

DARTMOUTH

Council on Benefits ANNUAL REPORT FOR AY 2022-2023

Membership:

School, Department, Office represented:	Membership:	Name:
A&S	Faculty	Rich Howarth
A&S	Faculty	Desiree Garcia
A&S	Faculty	Glenn Micalizio
A&S	COF (Faculty delegate)	Lynn Patyk
Advancement	Exempt	Lesa Knapp
Advancement	Non-Exempt	Jeffrey Rodriguez
Athletics	Non-Exempt	Andrew Lapple
Campus Services	Non-Exempt	Philip R. Charbonneau
Finance & Administration	Non-Exempt	Kristina A. Fletcher
Finance & Administration	Executive Vice President	Rick Mills
Finance & Administration	Chief Human Resources Officer	VACANT
Finance & Administration	Chief Financial Officer	Scott Frew
Finance & Administration	Benefits Payroll Administrator	Eszter Balazs
Finance & Administration	Controller and VP for Finance	Diane Ingalls
Finance & Administration	Financial Planning & Budget Office	Jake Kransteuber
Finance & Administration	Executive Director, Total Rewards	Michelle Scichilone (convener)
Finance & Administration	Director of Benefits and Wellness	VACANT
Finance & Administration	Benefits Administrator	Kate Eldridge
Geisel	Exempt	David Bennett
Geisel	Faculty	Caitlin Howe
Geisel	Faculty	Matthew Havrda*
Library	Exempt	Amanda Scull
Provost	Non-Exempt	Margaret (Peg) Chase
Student Affairs	Non-Exempt	Meghan Paulette
Thayer	Thayer faculty member	Geoff Luke
Thayer	Non-Exempt	Ashley L. Parker
Tuck	Staff - Exempt	Paul Mutone
Tuck	Faculty	Phil Stocken

*Denotes Council Chair

Charge as described in the Organization of the General Faculty of Dartmouth College (OGFDC):

- (1) To review with the President policies and decision-making processes which bear on the benefits program at Dartmouth College.
- (2) To advise and consult with appropriate constituent groups on significant changes being contemplated well before the deadline for finalizing them.
- (3) To receive from the Office of Human Resources on at least an annual basis a report, complete with appropriate data and comparative information, regarding 1) responsiveness of the benefit plan to the needs of faculty and staff, 2) competitiveness with the plans of other institutions, and 3) cost effectiveness of Dartmouth's benefit plan.

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- (4) To review and evaluate the College's employee benefits program and to make recommendations to the President with regard to the modification of existing employee benefit plans and the design of any new benefit programs
- (5) To submit a report to the General Faculty and other interested parties at the end of the academic year.

Number of meetings during the past academic year:

The Council on Benefits (i.e., *College Benefits Council, CBC*) met three times as a full committee during the academic year on November 2, May 18th, and May 31st. Medical/Rx and Wellness sub-committees were formed to oversee Requests for Proposals in these two areas. RFP related sub-committee efforts were significant, the Med/Rx sub-committee met on 3/5 to review the RFP's, met on April 3 and 4 with three Medical and two Rx finalists, and debriefed on 4/26. The Wellness sub-committee met on February 6, March 15, and debriefed on May 8. All meetings included the benefits consultants Brown & Brown and members of the Benefits and Wellness team to discuss details and suggest clarifications or modifications to the finalist's proposals.

Activities for the past academic year, and how they address the charge of the council:

The November 2nd meeting of the CBC served to detail President policies and decision-making processes, communicate changes and plans to constituent groups, and communicate benefit plan responsiveness, cost, and competitiveness to the representatives appointed to the CBC. Specific recommendations for the prior year were discussed ranging from artificial insemination treatment and acupuncture to improvement in the parental/bonding and family medical leave plan. CBC members were also briefed on Actual Budget Ratios for both Active/Retirees Pre-65 and Retirees Post-65 - DCMS Plans with data made available from 2017 to present.

The November 2nd meeting also laid out new items within the College's employee benefits program prioritized for the 2022/23 year. Topics for the 2022/23 year included Medical, Prescription Drug, and wellness administrator RFPs, a standalone vision plan, and the offering of a Limited Purpose FSA for HDHP w/HSA participants.

