



OFFICE OF THE BISHOP Diocese of Lubbock

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April 14, 2010

Dear Bishop

On Tuesday, June 6, 2010, I attended the Board of Directors' meeting for the Catholic Employee Benefit Group in Irving, Texas, and I would like to give you a report and make a plea for fraternal and mutual help.

Catholic Employee Benefit Group (CEBG) will begin its 5th year of operations July 1, 2010. CEBG provides medical, prescription drug/pharmacy, dental, life insurance, and accidental death and dismemberment (AD&D) benefits to 1,000 employees and their dependents.

As you may recall, CEBG was the actualization of a 2004 mandate of the Texas Bishops, who formed a committee to study the issue of affordable employee benefits. All fifteen Texas Dioceses/Archdioceses participated in the feasibility study. Four Bishops (John Yanta, Edmund Carmody, Alvaro Corrada, S.J., and I) and their respective Dioceses (Amarillo, Corpus Christi, Tyler and Lubbock) committed to CEBG, which was incorporated as a non-profit (civil) corporation in June, 2006. The Board of Directors is comprised of a delegate from each Diocese, appointed by the Bishop—usually the Diocesan Fiscal Officer.

CEBG established its employee benefits to be competitive with those offered by Texas Dioceses/Archdioceses. The CEBG board sets benefits and over-all premiums based on negotiated administrative costs plus actuarially projected medical, pharmacy, and dental costs and life and AD&D insurance rates. Each Diocese determines the methodology for assessing premium and contribution rates to their locations/parishes/schools, and CEBG invoices 200+ locations on a monthly basis. Collections are at 100% with zero dollars in Accounts Receivable.

To put the success in a meaningful perspective, due to collaborative efforts, dioceses participating in CEBG have saved, since its inception, an estimated \$6,180,000—funds made available for other Diocesan ministry initiatives. CEBG participating dioceses have experienced a 10% cumulative increase over the 4 year time period, while maintaining stable benefits. During this same time period, many other dioceses not in CEBG have been faced with annual premium increases of 10-15%, or a cumulative 4 year increase of 40% - 50%. Participation in CEBG will therefore promote a savings of approximately \$2,400,000 for 2010-2011, realized savings of \$1,800,000 for 2009-10, savings of \$1,320,000 for 2008-09, and \$660,000 for 2007-08, for a total of \$6,180,000.

Bishops Zurek, Corrada, Mulvey, and I would like to formally thank Bishops John Yanta and Edmund Carmody for their visionary leadership in the mutual formation of CEBG. We would also like to encourage other Dioceses to join CEBG and extend the savings for all ministry initiatives in Texas. CEBG is indeed a success story, and wanted to share this report. Moreover, we are in need of other Dioceses to join CEBG so that we can consolidate these gains and help other Dioceses contain their costs. We need your episcopal leadership.

Sincerely yours in Christ,

+ Plácido Rodríguez, cmf.

Most Rev. Plácido Rodríguez, CMF
Bishop of Lubbock