

## MINUTES

### North Dakota Public Employees Retirement System Tuesday, August 17, 2021 8:30 A.M.

Members In Person : Chairperson Mona Rindy  
Senator Dick Dever  
Mr. Adam Miller  
Ms. Kim Wassim

Members Via Teams: Representative Pamela Anderson  
Ms. Casey Goodhouse  
Mr. Dirk Wilke  
Mr. Troy Seibel  
Ms. Yvonne Smith

Others: Mr. Scott Miller, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. Rebecca Fricke, NDPERS  
Mr. Bryan Reinhardt, NDPERS  
Mr. Dean DePountis, Office of Attorney General  
Mr. Steve Webster, SHP  
Mr. Danny Weiss, SHP  
Mr. Fred Makonnen, AXA Equitable  
Mr. Drew Rasmussen, Deloitte Consulting  
Mr. Josh Johnson, Deloitte Consulting

Chairperson Mona Rindy called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

Chairperson Rindy called for any questions or comments regarding the minutes of the July 13, 2021 meeting. Senator Dever requested a correction on the roll call on one of the motions.

**SENATOR DEVER MOVED TO APPROVE THE MINUTES OF THE JULY 13, 2021 BOARD MEETING AS CORRECTED. THE MOTION WAS SECONDED BY MS. WASSIM AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.**

### PRESENTATIONS

#### Fiduciary Responsibility

Mr. Dean DePountis provided the annual education on fiduciary responsibility. The presentation included basic terminology, an overview of fiduciary duty and duty of loyalty and prudence, settlor and fiduciary functions, dealing with conflicts of interest, and fiduciary liability and risk. Mr. DePountis spoke about mitigating fiduciary risk, the value of board self evaluations and continuing education, the importance of following Plan Documents, and emphasized to always act in good faith in the best interest of plan participants and beneficiaries.

Mr. Steve Webster provided an overview of the annual membership summary showing a moderate decrease for Actives from Quarter 1 2020, related to political subs leaving the plan. He noted that some political sub groups are looking at ND FITS because of lower premiums; the trend is expected to continue but at what rate is unknown. Reflecting on the effects of the pandemic during 2020, Quarter 2 saw a big dip in utilization; it started creeping back up in Quarter 3 and expanded in Quarter 4. In comparison, the first quarter of 2021 trended lower than the same period one year earlier. Mr. Webster reported that Quarter 1 is at a good level of utilization.

Mr. Webster shared claims analysis information and pointed out COVID had minimal financial impact on out-of-state utilization.

Mr. Danny Weiss reviewed high dollar pharmaceutical cases and highest paid diagnosis groups. Oncology continues to trend as the largest claims group. This will be monitored closely because Sanford Health Plan will be promoting cancer screening.

Mr. Weiss discussed generic utilization versus brand and specialty drugs. He stated lesser generics are coming into the market because patent and the life cycle of brand name drugs is increasing. Pressure from the media and COVID has impacted the importance of diabetic care and drugs to treat this disease.

Mr. Webster presented information about member participation in fitness center reimbursement (still trending down), health assessments (up for Quarter 1), online wellness activities (met performance goals for this period). He also reviewed the successes of the Center for Lifestyle Medicine, the Exercise is Medicine, the Diabetes Prevention Programs, and the monthly wellness themes for the first quarter of 2021.

The Tobacco Cessation Program was discussed and the strong participation and pay out to participants was highlighted. The results of the Program were so good that Sanford Health Plan fell short about \$9,000 in grant money. Members are now directed to the ND Quits program for tobacco cessation support.

Mr. Webster closed the Executive Summary presentation with a report of Performance Standards and Guarantees.

## **RETIREMENT**

### Retiree Health Insurance Credit (RHIC) Administration Request for Proposal (RFP)

This agenda item was noticed for Executive Session.

**MS. WASSIM MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-17.1(1) AND §44-04-18.4(6)(B) TO DISCUSS EXEMPT VENDOR RESPONSES. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Senator Dever, Mr. Wilke, Ms. Goodhouse, Ms. Wassim, Representative Anderson, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

**Nays:** None

**Absent:** None

## **MOTION PASSED**

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Bryan Reinhardt, MaryJo Anderson, Mandy Nagel, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 9:36 A.M.

The meeting returned to Open Session at 9:46 A.M.