The Medical/Rx RFP generated proposal from four health insurers and 5 Rx providers. Guided by data and analysis provided by Brown and Brown the Medical/Rx subcommittee invited Aetna, Anthem, and Cigna to present proposals in a two-hour format including descriptions of Rx coverage with providers CVS and Express Scripts.

The Wellness subcommittee began with data from a 2022 survey to faculty and staff determining that 75% of respondents were very to moderately satisfied with the currently available Virgin Pulse product. It was noted however that respondents did request a broader array of expense options for the Fitness Reimbursement benefit, an increase in the value of the benefit, and a smoother reimbursement process. The committee identified Virgin Pulse and Sharecare as finalists.

CBC/HR leadership was charged with delegating a member of the CBC to the Retirement Plan Governance Committee (non-voting member). Paul D. Mutone, Associate Dean and Chief Financial & Administrative Officer generously agreed to represent the CBC on the Retirement Plan Governance Committee.

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This document represents the Chair's effort to summarize the activities of the CBC in the evaluation of the College's employee benefits program along with any recommendations to the President with regard to the modification of existing employee benefit plans and the design of any new benefit programs. The report also serves as an initial communication to the General Faculty and other interested parties at the for the 2022/23 academic year.

Key insights:

General

Throughout all meetings members and consultants from Brown and Brown identified Dartmouth's local provider network and the degree of disruption generated by each RFP as key aspects of the decision-making process. In general, the sentiment was that our local provider network was challenging and beyond our control, and the competing provider's ability to best leverage this limited network should be weighed heavily.

The notion of "carving" Rx provider coverage in or out of the medical plan was the subject of frequent debate. Determination of customer service quality was prioritized and evaluated using data from Brown and Brown as well as information gathered from other organizations by Benefits Office leadership.

Medical RFP

Cigna was the incumbent carrier. Brown and Brown provided a review of the total estimated medical claims, variable costs, and fixed costs from each of the medical bidders and compared those numbers against Cigna's current costs (Figure 1). There will be no provider disruption by staying with Cigna. Both Aetna's and Anthem's network overlap well in most areas, there is significant disruption on the behavioral health networks (~20% and ~10%, respectively). Aetna's provider discounts in VT (~31%) are meaningfully lower than Cigna's (~46%) and Anthem's (~41%). Aetna did not provide flat trend targets for years four and five. In addition, their post discharge calls were limited to scheduled admissions, no wellbeing specialist was proposed, and they were unable to match the current Medicare coordination for post 65 retirees. Overall, Anthem's provider discounts are merely comparable to Cigna's; when combined with higher administrative fees, this is no compelling case to switch. Like Aetna, their trend targets for years four and five were not flat. Utilization management is regional, which can cause confusion, they had less robust wellbeing and behavioral health apps, pre-certification for in patient behavioral health was deemed more difficult and they do not have as many virtual care offerings.

Rx RFP

Express Scripts is the incumbent carrier providing coverage with Cigna as the medial provider. Rx providers were discussed in the context of each competitive medical carrier. Cigna with Express Scripts, and Aetna with CVS, provided the most competitive financial proposals over the 3-year period. Express Scripts was viewed as having the advantage of no member disruption and that the formulary would be same regardless of whether we choose to carve-in or carve-out the Rx benefit. After significant research and work by the subcommittee to evaluate the complexities of the Rx benefit, "scorecards" were produced indicating that a combination of Cigna for medical and Express Scripts for pharmacy had a higher weighted score than the other combinations of bidders (Figure 2). This sentiment was also supported by comments regarding the high quality of customer service provided by Express Scripts as noted by both the insured and the Benefits administrative staff.

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Wellness RFP

Subcommittee members and Brown & Brown's Population Health & Well-being team worked to identify Virgin Pulse and Sharecare as the two finalists to replace the existing Virgin Pulse wellness option. There were only slight differences between the two, each having their own strengths and weaknesses. Virgin Pulse was offering savings of \$250,000 over three years relative to current. Changes suggested in response to the call for more options included replacing the current Fitness Reimbursement benefit with a Lifestyle Spending Account (LSA) option. The LSA was noted to offer more flexibility than the existing benefit while maintaining overall wellness goals and providing a much faster reimbursement. Virgin Pulse would help offset the transition to a Lifestyle Spending Account, while also allowing for an increase in the annual value of the LSA from \$225 to \$250.

