College Benefits Council Meeting Minutes
June 11, 2015, 3:00 pm - 5:00 pm
Human Resources Training Room

Members present: Rich Howarth (Chair), Bob Hawley, Richard Sansing, Allan Gulledge, Barbara Sagraves, Erzo Luttmer, Ginny Hazen, Ethan Lewis, Patti Bacon, Leigh Remy, Carrie Colla, Kate Soule, Harold Frost and Tricia Cornelius
Members absent: Maura Clarke, Melissa Durkee, Melissa Dolan Dylan Griffin, Katrina Davis, Peggy Kennedy and Gwen Williams
Also present: Alice Tanguay, Rick Mills**,** Mike Wagner, Scot Bemis, Melissa Miner, Cheryl Josler and Patricia Beek
Minutes: Krystal Knowlton

1. Review April 30, 2015 Meeting Minutes

There was a motion to approve the April 30, 2015 minutes with one minor edit. The motion was approved.

2. Review 2016 Recommended Changes from April 30, 2015 Meeting

- Health plan – the committee will recommend no changes to the medical plans for 2016.
  - Premiums will be determined later in the summer once Dartmouth has additional claims data that can be reviewed
- Long Term Disability (LTD) – the committee will recommend the addition of a 12 month partial LTD benefit at a replacement amount of the employees elected coverage (50%, 60% or 70%).
  - Employees with a life expectancy of 12 months or less will have access to retirement monies
- Life Insurance – the basic life benefit provided by Dartmouth will increase from 5k to 50k.
  - Premiums for voluntary life insurance will change to post tax which will eliminate imputed income
  - The maximum benefit will increase from 1 million to 1.5 million
  - A one-time payment will be provided to non-exempt employees who will need to pay additional premiums to have the same coverage as current, payment equal to three years of the current life insurance credit, which will be eliminated

3. Disability Follow-Up Questions and Recommendations

The group requested additional information in regards to the 12 month partial LTD benefit and updating the cessation date (end date) of LTD benefits.

- The 12 month partial LTD benefit enhances the benefit by providing an opportunity for disabled employees to return to work if their department can work with the accommodations.
  - This allows for a transition period for employees who have not fully recovered or are in treatment and cannot yet work a full time schedule
  - Research shows employees will continue to increase hours as they transition back to work, which reduces the liability of the LTD plan to pay for a total disability leave if the employee has the ability to work
  - This can also be a benefit to the department as a skilled employee is returning to the work place, rather than hiring a temporary employee to fill in during the disability
  - The group reviewed proposed language to allow for residual disability, which means being partially disabled during Short Term Disability (STD). The employee would not receive any additional time on STD but since in many cases employees recover over

    time, it supports this by allowing the employee to satisfy the 26 week elimination period to qualify for LTD benefits while they are working at a reduced capacity
  - Once the employee transitions to LTD, the proposed plan change allows the employee to return to work on a part-time or reduced schedule basis and will have the balance of their unworked hours paid at their long-term disability benefit elected amount of 50%, 60% or 70% of their pre-disability, base rate of pay, for a period of up to 12 months
- The group reviewed two cases where the addition of the partial LTD benefit allowed a skilled employee to return to work on a part time basis and saved the LTD plan an estimated 71k and 48k in liabilities.
  - The group agreed this seems like a sensible change to the plan when an employee is able to work as it saves the plan money and is a better plan design for an employee in ongoing treatment

There was a motion to approve the 12 month partial LTD benefit as defined with the ability to review the timeline at a later date, possibly allowing more than 12 months on partial LTD. The motion was approved.

- Updating the cessation date of benefits would help streamline the benefit, as the current schedule of benefits depends heavily on the employees' age at time of disability.
  - There was discussion around the Dartmouth plan matching the social security retirement age – this would be different for different employees, which would again complicate the schedule of benefits
  - The cessation date should be indexed to something, and while social security retirement age makes sense, this will increase Dartmouth's liability by 2 million dollars for the employees currently on LTD in addition to a plan that is already very generous
  - Upon further research with peer institutions, Dartmouth was the only one with a self-insured LTD plan – moving to a fully insured plan would be a seamless transition for employees and could offer employee a greater benefit without increasing our liabilities
  - There are multiple possibilities – go through RFP process to look at the cost of a fully insured plan, terminate employees once they reach eligibility for social security and Medicare, could have a schedule based on years of service

Since there are still many options to consider, a subgroup formed (Kate, Allan, Harold, Barbara and Erzo) and will meet over the summer to keep the conversation moving until next semester's full CBC meets.

