## NDPERS BOARD MEETING considerations, and in accordance with Executive Order 2020-16, a meeting room will genda

not be available to the public.

Conference Call #: 701.328.0950 Conference ID: 434 008 322 #

8:30 AM

Time:

Tuesday, April 13, 2021

#### I. MINUTES

- A. March 2, 2021 Special Meeting
- B. March 9, 2021
- C. March 24, 2021 Special Meeting

#### II. PRESENTATIONS

A. About the Patient Diabetes Management Program Annual Report – Rebecca (Board Action) Presentation by Dr. Jesse Rue, ND Pharmacists Association

#### III. RETIREMENT

- A. 457 Companion Plan & 401(a) Plan 4th Quarter 2020 Report—Bryan (Information)
- B. Job Service Plan Asset Allocation Bryan (Board Action)
- C. Survey Results for 401(a) Defined Contribution and 457 Companion Plans Rebecca (Information)
- D. Disability Consultant Renewal Agreement MaryJo (Board Action)

#### IV. GROUP INSURANCE

- A. Employee Assistance Program Utilization Report 2020 Bryan (Information)
- B. Medicare Part D Plan Request For Proposal Bryan (Board Action)
- C. American Rescue Plan Act Update Rebecca (Information)

#### V. MISCELLANEOUS

- A. Quarterly Consultant Fees Derrick (Information)
- B. CliftonLarsonAllen Contract Derrick (Board Action)
- C. Office Relocation Update Derrick (Board Action)
- D. Audit Committee Minutes, Charter Matrix, and Audit Plan Shawna (Information)
- E. Legislation Scott (Board Action)
- F. Executive Director Performance Review and Compensation Committee Scott (Board Action)
- G. Assurance NM Testing Scott (Information)

#### VI. MEMBER \*EXECUTIVE SESSION

- A. Retirement Appeal Case # 674 MaryJo (Board Action)
- B. Retirement Appeal Case # 676 MaryJo (Board Action)

<sup>\*</sup>Executive Session pursuant to N.D.C.C. §44-04-19.2, §44-04-19.2(1) and/or §54-52-26 to discuss confidential records or confidential member information.



## North Dakota Public Employees Retirement System 400 Fast Broadway, Suite 505 • Box 1657

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# Memorandum

TO: NDPERS Board

FROM: Rebecca

**DATE:** April 13, 2021

**SUBJECT:** About the Patient Diabetes Management Program

Jesse Rue from the ND Pharmacists Association will be attending the meeting to provide their 2020 Annual Report (attached) of the NDPERS About The Patient Diabetes Management Program.

The program that we partner with ND pharmacists in offering to our members is pursuant to NDCC sections 54-52.1-16 and 54-52.1-17:

## 54-52.1-16. Uniform group insurance program - Collaborative drug therapy program - Continuing appropriation.

- 1. The board may establish a collaborative drug therapy program available to individuals in the medical and hospital benefits coverage group. The purpose of the collaborative drug therapy program is to improve the health of individuals in identified health populations and to manage health care expenditures.
- 2. Under the program, the board may involve physicians, pharmacists, and other health professionals to coordinate health care for individuals in identified health populations in order to improve health outcomes and reduce spending on care for the identified health problem. Under the program, pharmacists and other health professionals may be reimbursed for providing face-to-face collaborative drug therapy services to covered individuals in the identified health population. To encourage enrollment in the plan, the board may provide incentives to covered individuals in the identified health population which may include waived or reduced copayment for related treatment drugs and supplies.
- 3. The board may request the assistance of the North Dakota pharmacists association or a specified delegate to implement a formalized disease management

program with the approval of the prescriptive practices committee established in section 43-15-31.4, which must serve to standardize chronic disease care and improve patient outcomes. This program must facilitate enrollment procedures, provide standards of care, enable consistent documentation of clinical and economic outcomes, and structure an outcomes reporting system.

4. The board may seek and accept private contributions, gifts, and grants-in-aid from the federal government, private industry, and other sources for a collaborative drug therapy program for identified health populations. Any funds that may become available through contributions, gifts, grants-in-aid, or other sources to the board for a collaborative drug therapy program are appropriated to the board on a continuing basis.

## 54-52.1-17. Uniform group insurance program - Collaborative drug therapy program - Funding.

- 1. The board shall establish a collaborative drug therapy program that is to be available to individuals in the medical and hospital benefits coverage group. The purpose of the collaborative drug therapy program is to improve the health of individuals with diabetes and to manage health care expenditures.
- 2. The board shall involve physicians, pharmacists, and certified diabetes educators to coordinate health care for covered individuals with diabetes in order to improve health outcomes and reduce spending on diabetes care. Under the program, pharmacists and certified diabetes educators may be reimbursed for providing face-to-face collaborative drug therapy services to covered individuals with diabetes. To encourage enrollment in the plan, the board shall provide incentives to covered individuals who have diabetes which may include waived or reduced copayment for diabetes treatment drugs and supplies.
- 3. The North Dakota pharmacists association or a specified delegate shall implement a formalized diabetes management program with the approval of the prescriptive practices committee established in section 43-15-31.4, which must serve to standardize diabetes care and improve patient outcomes. This program must facilitate enrollment procedures, provide standards of diabetes care, enable consistent documentation of clinical and economic outcomes, and structure an outcomes reporting system.
- 4. The board shall fund the program from any available funds in the uniform group insurance program and if necessary the fund may add up to a two dollar per month charge on the policy premium for medical and hospital benefits coverage. A state agency shall pay any additional premium from the agency's existing appropriation.

In addition, we are seeking the Board's approval of the proposed cost to continue the program with the Pharmacy Association for the 2021-2023 biennium. Details regarding the proposed cost are found on page 9 of the attachment and indicate an amount not to exceed \$354,000.00 for the biennium. The current 2019-2021 biennium cost approved by the Board is not to exceed \$350,000.00.

If approved, staff will work with legal counsel to prepare a contract for the Board's review at the May meeting.

#### **BOARD ACTION REQUESTED:**

Approve the About the Patient Diabetes Program proposed cost not to exceed \$354,000.00 for the 2021-2023 biennium.

# ANNUAL REPORT

ABOUT THE PATIENT COLLABORATIVE DIABETES DRUG THERAPY PROGRAM

PREPARED BY: JESSE RUE, PHARMD, BCPS



## PROGRAM DESIGN

The calendar is divided into three equal blocks of time. When a qualifying visit occurs during a block, the reimbursement is awarded. It offers an easier to understand schedule spaced throughout the year.













## INTRODUCTION

We have summarized key data from 2020. The year 2020 continued the transition made in 2019 to a longer-term maintenance and intervention approach given the ongoing nature of diabetes care.

Successes and ongoing challenges are presented for discussion.

## MEMBER SATISFACTION

Member satisfaction remains consistently strong and stable year to year, indicating belief that the providers have member's best interests in mind and are effective in improving health overall.

#### (1 = Strongly Disagree to 5= Strongly Agree)

The provider's interest in your health =5
How well the provider helps you manage your medications = 4.9
The provider's efforts help you improve health or stay healthy = 4.9
The Program Services Overall = 4.8

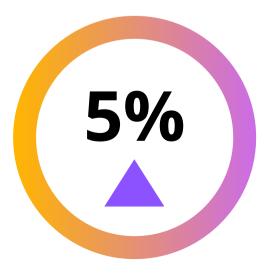
## **COVID-19 RESILIENCY**

It is no secret that COVID-19 upended daily life and normal operations for most every person and organization in the world during 2020.

**After increasing member visits by 80% in 2019**, we are proud to report that during 2020 the program not only held the line on participation but increased the number of visits by 5%.

This was extremely encouraging in that it demonstrated the creativity and resiliency of everyone involved, from the members to NDPERS leadership to the providers.

We wish to offer a heartfelt thank you to NDPERS staff and to the insured members for their patience, resiliency, calm, and flexibility with the challenge.



5% Increase in member visits during COVID-19 era of 2020

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## MEDICATION RELATED PROBLEMS

Adverse Drug Events (ADEs) remain a persistent national problem. An ADE is an event resulting in harm from a medication.

Intervening to mitigate or prevent these problems is an area where the pharmacist is addressing issues that remain unresolved elsewhere and is a unique contribution to care.

Pharmacists in this program are making over two interventions per member on average.

## From the Federal Office of Disease Prevention and Health Promotion:

"Each year, ADEs in outpatient settings account for:

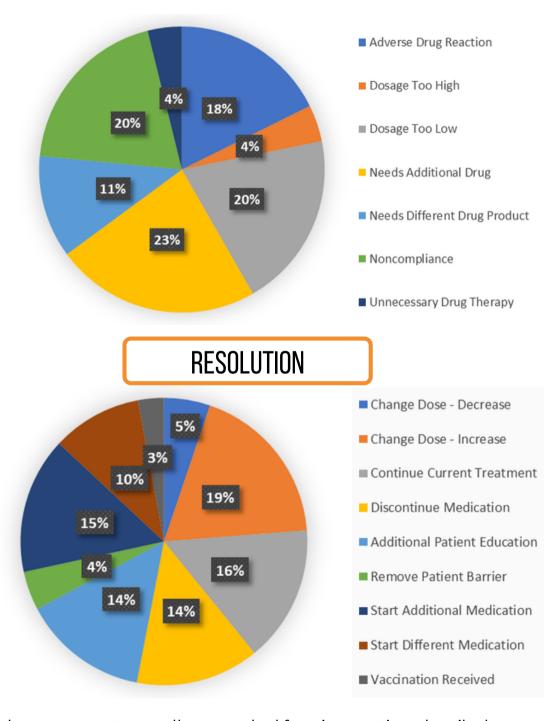
Over 3.5 million physician office visits An estimated 1 million ER visits Approximately 125,000 hospital admissions

The good news is that large majority of ADEs are preventable. Reducing ADEs is expected to result in safer and higher quality health care services, reduced health care costs, more informed and engaged consumers, and improved health outcomes."

https://health.gov/hcq/ade.asp

## INTERVENTIONS MADE

### >2 INTERVENTIONS PER MEMBER AVERAGE



Improvements to overall care resulted from interventions described above and improved self-management education through the program visits. This is the foundation of the program's design.

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## KEY HEALTH INDICATORS

## **A1C PERFORMANCE**

0.4
Avg A1c improvement

A1c reflects average blood glucose

Target A1c for patients with diabetes is often <7%

Approval was made prior to 2019 to take a long term approach given the realization that chronic diseases are measured in years and decades.

We are now beginning to have enough space of time to view patients over a longer term. We wanted to highlight some key data points which relate to the goal of building a chronic disease program grounded in optimization and long-term maintenance of improvements.

The program design was to ensure rigorous consistency in applying guidelines to each patient regardless of where care is received; the design also recognizes that change occurs over time and holding on to gains in quality are equally important as acutely improving issues one by one.

As time moves forward, we are able to investigate longer term results about sustainability of A1c improvements.

### HTN PERFORMANCE

We evaluated patients experiencing uncontrolled blood pressure at the beginning of 2020 and tracked progress.

#### Of those patients:

- 41% became controlled by end of year
- 31% improved by end of year

This data demonstrates truly valuable, measurable outcomes that matter to providers from the interventions documented earlier.



Uncontrolled hypertension controlled by end of year

American Heart Association Guidelines recommend BP <130/80 mmHq

## BENEFITS FROM REDESIGN

Changes approved in October of 2018 for installation in 2019 have been beneficial.

Participation gains in 2019 and 2020 under difficult circumstances benefited from the changes, such as enabling enrollment at pharmacies, greatly simplified plan design, and longitudinal care planning.

Members and providers have both commented positively on the simplified design as the most notable change from an awareness standpoint.

Positive comments have been received about the freshness of the educational and mailing materials, which underscores the need to maintain a modern presentation going forward.

## **AWARENESS**

Unsurprisingly, marketing materials do matter, as enrollment does noticeably pick up after a mailing.

Growing awareness for Part D beneficiaries remains a challenge, though we do believe there is a significant opportunity to engage this population utilizing a transitions of care approach.

## MEMBER EXPERIENCE

We listen to member feedback and identified ease of interacting with our website as an area of improvement. As health becomes increasingly digital, we are committed to improving member experience by re-organizing our website to better highlight the NDPERS program and install a streamlined online enrollment process.

## **TRANSITIONS**

Technological solutions to improve care coordination and health interoperability have grown during the pandemic.

We have committed to a significant investment in software through summer 2021 which will enable us to enhance care in exciting ways.

Particularly, we were assured that the software enabling a robust post-discharge program for vulnerable members is scheduled to deploy with NDHIN (the North Dakota state health exchange) this year and we ask for the opportunity to work with NDPERS staff to operationalize a program in the 2nd half of 2021.

## **CLOSING GAPS**

Adoption of digital and decentralized health delivery models is accelerating. To capitalize on the longitudinal care model installed this biennium, we look forward to discussing our new ideas to close additional care gaps with members.

## **BUDGET STATUS**

ANNUALIZED BUDGET	2020 BUDGET	2020 ACTUAL
COPAY INCENTIVES	\$98,500	\$65,120
PROVIDER VISITS	\$66,000	\$58,800
ADMIN FEE	\$10,000	\$10,000
MARKETING	\$2,500	\$2,500
TOTAL	\$177,000	\$136,420

The table above displays one year of budgeted expenses and demonstrates that the program is currently on target for budget goals during the biennium.

Copay reimbursement was offered for statin medications for cholesterol control beginning in summer 2019 and the project has stayed within budget.

Should this program continue, we are proposing to work with NDPERS staff to develop the transitional care program described in this report without adding to the current budget. We value this relationship, the opportunity to serve members, and feel this is a way to add additional value to NDPERS.

<u>Proposed budget for upcoming 2021-2023 biennium (mirrors current budget):</u>

PROPOSED 21-23 BIENNIUM	BUDGET
COPAY INCENTIVES	\$197,000
PROVIDER VISITS	\$132,000
ADMIN FEE	\$20,000
MARKETING	\$5,000
TOTAL	\$354,000

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## RETURN

We do believe that an economic evaluation of the new design's performance would be very reasonable after a length of time spent to collect adequate data.

As a progressive and chronic disease, expenses and human suffering with diabetes are often measured over decades. Research demonstrates that improved control improves quality of life and avoidance of complications and disastrous events over a lifetime.

Studies have evaluated diabetes from the standpoint of absenteeism, hospital and ER visits, and overall complications.

In one study, researchers evaluated diabetes patients at less than ideal control and made modest improvements to A1c, BP, and cholesterol.

To do this, they created three improvement scenarios and reduced the annual probability of diabetes-related complications of 43%, 55%, and 67% respectively.

The seven complications identified in the study were ischemic heart disease, heart attack, chronic heart failure, stroke, amputation, blindness, and renal impairment.

The high end of this savings range yielded a reduction of about 10% in total costs.

In an interesting study, a linkage was made between A1c control and overall risk of hospital and Emergency Department (ED) admissions.

As A1c control worsened, the risk of hospital admission and ED visits and increased, as was expected.

By improving A1c control, the study found patients are 19% less likely to utilize the ED at least once and 22% less likely to be admitted to the hospital at least once over a 2-year period. Poorly controlled A1c patients have 125% greater risk of being admitted to the hospital three times or more than those with good control.

At an estimated \$1917 per ED visit and \$9600 per hospital stay the savings for increased control can be impactful.

A 2017 analysis reported that full-time employees with diabetes were absent 5.5 more days per year than those who do not have diabetes.

Hospital admission rates and emergency department use in relation to glycated hemoglobin in people with diabetes mellitus: a linkage study using electronic medical record and administrative data in Ontario. Birtwhistle et al. CMAJ Open. 2017; 5(3):E557-64.

Knowles, Megan. Cost of ER visits increased 31% between 2012-16: 5 findings. Becker's Hospital Review. 23 Jan 2018.

https://www.beckershospitalreview.com/eds/cost-of-er-visits-increased-31-between-2012-16-5-findings.html

Statistical Brief #168. Agency for Healthcare Quality and Research (AHRQ). Dec 2013. https://www.hcup-us.ahrq.gov/reports/statibriefs/sb168-Hospital-CostsUnited-States-2011.pdf

Gallup-Sharecare. The Cost of Diabetes in the U.S.: Economic and Well-Being impact. 13 Nov 2017. https://wellbeingindex.sharecare.com/diabetes useconomic-well-being-impact/.





## North Dakota Public Employees Retirement System

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# Memorandum

TO: NDPERS Board

FROM: Bryan Reinhardt

**DATE:** April 13, 2021

SUBJECT: 457 Companion Plan & 401(a) Plan 4th Quarter 2020 Report

Here is the 4th quarter 2020 investment report for the 401(a) & 457 Companion Plans. The reports are available separately on the NDPERS website. The NDPERS Investment Sub-committee reviewed the 4th quarter reports. The two plans have 8,497 participants with about \$187 million in assets.

Assets in the 401(a) plan increased to \$18.3 million on December 31, 2020 (\$15.5 as of December 31, 2019). The number of active participants is at 92. The TIAA-CREF Target Date funds have 61% of the plan assets.

Assets in the 457 Companion Plan increased to \$168.3 million on December 31, 2020 (\$138.9 million as of December 31, 2019). The number of active participants is increasing and is now at 5,957. The TIAA-CREF Target Date funds have 70% of the plan assets.

#### Benchmarks:

Fund returns for the quarter were all positive. Core fund performance was mixed when compared to their benchmarks and peer funds. Only 8 of the 36 core funds beat both their benchmarks and peer funds in the third quarter, but 18 did for year 2020. Note that index funds are expected to slightly underperform their benchmarks because of fund administration fees.

#### Fund / Investment News:

The NDPERS Investment Subcommittee reviewed the 4th quarter 2020 plan review, field activity report, and investment overview with TIAA. The Subcommittee reviewed the two funds under formal fund review (Templeton Global Bond – TGBAX and Prudential Mid Cap Growth – PEGZX). The Subcommittee marked Templeton Global Bond – TGBAX as underperforming for the quarter. There is no recommended action at this time. SEI gave the Subcommittee a 2020 update on the Job Service and RHIC plans. Both plans had good performance in 2020 (3.8% and 15.2% respectively). The Subcommittee discussed a change to the Job Service asset allocation. Dave Hunter gave the Subcommittee a 2020 update on the plans under the SIB. Calendar year 2020 returns for the Main plan were 12.2% and the group insurance fund had a 3.3% return.