Stand Alone Vision

The committee discussed the addition of a voluntary stand-alone vision plan. Consultants from Brown and Brown reviewed the vendor selection process and explained why the two finalists (VSP and EyeMed) were chosen. Key points include: 1) Dartmouth is not looking to change the current vision care benefits that is available through the Medical Plans, with the exception of the \$50 materials allowance; 2) It was recommended that the redundant \$50 materials allowance be removed from the Medical Plans. Offering a standalone vision plan provides a more robust benefit for lenses, frames and other services and would be made available to employee who are not enrolled in the Medical Plans; 3) The new vision plan will be 100% employee paid. Both finalists offered implementation funding.

Limited Purpose FSA

Employees enrolled in the HDHP w/HSA cannot enroll in a Health Care Flexible Spending Account (HCFSA) under IRC rules. The committee discussed making available a Limited Purpose FSA (LPFSA) which would allow employees enrolled in the HDHP w/HSA a tax saving vehicle to pay for eligible vision and dental care expenses and not have to use their HSA savings. A key aspect of this discussion was the increasing number of providers, such as dentists and wellness professionals, who have opted out of the Dartmouth/Cigna network due to coverage payment shortfalls. Key elements include that the plan would not allow employer contributions and that the benefit was "use it or lose it" (similar to HCFSA). Additionally, administrative costs could be offset by a reduction in FICA exposure.

Rate Projections

The committee was provided with an update on the current projection for 2024 rate increases and how the recent medical RFP was impacting the amount. It was noted that Cigna reduced the overall price of the medical plan based on the competition generated by the RFP. Overall, members recommended smoothing out the rate increased over a few years, while one member suggested following the actual annual rate changes.

It was noted that rates are likely to continue to increase unabated (Figure 3). There was some discussion around how the rate increases are messaged to the community, with a recommendation for more condensed call outs during open enrollment. A member brought up the disparity between Dartmouth's retirement and health benefits and our Ivy peers, noting data presented and a recent at a A&S meeting.

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There was a discussion related to the sustainability of the benefits program utilizing the current model with reference to potential impacts on faculty and staff recruiting and retention.

Recommendations:

Medical

Cigna/Express Scripts hit on value and are established in an already fragile network to a point where the others were unable to compete. No reason was identified to justify the administrative burden associated with a switch. Overall, Brown & Brown estimates a \$2.6M savings in year 1 and 12.8M savings over the 5-year renewal agreement with Cigna.

Recommendation: A recommendation was made to remain with Cigna as Dartmouth's medical vendor and Express Scripts as Dartmouth's pharmacy vendor, with the carve-in/carve-out decision to be made at a future date; 13 approved, 0 opposed. **The motion was passed.**

It was recommended that Dartmouth continue with the Rx carve out arrangement, based on Dartmouth's customer service needs. Concerns were also raised about specialty medications under a carve-in arrangement.

A motion was made by Philip Stockton to recommend that Dartmouth continue to contract with Cigna as Dartmouth's medical vendor and Express Scripts as Dartmouth's pharmacy benefits manager in a carved-out arrangement, effective January 1, 2024. 11 approved, 0 opposed. **The motion was passed.**

Wellness

Virgin Pulse was viewed as the best option based largely on how the transition of savings offered by remaining with Virgin Pulse would help offset the transition to a Lifestyle Spending Account, while also allowing for an increase in the annual value of the LSA from \$225 to \$250.

Recommendation #1: A recommendation was made to remain with the current Pulse Program; 13 approved, 0 opposed. **The motion was passed.**

Recommendation #2: A recommendation was made to replace the existing Fitness Reimbursement benefit with a Lifestyle Spending Account for all active employees and to increase the annual value from \$225 to \$250. Retirees would continue to use the existing Fitness Reimbursement benefit; 13 approved, 0 opposed. **The motion was passed.**

Stand Alone Vision

Finalists were closely matched. VSP's network access came in slightly better than EyeMed in the 037, 050 and 032 zip codes, although VSP's rates were slightly higher.

