Why Are We Here Today?

• What are some of the challenges Dartmouth continues to face in providing employer-sponsored benefits to its employees?

• What levers do Dartmouth and its peers have relative to maintaining a comprehensive benefits structure?

• What can we expect in the next several years specific to health care changes?

• What is Dartmouth doing proactively to mitigate increasing benefit costs and how can employees and Dartmouth partner together on future solutions?
What is Total Compensation?

Base Pay + Benefits Coverage = Total Compensation
Total Compensation Statement

RETIREMENT BENEFITS

401(a) DEFINED CONTRIBUTION RETIREMENT PLAN
Dartmouth College provides a defined contribution retirement plan. Under this plan, Dartmouth makes regular, pre-tax contributions based on a percentage of salary and age. There are three investment companies in which to invest the contributions: TIAA-CREF, Fidelity Investments, and Calvert. These are marketed through TIAA-CREF. Contributions are subject to limits allowed under Section 401(k) of the IRS Code. Your 403(b) SRA contributions:

ADDITIONAL BENEFITS

TUITION REIMBURSEMENT
After at least one year of service, benefits-eligible employees may take courses that have been pre-approved. Dartmouth College will reimburse 50% of the registration and tuition cost, up to a maximum benefit of $2,999 per fiscal year for successfully completed courses with a grade of C- or higher for associate or undergraduate courses and B- or higher for graduate courses. Your utilization of this benefit:

GRANT-IN-AID FOR DARTMOUTH COURSES
Benefits-eligible employees who are actively at work for one year of continuous regular employment may be eligible to receive tuition grant-in-aid for courses at Dartmouth. Your utilization of this benefit:

FACULTY/EMPLOYEE ASSISTANCE PROGRAM (FEAP)
Dartmouth College offers an FEAP program, a free, private and confidential counseling and referral service for assistance with work-life balance. The program provides services such as personal, legal, financial, career and other types of counseling services, as well as consultation and education resources. You and your family members are each eligible for up to eight counseling sessions per year.

RETIREE MEDICAL PLAN
Employees hired on or after July 1, 2020 will have access to the College’s group health plan, and are responsible for paying the full premium when eligibility requirements are met. Employees hired into benefits-eligible positions before July 1, 2020 may be eligible for a health insurance premium subsidy in retirement. You are not eligible for a Retiree Medical Subsidy but may have access to the College’s Retiree Medical Plan.

SUPPLEMENTAL BENEFITS (Vesting benefits)
Dartmouth provides a variety of supplemental plans which include AFLAC Hospital Indemnity, AFLAC Personal Accident, Boston Mutual Personal Accident, Transamerica Critical Illness/Cancer and Transamerica Universal Life Insurance Long Term Care.

OTHER BENEFITS YOU MAY BE ELIGIBLE FOR
- Adoption Benefit
- Disability Benefits
- Employee Discounts
- Libraries
- Paid Holidays
- Discount Tickets
- Commuter Reimbursement

ABOUT YOUR REPORT
Reasonable measures have been made to report this information accurately. Payment of any compensation and benefit, however, is subject to the actual conditions and terms of the applicable plan rather than to any information contained herein. The amount of any benefit will be determined in accordance with the legal documents establishing the various plans. This report does not constitute such a legal document, nor does it create a contractual agreement between Dartmouth College and its employees. Consistent with applicable laws, Dartmouth College reserves the right to change, suspend, or terminate any and all the policies and benefits set forth herein. For more information on benefits or to review frequently asked questions about this statement, please go to: www.dartmouth.edu/hr/benefits/index.html

Dartmouth

Your Personal Total Compensation and Benefits Statement for Calendar Year 2015

Dear Colleague,

I am pleased to present you with your personalized statement of total compensation for calendar year 2015. This statement summarizes the various benefits available to you and your family as a Dartmouth employee. I encourage you to compare your 2015 statement to the statement you received back in September for calendar year 2014. Moving forward you can expect to receive these statements annually in the March timeframe for the previous calendar year.

Your personalized statement of total compensation includes your base pay, your benefits coverage, and the value of this coverage paid by Dartmouth College. Please take the time to review the information in this statement carefully. I hope you will agree that this statement confirms the significant value added by our total benefits programs above and beyond your actual salary, and that the information provided will be useful in planning your financial future.

Please note that the data used to compile this report represents your personal compensation and benefits information as of December 31, 2015, and therefore any changes made after that date are not reflected. We have taken care to ensure that the information presented is accurate, but if in your review you discover any discrepancies or have any questions, please call a member of the Benefits team in the Office of Human Resources at 603-646-3598 or email at: Human.Resources.Benefits@dartmouth.edu.

Thank you for your continued contribution to Dartmouth’s success.

