

College Benefits Council Meeting Minutes

November 18, 2016, 2:00 – 4:00 PM

HR Training Room

Members Present: Richard Rogalski, Ryan Scelza, Steve Brooks, Richard Howarth, Russel Muirhead, Erzo Luttmer, Kristi Clemens, Harold Frost, Faith Goodness, Barb Sgraves, Tricia Cornelius, David Mullins, Daniel Cullen, Carole Meyers

Also Present: Kim O’Leary (SBA), Chris Kardos (SBA), Melissa Miner, Tricia Spellman, Rick Mills, Courtney Rotchford, Scot Bemis

Minutes: Maggie Kennedy

Chair Erzo Luttmer called a motion to approve the June 28, 2016 minutes. The motion was approved by all.

Erzo Luttmer welcomed the group and went around the room for introductions. Erzo went over the agenda and explained the role of the CBC: college-wide committee, from faculty and staff. Main mission is to consult with administration on changes that might be happening to benefits and provide feedback and advice to the President. Important to note that it’s an advisory role based on faculty and staff. Anything approved in the CBC is not binding and doesn’t necessarily mean all faculty are on board, as there was some confusion about this in the past.

Steve Brooks shared some thoughts from the Committee on Faculty stating that there was an explicit agreement between administration and faculty that the CBC would not be a body that makes final decisions. Within the governance structure, it’s really important that anything discussed is brought to the attention of the council of faculty early, long before the CBC would recommend actions. The key is that the COF and Arts & Sciences faculty do have to endorse or not endorse major changes in benefits and then the president will be notified. There’s been some confusion that the CBC has been a substitute for COF.

Rich Howarth, former chair of the CBC, noted that as far back as he can think, the CBC has de-facto power of approval. In the past COF and CBC have worked well together and it would be very imprudent for administration to make decisions without consulting.

After some back and forth discussion on the roles of each committee, **Erzo Luttmer** wrapped up the conversations, making it clear that a collaborative relationship between the Committee on Faculty and the CBC is incredibly important. CBC works best when everyone contributes.

EXPECTATIONS:

Erzo Luttmer ensures the group is aware that nothing is officially confidential, but expects everyone to use their best judgement about sharing what has been discussed. It’s very important that members talk to people in their departments to get feedback and represent other staff or faculty members to bring back to the group.

MEMBERSHIP:

Erzo Luttmer shared the breakdown of the council members:

8 faculty, 12 staff – faculty members are split between Arts & Sciences and professional schools.
Ex-officio members – part of the administration – do not get to vote
SBA – Strategic Benefit Advisors – do not get to vote

Chris Kardos (SBA): SBA's role is to provide perspective on the benefits landscape in general, provide market context to the CBC on what other peer institutions and other employers are doing, and bring more detailed analysis as needed. SBA's job is to support the Dartmouth Benefits team and the CBC to help make informed decisions.

GUIDING PRINCIPLES:

Melissa Miner went over guiding principles for benefits. These were put in front of the council last year and were voted upon as the lens through which Dartmouth should be evaluating benefits.

1. Manage our benefits effectively
2. Engage and empower
3. Offer a competitive program

Melissa Miner and Erzo Luttmmer discussed the FY2016 Benefits Expense pie chart and the usefulness to keep in mind where the big changes can happen outside of the ones that are more or less fixed (e.g. FICA costs). Most of Dartmouth's benefit expense per FTE is related to employee medical, retiree medical, short and long term disability, which are all focus areas of annual CBC discussion.

DISABILITY REVIEW & RECOMMENDATION

Melissa Miner shared an overview of the RFP process and the dissatisfaction with current vendor, Matrix.
Kim O'Leary & Chris Kardos (SBA) presented detail about the disability request for proposal (RFP) process.

SBA: One goal of the RFP process was to evaluate the move to fully insuring Dartmouth's LTD program, which puts Dartmouth in a better position in the long-term financially as well as make sure the program is administered properly. Dartmouth and SBA conducted finalist interviews with 4 vendors: Matrix, Aetna, Liberty Mutual and MetLife. Dartmouth decided to pursue further negotiations with Liberty Mutual and MetLife based on the proposed account team, RFP submissions, and demonstrated capabilities during the finalist meetings. . The impact to employees was considered strongly in this process. Every effort will be made to ensure minimal impact on employees by handholding open LTD claims through the vendor transition process. Additionally, the claim intake process for an employee's claim may be slightly different but the approval process for claims will not become more stringent as a result of insuring the LTD. SBA expects that customer service for both Administration and employees would significantly improve.

Based on extensive RFP process, Benefits' formal recommendation is to move forward with Liberty Mutual, maintaining self-insured on STD, but moving to fully insured on LTD, effective July 1, 2017. Liberty's proposal included a 3-year rate guarantee.