# NDPERS Quarterly Investment Report 4<sup>th</sup> Quarter 10/1/2020 – 12/31/2020



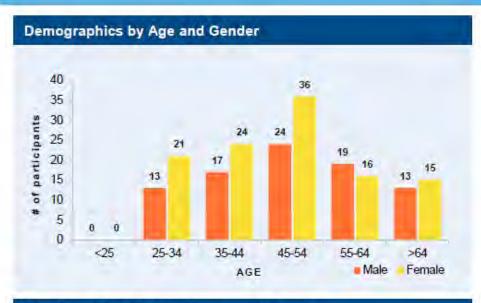
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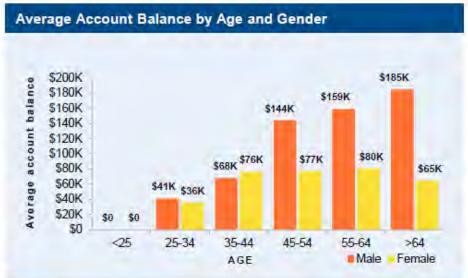
INITIAL OFFERING:	Hartford Dividend & Growth T.Rowe Price Equity Income	Vanguard 500 Index Vanguard Dividend Growth	Franklin Growth Adv Wells Fargo Adv Growth Adm	
		•	_	
				LARGE
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	VALUE	BLEND	GROWTH	
BALANCED FUND:	T.Rowe Price Capital Appreciation			
INCOME FUNDS:	Wells Fargo Stable Value Fund J	Vanguard Prime Money Market		
BOND FUNDS:	Baird Core Plus Bond Fund	Vanguard Total Bond Index Fund	Templeton Global Bond	
	Mass Mutual Inflation Protected Bond Fund	Prudential High Yield Z		
REAL ESTATE:	Cohen & Steers Realty Shares			
INTERNATIONAL FUNDS:	American Funds New Perspective	Vanguard Total Intl Stock Index	Oppenheimer Developing Markets Y	
LIFESTYLE FUNDS:	TIAA-CREF Lifecycle Ret Income	TIAA-CREF Lifecycle 2025	TIAA-CREF Lifecycle 2045	
	TIAA-CREF Lifecycle 2010	TIAA-CREF Lifecycle 2030	TIAA-CREF Lifecycle 2050	
	TIAA-CREF Lifecycle 2015	TIAA-CREF Lifecycle 2035	TIAA-CREF Lifecycle 2055	
	TIAA-CREF Lifecycle 2020	TIAA-CREF Lifecycle 2040	TIAA-CREF Lifecycle 2060	
FUND STYLE CHANGES:				
<b>4</b>	Vanguard Dividend Growth			
	<b>→</b>			LARGE
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	VALUE	BLEND	GROWTH	
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	Baird Core Plus Bond Fund  Mass Mutual Inflation Protected Bond Fund	Vanguard Total Bond Index Fund Prudential High Yield Z	Templeton Global Bond	
BOND FUNDS:		Tradeficial Fight Field Z		
BOND FUNDS:  REAL ESTATE:	Cohen & Steers Realty Shares			
	Cohen & Steers Realty Shares American Funds New Perspective	Vanguard Total Intl Stock Index	Oppenheimer Developing Markets Y	
REAL ESTATE:		Vanguard Total Intl Stock Index TIAA-CREF Lifecycle 2025	Oppenheimer Developing Markets Y TIAA-CREF Lifecycle 2045	
REAL ESTATE: NTERNATIONAL FUNDS:	American Funds New Perspective			

Vanguard Treasury Money Market - VUSXX Wells Fargo Stable Return Fund J - WFSJ#  3 Month T-Bill Index Fixed Income Fund Mass Mutual Income Bond Fund - MIPYX Baird Core Plus Bond Fund - BCOSX Vanguard Total Bond Market Index Fund - VBTLX  US Aggregate Bond Index Taxable Corporate Bond Fund Universe Prudential High Yield Z - PHYZX  BofA High Yield Bond Fund Index High Yield Bond Fund Universe Fempleton Global Bond Adv - TGBAX < ON WATCH> World Govt Bond Index World Bond Fund Universe Real Estate Fund Cohen & Steers Realty Shares - CSRSX	0.01% 0.37% 0.02% 1.94% 1.39% 0.67% 0.71% 3.21% 5.82% 6.48% 5.97% 0.75% 2.77% 4.39% 8.56% 8.15%	Y-T-D  0.47% 1.57% 0.58%  11.24% 8.58% 7.72% 7.75% 9.24% 6.17% 4.91% -4.19% 10.11% 8.35%  -2.88%	1.57% 0.58% 11.24% 8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91%	1.55% 1.56% 5.80% 5.74% 5.39% 6.41% 6.56% 5.89% 4.74%	1.34% 1.16% 5.12% 5.23% 4.46% 4.53% 6.23% 8.49% 8.43% 6.75% 1.41%
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3 Month T-Bill Index Fixed Income Fund  Mass Mutual Income Bond Fund - MIPYX  Baird Core Plus Bond Fund - BCOSX  Vanguard Total Bond Market Index Fund - VBTLX  US Aggregate Bond Index  Taxable Corporate Bond Fund Universe  Prudential High Yield Z - PHYZX  BofA High Yield Bond Fund Index  High Yield Bond Fund Universe  Templeton Global Bond Adv - TGBAX < ON WATCH>  World Govt Bond Index  World Bond Fund Universe  Real Estate Fund	0.02%  1.94% 1.39% 0.67% 0.71% 3.21% 5.82% 6.48% 5.97% 0.75% 2.77% 4.39%  8.56% 8.15%	0.58%  11.24% 8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11% 8.35%	0.58%  11.24% 8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11%	5.80% 5.74% 5.39% 5.44% 6.41% 6.56% 4.74% -0.65%	1.16% 5.12% 5.23% 4.46% 4.53% 6.23% 8.49% 8.43% 6.75% 1.41%
Fixed Income Fund  Mass Mutual Income Bond Fund - MIPYX  Baird Core Plus Bond Fund - BCOSX  Vanguard Total Bond Market Index Fund - VBTLX  US Aggregate Bond Index  Taxable Corporate Bond Fund Universe  Prudential High Yield Z - PHYZX  BofA High Yield Bond Fund Index  High Yield Bond Fund Universe  Templeton Global Bond Adv - TGBAX < ON WATCH>  World Govt Bond Index  World Bond Fund Universe  Real Estate Fund	1.94% 1.39% 0.67% 0.71% 3.21% 5.82% 6.48% 5.97% 0.75% 2.77% 4.39%  8.56% 8.15%	11.24% 8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11% 8.35%	11.24% 8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11%	5.80% 5.74% 5.39% 5.44% 6.41% 6.56% 5.89% 4.74% -0.65%	5.12% 5.23% 4.46% 4.53% 6.23% 8.49% 8.43% 6.75% 1.41%
Mass Mutual Income Bond Fund - MIPYX Baird Core Plus Bond Fund - BCOSX Vanguard Total Bond Market Index Fund - VBTLX US Aggregate Bond Index Taxable Corporate Bond Fund Universe Prudential High Yield Z - PHYZX BofA High Yield Bond Fund Index High Yield Bond Fund Universe Templeton Global Bond Adv - TGBAX < ON WATCH> World Govt Bond Index World Bond Fund Universe Real Estate Fund	1.39% 0.67% 0.71% 3.21% 5.82% 6.48% 5.97% 0.75% 2.77% 4.39%  8.56% 8.15%	8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11% 8.35%	8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11%	5.74% 5.39% 5.44% 6.41% 6.56% 5.89% 4.74% -0.65%	5.23% 4.46% 4.53% 6.23% 8.49% 8.43% 6.75% 1.41%
Baird Core Plus Bond Fund - BCOSX Vanguard Total Bond Market Index Fund - VBTLX  US Aggregate Bond Index Taxable Corporate Bond Fund Universe Prudential High Yield Z - PHYZX  BofA High Yield Bond Fund Index  High Yield Bond Fund Universe Templeton Global Bond Adv - TGBAX < ON WATCH>  World Govt Bond Index  World Bond Fund Universe Real Estate Fund	1.39% 0.67% 0.71% 3.21% 5.82% 6.48% 5.97% 0.75% 2.77% 4.39%  8.56% 8.15%	8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11% 8.35%	8.58% 7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11%	5.74% 5.39% 5.44% 6.41% 6.56% 5.89% 4.74% -0.65%	5.23% 4.46% 4.53% 6.23% 8.49% 8.43% 6.75% 1.41%
Vanguard Total Bond Market Index Fund - VBTLX  US Aggregate Bond Index  Taxable Corporate Bond Fund Universe  Prudential High Yield Z - PHYZX  BofA High Yield Bond Fund Index  High Yield Bond Fund Universe  Templeton Global Bond Adv - TGBAX < ON WATCH>  World Govt Bond Index  World Bond Fund Universe  Real Estate Fund	0.67% 0.71% 3.21% 5.82% 6.48% 5.97% 0.75% 2.77% 4.39% 8.56% 8.15%	7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11% 8.35%	7.72% 7.75% 9.24% 5.59% 6.17% 4.91% -4.19% 10.11%	5.39% 5.44% 6.41% 6.56% 5.89% 4.74% -0.65%	4.46% 4.53% 6.23% 8.49% 8.43% 6.75%
US Aggregate Bond Index Taxable Corporate Bond Fund Universe Prudential High Yield Z - PHYZX BofA High Yield Bond Fund Index High Yield Bond Fund Universe Fempleton Global Bond Adv - TGBAX < ON WATCH> World Govt Bond Index World Bond Fund Universe Real Estate Fund	0.71% 3.21% 5.82% 6.48% 5.97% 0.75% 2.77% 4.39%  8.56% 8.15%	7.75% 9.24% <b>5.59%</b> 6.17% 4.91% <b>-4.19%</b> 10.11% 8.35%	7.75% 9.24% <b>5.59%</b> 6.17% 4.91% <b>-4.19%</b> 10.11%	5.44% 6.41% <b>6.56%</b> 5.89% 4.74% <b>-0.65%</b>	4.53% 6.23% <b>8.49</b> % 8.43% 6.75% <b>1.41</b> %
Taxable Corporate Bond Fund Universe  Prudential High Yield Z - PHYZX  BofA High Yield Bond Fund Index  High Yield Bond Fund Universe  Templeton Global Bond Adv - TGBAX < ON WATCH>  World Govt Bond Index  World Bond Fund Universe  Real Estate Fund	3.21% 5.82% 6.48% 5.97% 0.75% 2.77% 4.39% 8.56% 8.15%	9.24% 5.59% 6.17% 4.91% -4.19% 10.11% 8.35%	9.24% <b>5.59%</b> 6.17% 4.91% <b>-4.19%</b> 10.11%	6.41% 6.56% 5.89% 4.74% -0.65%	6.23% 8.49% 8.43% 6.75% 1.41%
Prudential High Yield Z - PHYZX  BofA High Yield Bond Fund Index  High Yield Bond Fund Universe  Fempleton Global Bond Adv - TGBAX < ON WATCH>  World Govt Bond Index  World Bond Fund Universe  Real Estate Fund	5.82% 6.48% 5.97% 0.75% 2.77% 4.39% 8.56% 8.15%	5.59% 6.17% 4.91% -4.19% 10.11% 8.35%	5.59% 6.17% 4.91% -4.19% 10.11%	<b>6.56%</b> 5.89% 4.74% <b>-0.65%</b>	8.49% 8.43% 6.75% 1.41%
BofA High Yield Bond Fund Index High Yield Bond Fund Universe  Fempleton Global Bond Adv - TGBAX < ON WATCH> World Govt Bond Index World Bond Fund Universe  Real Estate Fund	6.48% 5.97% <b>0.75%</b> 2.77% 4.39% <b>8.56%</b> 8.15%	6.17% 4.91% -4.19% 10.11% 8.35%	6.17% 4.91% <b>-4.19%</b> 10.11%	5.89% 4.74% <b>-0.65%</b>	8.43% 6.75% <b>1.41</b> %
High Yield Bond Fund Universe  Templeton Global Bond Adv - TGBAX < ON WATCH>  World Govt Bond Index  World Bond Fund Universe  Real Estate Fund	5.97% 0.75% 2.77% 4.39% 8.56% 8.15%	4.91% -4.19% 10.11% 8.35%	4.91% -4.19% 10.11%	4.74% -0.65%	6.75% 1.41%
Fempleton Global Bond Adv - TGBAX <on watch=""> World Govt Bond Index World Bond Fund Universe Real Estate Fund</on>	0.75% 2.77% 4.39% 8.56% 8.15%	<b>-4.19%</b> 10.11% 8.35%	<b>-4.19%</b> 10.11%	-0.65%	1.41%
World Govt Bond Index World Bond Fund Universe Real Estate Fund	2.77% 4.39% 8.56% 8.15%	10.11% 8.35%	10.11%		
World Bond Fund Universe Real Estate Fund	4.39% 8.56% 8.15%	8.35%		110070	
Real Estate Fund	<b>8.56%</b> 8.15%		0.0070	3.98%	4.66%
	8.15%	-2.88%		0.0070	4.0070
.nnen & steers Realty Shares - C.SRSX	8.15%		-2.88%	7.34%	6.94%
FTSE NAREIT Equity REITs Index		-5.12%	-5.12%	5.41%	6.70%
Real Estate Fund Universe	11.15%	-4.49%	-4.49%	4.18%	5.26%
Balanced Fund	11.1070	4.4070	4.4070	4.1070	0.2070
T.Rowe Price Capital Appreciation - PACLX	11.34%	17.80%	17.80%	13.67%	12.75%
60% Large Cap Value Univ & 40% Taxable Bond Universe	10.72%	5.44%	5.44%	5.91%	8.14%
60% Russell 1000 Value & 40% Agg Bond Index	10.72%	4.78%	4.78%	5.82%	7.66%
Large Cap Equities - Value	10.0376	4.7070	4.7070	3.02 /0	7.0070
Hartford Dividend & Growth - HDGTX	14.31%	7.96%	7.96%	9.42%	12.14%
T.Rowe Price Equity Income - PRFDX	20.94%	1.32%			
Russell 1000 Value Index	16.25%	2.80%	2.80%	6.07%	9.74%
Large Cap Value Fund Universe	15.73%	2.91%	2.91%	5.57%	9.42%
Large Cap Equities - Blend	13.7370	2.5170	2.0170	3.37 /0	3.72 /
Vanguard Institutional Index - VINIX	12.15%	18.39%	18.39%	14.15%	15.19%
Vanguard Dividend Growth Fund - VDIGX	8.98%	12.06%			
S&P 500 Index	12.15%	18.40%	18.40%	14.18%	15.22%
Large Cap Blend Fund Universe	12.13%	15.83%	15.83%	11.89%	13.39%
Large Cap Equities - Growth	12.0170	10.0070	10.0070	11.0370	10.0070
Wells Fargo Adv Growth Adm - SGRKX	18.24%	49.19%	49.19%	27.15%	22.44%
Russell 3000 Growth Index	12.41%	38.26%	38.26%	22.50%	20.67%
Franklin Growth Adv - FCGAX	12.94%	30.96%			
Russell 1000 Growth Index	11.39%	38.49%	38.49%	22.99%	21.00%
Large Cap Growth Fund Universe	12.50%	35.86%	35.86%	20.50%	18.30%
Mid Cap Equities - Value	12.5076	33.0070	33.00 /0	20.3070	10.50 /
Virtus Mid Cap Value Equity I - SMVTX	17.53%	-1.20%	-1.20%	6.62%	10.22%
Russell Mid Cap Value	20.43%	4.96%	4.96%	5.37%	9.73%
Mid Cap Value Fund Universe	22.60%	2.63%	2.63%	3.91%	8.67%
Mid Cap Equities - Blend	22.0070	2.05/0	2.0070	3.3170	0.07 /0
Columbia Mid Cap Index A - NTIAX	24 21%	13.10%	13.10%	7.91%	11.80%
S&P Mid Cap 400	<b>24.21%</b> 24.37%	13.10%	13.10%	8.45%	12.35%
Mid Cap Blend Fund Universe			12.39%		
· · · · · · · · · · · · · · · · · · ·	20.78%	12.39%	12.39%	8.27%	11.08%
Mid Cap Equities - Growth  Prudential Jonnison Mid Cap Growth PEGZY 40N WATCH	22 040/	40 740/	40 740/	24 670/	40 420
Prudential Jennison Mid Cap Growth - PEGZX < ON WATCH>		42.71%			
Russell Mid Cap Growth  Mid Cap Growth Fund Universe	19.02% 21.03%	35.59% 39.26%	35.59% 39.26%	20.50% 19.77%	18.66% 17.80%

