

MINUTES

North Dakota Public Employees Retirement System Tuesday, February 10, 2026 8:30 A.M.

Members Present: Senator Kyle Davison
Senator Dick Dever
Representative Greg Stemen
Representative Jason Dockter
Mr. Tyler Erickson
Mr. Bryan Klipfel

Members by Teams: Mr. Jeffry Volk
Mr. Gerald Buck
Mr. Adam Miller
Chairman Mike Seminary

Others Present: Ms. Rebecca Fricke, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Katheryne Korom, NDPERS
Ms. Courtney Meyer, SHP
Ms. Gretchen Schilling, SHP
Ms. Jodi Schwabe, SHP
Mr. Matt Hocks, SHP
Ms. Julie Bodenski, Humana
Mr. Mark Powell, Humana

Chairman Mike Seminary called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

MINUTES

Chairman Mike Seminary called for questions or comments regarding the January 13, 2026 meeting and January 26, 2026 Special Meeting

SENATOR DEVER MOVED TO APPROVE THE MINUTES OF THE JANUARY 13, 2026 MEETING. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN. THE MOTION WAS UNANIMOUSLY APPROVED.

MR. VOLK MOVED TO APPROVE THE MINUTES OF THE JANUARY 26, 2026 SPECIAL MEETING. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN. THE MOTION WAS UNANIMOUSLY APPROVED.

CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

Representative Dockter requested that the remaining members of the Board, as the default neutral reviewer, determine whether the potential conflict was a disqualifying conflict regarding the agenda item related to proposed legislation. Discussion followed. The neutral reviewer considered the definitions of potential conflict of interest, the five factors in NDAC §

115-04-01-03(7), the facts related to the potential conflict, and the substance and status of the proposed legislation. The neutral reviewer concluded by unanimous vote that the potential conflict was not a disqualifying conflict. Representative Dockter will be participating in discussion related to the agenda item. Note - there was not a vote related to the agenda item.

MR. VOLK MOVED THE ACKNOWLEDGEMENT OF REPRESENTATIVE DOCKTER'S CONFLICT OF INTEREST TO RECUSE HIM FROM PARTICIPATING IN DISCUSSION AND VOTING ON THE MATTER. THE MOTION WAS SECONDED BY MR. MILLER. THE MOTION AND SECOND WERE WITHDRAWN.

SENATOR DAVISON MOVED TO DECLARE THERE IS NOT A CONFLICT OF INTEREST AND TO ALLOW REPRESENTATIVE DOCKTER TO PARTICIPATE IN DISCUSSION AND TO VOTE ON THE MATTER. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Mr. Klipfel, Mr. Miller, Senator Davison, and Chairman Seminary.

Nays: None

Absent: None

Recused: Representative Dockter

PRESENTATIONS

Sanford Health Plan Updates:

Executive Leadership Appointments

Sanford Health announced new executive leadership appointments. Mr. Matt Hocks, Executive Vice President and Chief Operating Officer, will assume accountability for Sanford Health Plan. Over the past year, Matt Hock and Tommy Ibrahim, former CEO of Sanford Health Plan, have worked closely with the health plan leadership team to enhance quality and experience while improving health outcomes across all the communities they serve. Mr. Hock introduced himself to the board.

Executive Summary 2025 Quarter 3

Ms. Courtney Meyer presented the Quarter 3 2025 Executive Summary detailing claims experience, membership stability, premium changes, claims trends, and high-cost member analysis, with input from Ms. Gretchen Schilling on pharmacy trends and specialty drug management. Ms. Meyer reported that overall membership remains stable, with an increase in state employees offset by reductions in political subdivisions and early retirees, resulting in consistent membership figures compared to previous periods. Year-over-year data showed an increase in high-cost members (over \$100,000 in medical and pharmacy expenses), but the average paid per high-cost claimant is decreasing, maintaining about 32% of claims attributed to these cases; improvements in specialty drug spend and pharmacy management are credited for cost stability. Utilization management processes, including prior authorization, quantity limits, and step therapy, generated significant savings, primarily from prior

authorization for chronic inflammatory diagnoses and planned exclusions for weight loss medications.

Ms. Meyers reviewed the wellness continuum, preventive care performance guarantees, engagement strategies, and care management outcomes, including new initiatives for high-risk pregnancies and ongoing efforts to improve cervical cancer screening rates.

