES

	A	B	C	D	E	F	G	H	I	J	K	L
11												
12												\$ 57,459.44
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												

INDIVIDUAL CLERGY WITH UPGRADES

	A	B	C	D	E	F	G	H	I	J	K	L
22												
23												
24												
25												
26												
27												\$ 19,232.56
28												
29												\$ 76,692.00
30												
31												
32												
33												
34												
35												
36												
37												