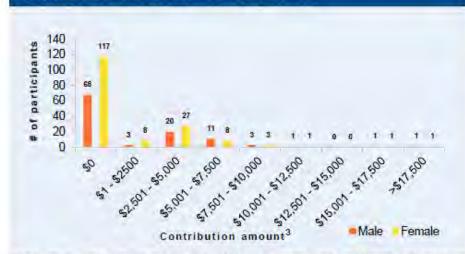
Small Cap Equities - Value         27.40%         -2.30%         -2.30%         1.03%         7.01%           Russell 2000 Value Index         33.36%         4.63%         4.63%         3.72%         9.65%           Small Value Fund Universe         30.94%         4.02%         4.02%         2.20%         7.88%           Small Cap Equities - Blend         28.70%         11.17%         11.17%         5.55%         10.13%           Russell 2000 Index         31.37%         19.96%         19.96%         10.25%         13.26%           Small Blend Fund Universe         28.06%         10.99%         10.99%         6.41%         10.50%		Quarter	Y-T-D	1-Year	3-Year	5-Year	
	Small Cap Equities - Value	<u>quartor</u>		<u>1 1001</u>	<u> </u>	<u>0 1001</u>	
Russell 2000 Value Indox Say 4 4,02% 4,02% 2,0% 7,8% 8 Small Value Prud Universe 30,94% 4,02% 4,02% 2,20% 7,8% 8 Small Cap Engulies - Blend Pot US Small Cap - PSTX Russell 2000 Index 31,37% 19,96% 19,96% 10,99% 10,95% 13,26% 13,26% Small Engler Pund Universe 28,06% 10,99% 10,99% 10,99% 40,40% 12,26% 23,08% 21,09% Russell 2000 Growth Index 29,61% 34,63% 34,63% 16,20% 16,36% 16,36% Russell 2000 Growth Index 29,61% 34,63% 34,63% 16,20% 16,36%		27.40%	-2.30%	-2.30%	1.03%	7.01%	
Small Cane December   11.77%   11.17%   11.17%   5.55%   10.13%		33.36%	4.63%				
DEA US Small Cap - DFSTX   28.70%   11.17%   11.17%   15.55%   10.13%   Small Blend Fund Universe   28.00%   10.99%   10.99%   6.41%   10.50%   Small Blend Fund Universe   28.00%   10.99%   10.99%   6.41%   10.50%   Small Blend Fund Universe   28.00%   45.28%   45.28%   23.08%   21.09%   Small Gord Fund Inverse   28.00%   45.28%   45.28%   23.08%   21.09%   Small Growth Index   29.61%   34.63%   34.63%   15.00%   15.00%   Small Growth Fund Universe   27.25%   38.62%   38.62%   38.62%   18.70%   17.75%   Small Growth Fund Universe   27.25%   38.62%   38.62%   12.8%   49.9%   30.90%   40.40	Small Value Fund Universe	30.94%	4.02%	4.02%	2.20%	7.88%	
Russell 2000 Index Small Elane Trund Universe 28,00% 19,09% 19,99% 12,09% 19,09% 10,09	Small Cap Equities - Blend						
Small Blend Fund Universe   28,06%   10,99%   10,99%   6,41%   10,50%	DFA US Small Cap - DFSTX	28.70%	11.17%	11.17%	5.55%	10.13%	
Small Cowth Right Small Co In - BCSIX   19.59%   45.28%   45.28%   23.08%   21.09%	Russell 2000 Index	31.37%	19.96%	19.96%	10.25%	13.26%	
Brown Capital Mgmt Small Co Inv - BCSIX   19.5%   45.26%   45.26%   23.08%   21.09%	Small Blend Fund Universe	28.06%	10.99%	10.99%	6.41%	10.50%	
Russell 2000 Growth Index	Small Cap Equities - Growth						
Small Growth Fund Universe   17.25%   38.62%   38.62%   18.76%   17.75%   International Equity Funds   17.13%   33.34%		19.59%					
International Equity Funds							
American Funds New Perspective Fund - RNPEX   17,13%   33,34%   33,34%   17,28%   16,48%   Manguard Total Intl Stock Index international Stock Index international Stock Fund Universe   15,77%   9,30%   4,89%   8,93%   10,65%   4,89%   8,93%   10,65%   10,65%   4,89%   8,93%   10,65%   10,65%   4,89%   8,93%   10,75%   17,50		27.25%	38.62%	38.62%	18.76%	17.75%	
Vanguard Total Intl Stock Index Int - VTIAX   11.99%   11.28%   4.98%   9.09%     International Stock Fund Universe   15.77%   9.30%   9.30%   4.88%   8.93%     International Stock Fund Universe   15.77%   9.30%   9.30%   4.88%   4.88%   7.57%     International Stock Fund Universe   19.55%   17.90%   17.50%   8.75%   13.24%     MSCI Emerging Markets Index   19.70%   18.31%   18.31%   18.31%   18.21%     MSCI Emerging Warkets Product   19.70%   18.31%   18.31%   18.31%   18.21%     MSCI Emerging Warkets Index   19.55%   17.90%   17.90%   5.69%   11.75%     MSGI Emerging Warket Index   19.55%   17.90%   17.90%   5.69%   11.75%     MSGI Emerging Warket Index   19.55%   17.90%   1							
MSCI ACWI Index   17.01%   10.65%   10.65%   1.0.65%							
International Stock Fund Universe Invesco Developing Markets V - ODVYX I 18,98% I 17,50% I 17,50% I 17,50% I 13,24%  MSCI Emerging Markets index I 19,70% I 18,31% I 18,31% I 6,17% I 2,81%  Diversified Emerging Mikts Universe I 19,85% I 17,90% I 17,90% I 17,90% I 17,90% I 17,90% Sask Allocation Funds:  ITIAA-CREF Lifecycle Ret Income - TLIRX I 6,58% I 10,84% I 10,84% I 10,84% I 6,94% I 7,35% I 5,51% I 1,76%  IRIAA-CREF Lifecycle 2010 - TCLEX I 6,67% I 19,95% I 19,55% I 19,55% I 6,99% I 7,34% I 1,58% I 1,58							
Investor Developing Markets Index							
MSCI Emerging Markets Index							
Diversified Emerging Mikts Universe   19.55%   17.90%   17.90%   5.69%   11.75%							
Asset Allocation Funds:							
TIAA-CREF Lifecycle 2010 - TCLEX		19.55%	17.90%	17.90%	5.69%	11.75%	
Income Benchmark		0.500	40.0401	40.0401	0.040	7.000/	
17/14   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   10,95%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,55%   11,07%   11	-						
2010 Benchmark							
TAA-CREF Lifecycle 2015 - TCLIX							
2015 Benchmark							
1.1   1.2							
2020 Benchmark		_					
13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.23%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   13.05%   10.27%   10.28%   12.05%   10.27%   10.27%   10.28%   10.27%   10.28%   10.28%   10.27%   10.28%   10.27%   10.28%   10.27%   10.28%   10.24%   10.27%   10.28%   10.27%   10.28%   10.27%   10.28%   10.27%   10.28%   10.27%   10.28%   10.28%   10.27%   10.28%   1							
2025 Benchmark							
TIMA-CREF Lifecycle 2030 - TCLNX							
12.00%   14.56%   14.56%   9.59%   10.94%							
11.64%   15.08%   15.08%   15.08%   10.94%   10.94%   2035 Benchmark   14.08%   16.10%   16.10%   10.48%   12.21%   11.56%   2040 Benchmark   14.08%   16.07%   16.07%   9.45%   11.56%   2040 Benchmark   14.83%   16.71%   16.71%   10.82%   12.69%   11.56%   2040 Benchmark   14.83%   16.71%   16.73%   17.03%   17.03%   12.69%   11.56%   10.82%   12.71%   11.84%   16.73%   16.73%   16.73%   10.83%   12.71%   11.84.67EF Lifecycle 2050 - TLFXX   14.84%   16.73%   16.73%   16.73%   10.83%   12.71%   11.84.67EF Lifecycle 2060 - TLXRX   14.54%   17.41%   17.41%   17.41%   9.98%   12.21%   12.30%   12.60%   12.30%   12.60%   12.30%   12.60%							
2035 Benchmark							
12.84%   16.07%   16.07%   9.45%   11.56%							
2040 Benchmark  14.83%   16.71%   16.71%   10.82%   12.69%    TIAA-CREF Lifecycle 2045 - TTFRX   14.01%   17.03%   17.03%   17.03%   10.83%   12.71%    TIAA-CREF Lifecycle 2050 - TLFRX   14.23%   17.24%   17.24%   9.91%   12.11%    2050 Benchmark   14.84%   16.73%   16.73%   10.83%   12.71%    TIAA-CREF Lifecycle 2055 - TTRLX   14.34%   17.27%   17.27%   9.94%   12.21%    2055 Benchmark   14.84%   16.73%   16.73%   10.83%   12.71%    TIAA-CREF Lifecycle 2055 - TTRLX   14.34%   17.27%   17.27%   9.94%   12.21%    2055 Benchmark   14.84%   16.73%   16.73%   10.84%   12.71%    TIAA-CREF Lifecycle 2060 - TLXRX   14.51%   17.41%   17.41%   9.98%   12.20%    2060 Benchmark   14.84%   16.74%   16.74%   10.84%   12.71%    TOAM-CREF Lifecycle 2060 - TLXRX   14.51%   17.41%   17.41%   9.98%   12.30%    2060 Benchmark is comprised of 11.1% Wilshire 5000, 9.1% MSCI ACWI, 52.4% Ag Bond, 5.0% REIT Index, 15.0% 3 Month T-Bill 2016 Benchmark is comprised of 29.6% Wilshire 5000, 14.9% MSCI ACWI, 36.2% Ag Bond, 5.0% REIT Index, 11.5% 3 Month T-Bill 2020 Benchmark is comprised of 38.8% Wilshire 5000, 20.1% MSCI ACWI, 31.2% Ag Bond, 5.0% REIT Index, 8.6% 3 Month T-Bill 2035 Benchmark is comprised of 47.6% Wilshire 5000, 21.7% MSCI ACWI, 37.0% Ag Bond, 5.0% REIT Index, 8.6% 3 Month T-Bill 2036 Benchmark is comprised of 67.4% Wilshire 5000, 25.5% MSCI ACWI, 19.7% Ag Bond, 5.0% REIT Index, 2.2% 3 Month T-Bill 2036 Benchmark is comprised of 67.4% Wilshire 5000, 25.5% MSCI ACWI, 19.7% Ag Bond, 5.0% REIT Index, 2.1% 3 Month T-Bill 2045 Benchmark is comprised of 60.9% Wilshire 5000, 31.3% MSCI ACWI, 18.8% Ag Bond, 5.0% REIT Index, 1.1% 3 Month T-Bill 2045 Benchmark is comprised of 60.9% Wilshire 5000, 31.2% MSCI ACWI, 1.8% Ag Bond, 5.0% REIT Index, 1.1% 3 Month T-Bill 2055 Benchmark is comprised of 60.0% Wilshire 5000, 31.2% MSCI ACWI, 1.8% Ag Bond, 5.0% REIT Index, 1.1% 3 Month T-Bill 2065 Benchmark is comprised of 61.0% Wilshire 5000, 31.2% MSCI ACWI, 1.8% Ag Bond, 5.0% REIT Index, 1.1% 3 Month T-Bill 2065 Benchmark is comprised of 61.							
14.01%   17.03%   17.03%   18.4%   12.00%	-						
2045 Benchmark							
14.23%   17.24%   17.24%   19.91%   12.11%	•						
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2060 Benchmark is comprised of 61.0% Wilshire 5000, 31.2% MSCI ACWI, 1.8% Ag Bond, 5.0% REIT Index, 1.1% 3 Month T-Bill         Wilshire 5000 Index       14.94%       22.18%       22.18%       14.65%       15.57%         FTSE NAREIT Equity REITs Index       8.15%       -5.12%       -5.12%       5.41%       6.70%         MSCI ACWI Index       17.01%       10.65%       10.65%       4.88%       8.93%         US Aggregate Bond Index       0.71%       7.75%       7.75%       5.44%       4.53%	2045 Benchmark is comprised of 60.9% Wilshire 5000, 31.3% M 2050 Benchmark is comprised of 60.9% Wilshire 5000, 31.3% M	ISCI ACWI, 1. ISCI ACWI, 1.	8% Ag Bo 8% Ag Bo	nd, 5.0% R nd, 5.0% R	EIT Index, EIT Index,	1.1% 3 Mo 1.1% 3 Mo	onth T-Bill onth T-Bill
FTSE NAREIT Equity REITs Index         8.15%         -5.12%         -5.12%         5.41%         6.70%           MSCI ACWI Index         17.01%         10.65%         10.65%         4.88%         8.93%           US Aggregate Bond Index         0.71%         7.75%         7.75%         5.44%         4.53%			_				
FTSE NAREIT Equity REITs Index         8.15%         -5.12%         -5.12%         5.41%         6.70%           MSCI ACWI Index         17.01%         10.65%         10.65%         4.88%         8.93%           US Aggregate Bond Index         0.71%         7.75%         7.75%         5.44%         4.53%	Wilshire 5000 Index	14.94%	22.18%	22.18%	14.65%	15.57%	
MSCI ACWI Index         17.01%         10.65%         10.65%         4.88%         8.93%           US Aggregate Bond Index         0.71%         7.75%         7.75%         5.44%         4.53%							
US Aggregate Bond Index 0.71% 7.75% 7.75% 5.44% 4.53%							
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## Employee summary: Gender and age1

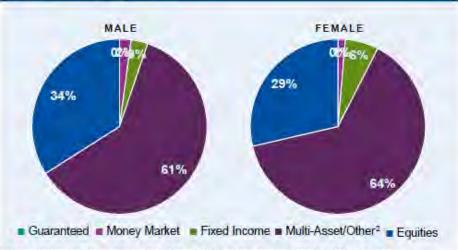




#### **Employee Contribution Amounts by Gender**



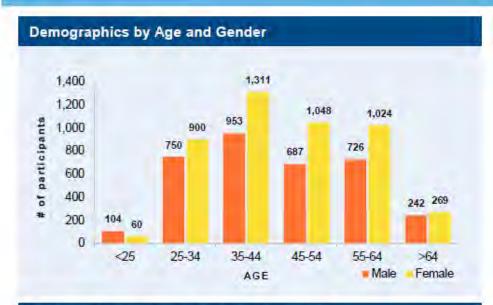
#### Diversification by Gender

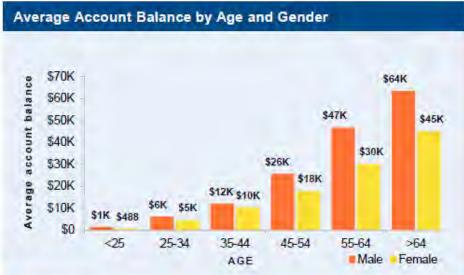


This report is as of the period ending 12/31/2020 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans. 1. Data reflected is for all participant statuses except Employee Contribution Amounts by Gender which includes only active or leave status. Does not include 2 participants with no age or gender on file. 2. Multi-Asset/Other includes Lifecycle, Real Estate, and Brokerage. 3. Contribution data reflects the trailing 12 months of data.

#### NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM COMPANION PLAN

## Employee summary: Gender and age1

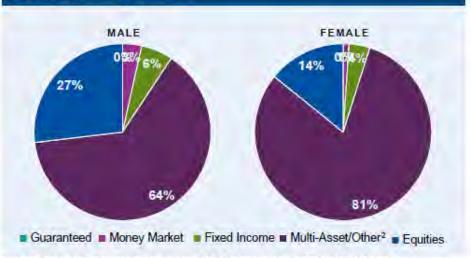




#### **Employee Contribution Amounts by Gender**



#### Diversification by Gender



This report is as of the period ending 12/31/2020 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans. 1. Data reflected is for all participant statuses except Employee Contribution Amounts by Gender which includes only active or leave status. Does not include 285 participants with no age or gender on file. 2. Multi-Asset/Other includes Lifecycle, Real Estate, and Brokerage. 3. Contribution data reflects the trailing 12 months of data.

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## **Plan Summary**



As of 12/31/2020

457(b)	Assets	Pé
TIAA-CREF Lifecycle 2025 Fund Retirement	\$23,714,389	14:1%
TIAA-CREF Lifecycle 2020 Fund Retirement	\$19,317,566	11.5%
TIAA-CREF Lifecycle 2030 Fund Retirement	\$17,422,405	10.4%
TIAA-CREF Lifecycle 2035 Fund Retirement	\$13,568,526	8,1%
TIAA-CREF Lifecycle 2045 Fund Retirement	\$11,780,035	7.0%
TIAA-CREF Lifecycle 2040 Fund Retirement	\$11,322,785	6.7%
TIAA-CREF Lifecycle 2015 Fund Retirement	\$8,524,789	5.1%
Vanguard Institutional Index Fund Institutional	\$8,102,122	4.8%
TIAA-CREF Lifecycle 2050 Fund Retirement	\$7,601,183	4.5%
Vanguard Total Bond Market Index Fund Admiral	\$4,497,860	2.7%
Vanguard Total International Stock Index Fund Admiral	\$3,843,613	2.3%
Vanguard Admiral Treasury Money Market Fund Investor	\$3,755,050	22%
Brown Capital Management Small Company Fund Investor	\$2,925,049	1.7%
Vanguard Dividend Growth Fund Investor	\$2,846,724	1.7%
TIAA-CREF Lifecycle 2055 Fund Retirement	\$2,715,751	1.6%
Franklin Growth Fund Advisor	\$2,423,565	1.4%
Wells Fargo Stable Value Fund - J	\$2,365,414	1.4%
Wells Fargo Growth Fund Administrator	\$1,933,854	1.1%
T. Rowe Price Capital Appreciation Fund Advisor	\$1,697,961	1,0%
Columbia Mid Cap Index Fund A	\$1,417,461	0.8%
Invesco Developing Markets Fund Y	\$1,388,781	0,8%
Hartford Dividend and Growth Fund R5	\$1,349,429	0.8%
TIAA-CREF Lifecycle 2010 Fund Retirement	\$1,344,879	0.8%
American Funds New Perspective Fund R4	\$1,221,006	0.7%
Baird Core Plus Bond Fund Investor	\$1,144,759	0.7%
Virtus Ceredex Mid-Cap Value Equity Fund I	\$1,126,734	0.7%
T. Rowe Price Equity Income Fund	\$1,096,037	0.7%
PGIM High Yield Fund Z	\$1,071,544	0,5%
Self Directed Brokerage Account	\$1,030,808	0.6%
Prudential Jennison Mid-Cap Growth Fund Z	\$921,580	0.5%
Cohen & Steers Realty Shares	\$910,882	0.5%
TIAA-CREF Lifecycle Retirement Income Fund Retirement	\$815,818	0.5%
Northern Small Cap Value Fund	\$801,026	0.5%
DFA U.S. Small Cap Portfolio Institutional	\$686,309	0.4%
MassMutual Premier Inflation-Protected and Income Fund Service Class	\$664,846	0.4%
Templeton Global Bond Fund Advisor	\$496,085	0.3%
TIAA-CREF Lifecycle 2060 Fund Retirement	\$470,352	0.3%
Total	\$168,316,977	100.0%

401[a]	Assets	Per
TIAA-CREF Lifecycle 2030 Fund Retirement	\$2,363,893	12.9%
TIAA-CREF Lifecycle 2025 Fund Retirement	\$2,121,346	11.6%
TIAA-CREF Lifecycle 2035 Fund Retirement	\$1,924,403	10.5%
Vanguard Institutional Index Fund Institutional	\$1,162,945	5.4%
TIAA-CREF Lifecycle 2020 Fund Retirement	\$1,123,818	5.1%
TIAA-CREF Lifecycle 2050 Fund Retirement	\$944,966	5.2%
TIAA-CREF Lifecycle 2045 Fund Retirement	\$888,629	4.9%
Brown Capital Management Small Company Fund Investor	\$831,246	4.5%
TIAA-CREF Lifecycle 2040 Fund Retirement	\$696,557	3.8%
TIAA-CREF Lifecycle 2055 Fund Retirement	\$590,900	3.2%
Wells Fargo Growth Fund Administrator	\$553,112	3.0%
Franklin Growth Fund Advisor	\$535,686	2,9%
TIAA-CREF Lifecycle 2010. Fund Retirement	\$396,042	2.2%
Vanguard Total International Stock Index Fund Admiral	\$377,494	2.1%
Vanguard Admiral Treasury Money Market Fund Investor	\$348,902	1.9%
PGIM High Yield Fund Z	\$336,356	1.8%
American Funds New Perspective Fund R4	\$329,230	1.8%
T. Rowe Price Capital Appreciation Fund Advisor	\$324,735	1.8%
Hartford Dividend and Growth Fund R5	\$280,331	1.5%
Invesco Developing Markets Fund Y	\$248,112	1.4%
Columbia Mid Cap Index Fund A	\$226,896	1.2%
Baird Core Plus Bond Fund Investor	\$207,683	1.1%
Cohen & Steers Realty Shares	\$204,604	1.1%
Vanguard Dividend Growth Fund Investor	\$180,131	1.0%
Wells Fargo Stable Value Fund - J	\$155,972	0.9%
T. Rowe Price Equity Income Fund	\$147,699	0,8%
DFA U.S. Small Cap Portfolio Institutional	\$127,250	0.7%
Self Directed Brokerage Account	\$121,246	0.7%
Prudential Jennison Mid-Cap Growth Fund Z	\$107,655	0.6%
Templeton Global Bond Fund Advisor	\$98,675	0.5%
Northern Small Cap Value Fund	\$93,054	0.5%
MassMutual Premier Inflation-Protected and Income Fund Service Class	\$80,290	0.4%
Vanguard Total Bond Market Index Fund Admiral	\$71,446	0.4%
TIAA-CREF Lifecycle 2015 Fund Retirement	\$43,433	0.2%
Virtus Cereolex Mid-Cap Value Equity Fund I	\$41,060	0.2%
TIAA-CREF Lifecycle 2060 Fund Retirement	\$7,393	0.0%
TIAA-CREF Lifecycle Retirement Income Fund Retirement	\$0	0.0%
Total	\$18,293,189	100,0%
Grand Total	\$186,610,166	



#### North Dakota Public Employees Retirement System 400 East Broadway, Suite 505 • Box 1657

Bismarck, North Dakota 58502-1657

**Scott Miller Executive Director** (701) 328-3900 1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

# Memorandum

TO: NDPERS Board

FROM: **Bryan Reinhardt** 

DATE: April 13, 2021

SUBJECT: Job Service Plan Asset Allocation

The Job Service retirement plan has about 182 retirees and only 5 active contributing members with total assets of \$97 million at market value (December 2020). As this plan continues to mature, the NDPERS Board has worked to de-risk the asset allocation. SEI is the fund manager for the Job Service assets. Attachment 1 is a proposal from SEI for a small change to the asset allocation that still maintains the 20/80 allocation. The 'Portfolio A' change has the same expected return based on the Capital Market Assumptions but shows a slight increase in the standard deviation (risk).

The recommendation is to move equity assets to the global category as the equity allocation is currently overweight in US stocks. The recommendation also moves fixed income assets out of the Limited Duration category and spreads them into Core Fixed Income and Short-Term Corporate Fixed Income. SEI projects the Limited Duration investments will underperform going forward.