A motion was made to recommend that Dartmouth add a stand-alone vision plan and remove the \$50 material allowance currently offered through Cigna, effective January 1, 2024. 11 approved, 0 opposed. **The motion was passed.**

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A motion was made to recommend that Dartmouth contract with VSP as the vendor for the stand-alone vision plan, effective January 1, 2024. 13 approved, 0 opposed. **The motion was passed.**

Limited Purpose FSA

A motion was made to recommend that Dartmouth offer a Limited Purpose Flexible Spending Account, effective January 1, 2024; 13 approved, 0 opposed. **The motion was passed.**

Recommended topics of the council to consider in the coming year:

To be determined.

Report Completion Date:

June 26, 2023

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Figure 1:

0 = does not meet expectations, 1 = meets expectations, 2 = exceeds expectations.

Program / Component	Description	Weighting	Cigna	Aetna	Anthem
Medical					
Qualitative					
Network Access & Provider Match	Network Access: % of Dartmouth eligible employees with access to carrier's network Provider Match: % and # of Dartmouth members whose current provider is in the quoted network(s) Approach to NH/VT vs. other states	25%	2	1	2
Member Service, Experience & Navigation	Proposed member services model, including staffing approach, dedicated resources, types of services offered, member tools and technologies and overall experience; incorporates navigation and advocacy evaluation.	25%	2	2	1
Medical Management & Population Health Infrastructure	Proposed approach to medical management and population health, including utilization management, care management, carved-in/buy-up support programs (e.g., specific disease management, etc.) and/or ability to contract with third-party vendors (e.g., digital health "point solutions"), behavioral health, and overall engagement. Includes success in addressing social determinants of health and lower-paid workforces.	20%	2	2	1
Plan Design & Network Innovation Capabilities	Responses to open-ended questions in the RFP to demonstrate innovation in several areas related to plan design and network functionality and flexibility.	10%	1	1	1
Account Management & Implementation Support	Proposed implementation and ongoing account management approach, including proposed team, overall infrastructure and process; reflects implementation and ongoing stewardship, measurement and reporting capabilities, issue escalation processes, etc.	10%	1	1	1
Ability to Integrate with Dartmouth Partners and Programs	Demonstrated ability and clear willingness to partner with Dartmouth's other vendor partners and benefits programs, as requested within the RFP; includes wellbeing, EAP, support & flexibility	10%	1	1	1
Qualitative Total (40% weighting)		100%	1.70	1.45	1.25
Quantitative					
Variable Financial Elements	Provider discounts, risk arrangements and any other carrier-proposed items.	40%	2	1	2
Fixed Costs & Fee Guarantees	Administrative costs, cost transparency and fee guarantee period.	20%	2	2	1
Financial Guarantees	Financial guarantees (trend and/or cost guarantees).	20%	2	2	1
Allowances	Carrier-provided allowance to be used at Dartmouth's discretion; includes flexibility of use.	15%	2	2	1
Other Performance Guarantees	Operational, clinical and other proposed guarantees.	5%	0	1	1
Quantitative Total (60% weighting)		100%	1.90	1.55	1.40
Total Medical		100%	1.82	1.51	1.34