## **MS. WASSIM MOVED TO AWARD THE RETIREE HEALTH INSURANCE CREDIT (RHIC) ADMINISTRATION REQUEST FOR PROPOSAL BID TO ASI FLEX SUBJECT TO SUCCESSFUL CONTRACT NEGOTIATIONS. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Ms. Goodhouse, Mr. Wilke, Ms. Wassim, Senator Dever, Mr. Adam Miller, Mr. Seibel, Representative Anderson, Ms. Smith, and Chairperson Rindy

**Absent:** None

**Nays:** None

## **MOTION PASSED**

## **DEFERRED COMPENSATION**

### AXA Equitable Reporting

Mr. Scott Miller summarized activity regarding staff's attempt to address issues with AXA's difficulty in providing timely and accurate quarterly reports as required by the Provider Administrative Agreement. Mr. Fred Makonnen, Account Manager AXA, was available by phone to answer questions from the Board and staff. Mr. Makonnen has provided corrected reports and given assurances that he will personally oversee our account and the required reporting moving forward. Approximately five percent of the 14,000 members participating in the deferred compensation program are enrolled with AXA, representing about \$18 million in assets. Staff will monitor AXA's commitment moving forward and report back to the Board any variance to the assurances made by Mr. Makonnen. Failure to comply could result in the staff's recommendation to end new contributions or new enrollees to AXA. Discussion followed.

**By consensus the Board will continue their relationship with AXA Equitable as a 457 Deferred Compensation provider.**

**The Board took a short break at 9:55 A.M. The Board Meeting resumed at 10:15 A.M., a quorum was present.**

## **GROUP INSURANCE**

### Medicare Part D (EGWP) Request for Proposal (RFP)

This agenda item was noticed for Executive Session.

**MS. WASSIM MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-17.1(1) AND §44-04-18.4(6)(B) TO DISCUSS EXEMPT VENDOR RESPONSES. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Senator Dever, Mr. Wilke, Ms. Goodhouse, Ms. Wassim, Representative Anderson, Mr. Adam Miller, Mr. Seibel, Ms. Smith, and Chairperson Rindy

**Nays:** None

**Absent:** None

**MOTION PASSED**

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Bryan Reinhardt, Lindsay Schaf, Mandy Nagel, Jan Lund, and Mr. Drew Rasmussen and Mr. Josh Johnson from Deloitte Consulting were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:13 A.M.

The meeting returned to Open Session at 11:22 A.M.

No Board Action was taken at this time. The Board provided direction to staff to reach out to a respondent for clarification and for a response to a question from the Board.

Active Health Report

Mr. Bryan Reinhardt went over details of the 2020 Active Health Care Report. The Report reflected an increase in costs and trends even with the effects of COVID-19. The annual report is an overview of physician and clinic utilization, prescription drug utilization, claim types by membership. Sanford Health Plan will keep an eye on the trends and include information in the Quarterly Executive Summaries so there are no surprises at renewal time. Reports are provided to employers and wellness coordinators.

**MISCELLANEOUS**

Proposed Administrative Rules

Mr. Scott Miller presented the timeline for promulgating proposed revisions/additions/deletions to Title 71 Administrative Rules. The proposed changes were prepared by staff, reviewed by legal counsel and presented to the Board for first review. The proposed changes will be brought back at the September Board Meeting for a final review and approval for submission.

Contracts Under \$10,000

Mr. Scott Miller shared information about routine contracts under \$10,000 that he has signed since the last Board Meeting.

Budget Status

Mr. Derrick Hohbein presented an update on the current status of the agency's budget since last reporting in February. He outlined the expenditures as of June 30, 2021 and the remaining appropriation. He noted that the agency was fully staffed only four months during the past biennium. As of July 1<sup>st</sup>, NDPERS is fully staffed including one permanent temp and plans to

hire two more. Operations had a savings due to no staff travel during COVID, discontinuance of the Mobile App and recognized savings in IT. Discussion followed.

Office Relocation Update

Mr. Hohbein provided a summary of expenses and activities related to the office relocation. He is expecting to have a final report at the September Board Meeting.

Code of Ethical Responsibility

Following the annual Fiduciary Responsibility education, the Board Members are asked to review and sign the Code of Ethical Responsibility. The form was provided to each Trustee. Signed forms should be returned to Jan Lund.

Medicare Part D (EGWP) Request for Proposal (RFP)

Ms. Fricke reported that the vendor has responded, and the answer to the Board's question was no.

**MS. WASSIM MOVED TO AWARD THE MEDICARE PART D (EGWP) BID TO HUMANA SUBJECT TO SUCCESSFUL CONTRACT NEGOTIATIONS. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Representative Anderson, Mr. Adam Miller, Mr. Wilke, Ms. Wassim, Ms. Goodhouse, Mr. Seibel, Senator Dever, Ms. Smith, and Chairperson Rindy

**Nays:** None

**Absent:** None

**MOTION PASSED**

Chairperson Rindy called for any other business or comments.

With no further business, the meeting was adjourned at 12:13 P.M.

Prepared by,

Jan Lund  
Assistant to the Board