Oxy's Annual Benefit Review
AGENDA

1. Overview - Oxy benefit menu and history
2. Strategic Planning
3. Rate History and Employee Contributions
4. Marketing Analysis
5. Survey Results
Benefit Committee Members:

Karen Salce - HR
Gisselle Cornejo - HR
Kristi Allen - Budget and Finance
Jim Andersen - Risk Management
Mario Bonilla - Facilities
Liz Boyd - Dean’s Office
Professor Mary Christianakis - CTSJ (from fall 2018)
Professor Sanjeev Khagram - DWA (through spring 2018)
Sara Semal – Emmons Wellness Center
Benefits Committee

Tiffany Feng - Facilities
Courtney Stricklin Burgan - Admission
Xiaoling Hong - ITS
Erica Jovanelly - Dining Services
Felipe Kosareff - Facilities
Luci Masredjian - Disability Services
Carol Milki - Institutional Advancement
Amy Munoz - Dining Services
Raquel Sanchez - Facilities
Danita Maxwell - HR
Overview

• Benefit Menu for full time employees include:
  – Medical (Kaiser, Health Net HMO and POS)
  – Dental (PPO and HMO)
  – Vision
  – Basic Life Insurance
  – Voluntary Benefits
    o Supplemental Life Insurance
    o Critical Illness – NEW
    o Accident Benefits – NEW
    o Hospital Indemnity Plan – NEW
    o Pet Discount Program - NEW
  – FSA (Flexible spending accounts)
  – CareCounsel - NEW
Overview

Oxy medical plans both offered for +15 years:

• Kaiser – Staff Model HMO
  – More than 64% of our population is currently enrolled

• Health Net HMO and POS (similar to a PPO)
  – POS offers three levels of coverage and network options:
    o HMO, in-network, out-of-network
Annual Strategic Planning
Annual Strategic Planning

Each year Human Resources:

1. Reviews migration from last annual enrollment
2. Benchmarks – compares Oxy products, plan, contribution and costs to other higher education institutions
3. Identifies benefit enhancements
Annual Strategic Planning

What we have learned:

1. POS plan has been retired by Health Net
2. Most other vendors do not sell POS plans
3. Health Net is primarily a carrier for Medicare supplement plans
4. Oxy benefit plan design is more generous compared to benchmark
5. Oxy’s POS plan is overpriced
We have marketed medical the last three years to solicit the best medical products, plan design and cost:

- Anthem
- Aetna
- Blue Shield of CA
- Cigna
- UHC
Non-Kaiser carriers will not quote on business if there is more than 50% of our faculty/staff enrolled in Kaiser

- Oxy currently has 64% Kaiser enrollment
- Even though we have received competitive quotes, we did not purchase and may not continue receiving competitive bids from the marketplace.
Medical vendors review the following data to identify risk:
1. Demographics
2. Rate and contribution history
3. Benefit specifications
4. Large claim information
Annual Strategic Planning

Timeline:

• Vendor releases their quote on the deadline for a future effective date – which is January 1, 2020
• The quote(s) from the vendor are valid for 30 – 60 days once released to Oxy.
• Current vendors don’t always release their renewals as early as we receive marketing results.
• We always negotiate to ensure we have the best plan and rate possible before making decisions.
• Once approved, we work on the annual enrollment communication for the campus
Benefits Committee

• We have been working with a benefits committee throughout the campus for the past 2 years. We have members who represent all departments.

• We received a strong bid from Blue Shield of CA because the committee showed good faith to the outside health care companies we are serious about making a change at Oxy.
Rate History and Employee Contributions
## Rate History