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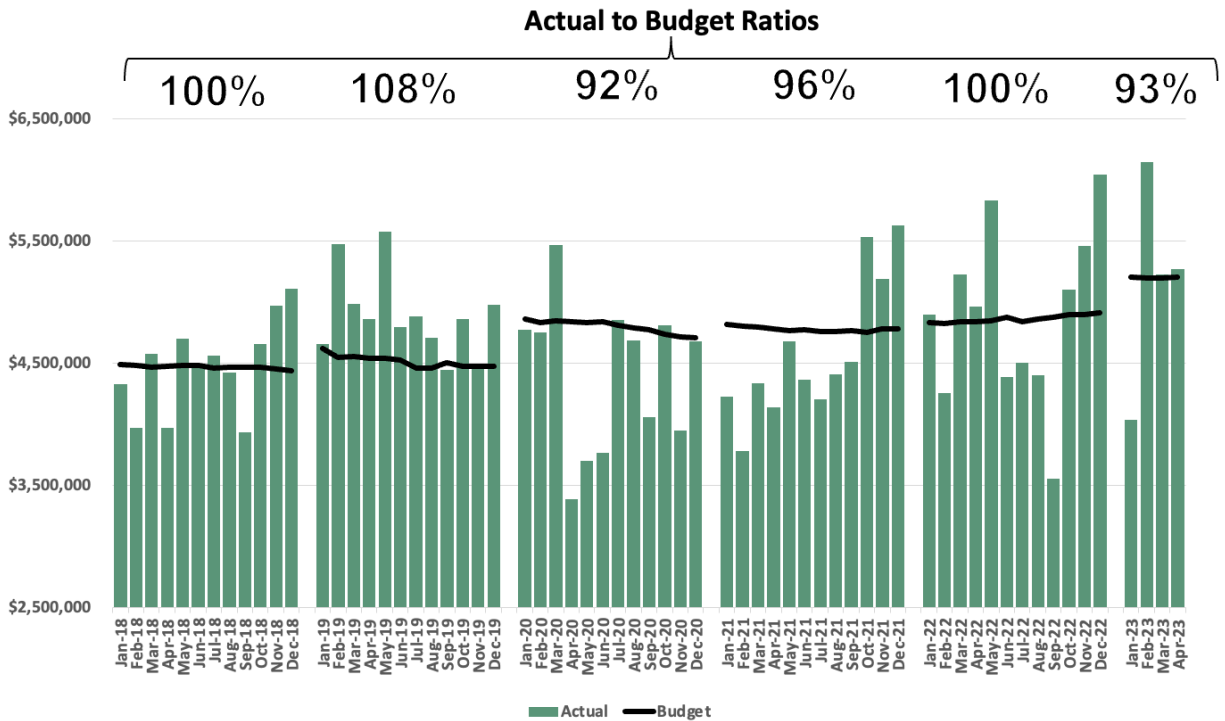
Figure 2:

0 = does not meet expectations, 1 = meets expectations, 2 = exceeds expectations.

Program / Component	Description	Weighting	ESI	Cigna (ESI)	CVS	Aetna (CVS)
Pharmacy						
Qualitative						
Formulary Disruption	Alignment to Dartmouth's current formulary based on recent utilization.	20%	2	2	1	1
Member Service, Experience & Navigation	Proposed member services model, including staffing approach, dedicated resources, types of services offered, member tools and technologies and overall experience; incorporates navigation and advocacy evaluation.	15%	1	1	1	1
Clinical Management Programs	Proposed approach to clinical and trend management, including utilization management, specialty care management, carved-in/buy-up support programs (e.g., specific disease management, etc.) and/or ability to contract with third-party vendors (e.g., digital health "point solutions"). Includes willingness to offer guaranteed savings.	15%	2	2	2	2
EGWP Administration	Ability to offer a CMS-compliant EGWP without the need to offer a carve-out solution	15%	N/A	1	N/A	1
Innovation Capabilities	Responses to open-ended questions in the RFP to demonstrate innovation in several areas related to clinical, plan design and functionality and flexibility.	15%	2	2	1	1
Account Management & Implementation Support	Proposed implementation and ongoing account management approach, including proposed team, overall infrastructure and process; reflects implementation and ongoing stewardship, measurement and reporting capabilities, issue escalation processes, etc.	10%	1	2	1	2
Ability to Integrate with Dartmouth partners and programs (i.e., medical carrier, bswift, Dartmouth Health Connect, etc.)	Demonstrated ability and clear willingness to partner with Dartmouth's other vendor partners and benefits programs, as requested within the RFP; includes medical, engagement & onsite partnership, support & flexibility.	10%	1	1	1	1
Qualitative Total (20% weighting)		100%	1.59	1.60	1.18	1.25
Quantitative						
Financial Guarantees	Discounts, rebates, and administrative costs.	40%	2	2	2	2
Allowances	PBM-provided allowance to be used at Dartmouth's discretion; includes flexibility of use.	15%	2	2	1	1
Adherence to Financial Terms/Definitions	Agreement to requested definitions, exclusions, reconciliation timelines, and calculations for financial terms.	30%	1	1	1	1
Other Performance Guarantees	Operational, clinical and other proposed guarantees.	15%	2	2	1	1
Quantitative Total (80% weighting)		100%	1.70	1.70	1.40	1.40
Total Pharmacy		100%	1.68	1.68	1.36	1.37

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Figure 3
Active/Pre-65 Retirees Experience Review



From 2018 through 2023 YTD, the actual/budget ratio is 99.3%
2023 YTD actual costs are 99% of budget after four months of data