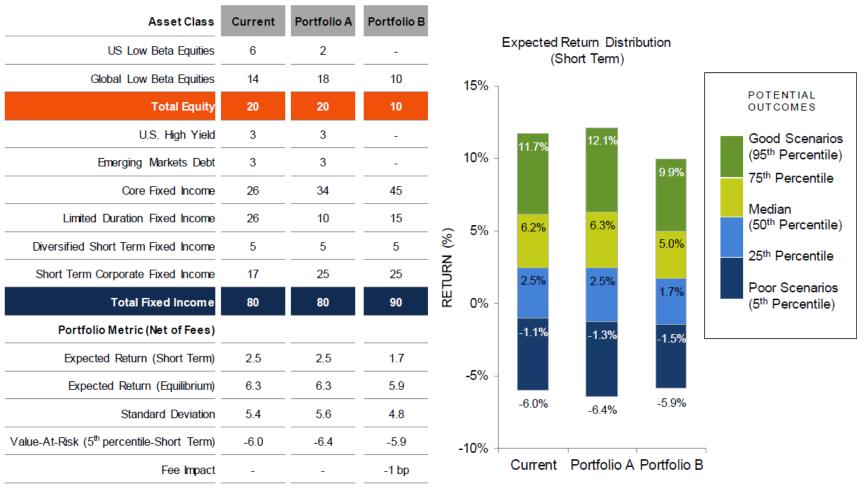
The NDPERS Investment Subcommittee reviewed this information and recommends the NDPERS Board approve Portfolio A for the Job Service plan. Attachment 2 is the updated Job Service Investment Policy.

#### **Board Action Requested:**

Approve the updated Job Service Investment Policy.

#### Attachment 1

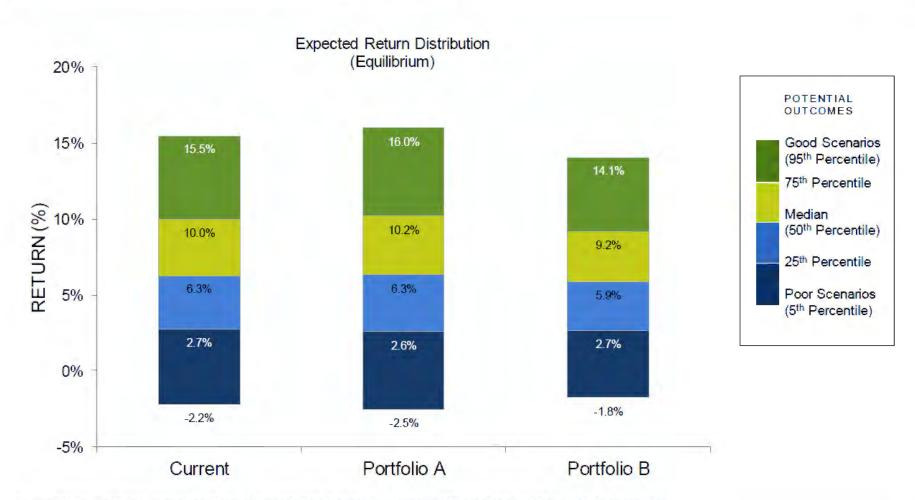
## Job Service: Modeled portfolios



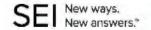
Source: SEI Capital Market Assumptions. Please see important disclosures at the beginning of this section and at the back of the presentation.



## Job Service: Modeled portfolios



Source: SEI Capital Market Assumptions. Please see important disclosures at the beginning of this section and at the back of the presentation.



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## RETIREMENT PLAN FOR EMPLOYEES OF JOB SERVICE NORTH DAKOTA INVESTMENT POLICY STATEMENT

#### 1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS

The Retirement Plan for the Employees of Job Service North Dakota (Plan) is a defined benefit retirement plan for the eligible employees hired before October 1, 1980. There have been no new entrants to the plan since October 1, 1980. The plan provides retirement benefits, disability benefits and survivor benefits consistent with the written Plan document. Until October 1, 1993, annuities were purchased from the Travelers for retirees, since that date retiree benefits are paid from Plan assets. Annual cost of living adjustments for all Plan pensioners including annuitants with the Travelers are paid from Plan assets. The NDPERS Board (the Board) is the Plan Administrator and administers the Plan in accord with Chapter 52-11 of the North Dakota Century Code.

Job Service North Dakota as the employer contributes 4% of the active participant's salary as a contribution 'on behalf of the employee' and the active participants pay 3% of their salary into Plan assets.

Each year the Plan has an actuarial valuation performed. The current actuarial assumed rate of return on assets is 4.25%.

#### 2. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB)

Aggregate plan contributions plus earnings, minus allowable expenses constitute the Fund. The Board is charged by NDCC chapters 54-52, 21-10-01, and 39-03.1 to establish policies for the investment goals and asset allocation of the Fund. The State Investment Board (SIB) is charged with implementing the asset allocation as promptly and prudently as possible in accordance with the Board's policies by investing the assets of the Fund in the manner provided in the prudent investor rule, which provides:

Fund fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers' fund for retirement and the public employees retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. (NDCC 21-10-07)

The SIB may delegate investment responsibility of the Fund or any portion of the Fund to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy is supervisory not advisory.

The SIB may at its discretion, pool the assets of the Fund with another fund or funds having similar investment objectives and time horizons in order to maximize returns and minimize costs. In pooling fund assets the SIB will establish asset class pools it deems necessary to achieve the specific quality, diversification, restrictions, and performance objectives subject to the prudent investor rule and the objectives of the funds participating in the pools.

The SIB is responsible for establishing the selection criteria, determining the performance measures, and retaining all fund money managers. SIB is also responsible for the selection and retention of any investment consultants that may be employed in the investment of the Fund assets.

#### 3. DELEGATION OF AUTHORITY

Management responsibility for NDPERS funds not assigned to the North Dakota State Investment Board (SIB) in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, which must establish written policies and procedures for the operation of the NDPERS funds, consistent with this investment policy.

Such procedures must provide for:

- The definition and assignment of duties and responsibilities to advisory services and persons employed by the SIB pursuant to NDCC 21-10-02.1(1) (a).
- Investment diversification, investment quality, qualification of money managers, and amounts to be invested
  by money managers pursuant to NDCC 21-10-02.1(1)(e). In developing these policies it is understood:
  - Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
  - The use of derivatives will be monitored to ensure that undue risks are not taken by the money managers.
  - All assets must be held in custody by the SIB's master custodian or such other custodians as are selected by the SIB.
- Guidelines for the selection and redemption of investments will be in accordance with NDCC 21-10-02.1(1) (d).
- 4. The criteria for making decisions with respect to hiring, retention, and termination of money managers will be clearly defined. This also includes selecting performance measurement standards, consultants, report formats, and frequency of meetings with money managers.

All participants in the investment process must seek to act responsibly as custodians of the public trust.

#### 4. INVESTMENT GOALS

The investment objectives of the Plan have been established by the Plan's Administrator upon consideration of its strategic objectives and a comprehensive review of current and projected financial requirements.

Objective #1: To maintain a level of surplus sufficient to eliminate the need for future contributions;

Objective #2: To achieve a rate of return which exceeds the rate of inflation, as measured by the Consumer Price index (CPI), by 3.0 or more percentage points per year (based on current actuarial assumptions of 4.25% return and 2.5% inflation), over a complete market cycle; and

Objective #3: As a secondary objective, to maximize the Plan's surplus to increase future benefit payments.

#### 5. INVESTMENT PERFORMANCE OBJECTIVE

The NDPERS Board will seek to make investments that generate sufficient return to meet the goals outlined in this policy. The objectives established in this section are in accordance with the fiduciary requirement in federal and state law.

It is in the best interest of NDPERS and its beneficiaries that performance objectives be established for the total Fund. It is clearly understood these objectives are to be viewed over the long term and have been established after full consideration of all factors set forth in this Statement of Investment Goals, Objectives and Policies.

a) The funds rate of return, over the long term should equal that of the policy portfolio which is comprised of policy weights of appropriate asset class benchmarks as set by the SIB.

- b) The annual standard deviation of total returns for the Fund should not materially exceed that of the policy portfolio by more than 15%.
- c) Over 5-year and longer periods the fund should match or exceed the expected rate of return projected in the most recent asset/liability study without exceeding the expected risk for the period as measured by standard deviation by more than 15%.

#### 6. ASSET ALLOCATION

The NDPERS Board as plan Administrator establishes the asset allocation of the Fund, with input from consultants and SIB staff. The current asset allocation is based upon the asset/liability study completed by SEI Consultants in 2017. That study provided an appraisal of current cash flow projections and estimates of the investment returns likely to be achieved by the various asset classes.

In recognition of the Plan's objectives, projected financial status, and capital market expectations, the following asset allocation options were deemed appropriate for the Fund:

Domestic Equity – 2%		Deleted: 6
Global Equity - 18%		Deleted: 14
U.S. High Yield Bonds - 3%	(	
Emerging Markets Debt - 3%		
Core Fixed Income - 34%		Deleted: 26
Limited Duration Fixed Income - 10%		Deleted: 26
Diversified Short Term Fixed Income - 5%	(	20.0104.20
Short Term Corporate Fixed Income - 25%		Deleted: 17

Rebalancing of the Fund to this target allocation will be done in accordance with the SIB's rebalancing policy, but not less than annually.

#### 7. RESTRICTIONS

While the SIB is responsible for establishing specific quality, diversification, restrictions, and performance objectives for the investment vehicles in which the Fund's assets will be invested, it is understood that:

- a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
- b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
- All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.

Social Investing is defined as "The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."

d. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

Economically targeted investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved, as well as to create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

e. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

The Exclusive Benefit Rule is met if the following four conditions are satisfied:

- (1) The cost does not exceed the fair market value at the time of investment.
- (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
- (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
- (4) The safeguards and diversity that a prudent investor would adhere to are present.

#### 8. INTERNAL CONTROLS

The SIB must have a system of internal controls to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

#### 9. EVALUATION

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards.

An annual performance report must be provided to the Board by the State Investment Officer at a regularly scheduled NDPERS Board meeting. The annual performance report must include asset returns and allocation data as well as information regarding all significant or material matters and changes pertaining to the investment of the Fund, including:

- Changes in asset class portfolio structures, tactical approaches and market values;
- All pertinent legal or legislative proceedings affecting the SIB.
- Compliance with these investment goals, objectives and policies.
- A general market overview and market expectations.
- A review of fund progress and its asset allocation strategy.

In addition, the State Investment Officer shall review with the Board the procedures and policies established by the SIB relating to this statement of investment goals, objectives, and policies.

Scott Miller Plan Administrator and Trustee Retirement Plan for Employees of Job Service North Dakota	David Hunter Executive Director North Dakota Retirement and Investment Office
Date:	Date:

Approved by the SIB:

Approved by the PERS Board: 04/13/2021

Deleted: 07/14/2020



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# Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: April 13, 2021

SUBJECT: Survey Results for 401(a) Defined Contribution & 457 Deferred

Compensation Plans

NDPERS conducted online surveys to understand how our members perceive TIAA's performance in the 401(a) Defined Contribution and 457 Deferred Compensation – Companion Plans. Both of these surveys, available from February 22 through March 12, were sent to all active, retired and deferred members of each plan that had a valid email on file. Please see Attachment 1 for the 401(a) Defined Contribution survey questions and results. Attachment 2 provides the 457 Deferred Compensation – Companion Plan guestions and results.

As you can see from the below, the response rate decreased for both surveys since the surveys were last conducted in 2018.

#### Response Rate Comparison per Plan

		457 Deferred Compensation		Defined bution
	2018	2021	2018	2021
Opened email	2,753	3,388	116	82
Did not open email	2,185	3,793	55	69
Total email invitations	4,938	7,181	171	151
Total responses	765	525	42	22
Response rate	15.5%	7.3%	24.6%	14.6%

#### 401(a) Defined Contribution

When comparing the results from the 2018 survey to the recent ones, the responses indicate several positive trends:

- an increase in satisfaction with the range of investments funds (question 1),
- increased approval regarding the available plan information (question 2), and
- better ratings in overall satisfaction with TIAA services including its web services, quarterly statements, and availability of counselors (question 4)
- a slight increase in confidence regarding having enough money to retire (question 4)

There was no indicator of poor performance perceived by members.

#### **457 Deferred Compensation – Companion Plan**

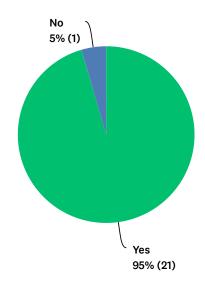
While there is an increase in satisfaction with the range of investment funds available (question 1), members indicate a slight 4% decrease in satisfaction regarding the availability of plan information (question 2).

On question 4, the results are comparable to those of 2018. There were two areas with significant increases – confidence about having enough money to retire (26% to 33%) and satisfaction with the education services provided by TIAA (39% to 44%).

This item is informational and does not require any action by the Board.

## Q1 Are you satisfied with the range of investment funds available?

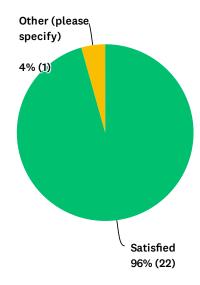
Answered: 23 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	95%	21
No	5%	1
TOTAL		22

## Q2 Are you satisfied with the availability of plan information?

Answered: 23 Skipped: 0

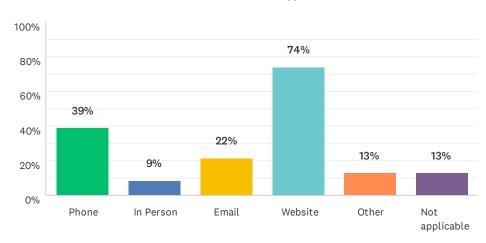


ANSWER CHOICES	RESPONSES	
Satisfied	96%	22
Dissatisfied	0%	0
Other (please specify)	4%	1
TOTAL		23

#	OTHER (PLEASE SPECIFY)	DATE
1	I don't know where to find it, but I haven't looked.	3/5/2021 1:27 PM

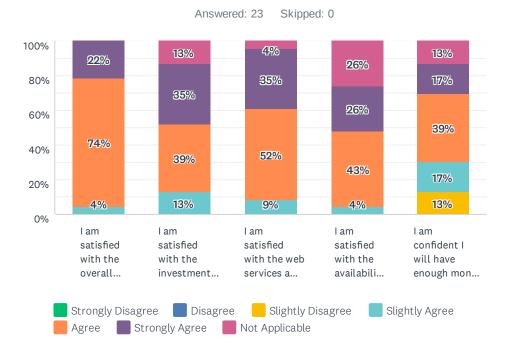
## Q3 How have you interacted with TIAA?

Answered: 23 Skipped: 0



ANSWER CHOICES	RESPONSES	
Phone	39%	9
In Person	9%	2
Email	22%	5
Website	74%	17
Other	13%	3
Not applicable	13%	3
Total Respondents: 23		

### Q4 Select your level of agreement with the following statements:

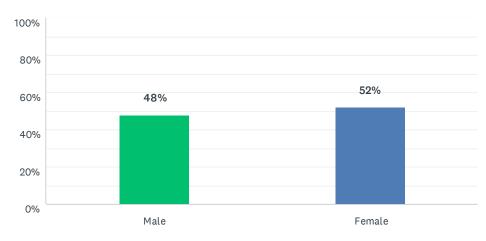


#### NDPERS 401(a) Defined Contribution Retirement Plan

	STRONGLY DISAGREE	DISAGREE	SLIGHTLY DISAGREE	SLIGHTLY AGREE	AGREE	STRONGLY AGREE	NOT APPLICABLE	TOTAL	WEIGHTE AVERAGE
I am satisfied with the overall services provided by TIAA.	0%	0% 0	0% 0	4% 1	74% 17	22% 5	0% 0	23	5.1
I am satisfied with the investment education and advice given by TIAA.	0% 0	0% 0	0% 0	13% 3	39% 9	35% 8	13%	23	4.5
I am satisfied with the web services and quarterly statements provided by TIAA.	0% 0	0% 0	0% 0	9% 2	52% 12	35% 8	4%	23	5.0
I am satisfied with the availability of counselors and advisors from TIAA.	0% 0	0% 0	0% 0	4% 1	43% 10	26%	26% 6	23	3.9
I am confident I will have enough money to retire.	0% 0	0% 0	13% 3	17% 4	39% 9	17%	13%	23	3.7

## Q5 What is your gender?

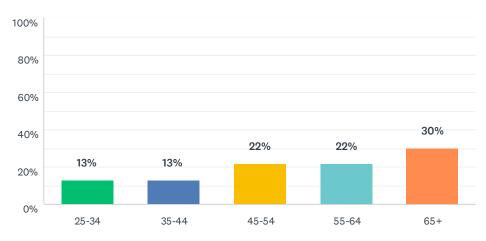
Answered: 23 Skipped: 0



ANSWER CHOICES	RESPONSES	
Male	48%	11
Female	52%	12
TOTAL		23

## Q6 What is your age?

Answered: 23 Skipped: 0



ANSWER CHOICES	RESPONSES	
25-34	13%	3
35-44	13%	3
45-54	22%	5
55-64	22%	5
65+	30%	7
TOTAL		23

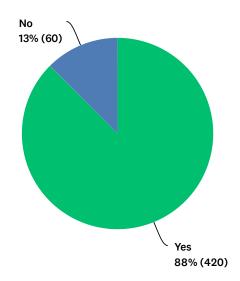
## Q7 Do you have any additional comments on TIAA's performance regarding the 401(a) Defined Contribution Plan?