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tr>
<td><strong>Medical</strong></td>
<td></td>
<td></td>
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<tr>
<td>Kaiser HMO Union</td>
<td>13%</td>
<td>2%</td>
<td>0.8%</td>
<td>-0.1%</td>
<td>11.6%</td>
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<tr>
<td>Kaiser HMO Non-Union</td>
<td>12.2%</td>
<td>2%</td>
<td>0.8%</td>
<td>-0.1%</td>
<td>11.6%</td>
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<tr>
<td>Health Net EOA Union</td>
<td>11.7%</td>
<td>12.5%</td>
<td>-0.4%</td>
<td>12%</td>
<td>7.0%</td>
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<tr>
<td>Health Net EOA Non-Union</td>
<td>11.7%</td>
<td>12.5%</td>
<td>-0.4%</td>
<td>12%</td>
<td>7.4%</td>
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<tr>
<td>Health Net POS</td>
<td>2.5%</td>
<td>12.5%</td>
<td>8%</td>
<td>0%</td>
<td>15.0%</td>
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<tr>
<td>Health Net OOS</td>
<td>2.5%</td>
<td>12.5%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td><strong>Overall Increase</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Change</td>
<td>9.4%</td>
<td>6.2%</td>
<td>2.1%</td>
<td>2.8%</td>
<td>9.5%</td>
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<tr>
<td>$ Change</td>
<td>$613,146</td>
<td>$440,654</td>
<td>$158,310</td>
<td>$220,891</td>
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## Employee Contribution

<table>
<thead>
<tr>
<th></th>
<th>Tier 1 Employee Contributes</th>
<th>Tier 2 Employee Contributes</th>
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</thead>
<tbody>
<tr>
<td><strong>Kaiser HMO</strong></td>
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</tr>
<tr>
<td>Employee Only</td>
<td>$60.91</td>
<td>$60.91</td>
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<tr>
<td>Two-Party</td>
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<td>Family</td>
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<td><strong>Health Net EOA</strong></td>
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<td><strong>Health Net POS</strong></td>
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<td>Employee Only</td>
<td>$118.57</td>
<td>$118.57</td>
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<tr>
<td>Two-Party</td>
<td>$255.47</td>
<td>$323.93</td>
</tr>
<tr>
<td>Family</td>
<td>$350.53</td>
<td>$466.51</td>
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</table>
## Employee Contribution

<table>
<thead>
<tr>
<th>BARGAINING UNIT CONTRIBUTION RATES</th>
<th>Per Paycheck Rates</th>
<th>Tier 1 Employee Contributes</th>
<th>Tier 2 Employee Contributes</th>
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<tbody>
<tr>
<td></td>
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<td>$62.83</td>
<td>$62.83</td>
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<tr>
<td>Kaiser HMO</td>
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<td></td>
<td>Two-Party</td>
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<tr>
<td>Health Net EOA</td>
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<tr>
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<td>Two-Party</td>
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<td>Family</td>
<td>$211.62</td>
<td>$281.76</td>
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<tr>
<td>Health Net POS</td>
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</table>
Marketing Analysis

Oxy deems quotes are acceptable if the price offers the following:

1. Savings to the employee
2. Employees have access to network
3. Minimal network disruption to current doctors and hospitals
4. Benefits are equally comparable or better than current
5. Access to Customer Service
Marketing Deadline

1. Oxy requests quotes in July and receives quotes in August

2. Healthcare companies give us only 30 – 60 days to accept or decline their coverage
   – Limited window
   – We always push back with our current vendors to get the best price (dependent on usage)
Survey Results

Based on our survey, employees wanted to see the following:

1. Lower cost for healthcare
   - Including a PPO that everyone could afford
2. More mental health options
3. Physical therapy
4. Health Advocate
5. Voluntary Benefits
Advocating for You and With You

Navigating the complex world of health benefits can be a challenge, leaving you questioning if you have made the right choices for you and your family’s best health. CareCounsel’s health advocacy program is a special benefit sponsored by your employer that can help you understand and effectively navigate your health benefits. We offer high touch and customized service backed by experience and depth. We have provided assistance to thousands of employees since 1997 and look forward to helping you when you need it.

Here are just a few things CareCounsel can help you with:

- Choosing a health plan during Open Enrollment
- Benefits education and assistance for all types of health plans (medical, dental, etc.)
- Getting the most of your healthcare dollars
- Helping you find physicians and get care
- Obtaining second opinions
- Troubleshooting medical claims/bills
- Grievances and appeals
- Navigating Medicare (when you turn 65 and ongoing)
- Access to the Stanford Health Library
-Stanford educational webinars and community education sessions
- Connecting you with expert healthcare resources
- Becoming a proactive health consumer

Using CareCounsel couldn’t Be Easier

We are available by phone at 1.888.227.3334 or at staff@carecounsel.com

staff@carecounsel.com
Survey Results

What do you suggest would enhance our current benefit menu?

Is there anything you would like the Human Resources to consider?
Thank you.