Sincerely,

Scott R. Bernt
Chief Human Resources Officer

Designed and prepared specifically for:
Total Salaries/Wages and Benefits Expense ($000)

CAGR Total Comp = 4.9%

<table>
<thead>
<tr>
<th>Year</th>
<th>Salaries/Wages</th>
<th>Benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>325,387</td>
<td>105,349</td>
<td>430,736</td>
</tr>
<tr>
<td>FY13</td>
<td>348,694</td>
<td>113,065</td>
<td>461,759</td>
</tr>
<tr>
<td>FY14</td>
<td>367,617</td>
<td>114,211</td>
<td>481,828</td>
</tr>
<tr>
<td>FY15</td>
<td>381,822</td>
<td>123,051</td>
<td>504,873</td>
</tr>
<tr>
<td>FY16</td>
<td>391,659</td>
<td>129,853</td>
<td>521,512</td>
</tr>
</tbody>
</table>

CAGR = 5.4%

CAGR = 4.7%
Benefits Expense ($000)

- **Statutory Benefits**
  - CAGR = 4.3%

- **Pension/Retirement**
  - CAGR = 3.1%

- **Health Care**
  - CAGR = 7.6%

- **Other**
  - CAGR = 11.2%

<table>
<thead>
<tr>
<th>Year</th>
<th>Statutory Benefits</th>
<th>Pension/Retirement</th>
<th>Health Care</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>22,923</td>
<td>42,652</td>
<td>34,072</td>
<td>5,701</td>
</tr>
<tr>
<td>FY13</td>
<td>24,263</td>
<td>44,097</td>
<td>37,287</td>
<td>7,419</td>
</tr>
<tr>
<td>FY14</td>
<td>25,889</td>
<td>41,450</td>
<td>39,129</td>
<td>7,743</td>
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<tr>
<td>FY15</td>
<td>25,992</td>
<td>46,315</td>
<td>43,089</td>
<td>7,655</td>
</tr>
<tr>
<td>FY16</td>
<td>27,160</td>
<td>48,263</td>
<td>45,696</td>
<td>8,733</td>
</tr>
</tbody>
</table>
## Inflation Comparisons

<table>
<thead>
<tr>
<th>Item</th>
<th>Price in 2005</th>
<th>Price in 2015</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100 cash</td>
<td>$100.00</td>
<td>$121.36</td>
<td>2.0%</td>
</tr>
<tr>
<td>U.S. Health Care Expenditures per capita</td>
<td>$6,856</td>
<td>$9,960</td>
<td>3.8%</td>
</tr>
<tr>
<td>Dartmouth undergraduate tuition, room, board, and mandatory fees (&quot;sticker price&quot;)</td>
<td>$39,465</td>
<td>$61,947</td>
<td>4.6%</td>
</tr>
<tr>
<td>Dozen large eggs</td>
<td>$1.35</td>
<td>$2.75</td>
<td>7.4%</td>
</tr>
</tbody>
</table>
Health Care Costs Per Employee

<table>
<thead>
<tr>
<th>Percent Growth</th>
<th>Medical</th>
<th>Pharmacy</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 to 2013</td>
<td>5.1%</td>
<td>9.3%</td>
<td>5.9%</td>
</tr>
<tr>
<td>2013 to 2014</td>
<td>4.1%</td>
<td>12.5%</td>
<td>5.7%</td>
</tr>
<tr>
<td>2014 to 2015</td>
<td>-3.1%</td>
<td>13.6%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Medical Pharmacy Total
U.S. Sues to Block Anthem-Cigna and Aetna-Humana Mergers

The government just announced some big changes to try and fix Obamacare

EpiPen maker faces scrutiny over 450 percent price hike of vital allergy drug
How Does the Current Landscape Impact Dartmouth?

- **Health Care Trend**
  - Insurance carriers are estimating health care trend to be 9-11% in the upcoming years
  - Trend drivers include aging population and prescription drug inflation

- **Regulatory environment**
  - Uncertainty about the Affordable Care Act’s future and the Cadillac Tax
  - Increased debate on pharma manufacturers and managing costs

- **Carrier and provider consolidation**
  - Carrier consolidation goals: stronger negotiating power with providers, broadening product portfolio and network footprints for patients
  - Provider consolidation goals: more efficient care and greater access for patients, financial leverage with carriers
  - Both efforts result in decreased competition ➔ less leverage for consumers
<table>
<thead>
<tr>
<th>Key Findings From Cigna and CVS/caremark</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>35.7%</strong></td>
</tr>
<tr>
<td><strong>5.5%</strong></td>
</tr>
<tr>
<td><strong>31%</strong></td>
</tr>
<tr>
<td><strong>26.9%</strong></td>
</tr>
<tr>
<td><strong>19%</strong></td>
</tr>
<tr>
<td><strong>13%</strong></td>
</tr>
</tbody>
</table>
How Does Dartmouth Evaluate Health Benefits?

• Dartmouth has adopted the following guiding principles for benefits:
  – Manage our benefits effectively
  – Engage and empower employees
  – Offer a competitive program

• Leadership and HR meet with the College Benefits Council (CBC) throughout the year to discuss Dartmouth’s benefits strategy.
  – The CBC serves as the voice of Faculty and Staff.