Answered: 8 Skipped: 15

#	RESPONSES	DATE
1	Please have more options for gender than male or female. This isn't very LGBT affirmative.	3/5/2021 1:27 PM
2	No	3/5/2021 9:28 AM
3	It seemed the communication between PERS & TIAA was not consistent. The federal Cares Act allowed to hold RMDs and NDPERs did not follow the same guideline. So in an effort to retain my health care credit, I applied three times before it finally went through the system. It seemed logical to me that the NDPERS would have same guidelines for RMD due to Cares Act as the Federal Government. Fortunately, I was able to withdraw an amount to retain my HCC.	2/25/2021 2:28 PM
4	None	2/23/2021 2:13 AM
5	I just wish that I would only deal with PERS directly vs an out of state entity.	2/22/2021 2:34 PM
6	Would like to be able to change monthly withdrawals through the TIAA website rather than having to contact a person through a phonecall.	2/22/2021 12:49 PM
7	I have been happy with the 401(a) plan to date. However I would like to request that a Roth option be added to the 457 plan (also administered by TIAA). I have not participated in the 457 because there is no Roth option on it. My spouse and I have used Roth IRAs and increased contributions to my spouse's Roth 401k plan instead. I would definitely utilize a Roth 457 since there are excellent mutual fund options provided by TIAA. Many employers, private and public, offer Roth retirement options to their employees so I'm requesting that NDPERS consider this.	2/22/2021 10:42 AM
8	no	2/22/2021 10:12 AM

## Q1 Are you satisfied with the range of investment funds available?

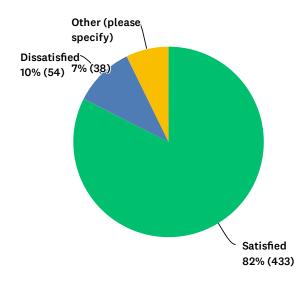
Answered: 525 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	88%	420
No	13%	60
TOTAL		480

## Q2 Are you satisfied with the availability of plan information?

Answered: 525 Skipped: 0



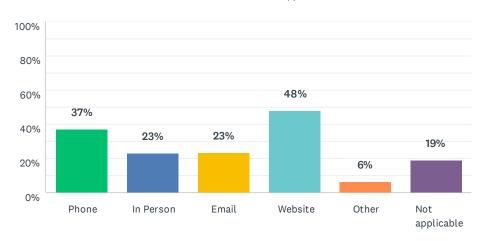
ANSWER CHOICES	RESPONSES
Satisfied	82% 433
Dissatisfied	10% 54
Other (please specify)	7% 38
TOTAL	525

#	OTHER (DI EASE SPECIFY)	DATE
#	OTHER (PLEASE SPECIFY)	
1	Not sure whether it good or not	3/12/2021 9:24 AM
2	Will be finding out - need to explore options. Last contact was with representative at workplace - 10 + years ago.	3/11/2021 11:07 AM
3	Have not really had an opportunity to review	3/8/2021 10:11 AM
4	I do not use TIAA	3/8/2021 9:20 AM
5	Can't remember what I got	3/5/2021 4:30 PM
6	I would rate it somewhere in the middle	3/5/2021 8:56 AM
7	Only wish wouldn't have to be on hold for such a lengthy time.	3/5/2021 8:04 AM
8	Receive newsletter	3/4/2021 9:19 PM
9	How?? No computer or smartphone	3/4/2021 6:45 PM
10	not in the 457 deferred comp plan.	3/4/2021 6:40 PM
11	I wish TIAA was in ND.	3/4/2021 5:44 PM
12	Never once have I spoken with a person from TIAA.	3/4/2021 5:07 PM
13	I do not understand anything about plan information or what to choose.	3/4/2021 4:41 PM
14	Too much and too little diversity	3/4/2021 4:32 PM
15	never asked about the plan	2/28/2021 3:30 PM
16	retired so I do not follow the investimates of 457, never was involved in TIAA	2/25/2021 10:12 AM
17	Withdrew my money in 2018	2/24/2021 6:52 PM

18	Is there more information than what is on quarterly statements?	2/24/2021 10:22 AM
19	Employer Human Resource staff need to be better educated on plan enrollment and at the time of employment resignation.	2/23/2021 8:16 AM
20	Haven't made contact with anyone, I see meetings sometimes sent to my email. Would appreciate phone call instead.	2/23/2021 5:58 AM
21	I don't know the availability of plan info.	2/22/2021 4:08 PM
22	I have made appts twice and been unsuccessful in meeting with my rep. I gave up after the last time when my husband and I showed up and he had another couple in his office. He had double booked. I use another financial organization for most of my transactions, not tiaa	2/22/2021 2:06 PM
23	See comments section. Maybe TIAA thinks the money belongs to them.	2/22/2021 1:59 PM
24	In rollover they backdated funds that had been in market and did not pay full amount owed. Money that continued to go into the fund is after rollover is lost and has not been returned with proof of money being transferred from paycheck. Nobody helps from TIAA or Pers	2/22/2021 1:39 PM
25	NA	2/22/2021 1:26 PM
26	More information would be useful.	2/22/2021 12:48 PM
27	the information is too technical to understand.	2/22/2021 12:37 PM
28	Haven't really had a chance to look or talk with anyone yet	2/22/2021 11:46 AM
29	Information always seems to be geared towards actives. Would appreciate more of an orientation for retirees as well.	2/22/2021 11:34 AM
30	I really don't know.	2/22/2021 10:33 AM
31	I have receive NO personal interaction. They want their commission but do nothing to earn it.	2/22/2021 10:23 AM
32	Would like more information for roll over of other/old 401(k) plans etc. and details without an expensive meeting	2/22/2021 10:05 AM
33	I do not use TIAA	2/22/2021 9:18 AM
34	I longer have an account with TIAA	2/22/2021 9:14 AM
35	I do not have enough experience to form an opinion on this question,	2/22/2021 9:12 AM
36	Rrr	2/22/2021 9:09 AM
37	I don't know how to use	2/22/2021 9:07 AM
38	NA	2/22/2021 9:05 AM

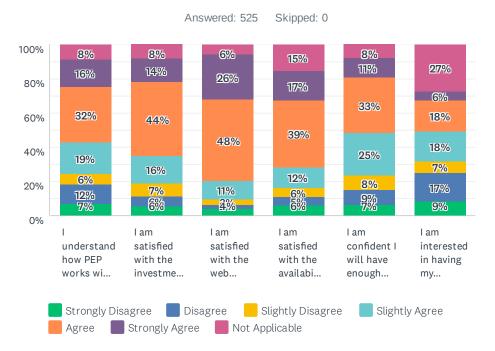
## Q3 How have you interacted with TIAA?

Answered: 525 Skipped: 0



ANSWER CHOICES	RESPONSES
Phone	37% 193
In Person	23% 120
Email	23% 123
Website	48% 251
Other	6% 34
Not applicable	19% 99
Total Respondents: 525	

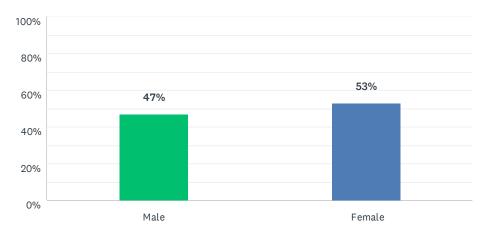
## Q4 Select your level of agreement with each of the following statements:



	STRONGLY DISAGREE	DISAGREE	SLIGHTLY DISAGREE	SLIGHTLY AGREE	AGREE	STRONGLY AGREE	NOT APPLICABLE	TOTAL	WEIGHTI AVERAG
I understand how PEP works with my contribution to increase my pension plan account balance.	7% 36	12% 61	6% 31	19% 98	32% 170	16% 85	8% 44	525	3.
I am satisfied with the investment education and advice given by TIAA.	6% 30	6% 30	7% 39	16% 84	44% 229	14% 71	8% 42	525	3.
I am satisfied with the web services and quarterly statements provided by TIAA.	4% 21	2% 13	3% 17	11% 57	48% 250	26% 137	6% 30	525	4.
I am satisfied with the availability of counselors and advisors from TIAA.	6% 32	5% 25	6% 29	12% 64	39% 205	17% 90	15% 80	525	3.
I am confident I will have enough money to retire.	7% 35	9% 45	8% 44	25% 130	33% 172	11% 59	8% 40	525	3.
I am interested in having my contributions automatically increased each year.	9% 45	17% 87	7% 36	18% 93	18% 93	6% 29	27% 142	525	2.

## Q5 What is your gender?

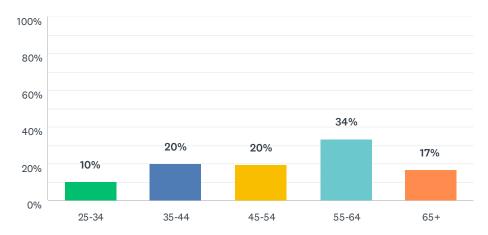
Answered: 525 Skipped: 0



ANSWER CHOICES	RESPONSES	
Male	47%	247
Female	53%	278
TOTAL		525

## Q6 What is your age?

Answered: 525 Skipped: 0



ANSWER CHOICES	RESPONSES
25-34	10% 53
35-44	20% 105
45-54	20% 103
55-64	34% 177
65+	17% 87
TOTAL	525

## Q7 Do you have any additional comments on TIAA's performance regarding the 457 Deferred Compensation Plan?

Answered: 124 Skipped: 401

#	RESPONSES	DATE
1	I've been impressed with the performance of the funds. Thank you.	3/11/2021 11:07 AM
2	I had a one on one appt with a TIAA rep and I was very uncomfortable. I didn't feel that he was really helpful to me.	3/9/2021 9:35 AM
3	To expand on question #1, I would like the investment options offered expanded to include individual stocks and ETFs. I understand that this increases the risk to my portfolios, but given the long-term investing nature of a deferred comp plan, I am more than comfortable exposing myself to increased risk to improve the average yearly return.	3/8/2021 8:39 AM
4	none	3/7/2021 2:36 PM
5	want more information about recent mailing explaining that TIAA was not required to put my interest above their own agents profits.	3/7/2021 1:57 PM
6	The website should show actual investment returns; not your total returns with investments+contributions - it's decieving to most people. Also, should be more investment options, considering what's available in the marketplace, the plan is pretty limited through TIAA, but we do always have the option to go with an external provider. Overall, it's good, but could be tweeked a bit	3/7/2021 8:40 AM
7	happy i was able to get into my account, wish we had a representative come to my employment place, and guide us more. That's the new age of investments. I'm not a computer person and id rather talk to a real person.	3/6/2021 3:27 PM
8	Yes! Four (4) months ago moved all accounts, investments, and savings to Schwab. Not interested in doing business with TIAA. Decision made after eight (8) years with NDPERS.	3/6/2021 11:34 AM
9	I do not use the companion plan so I do not interact with TIAA. I do, however, like the program and the options.	3/5/2021 10:18 PM
10	Disappointed in the performance of this fund. With current market trends I shouldn't be losing principle from my account	3/5/2021 2:03 PM
11	I have been working with someone on the phone to transfer funds from another account but I would prefer I meet with someone in person. These forms are difficult to understand. It is overwhelming	3/5/2021 10:38 AM
12	You take my money every month for several years now and I'm not allowed to draw it out to use as a down payment for a house. I have stopped contributing to this account because of this. In order to get my money you told me I'd have to quit my job. I wish I would have known this, because I would have never given you my money.	3/5/2021 10:31 AM
13	none	3/5/2021 10:10 AM
14	I like TIAA that they come to the Capitol (Or they use too) They gal Denise they had was awesome. Last time I met in person it was a guy and he was not good. I think they should have more than 1 person that is available to come. I also think PERS should explain 457 plan better as well so employees know how it works and why they should take advantage of the 457. It is a joint effort by all agencies and PERS is the benefits agency.	3/5/2021 8:40 AM
15	You had better come up with information that is more understandable. Reading your information is like reading a VCR manual written in Japanese translated to English.	3/5/2021 8:14 AM
16	It would be nice to have a rep call the employees to check in with them, offer advice on what changes could be made & help them plan their withholdings & when to increase them.	3/5/2021 8:05 AM
17	The communication and education aspect of TIAA is terrible. Customer service is all about us doing everything on our own when contacted	3/5/2021 8:04 AM
18	I have never been contacted other than by mail. I have never seen a face or had a conversation. Work gave me paperwork to do and that is the Only contact I have ever had.	3/5/2021 8:03 AM

Don't know who to talk to or how or where to reach them.

	Don't know who to talk to or now or where to reach them.	
19	None	3/5/2021 7:47 AM
20	I plan to better utilize the available education this year to learn this subject.	3/5/2021 6:48 AM
21	The advisors including Scott Roche do a fine job.	3/5/2021 4:07 AM
22	Good service!	3/4/2021 11:16 PM
23	I wish I'd have known about it sooner. It allowed me to save more than I expected.	3/4/2021 9:04 PM
24	Would like to be called, talked to an agent.	3/4/2021 8:24 PM
25	Increase number of ETF's. They offer a much lower cost than the others. If you invest in the 401a and 403b with TIAA, the choices are, for the most part, redundant.	3/4/2021 6:53 PM
26	If you don't have the ability to use technology you are screwed	3/4/2021 6:45 PM
27	Very difficult to get appointments with one's representative that is familiar with your situation. Online meetings has loss in translation sometimes. Basically video phone call with little to no visual of what they are talking about on some matters. I've had in person meetings with many others this last year. Tiaa should do the same. ie bank, insurance shopping and at work every day. When your talking about rather large sums if monies I feel in person would be very much s important thing to avoid misunderstandings that could cost me thousands of dollars.	3/4/2021 6:35 PM
28	Had a 457 plan at TIAA. Found that I could not get funds without permission from my university even though I had retired. Drained the fund as quickly as I could.	3/4/2021 6:12 PM
29	Would like to have opertunity for face to face meetings in my town not having to drive 180 miles.	3/4/2021 5:54 PM
30	I have no idea if I even have individual's listed as benf. to this plan.	3/4/2021 5:07 PM
31	no	3/4/2021 4:53 PM
32	I use the brokerage service to a large extent. The allowable investments through brokerage really should be expanded a bit. Perhaps put caps on some higher-risk investments that we cannot get exposure to now.	3/4/2021 4:52 PM
33	Regarding the question about my age, I m only 24 but that was not an option so I had to choose 25-34 because it is a required question. Thanks!	3/4/2021 4:46 PM
34	There is zero user friendly outlets that explain anything about the deferred compensation plan and have way too many people in the middle routing and re-routing calls to different people for answers and explanations. I manage my own private investments and it's ridiculously simple.	3/4/2021 4:43 PM
35	No. Thanks for your help.	3/4/2021 4:42 PM
36	I do not have a clear understanding about TIAA or the 457 Deferred Compensation Plan or what is best for me or my family. It would be nice to see what the options are and make a choice after everything is explained to me.	3/4/2021 4:41 PM
37	Ira gold, more European stocks	3/4/2021 4:32 PM
38	no	3/2/2021 3:50 PM
39	No	3/2/2021 4:19 AM
40	While generally satisfied with the investment options, having a few more would be encouraged.	3/1/2021 9:23 AM
41	The Investment Opportunities in the main TIAA Investment Portfolio are very good overall.	2/27/2021 12:54 PM
42	Of the four investment companies I dealt with with, TIAA has been the best to work with for transferring funds between funds or between companies.	2/26/2021 11:53 PM
43	No	2/25/2021 7:24 AM
44	No	2/25/2021 7:22 AM
45	Very appreciative of this option to utilize for my retirement.	2/25/2021 7:10 AM
46	no	2/24/2021 6:52 PM
47	I would like more fund options. If these are available, there should be more information on how to pick a different fund.	2/24/2021 2:33 PM
48	I personally have to become more involved in where my investments are being placed and	2/24/2021 10:24 AM

	what I can do to increase the Investing power. I just don't know how or where to start!	
49	It would be much appreciated to have on onsite representative at least annually for Q&A. I believe many staff don't invest because there is a lack of information at this agency.	2/24/2021 10:22 AM
50	I should have realized when I was younger to put into my 457 Plan much higher amounts of my gross income every year to utilize the full potential. I've been working hard to input much larger amounts each month, since I spoke with and had webinars with NDPERs, and also watched several TIAA webinars. Good sources in both cases. Perhaps those who are younger with the Dept should be offered webinar experiences through NDPERS or TIAA to better explain how the 457 Deferred Plan could greatly aid them in retirement planning at much younger ages.	2/24/2021 8:33 AM
51	I actually know nothing about this account other than the statements I get. I have tried to get access to an online account numerous times and am unable to get a state login as my email is used for another business account.	2/24/2021 1:12 AM
52	PEP has nothing to do with me. I don't participate in the defined benefit plan. And, I will appreciate it if you don't mess with the 457 plan.	2/23/2021 7:44 PM
53	No	2/23/2021 1:11 PM
54	Wish I would have started earlier!	2/23/2021 11:59 AM
55	Would like to see VTSAX as an available investment option.	2/23/2021 8:55 AM
56	When I resigned (at age 35), I was given the impression from human resources that I had to close this account which I did AND then found out I didn't have to and that I still could have contributed to the account after my employment now I have a ROTH-IRA with TIAA.	2/23/2021 8:16 AM
57	Dealing with the TIAA advisors has been extremely frustrating. Was going to transfer money into the plan from another plan and gave up due to conflicting info from different TIAA advisors. I was told to gather certain documents and then contact the individual I initially started conversation with and then someone I never heard of from out of state would contacted me regarding the transfer. Even though I'm not completely satisfied with Edward Jones, I decided it was easier to leave my money there than deal with the TIAA circus. At least I can talk to the same person every time and can see them face to face if I desire.	2/23/2021 8:15 AM
58	TIAA has been great to work with! I DO NOT feel the majority of employee's at our agency understand the PEP program. The way it is communicated is confusing and doesn't tie it to to the Deferred Compensation Plan. Why is it called the PEP plan, like it is a totally different plan from the Deferred Compensation plan. You have the Defined Contribution plan, Defined Benefit plan, Deferred Compensation plan, PEP plan, all for retirement. We have staff with a high school degrees up to doctors, who are likely not meeting PEP requirements, because they don't understand them. PERS relies on payroll staff who don't understand the plans to communicate it to staff. That doesn't always work. Why aren't their Teams video's on the PERS website, clearly explaining (6th grade level) the various retirement plans and how they inter-relate; the benefit plans, state sponsored vs. nonstate sponsored; pre- reiterment program - I don't want to take a full day off work to attend a once per year program on the retirement plan. Especially when I only need the PERS info, not info on saving for retirement, wills, etc. Please record someone clearly providing this info and post it to your website. That way people have the correct information; because when you call PERS for questions, it's common to get different answers to the same question, which is a problem. If more clearly explained info, via recorded videos was on your website, it would reduce the calls into PERS and provide consistent info to staff. Thanks.	2/23/2021 8:10 AM
59	Once you are out of the PERS system - you really get no service at all except the quarterly statement	2/23/2021 7:17 AM
60	Easy to work with	2/23/2021 6:54 AM
61	The person I dealt with is gone, the new person I met with one time in 2019. I would appreciate a phone call from the person watching over my account. I get emails at work, but to generic to set up a time to meet with who knows. Just have a rep personally send out to the people that has there assigned accounts and phone call once in while would be great. Have a TIAA go to each district and set up meetings like what used to be done. I am not in central office.	2/23/2021 5:58 AM
62	Never received information pertaining to employers contribution, if there is any?	2/22/2021 10:47 PM
63	The 457 Deferred Comp plan performed poorly compared to my other investments in 2020 and early in 2021.	2/22/2021 10:44 PM
64	I appreciate having this plan available to me. I've invested alot of money to it over my 8 years of service and it has done very well. I will not have to rely solely on my pension for retirement	2/22/2021 5:46 PM

thanks to this plan. 65 I have investments in both the Companion Plan portfolio as well as the brokerage. I am very 2/22/2021 5:44 PM satisfied with the investment options available. I primarily use the web site for most transactions and have always been happy with their advisors in cases where I have called NA 2/22/2021 4:36 PM 66 I can't believe they can't incorporate our DB plan benefits into their retirement sufficiency 67 2/22/2021 4:34 PM 68 not at this time 2/22/2021 4:29 PM 69 I think it is confusing about the amount to contribute to get the maximum match. I am a new 2/22/2021 4:15 PM employee, in my second year, and I picked a number to ensure the match year one but I don't really know how to calculate things to ensure I keep up with any wage increases One year isn't that big of a percentage, 3 percent or so, but if wages increase again this year (and I hope they do :-) ), I don't know what that means with my TIAA overall. Thank you for all you do! 70 I've never been given any info about this plan, and I don't know anything about my plan or 2/22/2021 4:08 PM about the advisors. Not at this time. 71 2/22/2021 3:14 PM 2/22/2021 3:14 PM 72 No. 73 There really needs to be more options in the self-directed brokerage. 2/22/2021 2:55 PM 74 I personally do not like the tiaa plan and would rather withdrawal all of my funds from it. 2/22/2021 2:51 PM 75 Would like to be able to withdraw funds via web interface. 2/22/2021 2:49 PM 76 I was scammed a large sum of money and struggling at present may have to remove some of 2/22/2021 2:45 PM my retirement working with financial planner 77 Left it for better investment plans. 2/22/2021 2:32 PM 78 2/22/2021 2:02 PM none 79 As part of my retirement plans, last spring I tried to roll the small TIAA account in with others 2/22/2021 1:59 PM at NW Mutual Life ins. TIAA would not release the money. We tried twice and gave up. Here's the rub I have with them - TIAA receives the paperwork, finds a problem with it and stops processing right there. They do NOT report back what the issue is. Just sit on it until maybe a month later you call them to check on the status of the transfer. Very frustrating!! The first submittal we found out that a block was checked that should not have been so we resubmitted and after a month or so called TIAA about the status. Found out the SW Water signer was not a TIAA authorized signer. You would think TIAA could report why the process has stopped. I just said the heck with it with them. Vanguard sent the money they had right away. Also, as part of my retirement package, I had a chance to use the TIAA money that is still there to buy my extra sick leave. After some delay at the home office, I decided not to go that route and the frustrating experience I already had with TIAA. Oh, and by-the-way in one of those prior phone calls last spring, I made an offhand comment about taking it in cash. Don't you suppose I got a letter from TIAA telling me why the could not do that. I better quit here - my blood pressure is going up. 80 When working on my rollover and the money that was lost and not being payed back, I asked if 2/22/2021 1:39 PM an audit was to be done how do you account for the extra money that you have. The advisors stated that they are a big company and these things just happen. Well the one person I was able to actually talk to wasn't familiar with this particular plan as he 2/22/2021 1:37 PM 81 normally worked with the teachers at UND not with my particular plan and was told most with this use it just simply as extra money. 82 They did a wonderful job helping me do my rollover. 2/22/2021 1:26 PM 83 The advice and quality of service with everyone I have interacted at TIAA has been 2/22/2021 12:44 PM outstanding! 2/22/2021 12:42 PM 84 No. Although I am retired, I have not yet started to withdraw any TIAA funds. 85 I have been wanting to change my account from annuity and decided I want to withdraw to put 2/22/2021 12:37 PM this in with my other retirement account Everytime someone is supposed to come to ND it gets cancelled! Would be nice to meet with

