

MINUTES

UNIVERSITY MANAGEMENT COMMITTEE

August 27, 2018

ATTENDEES: Phil Phillips (chair), Lauren Cosentino, Donna Nofziger, Gary Hanson, Marc Goodman, Michael Feltner, Connie Horton, Agus Harjoto, Hung Le, Joan Singleton, Rick Marrs

ABSENT: Lee Kats, Rick Gibson, Nicolle Taylor

RETIREMENT PLAN COMMITTEE ATTENDEES: Larry Baumgardner, Joseph Fritsch, Pete Peterson, Greg Ramirez

RETIREMENT PLAN COMMITTEE ABSENT: Jack McManus, Naomi Goodno

Together, the UMC and Retirement Plan Committees form the Benefits Committee.

I. UNIVERSITY MANAGEMENT COMMITTEE CALL TO ORDER:

Vice President for Administration Phil Phillips called the Benefits Committee meeting to order. The date was Monday, August 27, 2018 in the TAC Lobby Conference Room – Malibu Campus.

II. BENEFITS UPDATE

Chief Human Resources Officer Lauren Cosentino updated the committee on upcoming changes to the University's benefits plans. She highlighted that, following complaints about Pepperdine's current HSA vendor, the University will be switching to a new, more intuitive vendor called Chard Snyder. Human Resources will host training sessions in the fall.

Furthermore, she described 2019 renewals rates as follows: Anthem renewal is 17.5%; Kaiser renewal is 7.8%; and the overall medical renewal increase is 14.4%. In order to reduce costs to match budget, Chief Cosentino proposed the following:

Anthem EPO

- Office copay increases from \$45 to \$50
- Deductible increase from \$750 individual/\$1,500 family to \$1,000 individual/\$2,000 family
- Co-insurance increase to 20% from 10%
- Out-of-pocket maximum from \$3,500 to \$4,000 per individual
- Out-of-pocket maximum for family at \$12,000

Anthem HDHP Plan

- Added coverage for hearing aids under durable medical equipment

Anthem Advantage HMO and Vivity HMO Plan's

- Added acupuncture coverage to ASH network rider

Kaiser HMO

- Added acupuncture coverage to ASH network rider

Chief Cosentino described migration to Vivity after last year’s benefit changes:

- 73 migrations from EPO plan
- 139 migrations from Anthem Advantage HMO
- 90 migrations from Kaiser
- 6 migrations from HDHP
- Total: 308 migrations

She described how this migration is aiding the Pepperdine insured pool by diversifying healthy individuals into both Kaiser and Anthem.

Chief Cosentino then gave an overview of 2019 plan year options and costs. The committee asked questions and discussed different options. Chief Cosentino proposed to continue seeding the HDHP, which could cost the University \$575,000. Furthermore, she proposed that the University contribute \$500 Single and \$1,000 Family, as well as match additional \$500 Single and \$1,000 Family.

After discussion and different proposals, the Committee voted to approve the proposed seeding, and the following insurance rate increases:

Plan	Coverage	Proposed Monthly Cost
		Increase Vivity Rates
HDHP Plan	SINGLE	\$ 155.00
	EE + SPO	\$ 331.00
	EE + CHRN	\$ 300.00
	FAMILY	\$ 456.00
EPO	SINGLE	\$ 550.00
	EE + SPO	\$ 1,210.00
	EE + CHRN	\$ 990.00
	FAMILY	\$ 1,705.00
Advantage HMO	SINGLE	\$ 131.00
	EE + SPO	\$ 279.00
	EE + CHRN	\$ 253.00
	FAMILY	\$ 385.00
Vivity HMO	SINGLE	\$ 80.00
	EE + SPO	\$ 192.00
	EE + CHRN	\$ 181.00
	FAMILY	\$ 261.00
Kaiser HMO	SINGLE	\$ 86.00
	EE + SPO	\$ 205.00
	EE + CHRN	\$ 188.00
	FAMILY	\$ 275.00

X. ADJOURNMENT

There being no further business, the meeting was adjourned.