College Benefits Council Meeting Minutes  
November 11, 2013  
2:00 pm - 4:00 pm  
Human Resources Training Room  

Members present: Rich Howarth (Chair), Richard Sansing, Tricia Cornelius, Patti Bacon, Ethan Lewis, Ginny Hazen, Carrie Colla, Bob Hawley, Kate Soule, Katrina Davis and Andrea Tarnowski  

Members absent: Robert Green, Allen Gulledge and Gwen Williams  

Also present: Rick Mills, Myron McCoo, Lynn Baker, Alice Tanguay, Tricia Spellman and Melissa Miner  

Minutes: Yvonne Pelletier  

The meeting began at 2:05 pm; a PowerPoint presentation was used to guide the meeting.  

1. Introduction of new members and role of the CBC  

Rick Mills introduced himself and gave a background of the intended function and membership of the CBC. The group went around the room to introduce themselves.  

2. Minutes from June and September meetings  

There was a motion to approve the June 2013 minutes. The motion was approved. There was a motion to approve the September 2013 minutes. The motion was approved.  

3. Benefits survey results – Review of Analysis  

The group was sent a document from the Office of Institutional Research which summarized the results of a recent Dartmouth College benefits and wellness survey. The following points were made about the survey responses:  

- Respondents were representative of the College population with the exception of gender. Women were a greater proportion of the survey respondents.  
- Of the three major groups (faculty, exempt staff, non-exempt staff) faculty seem the least satisfied with the benefits.  
- The results seemed generally positive.  
- Responses to open ended questions were revealing and insightful.  
- Issues of access and quality of care seemed to be a recurring theme in the responses to the open ended questions.  

The intention is to readminister the survey approximately every 3-4 years. The information has been and will continue to be used as feedback for future planning.
4. Follow Up from September Meeting

The following decisions made at the September CBC meeting were reviewed.

• Moved from 3-tier rate structure to 4-tier rate structure (added adult + child(ren) tier)
• Added global out-of-pocket maximum for medical costs to OAP1 and OAP2
• Reduced coinsurance for OAP2 from 90% to 80%
• Expanded out-of-network vision coverage for OAP1 and OAP2 from $45 to 70% coinsurance
• Expanded number of physical therapy visits before medical necessity determination from 8 to 24
• Set 2014 premium rates at 3.5% overall growth from 2013
• Performed a market check against the Dartmouth CVS Caremark agreement

5. 2014 Open Enrollment update

An open enrollment slide compared 2014 elections to 2012 and 2013 figures. The following points were made:

• 3,650 employees (83%) are enrolled in health plans; 726 waived coverage (17%)
• The proportion of employees who have waived coverage is slightly higher than last year (+7%)
• The distribution of employees by plan has shifted slightly with a 20% increase in the OAP2 and 32% increase in the HDHP

The HSA and Medical FSA plans were also discussed. The following points were made:

• More employees are participating in the HSA while fewer employees are contributing to the FSA programs.
• While more employees are participating in the HSA, the average contribution amount for the HSA decreased by 14%
• The number of employees receiving the $250 contribution to the FSA is down by 1%, although the average contribution per person is up by 5%.

6. Affordable Care Act (ACA) issues

An ACA Compliance chart displayed the guidelines and compared them to Dartmouth's plan. The following points were discussed:

• The new Transitional Reinsurance Fee will cost Dartmouth approximately $520k in 2014. This amount was added to the 2014 premium equivalent.
• There was also a review of the 2018 Excise Tax (also known as the Cadillac Tax). Based on Dartmouth’s 2014 plan costs, it appears likely that the excise tax will be triggered as early as 2018 in both OAPs and the family tier of the HDHP. The additional tax could add $1.6 million to 2018 costs and would increase in later years.
7. Recent questions raised by CBC members

The following questions have been raised recently by CBC members:

• Why are Dartmouth's premiums so high?
• What is the real value of Dartmouth's nominal contribution to our health coverage?
• Since Dartmouth self-insures (which should be cost-saving), and the Dartmouth community is presumably more "healthy" (i.e., a lower risk) than the wider uninsured community, how is it that our costs are so much more?
• Are current employees subsidizing the costs for retiree medical benefits?
• Is it less expensive for Dartmouth to purchase insurance from outside (i.e., from Anthem, Cigna, or healthcare.gov, etc.) than to self-insure?
• What percent of total premiums go directly toward the benefits of current employees rather than to internal and external administrative costs?

The team addressed each area of concern.

• A summary of Dartmouth's claims and utilization experience was reviewed.
• The difference between self-funded coverage and fully insured coverage was reviewed.
• The coverage available on the NH and VT Health Insurance Exchanges was discussed. The following were noted as factors influencing the premium rates for Exchange coverage:
  • Plan design – deductibles, coinsurance, copayments, maximum out-of-pocket costs
  • Network - NH plans include significant restrictions on hospital and physician networks (e.g. 12 of the state’s 26 hospitals are excluded from the network)
  • Provider rates of payment/discounts
  • Risk assumptions – estimated mix of people with a high illness burden and young healthy "invincibles"
• Dartmouth administrative costs were also reviewed. The admin costs as a percent of total plan costs is 3.5%. If the ACA Transitional Reinsurance Fee is added to the admin costs, the percentage becomes 4.5%.

8. Set goals and agenda for the academic year and establish workgroups

The Committee discussed forming subcommittees to further discuss issues. The proposed subcommittees were: 1) Pharmacy Coverage; 2) Health Plan Coverage Issues; 3) Health Plan Design; 4) Wellness Programs and 5) Retirement Benefits. The group also discussed having topic-specific meetings instead of forming subcommittees at this point.

The group discussed a few key areas of concern: opposite sex coverage, domestic partner coverage, autism, and international coverage. Dartmouth's budget and cost of care were also concerns that were brought up. It was clarified that the council was designed to bring informed recommendations to President Hanlon, who is ultimately the one who makes decisions.

- Towers Watson notified Dartmouth of their choice to sunset the Benesoft platform.
- System components include: Credit and Cost Management, Plan Eligibility, Enrollment Processes, Interfaces, Reporting
- A vendor recommendation was made to leadership after the following efforts were made to date: peer survey, vendor identification and contact, fit/gap analysis, technical assessment, vendor viability assessment, vendor demonstrations, proposal and cost assessment review, price negotiations, and customer reference checks

The meeting was adjourned at 4:05pm.