2/22/2021 12:32 PM

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someone in person. 87 Satisfied with TIAA. Your survey is too generic - I am retired, much of the survey is for active 2/22/2021 12:20 PM working employees. 88 Like what they do 2/22/2021 12:15 PM 89 TIAA didn't have as good a rebound as my other investments. 2/22/2021 12:13 PM 90 Statements easy to read and understand 2/22/2021 11:59 AM 91 Again, even your questionnaire is geared towards active. Try and develop education and 2/22/2021 11:34 AM resources for non active employees that doesnt require handing over other information. Tiaa is a good company but wont give me the advisor services they promote unless I give them all other income info about myself. Thanks for asking! I would like more education regarding the 457 Deferred Comp Plan 2/22/2021 11:20 AM 92 I am not sure what you mean by PEP in O4 above. You should spell it out. Since you survey 93 2/22/2021 11:01 AM requests a response I put NA. This response should be invalidated. Was your questionnaire tested? Would like the plan to add a Roth option! 2/22/2021 10:56 AM 94 95 TIAA does a good job, however it would be nice to have a Roth option. 2/22/2021 10:53 AM 96 Really want more information 2/22/2021 10:52 AM I just don't seem to have the time to meet with them. But I should as I really don't understand 2/22/2021 10:33 AM 97 ho it all works. 98 TIAA has been very very good, providing excellent service and very helpful whenever I contact 2/22/2021 10:28 AM them. 99 TIAA is TERRIBLE to work with. I've been trying to do a rollover for over 8 months and cannot 2/22/2021 10:26 AM reach anyone. They just sent me a letter with the blank form again and again with no explanation. I complete it, mail it back, and then get the blank form again in the mail. TIAA is a joke and a scam. 100 Age is below the listed ranges, 24 2/22/2021 10:26 AM 101 I am looking at moving my funds due to the lack of personal service. 2/22/2021 10:23 AM 102 Not at this time, thank you. 2/22/2021 10:19 AM 103 it is unethical to ask my gender. Should not make any difference. 2/22/2021 10:16 AM I would like to have a conversation with a rep for TIAA. My name is 104 2/22/2021 10:07 AM Would like to better understand options for roll-over of other/old plans with former employers 105 2/22/2021 10:05 AM without having to pay for a meeting - thought more benefit services. 106 I am displeased with the lack of communication from TIAA on a personal level. We receive 2/22/2021 9:59 AM emails, but not personal communication from TIAA. I have no idea who my agent even is. 107 Not impressed with their representative - he just tells you to look on-line 2/22/2021 9:56 AM 108 I just have not made the time to go meet with them since I started this investment. 2/22/2021 9:51 AM 109 my performance has lagged the market considerably 2/22/2021 9:48 AM 110 NA 2/22/2021 9:41 AM 111 I had a bad experience with TIAA. At my time of retirement, I had been working with one of the 2/22/2021 9:41 AM TIAA advisors. I had provided him with details of my various retirement investments for him to provide me with a projection and evaluation of my retirement readiness. Suddenly I was no longer receiving responses from him, weeks passed and commitments he had made to provide the evaluation passed with no explanation. After several weeks, I received a contact from a different advisor finding that the one I had been working with left TIAA. While I understand these things happen, it left me questioning the stability of the company as a whole. I used up the funds in my 457 account and have been with Morgan Stanley since. 112 The website for NDPERS sucks. I have been locked out multiple times and am currently 2/22/2021 9:40 AM locked out now. I have pulled my funds out of TIAA and transferred them to a different investment company. I 2/22/2021 9:27 AM 113

was very dissatisfied with TIAA's online and phone support. The website would never work for me. I had nothing but problems, and that is why I transferred.

114	It would be nice to have a way to take this out when need without a lot of hassle.	2/22/2021 9:21 AM
115	Roth contributions are needed	2/22/2021 9:21 AM
116	Nope.	2/22/2021 9:14 AM
117	The few times I have tried to set-up a session with a representative I have not been able to because there are no available times left.	2/22/2021 9:12 AM
118	Company should invest more into the account	2/22/2021 9:09 AM
119	Don't even know what this is.	2/22/2021 9:09 AM
120	Disappointed to find out I have no availability to my money. I stopped contributing and will put my money elsewhere so if I would really need it, I can use it. 59 years old and I was told I can't touch my money and was also told it's not my money. I was stunned. I was told the year before, I can withdraw the funds for a home purchase, not even close to the truth. Can't even withdraw the funds at 59 even though the law says I can. Stupid place to keep my money. You all need to work on training. I won't put another penny into this fund. I don't like not having any control over my money.	2/22/2021 9:09 AM
121	I dont look into it except to see the balance.	2/22/2021 9:08 AM
122	yes	2/22/2021 9:05 AM
123	None	2/22/2021 9:04 AM
124	No	2/22/2021 9:03 AM



### North Dakota Public Employees Retirement System 400 East Broadway, Suite 505 • Box 1657

Bismarck, North Dakota 58502-1657

Scott A. Miller **Executive Director** (701) 328-3900 1-800-803-7377

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# Memorandum

TO: NDPERS Board

MaryJo Anderson FROM:

April 13, 2021 DATE:

**Disability Renewal Agreement** SUBJECT:

The NDPERS Board approved the renewal of the disability consultant contract effective July 1, 2021 with Mid Dakota at the February 2021 meeting. The renewal contract will be effective for a two-year period from July 1, 2021 through June 30, 2023. Attached is the renewal contract, which was also reviewed by Dean, NDPERS' legal counsel. This agreement has also been provided to Mid Dakota for review and approval as well.

#### **Board Action Requested**

Approve the disability consultant agreement with Mid Dakota effective 7/1/2021.

#### MEDICAL CONSULTING AGREEMENT

This Agreement is entered into between the State of North Dakota acting through its Public Employees Retirement System (PERS) and Mid Dakota Clinic, P.C.

#### **SCOPE OF SERVICES**

Mid Dakota Clinic, in exchange for the compensation paid by PERS under this contract, agrees to provide the following services:

- 1) provide a licensed medical provider (the "Medical Consultant") to review applications for disability benefits and make recommendations concerning the eligibility of the individual seeking benefits (the "Individual"). The Medical Consultant must respond in writing within thirty (30) days of receiving the application. In order to be eligible, an Individual must be permanently and totally disabled ("Disabled Annuitant"). This means they must be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted, or can be expected to last, for a continuous period of not less than twelve months. Substantial gainful activity is based upon the totality of the circumstances including consideration of an individual's training, education, and experience; their potential for earning at least seventy percent of their pre-disability earnings; and other items deemed significant on a case by case basis. Eligibility is based on an individual's employability and not on actual employment status.
- Disabled Annuitants are recertified approximately every eighteen months. The medical consultant will review any new information and, if necessary, make recommendations.
- 3) To prepare written finding for the Executive Director of PERS and also the Public Employees Retirement System Board. In the event of an appeal, the medical consultant will review any new information and, if necessary, make recommendations.
- 4) To provide general consulting services as requested.
- 5) To provide a monthly status report including the name of each applicant under review and current status of the claim\application by the 10th of each month.
- 6) To maintain records and to retain such records for six (6) years after the termination of a disability.

#### **TERM**

This Agreement shall commence on July 1, 2021 and end on June 30, 2023.

#### **FEES**

PERS shall pay Mid Dakota Clinic \$200 per hour for work performed pursuant to the agreed upon terms in the proposal dated December 21, 2020, which is incorporated herein by reference.

#### **TERMINATION OF CONTRACT**

- a. **Termination without cause or by mutual consent**. This contract may be terminated by mutual consent of both parties or by either party by providing thirty (30) days written notice of termination.
- b. **Termination for lack of funding or authority**. PERS by written notice of default to Mid Dakota Clinic may terminate the whole or any part of this contract, under any of the following conditions:
  - 1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
  - 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding proposed for payments authorized by this contract.
  - 3) If any license, permit, or certificate required by law or rule, or by the terms of this contract, is for any reason denied, revoked, suspended, or not renewed.

Termination of this contract under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

- c. **Termination for cause**. PERS may terminate this contract effective upon delivery of written notice to Mid Dakota Clinic, or any later date stated in the notice:
  - 1) If Mid Dakota Clinic fails to provide services required by this contract within the time specified or any extension agreed to by PERS; or
  - 2) If Mid Dakota Clinic fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its terms.

The rights and remedies of PERS provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this contract.

#### **FORCE MAJEURE**

Neither party shall be held responsible for delay or default caused by fire, flood, riot, acts of God or war if the event is beyond the party's reasonable control and the affected party gives notice to the other party immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.

#### **RENEWAL**

This contract will not automatically renew.

#### NON-DISCRIMINATION/COMPLIANCE WITH LAWS

Mid Dakota Clinic agrees to comply with all applicable laws, rules, regulations, and policies, including but not limited to those relating to non-discrimination, accessibility, and civil rights. Mid Dakota Clinic agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including but not limited to sales and use taxes and unemployment compensation and workers' compensation premiums. Mid Dakota Clinic shall have and keep current at all times during the term of this Agreement all licenses and permits required by law.

#### **ACCESS TO RECORDS AND AUDIT**

The Public Employees Retirement Board, Office of the Attorney General of the State of North Dakota, and their duly authorized representatives shall have access to the books, documents, papers, and records of the Mid Dakota Clinic which are directly pertinent to the specific duties and obligations to be performed pursuant to this Agreement for the purpose of making audit, examination, excerpts, and transcripts. All records, regardless of physical form, and the accounting practices and procedures of Mid Dakota Clinic relevant to this contract are subject to examination by the North Dakota State Auditor or the Auditor's designee, or Federal auditors. Mid Dakota Clinic shall maintain all such records for at least six years following completion of this contract and be able to provide them at any reasonable time. PERS, State Auditor, or Auditor's designee shall provide reasonable notice.

#### **WORK PRODUCT, EQUIPMENT AND MATERIALS**

All work product, equipment or materials created or purchased under this contract belong to PERS and must be delivered to PERS at PERS request upon termination of this contract. Mid Dakota Clinic agrees that all materials prepared under this contract are "works for hire" within the meaning of the copyright laws of the United States and assigns to PERS all rights and interests Mid Dakota Clinic may have in the materials it prepares under this contract, including any right to derivative use of the material. Mid Dakota Clinic shall execute all necessary documents to enable PERS to protect its rights under this section.

#### **INDEPENDENT ENTITY**

Mid Dakota Clinic is an independent entity under this contract and is not a State of North Dakota employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. Mid Dakota Clinic retains sole and absolute discretion in the manner and means of carrying out Mid Dakota Clinic's activities and responsibilities under this contract, except to the extent specified in this contract.

#### **ASSIGNMENT AND DELEGATION**

Mid Dakota Clinic may not assign or otherwise transfer or delegate any right or duty without the express written consent of PERS. However, Mid Dakota Clinic may enter into subcontracts provided that any subcontract acknowledges the binding nature of this Contract and incorporates this Contract, including any attachments. Mid

Dakota Clinic is solely responsible for the performance of any subcontractor. Mid Dakota Clinic does not have authority to contract for or incur obligations on behalf of PERS.

#### CONFIDENTIALITY

Mid Dakota Clinic agrees not to use or disclose any information it receives from PERS under this contract that PERS has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this contract or as authorized in advance by PERS. PERS agrees not to disclose any information it receives from Mid Dakota Clinic that Mid Dakota Clinic has previously identified as confidential and that PERS determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota open records law, N.D.C.C. ch. 44-04. Both parties are aware that information or records may be confidential under state law or federal laws such as HIPAA. Mid Dakota Clinic agrees to comply with the requirements of a separately signed Business Associate Agreement as required under the HIPAA Privacy Rule, 45 C.F. R. 164.502(e)(2) and with respect to any services provided under this agreement, to comply with all applicable requirements of the federal HIPAA privacy rule, 45 CFR pts. 160 and 164. The parties agree that all participation by PERS members and their dependents in programs administered by PERS is confidential under North Dakota law. Failure of Contractor to maintain the confidentiality of such information may be considered a material breach of the contract and may constitute the basis for additional civil and criminal penalties under North Dakota law. Contractor shall not disclose any individual employee or dependent information without the prior written consent of the employee or family member. Contractor has exclusive control over the direction and guidance of the persons rendering services under this Agreement. Upon termination of this Agreement, for any reason, Contractor shall return or destroy all confidential information received from PERS, or created or received by Contractor on behalf of PERS. This provision applies to confidential information that may be in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the confidential information. In the event that Contractor asserts that returning or destroying the confidential information is not feasible, Contractor shall provide to PERS notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of PERS that return or destruction of confidential information is not feasible. Contractor shall extend the protections of this Agreement to that confidential information and limit further uses and disclosures of any such confidential information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains the confidential information. The indemnity provisions of this agreement specifically apply to the duty of Mid Dakota Clinic to comply with this confidentiality requirement.

#### COMPLIANCE WITH PUBLIC RECORDS LAW

Mid Dakota Clinic understands that, except for information that is confidential or otherwise exempt from the North Dakota open records law, PERS must disclose to the public upon request any records it receives from Mid Dakota Clinic. Mid Dakota Clinic further understands that any records that are obtained or generated

by Mid Dakota Clinic under this contract, except for records that are confidential or exempt may, under certain circumstances, be open to the public upon request under the North Dakota open records law. Mid Dakota Clinic agrees to contact PERS immediately upon receiving a request for information under the open records law and to comply with PERS instructions on how to respond to the request.

#### **INDEMNITY**

Mid Dakota Clinic agrees to defend, indemnify, and hold harmless the State of North Dakota, its agencies, officers and employees, including the North Dakota Public Employees Retirement System, its Board of Trustees, officers and employees (for the purposes of this provision all parties are together referenced as the "State"), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors or omissions. The legal defense provided by Mid Dakota Clinic to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. Mid Dakota Clinic also agrees to defend, indemnify, and hold the State harmless from all costs, expenses and attorneys' fees incurred if the State prevails in an action against Mid Dakota Clinic in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

#### **INSURANCE**

- a. Mid Dakota Clinic shall secure and keep in force during the term of this agreement, and shall require all subcontractors, prior to commencement of an agreement between Mid Dakota Clinic and the subcontractor, to secure and keep in force during the term of this agreement from insurance companies, government selfinsurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:
  - 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
  - 2) Professional errors and omissions with minimum liability limits of \$1,000,000 per occurrence and in the aggregate, Mid Dakota Clinic shall continuously maintain such coverage during the contact period and for three years thereafter. In the event of a change or cancellation of coverage, Mid Dakota Clinic shall purchase an extended reporting period to meet the time periods required in this section.
  - 3) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.

- 4) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
- 5) Employer's liability or "stop gap" insurance of not less than \$1,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- b. The insurance coverages listed above must meet the following additional requirements:
  - 1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of Mid Dakota Clinic.
  - 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
- c. The commercial general liability insurance required in this agreement, through a policy or endorsement, shall include:
  - 1) The duty to defend, indemnify, and hold harmless the State under this agreement shall not be limited by the commercial general liability insurance required in this agreement.
  - 2) The State of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights and coverages of an additional insured under these policies.
  - 3) "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State;
  - 4) A provision that Mid Dakota Clinic's insurance coverage shall be primary (i.e. pay first) as respects any insurance, self-insurance or self-retention maintained by the State and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the Mid Dakota's insurance and shall not contribute with it;
  - 5) The legal defense provided to the State under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary;
  - 6) The insolvency or bankruptcy of Mid Dakota Clinic shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents Mid Dakota Clinic from meeting the retention limit under the policy.
  - 7) Mid Dakota Clinic shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.
- d. Failure to provide insurance as required in this agreement is a material breach of contract entitling State to terminate this agreement immediately.

e. Mid Dakota Clinic shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements.

#### APPLICABLE LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this contract must be brought in the State District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or forum non conveniens.

#### **MERGER CLAUSE**

This Agreement constitutes the entire agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Any such waiver, consent, modification, or change, if made, shall be effective only in the specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement.

#### **SEVERABILITY CLAUSE**

If any term of this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms shall not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the contract did not contain that term.

#### **NOTICE**

All notices or other communications required under this contract must be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

MaryJo V. Anderson Retirement Programs Manager NDPERS PO Box 1657 Bismarck, ND 58502-1657

Alexis Bullinger
WorkLife Occupational Medicine & Therapy Manager
Mid Dakota Clinic, P.C.
2700 State St Unit L-1 Gateway Mall
Bismarck, ND 58503

Notice provided under this provision does not meet the notice requirements for monetary claims against the State found at N.D.C.C. § 32-12.2-04.

#### <u>SPOLIATION – NOTICE OF POTENTIAL CLAIMS</u>

Mid Dakota Clinic shall promptly notify PERS of all potential claims that arise or result from this contract. Mid Dakota Clinic shall also take all reasonable steps to

preserve all physical evidence and information that may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and grants to PERS the opportunity to review and inspect the evidence, including the scene of an accident.

#### **ATTORNEY FEES**

In the event a lawsuit is instituted by PERS to obtain performance due under this contract, and PERS is the prevailing party, Mid Dakota Clinic shall, except when prohibited by N.D.C.C. § 28-26-04, pay to the State of North Dakota reasonable attorney fees and costs in connection with the lawsuit.

#### **ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL**

The State of North Dakota does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. The State of North Dakota does not waive any right to a jury trial.

#### **TAXPAYER ID:**

Mid Dakota Clinic's federal employer ID number is: 45-0311334.