• The CBC reviewed the 2017 benefits strategy with the goals of:
  – Maintaining competitive benefits options for employees
  – Providing plans with meaningful choice
  – Providing benefits that appeal to all employees
  – Providing resources to employees that allow you to better understand the financial aspects of the medical plans
Current Initiatives to Improve Health and Access

• **Wellness at Dartmouth**
  – The new Pulse at Dartmouth program launched in the Spring with over 2,200 enrollees.
    • Pulse at Dartmouth provides a comprehensive suite of tools and support, including challenges similar to the MOVE IT challenge, activity, sleep and nutrition trackers, personal assessments and more.
    • You can earn up to $400 per year for participating in wellness activities (up to $800 per family if spouse is enrolled on your Dartmouth College health plan).
  – The current $200 wellness benefit will be discontinued on June 30, 2017.

• **Dartmouth Health Connect**
  – An on-campus, innovative and highly personalized primary care practice for employees and adult dependents enrolled in a Cigna health plan.
  – Office visits are covered at no cost
  – Patients enjoy 24/7 access to their care teams by phone and are guaranteed same or next day sick visits.
  – The practice is accepting new patients. Call 603.738.1164 or visit [www.dartmouthhealthconnect.com](http://www.dartmouthhealthconnect.com) to learn more about the practice.
Dartmouth’s efforts in health care leadership

• Continue important contributions to the field of health care delivery science through TDI and TDC
• Emphasis on Well-being
• Dartmouth Health Connect model
• Evaluate future benefit designs and options with College Benefits Council
• Evolving Mental health conversation
• Communication emphasis
• Ongoing dialogue with peers to share best practices
Summary of 2017 Benefit Changes

• **Medical**
  – Consolidation of OAP1 and OAP2 plans into a single plan option
  – Introduction of a new plan option, the Cigna Choice plan, which will include a Dartmouth-funded Health Reimbursement Account (HRA)
  – No plan changes to the HDHP, however Dartmouth Health Connect patients will now receive a $500/$1,000 HRA contribution
  – Active employee premiums will increase by an average of 1.4%
    • Actual increases vary by plan election

• **Prescription Drugs**
  – No changes to OAP or HDHP copays or coinsurance
  – The Cigna Choice plan copays will be $5 / $30 / $50
  – Preferred drug list changes take effect on 1/1 – CVS/caremark will send notices to impacted members

• **Flexible Spending Accounts**
  – 2017 contribution limits will be announced by the IRS in the fall

• **Health Savings Accounts**
  – Limits increase by $50 annually for individuals. No change to family limits.
Summary of 2017 Benefit Changes continued...

- **Dental**
  - No plan design changes and 2% decrease in employee premiums
  - Per union contract changes, SEIU employees will no longer receive a credit towards dental premiums
- **Life Insurance and Long Term Disability**
  - No changes for 2017
- **Continue to offer Health Care Cost Hardship program**
- **Decision Support Resources**
  - ALEX, an online health plan decision support tool, will be available during open enrollment to help you understand the plan changes and consider the best plan for you and your family.
Decision Support Overview – Ask ALEX

- The ALEX tool allows you to estimate you and your family’s medical expenses for the upcoming year and will help you to identify which plan may be the best option for you.

- ALEX also helps to explain how deductibles, coinsurance, copays and savings accounts work within each plan.

- Below are just a few examples of how ALEX works.

**Update your medical needs and hit Submit:**

- 3 Primary care visits
- 1 Specialist visits
- 0 Hospital stays
- 1 ER visits
- Maternity
- Referrals are okay
- 0 Inpatient surgeries
- 1 Outpatient surgeries
- 2 Occasional prescriptions
- 1 Ongoing prescriptions
- Limited choice of doctors is okay

**Flexible Spending Account (FSA):**

Avoid paying federal taxes on money you spend on qualified health care expenses

IRS limit on contributions for 2017: $2,550

**That applies to:**
- Primary care physician visit
- Specialist visit
- Hospital admission
- Inpatient maternity
- Inpatient surgery
- Outpatient surgery
- ER visit

This is just a summary and only applies to covered services.

**Ready to go on?**

- I’m ready.
- Could you repeat that?
Take Action

• **Group Educational Sessions** – September 26 through October 14. For dates and times, visit: [www.dartgo.org/benefits2017](http://www.dartgo.org/benefits2017)

• **Employee Services Fair** – October 13 from 10am – 2pm.
  Visit Alumni Hall on the 2nd floor of the Hopkins Center to meet representatives from our health and welfare vendors, the Dartmouth Benefits Team, and other on-campus services for individual Q&A opportunities.

• **Open Enrollment** – October 17 through October 31

• **One-on-One FlexOnline Enrollment Assistance Sessions** – October 17 through October 31

• For more information visit the Human Resources Benefits website for 2017 Open Enrollment at [www.dartgo.org/benefits2017](http://www.dartgo.org/benefits2017)
Looking Ahead

• Continued focus on investing in value-added benefits for our employees and their families

• Regular discussions with local and peer employers to ensure Dartmouth implements best practices

• Evaluation of cost drivers

• Ongoing conversations with the local provider community to improve access and quality of care

• Let’s keep talking
Thank you...