Performance Guarantees

The contract between NDPERS and Sanford Health Plan contains 38 Performance Guarantees. Sanford Health Plan met or exceeded the performance for 34 of the 38 goals. This will result in a payout of \$16,500 into NDPERS cash reserves by January 31, 2026 for not meeting the full performance expectation of the following: 1) Eligibility files will be uploaded within eight (8) hours when received before 1:00 PM CST, 2) Cervical cancer screening rates will be at least 85% for the biennium, and 3) 98% of clean prescriptions are processed within 2 business days for the biennium (if no intervention required).

Value-Based Care Arrangement

Ms. Jodi Schwabe presented an overview of the Value-Based Care Arrangement between Sanford Health Plan and provider organizations, explaining the total cost of care model, shared savings and risk structures, quality metrics, and annual settlement processes. The total cost of care model offers providers a choice between upside-only shared savings and upside-downside shared risk; Altru, Trinity Health, Essentia Health, and Heartland Healthcare Network participate in the upside-only model, while Sanford organizations participate in the shared risk model. Providers are measured against risk-adjusted financial targets and quality metrics, including cancer screenings and diabetes monitoring; quarterly reports provide utilization data to help providers manage costs and improve outcomes.

Formulary Update

On April 1, 2026 Sanford Health Plan will be removing a high-cost biologic medication, Prolia, from the formulary due to the availability of less expensive Biosimilar medications used to treat the same conditions. Communication was mailed to 69 NDPERS members that have received Prolia from a provider.

LEGISLATION / ADMINISTRATIVE RULES

Proposed Legislation

The board reviewed five draft bills for board consideration.

The five draft bills presented were: 1) cash infusion to the Highway Patrol fund, 2) authority to restrict new 457 plan enrollees, 3) final average salary calculation update, 4) elected county officials cleanup, and 5) technical corrections. The five draft bills will be brought back for final approval at the next meeting.

They discussed administrative challenges with the board quorum requirements and debated the merits of proposing changes to board governance. Discussion will continue at a later meeting with the possibility of preparing a separate bill draft for quorum changes.

Proposed Administrative Rules

Rebecca presented the proposed Administrative Rules for board approval, noting that no public comments were received during the hearing or during the comment period. The next step is an Attorney General review as to their legality followed by submission to Legislative Council for placement on the meeting agenda of the Legislative Administrative Rules Committee. Discussion followed.

REPRESENTATIVE STEMEN MOVED FINAL APPROVAL OF THE PROPOSED ADMINISTRATIVE RULES AS PRESENTED CONTINGENT UPON THE APPROVAL OF THE ATTORNEY GENERAL. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Senator Davison, Senator Dever, Mr. Buck, Mr. Volk, Mr. Klipfel, Representative Stemen, Mr. Erickson, Mr. Miller, Representative Dockter, and Chairman Seminary.

Nays: None

Absent: None

OPERATIONS / ADMINISTRATIVE

Budget Status

Mr. Derrick Hohbein provided a summary of the budget status as of December 31, 2025. Discussion followed.

Quarterly Consultant Fees

Mr. Hohbein shared the Quarterly Consultant Fees report and noted there were no anomalies in the consulting, investment, and administrative fees paid during the quarter ended December 2025.

Strategic Planning Update

Staff have prepared a roadmap to illustrate the Strategic Planning initiatives based on discussion at the November 2025 Board Planning meeting. Discussion followed.

Contracts Under \$15,000

There were no new contracts signed since the last report.

Office Updates

Ms. Rebecca Fricke updated the board on two topics.

The WSI building is undergoing a carpet replacement project. The business interruption makes it necessary for most staff to work remotely for up to three weeks. Communication will be noticed in a similar manner to other office closures. There will be a period of time when the physical office will be closed with essential functions continuing such as mail service and scanning. The phone lines will remain open as usual. Discussion followed.

OMB has released information regarding a Governor's initiative of a Voluntary Separation Incentive Program, or VSIP. The VSIP is an optional program that state agencies can opt to participate in with the goal being to achieve long-term financial savings to the state by

decreasing staffing levels or costs. The program provides a financial incentive to state employees of agencies that participate and apply for one of the two options of the VSIP as authorized by NDCC 54-14-04.3. Notification has been sent to OMB that NDPERS will not participate in the program. Discussion followed.

Everbridge Emergency Notification Test

Board members were informed that Everbridge is the state's new emergency communication software. Staff conducted the semiannual test of the Everbridge emergency communication system, instructing board members to report any issues with receiving notifications.

Next meeting will be on Tuesday, March 10, 2026 at 8:30 a.m.

The meeting was adjourned at 10:52 A.M.

Submitted by:

Jan Lund
Assistant to the NDPERS Board