#### **EFFECTIVENESS OF CONTRACT:**

This contract is not effective until fully executed by both parties.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM	MID DAKOTA CLINIC, P.C.
Scott A. Miller, Executive Director ND Public Employees Retirement System	Authorized Agent Mid Dakota Clinic, P.C.
Date	 Date



# North Dakota Public Employees Retirement System 400 East Broadway, Suite 505 ● Box 1657

400 East Broadway, Suite 505 ● Box 16 Bismarck, North Dakota 58502-1657 Scott A. Miller Executive Director (701) 328-3900 1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

# Memorandum

**TO:** NDPERS Board

**FROM:** Bryan Reinhardt

**DATE:** April 13, 2021

**SUBJECT:** 2020 EAP Utilization

The following table shows the self-reported 2020 utilization from the NDPERS Employee Assistance Program (EAP) providers. The overall EAP utilization rate is at 6.5%. This is about the same as reported since 2015, but lower than the 8-9% reported rate in the years prior to 2015.

NDPERS Employee Assistance Program – 2020

	NDPERS TOTAL	Live Well	ENI	The Village	St. Alexius
Contracts	15380	172	403	7439	7366
Cases*	998	17	59	446	476
%	6.5%	9.9%	14.6%	6.0%	6.5%
Sessions**	2315	74	64	1701	476
%	15.1%	43.0%	15.8%	22.9%	6.5%
Case Types:					
Psychiatric	675	11	51	285	328
Family/Personal	261	5	5	118	133
Work Problems	27	0	1	23	3
Financial/Legal	30	0	4	26	0
Drugs/Alcohol	29	1	1	19	8
Other/Unknown	10	0	1	5	4

<sup>\* -</sup> Note that family members are also eligible for the EAP.

If you have any questions or need more information, I will be available at the NDPERS Board meeting.

<sup>\*\* -</sup> Per Session information was not available from St. Alexius.



## North Dakota Public Employees Retirement System 400 Fast Broadway Suite 505 • Box 1657

400 East Broadway, Suite 505 ● Box 1657 Bismarck, North Dakota 58502-1657

Scott A. Miller Executive Director (701) 328-3900 1-800-803-7377

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# Memorandum

TO: NDPERS Board

**FROM:** Bryan Reinhardt

**DATE:** April 13, 2021

**SUBJECT:** Medicare Part-D (EGWP) RFP

Here is the RFP for the Medicare Prescription Drug Part-D plan also known as the Employer Group Waiver Plan (EGWP). Note that unlike the health plan starting on July 1<sup>st</sup>, the Medicare drug plan starts on January 1<sup>st</sup>. Express Scripts (ESI) is the current provider and we are coming to the end of the six-year period. Similar to the full health plan RFP, Deloitte will be leading this effort along with NDPERS staff.

Here is the proposed timeline:

Activity	Date/Time	
RFP Published	Monday, April 19, 2021	
Questions Due	Wednesday, April 28, 2021	
Question Answers Posted	Wednesday, May 12, 2021	
Proposals Due	Friday, May 21, 2021	
NDPERS Staff Interviews	Week of July 19	
NDPERS Board Presentations	Week of July 26	
Selection of Vendor	August 2021	
Contract Effective Date	January 1, 2022	

If you have any questions, I will be available at the NDPERS Board meeting.

#### **BOARD ACTION:**

**Approve the Medicare Part-D RFP** 

### **Appendix A: Response Template**

1. Face Sheet	
Name of Proposer's Firm:	
Federal Tax I.D. Number:	
Principal Place of Business:	
Address:	
City:	
State and Zip:	
Contact Person:	
Title:	
Telephone:	
Fax:	
E-mail address:	

2. Minimum Requirements. Indicate in the table that you will meet these requirements. If you are not able to meet these requirements, your proposal may be dismissed from consideration.

#	Minimum Requirements	Response (Will Meet / Will Not Meet)
1	Bidder must be able to provide required coverages and services by January 1, 2022.	
2	Bidder must have all applicable licenses required by North Dakota or agree to obtain necessary licensure prior to the effective dates of coverage.	
3	Bidders must maintain compliance with all CMS requirements applicable to the Medicare Part D Prescription Drug Plan and EGWP+Wrap benefit.	
4	Proposals should duplicate existing plan design and member cost share.	
5	Premium and Administrative Fee Rates: Preliminary estimates for Medicare Part D EGWP+Wrap premiums (fully-insured proposals), administrative fees (self-insured proposals), CMS subsidies and funding estimates (both fully-insured and self-insured) must be submitted to NDPERS no later than April 15 of the year preceding the contract renewal date	
6	Final renewals must be submitted to NDPERS no later than August 15 of the year preceding the contract renewal date	

#	Minimum Requirements	Response (Will Meet / Will Not Meet)
7	Bidders agree to comply with all provisions of the Health Insurance Portability Act of 1996 including, but not limited to providing certificates of creditable coverage. Bidders must also be in compliance with all HIPAA Privacy and HIPAA EDI requirements and be able to conduct all applicable employer/plan sponsor and provider transactions consistent with those requirements. Bidders will be expected to meet HIPAA security requirements when applicable to NDPERS. Bidders will also be expected to be in compliance with all ACA requirements.	
8	Bidder must be able to take current 834 electronic enrollment file (containing member eligibility) at no cost.	
9	Bidders agree, should they be selected, they will proactively manage the transition of coverage from the current carrier including the costs of managing the transition.	
10	Bidder must meet all requirements in the North Dakota Century Code including 54-52; 54-52.1 and all requirements in the North Dakota Administrative Code and other applicable State Laws. Bidder must also comply with all applicable statutes of the North Dakota Insurance Commissioner.	
11	Bidder must provide subject matter experts and other appropriate personnel to attend board meetings, legislative hearings, etc. as needed.	
12	Bidders have completed the requested information in Appendix H if they have asserted that any information is proprietary.	

#### 3. Affidavit of Non-collusion

I swear (or affirm) under the penalty of perjury:

- 1. That I am the Responder (if the Responder is an individual), a partner in the company (if the Responder is a partnership), or an officer or employee of the responding corporation having authority to sign on its behalf (if the Responder is a corporation);
- 2. That the attached proposal submitted in response to the Medicare Part D EGWP+Wrap Request for Proposals has been arrived at by the Responder independently and has been submitted without collusion with and without any agreement, understanding or planned common course of action with, any other Responder of materials, supplies, equipment or services described in the Request for Proposal, designed to limit fair and open competition;
- 3. That the contents of the proposal have not been communicated by the Responder or its employees or agents to any person not an employee or agent of the Responder and will not be communicated to any such persons prior to the official opening of the proposals; and
- 4. That I am fully informed regarding the accuracy of the statements made in this affidavit.

Responder's Firm Name:	
Authorized Signature:	
Date:	
Subscribed and sworn to me this day of Notary Public:	
My commission expires:	

4. Conflicts of interest list
Bidders must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. The list should indicate the name of the entity, the relationship, and a discussion of the conflict.

# 5. Compliance with Federal and State Laws Form

# NDPERS — Federal and State Law Compliance Certification

knowingly violate North Dakota or l	be in compliance with Federal and State laws and does not United States Laws. The company shown below will obtain ctors who will participate in the performance of this
I certify that the company shown bel authorized to sign on its behalf.	low is in compliance with items 1 above and that I am
Name of Company:	Date:
Authorized Signature:	Telephone Number:
Printed Name:	Title:

# **6. Location of Service Disclosure and Certification**

# STATE OF NORTH DAKOTA

### LOCATION OF SERVICE DISCLOSURE AND CERTIFICATION

	LOCATION OF SERVICE DISCLOSURE
Ch	eck all that apply:
	The services to be performed under the anticipated contract as specified in our proposal will be performed ENTIRELY within the State of North Dakota.
	The services to be performed under the anticipated contract as specified in our proposal entail work ENTIRELY within another state within the United States.
	The services to be performed under the anticipated contract as specified in our proposal will be performed in part within North Dakota and in part within another state within the United States.
	The services to be performed under the anticipated contract as specified in our proposal DO involve work outside the United States. Below (or attached) is a description of
(	1) the identity of the company (identify if subcontractor) performing services outside the United States;
(	2) the location where services under the contract will be performed; and
(	3) the percentage of work (in dollars) as compared to the whole that will be conducted in each identified foreign location.

### **CERTIFICATION**

the location where services h	ertify that the information provided above is accurate and that ave been indicated to be performed will not change during the at prior, written approval from the State of North Dakota.
Name of Company:	
Authorized Signature:	
Printed Name:	
Title:	
Date:	Telephone Number:

### **Appendix B Medicare Part D EGWP+Wrap Questionnaire**

To be considered and accepted, your organization must provide answers to the questions presented in this section. Each question must be answered specifically and in detail. An electronic copy of this questionnaire has been provided to facilitate your response. If you choose not to respond directly in this document and instead will submit a formatted response document, you must include both the question and the answer in your proposal response and the question order must be maintained.

Question responses should not include references to prior questions. Bidders may include additional information that you consider relevant or useful to NDPERS. If you elect to provide additional information on services in response to a question, please specifically indicate that it is not included in the covered services offered in your proposal.

If this proposal results in your company being awarded a contract and if, in the preparation of that contract, there are inconsistencies between what was proposed and accepted versus the contract language that has been generated and executed, any such discrepancy will be resolved in favor of the language contained in the proposal or correspondence relating to your proposal. Bidders are reminded that **any and all deviations must be clearly identified and described in the RFP and the deviations worksheet provided in Appendix I.** 

The questionnaire is broken down into the following categories:

- 1. Organizational Information
- 2. EGWP Operations
- 3. Clinical Management
- 4. Pharmacy Network
- 5. Account Management
- 6. Member Services
- 7. Implementation

## 1. Organizational Information

- 1.1 Please provide the legal name of the company that will be providing the pharmacy benefit management services in this contract.
- 1.2 Provide a brief description of your organization, including length of time you have been in business, corporate structure, services provided, number of employees, location of headquarters.
- 1.3 Please provide your year-end Part D membership for 2018, 2019, and 2020. Please explain significant changes to membership.
- 1.4 How many prescription drug plan clients (plan sponsors) do you provide EGWP services to?
- 1.5 How many EGWP clients do you serve with 9,000 or more Part D members?
- 1.6 Do you provide EGWP services to any State clients? If so, please name them.
- 1.7 How many government/public sector clients engage you to provide EGWP services?
- 1.8 Please provide the number of fully insured and self-funded EGWP clients.
- 1.9 What percentage of your self-insured EGWP clients have "pass-through" financial contracts and how many have a "spread/traditional" contracts?
- 1.10 Are the EGWP services proposed in this contract owned or subcontracted? If subcontracted, please identify the subcontractor, how long you have subcontracted services, and the expiration date of the current agreement.
- 1.11 If you are proposing a fully-insured EGWP option, please name the risk bearing entity responsible for the EGWP?
- 1.12 In addition to EGWP services, please identify any other services that are currently outsourced or subcontracted and the name of the vendor/partner.
- 1.13 Describe any acquisitions, mergers, or partnerships your organization has entered into in the last three (3) years or are planning to enter into during the term of this agreement.
- 1.14 You must be able to substantiate your financial stability. Provide a copy of your audited financial statement or other financial information. Include, at a minimum, a Balance Sheet and a Profit and Loss Statement, together with the name and address of the bank(s) with which you conduct business and the public accounting firm(s) that audit your financial statements. Other sufficient information may include a written statement from a financial institution confirming the creditworthiness and financial stability of the organization.

1.15 Please provide the most recent ratings from the following agencies, if applicable.

Rating Organization	Rating	Date of Last Accreditation / Rating
A.M. Best		
Standard & Poor's		
Moody's		

- 1.16 Please describe the accreditations you maintain (URAC, JCAHO, NCQA)
- 1.17 Please provide information regarding your latest internal controls and security audit, including a SOC 1, Type II and/or SOC 2, Type II report resulting from your most recent Statement on Standards for Attestation Engagements No. 18 (SSAE 18) audit.
- 1.18 Describe your privacy protection and data security standards as they relate to HIPAA and HITECH.
- 1.19 How do you maintain data security across your various worksites? How do you manage access and data security for employees that work offsite/virtually?
- 1.20 Do you maintain controls so that no single employee can use, change, or access protected data without authorization?
- 1.21 Describe certifications and other external audits. Describe the test criteria used to ensure the standards are met. Have you completed external ethical hacking tests, etc.?
- 1.22 Have you had any security breaches involving electronic protected health information or personal financial information? If so, what was the scope of the breach? Were disclosures made to affected individuals? What operations changes, if any, were implemented after the breach? Describe your capabilities to support management of PHI data.
- 1.23 Do you have insurance to cover a breach or loss?
- 1.24 Are any of the services you are proposing to provide to NDPERS contracted outside the United States? If so, please describe any business services performed outside the United States and the financial impact, if any, of requiring those services to be provided within the United States.

- 1.25 Are there any major system enhancements or conversions planned or being considered within the next 24 months (specifically of interest is adjudication platform migrations or other services that may impact member or provider service or CMS adherence)?
- 1.26 Describe your business continuity and disaster recovery plans. Please be sure to address data security and file backup, claims processing, customer service centers, mail service and specialty fulfillment operations.
- 1.27 The NDPERS Part D plan product is "bundled" with its medical supplement plan. The board may consider unbundling the product and offering the Part D plan and the supplement independently. Please discuss your perspective on this including but not limited to:
  - 1.27.1 Do you think this would increase the possibility for adverse selection in the future?
  - 1.27.2 If fully insured, would it affect your underwriting for future premium renewals?
  - 1.27.3 Do have any direct experience with clients that have addressed this issue and if so what was the outcome of those discussions?
- 1.28 Provide the following information on a maximum of three (3) of your EGWP clients for whom you provide services similar to those proposed in this proposal. References of similar size and scope to NDPERS are preferred. Also provide the following for two former governmental clients similar to PERS or larger, if possible.
  - 1.28.1 Name of employer sponsoring plan and location
  - 1.28.2 Type of services provided to plan sponsor
  - 1.28.3 Plan inception date
  - 1.28.4 Length of time as client
  - 1.28.5 Number of contracts and members participating in the plan
  - 1.28.6 Contact information (name, title, phone number, email address)
- 1.29 Include a description of your organization's short-term strategic initiatives and your long-term strategic business plan as it relates to retiree pharmacy benefits.
- 1.30 Describe how your organization differentiates itself from your competitors.
- 1.31 What makes your organization the best partner for NDPERS retirees? Do you have strategic advantages in North Dakota that make you a better choice for NDPERS than others?

### 2. EGWP Operations

- 2.1 What was the CMS star rating for your PDP for 2018, 2019, 2020, and 2021?
- 2.2 Have you been sanctioned by CMS in the past 5 years? If yes, please explain.
- 2.3 Please describe the Part D enrollment process under your PDP.
- 2.4 How do you manage missing or incorrect information during enrollment? Do you provide a process by which a member can correct missing or incorrect information in an expedited way? Is there a time limit for corrections?
- 2.5 Are there differences for members who "aged in" to Medicare while enrolled in your plan, and members who are Medicare-eligible when they first enroll in your plan?
- 2.6 Please describe how you administer late enrollment penalties for Medicare Part D. Will you invoice members directly?
- 2.7 Please describe your Part D disenrollment process for both voluntary and involuntary disenrollments. What is the timing for enrollments/disenrollments to go into effect?
- 2.8 Please confirm that you will manage member communications related to terminations required by CMS.
- 2.9 Please confirm that you will manage all CMS required pre-enrollment, post-enrollment, and renewal member communications.
- 2.10 Please confirm that Evidence of Coverage (EOC) and the Annual Notice of Change (ANOC) will be available to member prior to open enrollment.
- 2.11 Describe your handling of members who are eligible for the low-income premium subsidy available under Medicare Part D, specifically:
  - 2.11.1 How are the members identified, and how are they informed of their enhanced benefits?
  - 2.11.2 How are these members reported to the plan sponsor?
  - 2.11.3 Please describe if the low-income premium subsidies will be paid directly to member or if you propose to include them as a discount on the NDPERS invoice (to be administered by NDPERS),
  - 2.11.4 Will you process low-income premium subsidy refunds to members, and low-income cost sharing refund requests at no additional cost?
- 2.12 Describe your recommended billing and premium payment cycle.

- 2.13 Please describe your low-income subsidy/late enrollment penalty adjustment cycles work. How are retroactive adjustments reported to NDPERS?
- 2.14 Please describe your ability to support NDPERS related to Income-Related Adjustment Amount (IRMAA) tracking and notifications (e.g. terminations, reinstatements)
- 2.15 Please describe how you work with CMS related to member risk scores.
  - 2.15.1 Describe the data reported to CMS.
  - 2.15.2 How do you track member risk scores?
  - 2.15.3 Do you reconcile member risk scores with CMS?
- 2.16 Describe your straddle claim process.
- 2.17 Describe your process and adherence to Prescription Drug Event (PDE) requirements with CMS?
- 2.18 What was your book-of-business PDE error rate in 2019 and 2020?
- 2.19 Describe your procedures to detect and prevent Fraud, Waste and Abuse (FWA) and ensure claims are paid accurately? Please outline such procedures and how you implement and monitor FWA in the plan operation.
- 2.20 Please confirm that you will manage all CMS required reporting requirements related to FWA compliance.
- 2.21 Please confirm that you will manage all CMS required reporting requirements related to medication therapy management (MTM).
- 2.22 Please confirm that you will manage all initial internal and external appeals compliant with CMS requirements.
- 2.23 Please confirm you will manage all grievances compliant with CMS requirements.
- 2.24 Please describe your process of reporting rebates consistent with CMS requirements.
- 2.25 Describe audit rights for EGWP plans. What types of audits will NDPERS be entitled to perform (e,g, financial guarantees, plan design, PDE reconciliation, subsidy payments, etc.).
- 2.26 How is CMS compliance monitored on an ongoing basis? Please describe your remediation process associated with areas of non-compliance.
- 2.27 Describe the support that you give clients during CMS audits.

# 3. Clinical Management

- 3.1 Describe your ability to provide and maintain a CMS compliant formulary program for NDPERS.
- 3.2 What is the name of the formulary proposed for NDPERS?
- 3.3 Please provide a copy of your proposed Formulary including NDC, drug name, and formulary tier in excel format.
- 3.4 How frequently is your proposed formulary updated?
- 3.5 Does the proposed formulary require compliance with formulary utilization management controls (prior authorization and/or step therapy and/or quantity limits) or are all formulary and clinical utilization management programs an "add on" after the formulary is selected?
- 3.6 Does your formulary include all generics in the lowest cost tier and all brands in the preferred or non-preferred tiers or does your proposed formulary tier brand and generic products according to different criteria?
- 3.7 Please confirm you will provide a copy of the MAC list, including NDC and drug prices upon request.
- 3.8 If desired, could you grandfather existing members for a select period of time (1-3 fills, 1 year, indefinitely)?
- 3.9 How are Part B drugs treated on your proposed formulary?
- 3.10 How do you manage claims with overlapping coverage between Part D and Part B?
- 3.11 Is Part B claims management included in your proposal?
- 3.12 How are lifestyle drugs treated on your proposed formulary? Does NDPERS have flexibility to include or exclude this category of drugs?
- 3.13 Does your EGWP formulary account for AGS Beers Criteria® for Potentially Inappropriate Medication Use in Older Adults? If so, please explain if drugs are excluded or if there are other clinical controls.
- 3.14 Please provide a list of your clinical programs, with a short description of each, and associated cost for each program available to EGWP plans. This may be provided as a separate exhibit or included in this questionnaire. At minimum, please include your Medication Therapy Management (MTM) program, prior authorization, step therapy, quantity limits, drug utilization review, opioid management, diabetes management, compound management, and any distinct specialty drug management programs.