Questions arose regarding how Liberty Mutual or any new disability partner are able to make a profit while allowing Dartmouth to save money, as well as questions around a cost increase after the rate guarantee period. **SBA** shared that Liberty Mutual will manage the claims to Dartmouth's plan design and to the compliance aspects that are established within legislation. Liberty has return to work programs and

occupational advisors that would help get people back to work with accommodations (if Dartmouth can accept the returning employee). As far as the financial impact after the rate guarantee period expires, SBA stated that any rate change would be based on the expected cost of the population based on Dartmouth's claims experience. Disability costs tend to not vary that much other than aggregate cost based on salary growth. Dartmouth is currently carrying a \$6M-\$7M liability on its balance sheet, which is an estimate for future cost for existing claimants – in a fully insured LTD arrangement this risk would be managed by the insurance company and would not be a liability to Dartmouth.

Commented [PAS1]: Do we want to get into the details here?

There was more discussion about the dissatisfaction with Matrix and questions arose about the due diligence when picking Matrix in the first place several years ago. **SBA** noted that Dartmouth was managing disability without a partner and when shopping for a partner, anything was better than what they were doing back then. The decision was based on that limited number of vendors that could do what was requested at the time.

CBC members asked questions around service performance expectations and what mechanisms might be in place to spot red flags and monitor people returning to work. **Melissa Miner** shared some ways Dartmouth might look at performance guarantees and will hold Liberty accountable and set standards up front. Liberty has a learning lab for how they apply best practices within the workplace and Benefits is confident they would be able to provide reporting to Dartmouth to track claims, customer satisfaction, and return to work initiatives. It's clear that it's important to Liberty to have medical resources as a support for Dartmouth employees as their Medical Director will serve as Dartmouth's executive sponsor within the organization. **SBA** also added that Liberty is consistently ranked among the highest from a service and customer retention perspective.

CBC recommends Dartmouth College contracts with Liberty Mutual for STD and LTD. Motion to approve the switch to Liberty. Approved with one abstention.

2017 CHANGES OVERVIEW

Melissa Miner provided overview of plan changes for medical, dental, and communication efforts, including the extensive OE guide and the Ask ALEX tool. She also shared the percentage of plans that ALEX recommended and what the outcomes actually were.

The comments provided within the ALEX tool were mostly positive, however there were some frustrations brought up by members about the Ask ALEX tool. Some members suggested having an advanced button where you would be able to put in your own expected utilization, and some preferred access to the algebraic formula so they could compare ALEX's results with their own calculations. **Scot Bemis** pointed out that it's not perfect, but it's certainly a step in the right direction. Most of the feedback has been positive from the community.

PULSE PROGRAM

Courtney Rotchford presented an update on the Pulse program, including enrollment and engagement data, and next steps related to the Pulse program including upcoming evaluation efforts.

- 46% of eligible population enrolled; 53% of employees, 23% of spouses
- Hourly – 66%, Salary – 62%, SEIU – 46%, Faculty – 26.1%
- 74% engaged – CBC members would like to see engagement rates based on all eligible employees, instead of only those that are enrolled.

OTHER COMMITMENTS TO IMPROVE HEALTH AND ACCESS

Melissa Miner gave an overview of slide 21 – Contract with Cigna is up in 2017, Dartmouth Health Connect will take cap off patient number, and mental health initiatives will be further researched.

SUB-GROUPS

Proposing to have three sub-groups:

1. *Medical and Pharmacy Program*: Rich Howarth, Steve Brooks, Daniel Cullen, David Mullins, Harold Frost, Kristi Clemens, Erzo Luttmer
2. *Dental*: Russ Muirhead, Richard Rogalski, Carole Meyers, Tricia Cornelius, Erzo Luttmer
3. *Communications*: Russ Muirhead, Ryan Scelza, Barb Sgraves, Erzo Luttmer

After some talk about the financial vulnerability due, in part, to the retiree health liability, **Erzo Luttmer** points out that it's very hard for CBC to make recommendations to retiree health if it's not clear what savings are going to be used for or where the money would come from if we don't make the cut. He advised that the CBC should not review the retiree health strategy again this year as the strategy will be reviewed by the Administration.

OTHER AREAS OF FOCUS FOR 2017 – 2018

Melissa reviewed a list of additional areas of focus that Benefits will evaluate in the upcoming year, however these items will not be discussed at length with the CBC. The full CBC will get information on these topics and at that point we'll know a bit more and be able to form sub-groups on some of these topics if appropriate.

RETIREMENT PLAN GOVERNANCE COMMITTEE

Scot Bemis provided overview on committee and expected changes in the upcoming year. A new investment line-up has been approved by the committee, based on the recommendations of FIA. The funds were closely reviewed based on expense, performance, and management. There are a couple of loose ends to tie up (e.g. disposition of Calvert Funds), but we're well engaged in a group effort to lay out the project and communication plans. Department of labor came out with initial guidance that says if people are still going out to funds through a brokerage platform, Dartmouth would likely end up taking on fiduciary responsibility. The trend is employers moving away from accepting fiduciary responsibility for such arrangements, and fewer employers are offering such brokerage arrangements. After briefing and receiving concurrence from the Committee on Faculty, the RPGC voted to not offer a brokerage window.

Scot will continue to update the CBC at future meetings as to the activities of the RPGC.

Next meeting will be called in February.

Commented [PAS2]: I feel like we should try to summarize these items in the notes, if possible.