

College Benefits Council Meeting Minutes

June 28, 2016, 12:00 – 2:00pm

HR Training Room

Members Present: Erzo Luttmmer (Chair), Stephen Brooks, Tricia Cornelius, Daniel Cullen, Harold Frost, Faith Goodness, Allan Gullede, Carole Meyers, Russell Muirhead, Richard Rogalski, Kate Soule

Members Absent: Patti Bacon, Maura Clarke, Carrie Colla, Melissa Durkee, Dylan Griffin, Rich Howarth, Leigh Remy, Barbara Sagraves, Gwen Williams

Also Present: Scot Bemis, Brian Hall (SBA) Chris Kardos (SBA), Rick Mills, Melissa Miner, Kim O'Leary (SBA), Courtney Rochford, Tricia Spellman, Mike Wagner

Minutes: Kate Blake

Call to order: 12:05pm

Meeting Minutes: There was a motion to approve the May 4, 2016 minutes after one minor edit. The motion was approved with one abstention.

PHARMACY PROGRAM CHANGES:

Kim O'Leary from SBA updated the group on the PBM (Pharmacy Benefit Manager) renewal, which resulted in a 9% savings to the pharmacy program (\$900,000 annually). Kim reviewed the two adopted changes to the plans for 2016, which included the Advanced Control Formulary and a Preventive Drug List for the High Deductible Health Plan. Not adopted for 2016 was a Drug Savings Review and use of Caremark's Exclusive Specialty Pharmacy.

1) Drug Savings Review

The Rx Subcommittee has recommended implementation of the Drug Savings Review program for implementation on January 1, 2017. There were some concerns and questions around how the program worked. Kim provided clarification and explained the Drug Savings Review program provided a more care oriented approach rather than a formulary exclusion approach. Chairman, Erzo Luttmmer asked for a vote on the following:

The CBC recommends to the President to make the following changes, effective at the start of the 2017 plan year:

- *Implement the Drug Savings Review program to the Pharmacy benefit.*

The committee voted 11 in favor of adopting the program, and zero opposed.

2) RX Appeals Process Overview

Kim O'Leary then gave an overview of the Rx Appeals process to help clarify the difference between each of the four levels of appeal, as well as how appeals are submitted, processed and approved.

3) Rx Appeals Experience

Kim O'Leary gave the group a review of the 2015 Appeal's Experience (the number of claims that went through the appeals process). HR continues to watch these claims carefully and many members call the Benefits office directly. Melissa Miner added that Caremark's communications was an area of opportunity to make changes and additional clarity. There was some concern around the patients experience with the appeals process and why a medication would be denied, but Kim explained that many patients and providers don't realize that a particular medication is not FDA approved, so they quickly change it.

4) Other Pharmacy Considerations

Kim O'Leary provided benchmarking information for Dartmouth's pharmacy program compared to Ivy+ peers. Dartmouth's copays are slightly more generous than peers and has adopted similar trend management strategies as other peer institutions.

a) Exclusive Specialty

Kim O'Leary explained that this is an arrangement where patients must fill specialty drugs at the PBM's specialty pharmacy. Currently, Dartmouth members are able to fill specialty medications at any retail pharmacy OR the Caremark specialty pharmacy. The exclusive specialty program generally reduces specialty spending by 1-3% depending upon the medication and also provides telephonic case management to specialty patients to help manage side effects, comorbidities, etc. The program can be disruptive to the few patients required to use it. Most Ivy peers have not adopted the program due to its disruption. Dartmouth will keep it on the agenda for next year.

b) Prior Authorization and Quantity limits

Most of Dartmouth's peers have quantity limits and prior authorizations in place for certain medications to help manage safety and financial concerns as well as ensure appropriate use. Dartmouth currently has fewer programs in place than most Ivy peers. Dartmouth may consider adding more restrictive prior authorizations and quantity limits to ensure the plan is aligned with FDA guidelines and recommended prescribing protocol, including on controlled substances. Further discussion forthcoming pending review of utilization with Caremark.

c) Legislative Updates

CBC members asked how plan changes are made if there are legislative changes, such as more stringent restrictions on physicians prescribing controlled substances. Kim O'Leary indicated that any legislative requirements are typically managed by prescribers and the dispensing pharmacies. If legislative changes require an update by the plan, Caremark will work with Dartmouth to update the plan parameters and communicate to patients who may be impacted by changes.

