
Dartmouth Retiree Health Plan:

Changes to Original CBC Proposal
Based on Employee Comments

March 2008

Original CBC Objectives and Guidelines

- Control health plan costs.
 - Manage long-term institutional financial obligation.
 - Create a viable and sustainable benefit.
 - Protect current retirees from undue financial burden.
 - Sustain access to a retiree health plan for current and future employees.
 - Help employees plan for their medical care during retirement.
 - Avoid placing Dartmouth at a competitive disadvantage with its peers.
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Original CBC Proposal (Presented to Employees for Comment - Fall 2007)

- Plan Design: Out-of-pocket expenses mirror current employee plan
 - Eligibility: Employees age 55+ and 10 years of continuous benefits-eligible service
 - College Contribution: Based on age plus years of service on June 30, 2009
 - Minimum 40% and maximum 85% for existing employees
 - Access only to the plan for future employees
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Commonly Heard Employee Comments

- Reconsider making any changes to the plan.
 - Grandfather in existing employees.
 - Provide 100% subsidy for employees who qualify now for the “Rule of 75”.
 - Weight years of service more heavily than age.
 - Extend the implementation date into the future.
 - Remove the 85% maximum subsidy.
 - Make the proposal more affordable – particularly for lower-income employees.
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Reordered Priorities Based on Employee Comments

- Provide full subsidy for employees who meet the “Rule of 75” on July 1, 2009 (reduce feelings of urgency to retire).
 - Weight years of service more than age in the formula used to calculate the College subsidy.
 - Reduce proposed out-of-pocket expenses for current retirees.
 - Increase minimum College subsidy above the proposed 40%.
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The New Retiree Health Plan for Pre-July 1, 2009 Employees

- In consultation with actuaries, a mathematical formula was devised that:
 - raises the lowest premium subsidy from 40% to 50%;
 - raises the maximum premium subsidy from 85% to 100%;
 - weights years of service more heavily than age; and
 - provides an additional subsidy to any employee who earns less than \$60,000.
 - The formula drives the calculator that figures each employee's retiree health premium subsidy
<www.dartmouth.edu/~hrs/benefits/retirement/calc.php>.
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The New Retiree Health Plan for Post-July 1, 2009 Employees

- Employees hired on or after July 1, 2009, will have access only to Dartmouth's health plan at retirement.
 - A savings vehicle (type yet to be determined) will be created to allow for new employees to receive up to a \$3,000 match toward retiree health care savings.
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The New Health Insurance Plan Design for Age 65+ Retirees

- Effective January 1, 2009
 - Deductible: Retiree pays \$250 per calendar year. (Deductible is for medical only.)
 - Co-insurance on Medical: Insurance pays 80% of Medical Expenses.
 - Co-insurance for Prescriptions (Rx): Insurance pays 70% of Prescription Costs.
 - Annual Out-of-Pocket Maximum: \$900 (Medical \$450, Rx \$450)
 - No change in services covered
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