4. PY 2016 Pharmacy Plan Design Potential Savings and Recommendations

Three recommendations were received from CVS Caremark to save money on the prescription drug plan – High Deductible Health Plan (HDHP) Preventive Drug List, Advanced Control Formulary and Drug Savings Review.

- HDHP Preventive Drug List – generic preventive drugs bypass the deductible to $0 copay for members. Cost would shift from the member to Dartmouth for a projected additional cost of $11,400. This recommendation was approved in the April 30 CBC meeting.
- Advanced Control Formulary would remove 110 drugs from the formulary.
  - Dartmouth has 6 members taking a specialty drug and 539 members on a non-specialty drug that would be removed from the formulary list and no longer available
  - CVS will work with the physicians to prescribe a different medication or the member can apply for an exception – this process works well and members are usually reviewed within 24 hours
  - The group agreed this is a reasonable plan change since there is protection in the exceptions process in cases where it is necessary to take a particular drug

- There is an option to grandfather the 6 members for the specific specialty medication they are taking, but CVS cannot grandfather the other 539 members for the specific drug only – this opens Dartmouth up to additional liability because the member could be prescribed other medications excluded from the formulary
- Discussion around CVS having the ability to grandfather the impacted members for only the current drug they are taking – why is this not an option?

There was a motion to approve the Advanced Control Formulary if all impacted members can be grandfathered for the specific drug they are currently taking, if it costs a reasonable amount to administer. The motion was approved.

- Drug Savings Review – improved prescribing and utilization by contacting physicians to recommend a transition to less expensive drugs for members.
    - 80% of CVS' book of business participates in this program
    - Some members of the group were skeptical that the 3:1 Return on Investment (ROI) was an overestimate of the savings since the program requires voluntary changes by both the physician and the member
    - The Drug Savings Review would cost 30k to implement and would provide an estimated savings of 102k
    - Suggestion to do a randomized experiment on a portion of our population to not spend as much and estimate the ROI – however, Dartmouth is not privy to prescription information and would not be able to select an appropriate sample
    - The group decided not to vote as there was too much hesitation to implement and disrupt 900 members for the small savings of 70k; will review the program next year

5. PY 2016 DCMS Plan Design Potential Savings and Recommendations

The current retiree drug program plan design has a coinsurance of 30% up to a Maximum Out-of-Pocket (MOOP) of $450. This design can be a burden to retirees near the beginning of the plan year, before the deductible is met, since many are on a fixed income. Two plan design options were outlined.

- Option 1: Increase the MOOP to $750 or $1000 and keep the 30% coinsurance design structure. This would provide a potential savings of 65k for the $750 MOOP or 117k for the $1000 MOOP.
- Option 2: Move to a copay structure and increase the MOOP to $750 (potential savings of $156k - $221k) or $1000 (potential savings of 169k - 234k). The copay structure would match the current active plans at $5 for generic, $25 for brand and $40 for non-preferred brand or the employee could receive 90 days for the cost of 60 through mail service.
    - The committee discussed how generous the current plan design is for retirees, most who receive a 100% subsidy for their Medicare supplement plan and are only responsible for up to $450 in medical expenses and $450 in prescription expenses
    - While increasing the MOOP and placing more of the financial responsibility on the retiree does not seem unreasonable, most of them are on a fixed income and would experience financial hardship with the increased MOOP.
    - The group agreed option 2, changing to a copay structure versus the coinsurance structure, made the most sense for this population.

There was a motion to approve Option 2 with a $450 MOOP, which has potential savings of 91k to 156k. The motion was approved.

The meeting was adjourned at 4:45.