WELLNESS PROGRAM

- 1) **Pulse Program** – Courtney Rotchford reported that the Pulse program launched in late April with 1,900 participants; 40% employees and 13% spouses. They will continue to promote the program into the fall.
- 2) **\$200 Wellness Benefit** - Given the offering of additional incentives and flexibility from the Pulse Program, it was a good time to re-evaluate the \$200 wellness reimbursement. The Wellness team met with the CBC Wellness subgroup and with Athletics and Leadership and made the decision to discontinue the \$200 wellness benefit on 6/30/17. Employees will have a grace period through September 2017 to submit their requests. Courtney's team is in the process of putting together a comprehensive communication plan to announce this to campus. The group wanted to give ample time for those purchasing memberships now to meet the full criteria.

One CBC member wanted to know how many faculty were using one program over the other. Courtney was able to report that 9% of faculty used the wellness benefit in 2015, and the numbers are similar for the Pulse program. Another member was concerned that the Pulse program would “wear off” due to the time commitment. Courtney agreed it would be a challenge to keep people engaged, and would require the right balance of involvement.

RETIREE MEDICAL PROGRAM

Tricia Spellman gave an update on the retiree medical program. As of June 30, 2015, Dartmouth's liability was valued at \$396 million, with projected growth to \$435 million by June 30, 2016. The Dartmouth College Medicare Supplemental (DCMS) plan stands out as generous versus peers and the plan design has not changed much in recent years.

There has been a CBC subgroup in place since January 2016 with the goal of reducing the retiree medical liability by \$160-\$170 million. The liability has grown significantly since 2012. There are currently 1,200 retirees on the program with another 2,500 currently working with access to retiree medical plan subsidies. The subgroup developed four principles to consider when reviewing their options.

The process identified “sources” of potential savings. The subgroup decided against including private exchanges, even though some employers are moving in that direction; i.e. give members a certain dollar amount to go on exchange and purchase a plan.

The subgroup provided three suggestions which need to be discussed with leadership and approved by the President. The full CBC discussed the subgroup suggestions. There was concern about taking a formal vote on a recommendation to leadership. Some of the CBC members concerns included: lack of clarity regarding why the benefit needs to be cut; no reassurance about what will happen with savings; a concern for current retirees on fixed incomes; a concern about total compensation for faculty; and a concern given promises were not kept in past after benefits were reduced.

OTHER BUSINESS UPDATES

Disability - A meeting with disability vendors is scheduled for this week.

RETIREMENT PLAN GOVERNANCE COMMITTEE (RPGC)

An update was provided by Chief HR Officer, Scot Bemis. The committee was formed as a result of the DOL changing their reporting requirements, bringing the 403B requirements closer to the for-profit (401k) requirements. As a result, Dartmouth is going through a process that all non-profits are addressing, and will result in Dartmouth having a closer fiduciary responsibility on retirement plans.

Dartmouth engaged Fiduciary Investment Advisors (FIA), who are looking at the related fees and expenses, and will be negotiating with our vendors, by looking at each of the investments offered. Since March of last year, highlighting the expenses paid by the plan has brought down a lot of expenses. They are working at looking at menu design, where there has been progress to date with some enhancements specific to a custom Dartmouth website and an intuitive investment menu. They are also looking to reduce the number of investment choices from 180 down to 25-30 best in class, based on performance and fees. They will re-negotiate pricing with both vendors and as part of the roll out, the committee will continue to meet on a quarterly basis and look at plan design and performance.

Next meeting: September.

Meeting Adjourned: 2:02 pm