- 3.15 How do you target and enroll members in your MTM program?
- 3.16 Please describe the outcomes reporting available for the MTM program.
- 3.17 Describe your quality assurance measures for your prior authorization process. What reports and tools do you provide for clients to assess if state/federal/NCQA quality measures (e.g. timeliness, overturn rates, accreditation) are met?
- 3.18 Explain your process around instances when your prior authorization team cannot immediately contact the provider (i.e., how often do you attempt to contact the provider, what methods do you use to contact the provider, what do you do when you get no response).
- 3.19 Please describe how members are notified of denials and expiration of prior authorizations. How does the appeals process for prior authorization denials work?
- 3.20 Please discuss your strategies/programs related to the following:
  - 3.20.1 High Risk Medications in Elderly
  - 3.20.2 Statin Use in Persons with Diabetes
  - 3.20.3 Medication Adherence for Diabetes Agents
  - 3.20.4 Medication Adherence for Hypertension
  - 3.20.5 Medication Adherence for Hypercholesterolemia
- 3.21 Please discuss how you measure adherence; do you track medication possession ratio (MPR) and/or proportion of days covered (PDC)? Are there other factors you evaluate for certain therapeutic classes?
- 3.22 Do you align your performance measurement with national quality measures (e.g. HEDIS)?
- 3.23 Describe your clinical programs for managing high cost, high risk populations including but not limited to: Cystic Fibrosis, Cholesterol, Diabetes, Growth Deficiency, Hemophilia, Hepatitis, HIV, Inflammatory conditions (e.g. Rheumatoid arthritis), Medical reconciliation post discharge, Multiple Scleroses, Oncology, Pulmonary Conditions
- 3.24 Do you have a vaccine administration program? If so, please describe the specifics of the program including if there are fixed prices for vaccine administration.
- 3.25 Please describe your approach to specialty pharmacy. Focus on the aspects that differentiate your services in the market.
- 3.26 Are members contacted before each specialty fill? If so, is the outbound call made by

- a representative or an automated call?
- 3.27 What is the average length of time spent with a member prior to the first fill of their specialty medication?
- 3.28 Please describe any specialty patient assistance programs that are offered. Describe how you can maximize the value of these programs for the member and the plan.

### 4. Pharmacy Network

- 4.1 What is the name of your proposed pharmacy network?
- 4.2 How many retail pharmacies are in your EGWP network nationally?
- 4.3 How many retail pharmacies are in your EGWP network in North Dakota?
- 4.4 Does your proposed pharmacy network have sufficient pharmacy participation across North Dakota to service the NDPERS membership considering there are no national chains in the State?
- 4.5 Please confirm your network offering meets CMS requirements, including convenient access to long-term care (LTC) pharmacies, adequate access to home infusion pharmacies, and convenient access to I/T/U pharmacies for American Indian enrollees.
- 4.6 Please confirm you are compliant with CMS requirements to offer standard LTC pharmacy network contracts to any pharmacy willing to participate in the LTC network so long as the pharmacy is capable of meeting the performance and service criteria defined by CMS.
- 4.7 If necessary, please describe any modifications to your network in North Dakota that will need to be made to meet requirements.
- 4.8 Describe your 90-day retail network in North Dakota (i.e. number and percent of pharmacies that participate in 90-day fills in the State).
- 4.9 Is the mail service pharmacy owned or subcontracted?
- 4.10 Where are the centers located that will service NDPERS?
- 4.11 What are the operating hours of the mail centers?
- 4.12 What is protocol if mail center does not have a drug in stock? Do you have a program at the mail facility to align and bundle shipment for members with more than one prescription?

- 4.13 Does your mail service pharmacy perform any interventions that are not performed in retail or are the interventions the same?
- 4.14 Confirm you offer expedited delivery of mail order prescriptions and who is responsible for paying for the expedited service (the plan or the member)
- 4.15 Please provide the name of your primary expedited shipping vendor.
- 4.16 How many specialty pharmacies do you operate?
- 4.17 Are the specialty pharmacies owned or subcontracted?
- 4.18 Where are the specialty pharmacies located? Which specialty pharmacy would primarily service the NDPERS account?
- 4.19 Please confirm your proposal includes an "open" specialty pharmacy network. If your proposed EGWP network is not an "open" specialty network, please describe how your specialty network does not limit access to Part D in such a manner that contravenes convenient access protections.
- 4.20 Please confirm that specialty products shipped in error, damaged in shipment, lost in transit, left by courier without confirmation of receipt and rendered unusable by NDPERS to due negligence or error in delivery process will not be the financial responsibility to NDPERS. How are these types of shipment error reported to NDPERS?
- 4.21 What percentage of Limited Distribution Drugs commercially available do you have access to?
- 4.22 What is the process for procuring any limited distribution drugs that you currently do not have access to?
- 4.23 Do you have infusion services? Can you arrange for nurses or other assistance on behalf of the member?
- 4.24 Please provide a copy of your proposed specialty drug list including national drug code (NDC), drug name, and formulary tier in excel format. Please include on the specialty drug list, or provide as a separate list, indicators for limited distribution drugs and include a separate indicator if you are an authorized distributor for that product.

### 5. Account Management

5.1 Provide an overview of how the NDPERS relationship will be managed, both strategically and on a day-to-day basis. Include an organizational chart. Please

provide the names, titles, location, telephone numbers, and email addresses for the representatives listed below. For the account service individuals listed, provide brief biographical information, such as years of service with your company, experience as it relates to this proposal, and the number of clients for which they perform similar services:

- 5.1.1 The individual representing your company during the proposal process;
- 5.1.2 The individuals on your proposed implementation team;
- 5.1.3 The individual assigned to overall contract management;
- 5.1.4 The individual or team members responsible for day-to-day account management and service;
- 5.1.5 The individual or team members responsible for Part D compliance;
- 5.1.6 The individual or team members responsible for clinical oversight;
- 5.1.7 Executive sponsor assigned to NDPERS (as applicable)
- 5.2 Will you agree to let NDPERS switch account team members if NDPERS is dissatisfied with service or fit?
- 5.3 If desired, can NDPERS update and maintain eligibility and check employee claim status online? Are there charges for access to and use of these tools?
- 5.4 Confirm your ability to accept a weekly enrollment file from NDPERS. Please see Exhibit 6 for a sample of the file layout.
- 5.5 Do you have any restrictions to the eligibility file layouts that you can support?
- 5.6 What is the timeframe that the file will be processed and loaded?
- 5.7 What happens if a record on file is rejected via the load process? What is the process to reconcile a file load? How quickly is the report/reconciliation regarding the file load returned to the Plan?
- 5.8 Please describe how you handle manual eligibility updates and the turn-around/timing of such updates.
- 5.9 Please provide samples of standard utilization management reports that can be accessed by NDPERS via your portal.
- 5.10 Please describe the frequency of the reporting and the flexibility NDPERS will have in determining when they receive reports.
- 5.11 Please confirm that you will provide a monthly prescription drug file feed, at no cost, to a PERS specified vendor to integrate with medical claims and laboratory data.

- 5.12 If requested, please confirm you will provide complete pharmacy claims data to other authorized third-parties at no cost.
- 5.13 Please provide a sample of a quarterly/semi-annual review.
- 5.14 Please provide a sample of your rebate reconciliation report.

### 6. Member Services

- 6.1 Where is the primary and secondary customer service centers located that would provide services to the NDPERS membership?
- 6.2 Describe your use of Interactive Voice Response (IVR).
- 6.3 Will you have a dedicated phone number for NDPERS?
- 6.4 Is your pharmacy call center available to members 24/7/365?
- 6.5 What is the protocol for reaching a customer service representative?
- 6.6 What is the average wait time to talk to a live person? Please provide a response for peak and non-peak hours?
- 6.7 How are the telephone calls serviced/routed for after-hours customer service calls (after normal business hours)?
- 6.8 Can a pharmacist be reached 24/7/365?
- 6.9 Is it a standard procedure to provide a direct contact to NDPERS for referring member issues for resolution?
- 6.10 How would your call center assist requests for members or potential members who are comparing the NDPERS EGWP and need specific information on drug coverage prior to the new plan year starting or being enrolled in the plan?
- 6.11 Are multi-lingual services available? If so, which languages?
- 6.12 Please explain if training is provided to customer service representatives to accommodate individuals who have age related deficiencies in perception and sensatory limitations.
- 6.13 Does your customer service inquiry system allow representatives to record comments so other customer service representatives can view previous notes to assist members?
- 6.14 What is your first call resolution rate in the pharmacy call center?

- 6.15 How do you monitor customer service representatives for compliance and behavior? Do you record 100% of the calls?
- 6.16 Can a designated NDPERS representative listen to call recordings and receive call transcripts if requested by NDPERS?
- 6.17 Please describe the process associated with members who want to file a complaint about the behavior of a customer service representative. Please include how the complaint is made, resolved and reported to NDPERS.
- 6.18 Do you provide single sign on access to link to third parties?
- 6.19 Please describe your member website and member portal that the NDPERS EGWP members would have access to.
  - 6.19.1 Can your website provide NDPERS-specific plan information?
  - 6.19.2 Does your website offer a pharmacy locator? Does the site offer information on retail stores that are open 24 hours/day?
  - 6.19.3 Can members see their prescription drug claim history on the website?
  - 6.19.4 Describe the web-enabled pricing comparison tools available to your members. Will the pricing tool account for NDPERS plan design?
  - 6.19.5 Does your web-enabled pricing comparison tool provide pricing detail by pharmacy?
- 6.20 Do you have a smart phone mobile application or a mobile-optimized website?
- 6.21 Does your mobile app and/or mobile enabled website include the following:
  - 6.21.1 Formulary information
  - 6.21.2 Network pharmacy lookup
  - 6.21.3 Plan design information
  - 6.21.4 Member ID card
  - 6.21.5 Claims history
  - 6.21.6 Family claims history
  - 6.21.7 Drug price lookup by pharmacy
- 6.22 Are ID cards the sole means of determining member eligibility? If not, please describe.
- 6.23 Describe your Coordination of Benefits (COB) process for secondary claims processing/payment.

6.24 Please provide a sample member welcome packet

# 7. Implementation

- 7.1 Please confirm you can provide a CMS-compliant transition for NDPERS given the expected contract start date of January 1, 2022?
- 7.2 Please provide a Gantt chart of the implementation process to ensure a January 1, 2022 start date. Please outline in detail the specific activities and tasks necessary to implement the NDPERS program, as well as, indicate any CMS requirements of a carrier transition. Be specific with regard to the following:
  - 7.2.1 Amount of total time needed to effectively implement the program, including benefit testing, etc.
  - 7.2.2 Activities/tasks and corresponding timing
  - 7.2.3 Responsible parties and amount of time dedicated to implementation, broken out by vendor, current vendor and NDPERS staff
  - 7.2.4 Any transition activities required with incumbent carriers, including data transfers and providing members adequate notice regarding current care or treatment plans at least 60 days prior to a change
  - 7.2.5 Length of time implementation team lead and members will be available to NDPERS
  - 7.2.6 Provide the data layouts that your organization would need for the various inputs during install.
- 7.3 What files would you require from the legacy EGWP provider in order to transition the plan to your organization? If you are provided with prior pharmacy claims history, will you load open prior authorizations files, specialty pharmacy claims histories, open mail order refills, and accumulator files to avoid member disruption? If yes, explain the recommended process to follow and data specifications for transfer of data.
- 7.4 Please describe how you will transition members that will be subject to formulary disruption (e.g. non-preferred/not covered drugs, prior authorization, step therapy, quantity limits).
- 7.5 Please confirm the customer service call center can be set up to go-live on or before December 1, 2021 to be able to take calls and answer questions from NDPERS members related to benefits, formulary changes, enrollment, etc.
- 7.6 How much lead time is necessary for you to guarantee that ID cards will be received by members prior to the plan year effective date of January 1, 2022?

7.7	What is your member communication plan that you use for accounts? Provide a
	sample of similar communications used when transitioning an EGWP client from
	another carrier.

7.8	Can you	provide training t	o NDPERS staft	f on EGWP ac	dministration and	compliance?
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# North Dakota Public Employees Retirement System Request for Proposals

**Medicare Part D EGWP+Wrap** 

Please complete the tabs applicable to your cost proposal(s). The exhibits must be submitted in the prescribed format. Bidders may provide supplemental information but may not deviate from utilizing the provided Excel worksheets.

### Fully-Insured Cost Proposals must complete the following exhibits:

- 1. Fully-Insured EGWP Premium
- 3. Specialty Drug List
- 5. Pricing Questionnaire

### Self-Insured Cost Proposals must complete the following exhibits:

- 2. Self-Insured EGWP Pricing
- 3. Specialty Drug List
- 4. Self-Insured EGWP Cost Estimate
- 5. Pricing Questionnaire

**Request for Proposals** 

Medicare Part D EGWP+Wrap Fully-Insured Proposal

			ΝΔ	

- Premium estimate to be based on current enrollment and plan design
- Product should be CMS-endorsed, insured PDP product with fully-insured wrap-around coverage that covers
  any gaps between what is covered by the PDP product and the existing plan benefits available to qualifying
  members
- Bidders are required to populate the underwriting template below illustrating rate development.

Line	Premium Component	Response	Comments
1	Estimated Incurred Allowed Claims		
2	Members		
3	Experience Period Allowed Claims PMPM [ (1) / (2) ]		
4	Trend (Drug Cost & Utilization)		
5	Benefit Adjustment Factor (Plan design, clinical mgmt, etc.) *		
6	Rating Period Allowed Claims PMPM [ (3) x (4) x (5) ]		
7	Member Cost Share PMPM		
8	Manufacturer Discount PMPM		
9	CMS Federal Reinsurance Payment		
10	Rating Period Plan Paid PMPM [ (6) - (7) - (8) - (9) ]		
11	Rebate PMPM		
12	Plan Payments PMPM [ (10) - (11) ]		
13	Administration		
14	Fees and Taxes		
15	Risk Charges		
16	Profit		
17	Gross Premium [ (12) + (13) + (14) + (15) + (16) ]		
18	CMS Direct Subsidy (Risk Adjusted)		
19	Calculated Member Premium [ (17) - (18) ]		

17	Gross Premium [ (12) + (13) + (14) + (15) + (16) ]		
18	CMS Direct Subsidy (Risk Adjusted)		
19	Calculated Member Premium [ (17) - (18) ]		
* Clear	arly explain what is incorporated into adjustment factor ( if applicab	ole)	
List all	Il clinical management programs assumed to be included (e.g. ste	ep therapy, prio	r authorization, etc.)
	9 1 9		,
C			
Comm	nents/Assumptions/Caveats		
Comm	nents/Assumptions/Caveats		

Request for Proposals
Medicare Part D EGWP+Wrap
Self-Insured Proposal

YOUR COMPANY NA	

### Self-insured EGWP

I. Guaranteed Ingredient Discounts	2022	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
30 Day Retail						
		1	<u> </u>	l		
Brand (AWP%) Generic (MAC & Non MAC%)						
90 Day Retail						
Brand (AWP%)		ı				
Generic (MAC & Non MAC%)						
Mail Order		!				
Brand (AWP - %)		1	l	l		
Generic (MAC & Non MAC%)						
Specialty (Retail & Mail)						
Guaranteed Overall Effective Discount						
	0000					
II. Guaranteed Dispensing Fees (Per Paid Script)	2022	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
30 Day Retail						
Brand						
Generic						
90 Day Retail						
Brand						
Generic						
Mail Order						
Brand						
Generic						
Specialty (Retail & Mail)						
Guaranteed Overall Effective Discount						
III. Administrative Face	2022	Denowel 4	Denewal 2	Denovial 2	Danawal 4	Denewal F
III. Administrative Fees	2022	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
EGWP Administration Fee (PMPM)						
IV. Guaranteed Minimum Manufacturer Derived	2022	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
Revenue						
30 Day Retail						
Per Brand Script						
Estimated Annual Manufacturer Revenue Earned (Total)		ļ				
90 Day Retail			ı	ı		
Per Brand Script						
Estimated Annual Manufacturer Revenue Earned (Total)						
Mail Order		1	l	l		
Per Brand Script						
Estimated Annual Manufacturer Revenue Earned (Total)						
Specialty (Retail & Mail)			l	l		
Per Brand Script						
Estimated Annual Manufacturer Revenue Earned (Total)						
V. Other Fees	2022	Renewal 1	Renewal 2	Renewal 3	Renewal 4	Renewal 5
Enrollment Management (including eligibility						
submissions, initial enrollment, age-in members)						
All required reporting to CMS						
Medicare required member communications		<del>                                     </del>				
nlan						
CMS required Medication Therapy Management		<del>                                     </del>				
File feed transmission to 3rd party (consultant, data						
warehouse, wellness or disease management,						
accumulators, stop loss) (per feed per transmission						
basis)						
Prior claim history, prior authorization, specialty claims		<del> </del>				
histories, open mail order refills, accumulator file intake						
fees (to accept from incumbent during implementation)						
1000 (10 accept from mountbent during implementation)						
Electronic prescribing (per claim basis)						
Administrative Prior Authorization (per PA basis)						
Clinical Prior Authorization (per PA basis)						
Custom Reporting Programming (per hour basis)						
Other (please list)						

Request for Proposals

Medicare Part D EGWP+Wrap

Fully-Insured & Self-Insured Proposals

YOUR COMPANY NAME:	
Please provide your propose	d specialty drug list with pricing and LDD indicators

						with CMS Re	equirements
NDC	Drug Name	Indication / Therapeutic Class	GPI	Limited Distribution Drug (Yes / No)	If Limited Distribution Drug, are you an authorized distributor	Minimum Guaranteed Discount	Maximum Guaranteed Dispensing Fee

Specialty Network Compliant

Request for Proposals
Medicare Part D EGWP+Wrap
Self-Insured Proposal

YOUR COMPANY NAME:	

### Plan cost estimate for 2022

Please assume the parameters set forth in the RFP (your network, your financial proposal, your proposed formulary, your clinical programs) Include, as appropriate, drug interchanges as well as utilization changes based on formulary or utilization management controls

2022	Prescription Count	AWP	Ingredient Cost	Dispensing Fees	Rebates	Administration Fees	Estimated CMS Payments*	Total Cost
30 Day Retail							-2011-1113	
Brand								
Generic								
Total	0	\$ -	\$ -	\$ -				
90 Day Retail								
Brand								
Generic								
Total	0	\$ -	\$ -	\$				
Mail					_			
Brand								
Generic								
Total	0	\$ -	\$ -	\$				
Specialty					_			
Total	0	\$ -	\$ -	\$				
Limited Distribution Drugs								
Total	0	\$ -	\$ -	\$ -				
Excluded Claims								
Total	0	\$ -	\$ -	\$ -				
Total	0	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -

<sup>\*</sup>Includes Direct Subsidy, Coverage Gap Discount Payments, Federal Reinsurance

#### North Dakota Public Employees Retirement System Request for Proposals Medicare Part D EGWP+Wrap Fully-Insured & Self-Insured Proposals

YOUR COMPANY NAME:

**	Question	Required Response (Confirmed / Not Confirmed)	Details / Explanation
1	Please confirm your proposal is based on the plan design included with this RFP and the proposal parameters	Confirmed)	
2	Please confirm your proposal does not require any plan design changes to qualify for the terms in your offer (e.g., specific		
	differential between preferrred and non-preferred brands to qualify for rebates) Please confirm your self-insured proposal pricing is based on a 1		
3	year contract with 5 renewal options  Please confirm you will use Medi-Span as the sole source of		
5	AWP (excepting a change in the industry that would require a <u>chance</u> ) Please confirm Usual and customary (U&C) will be defined as: the retail price at a retail pharmacy on the date the drug is dispensed		
6	based on the NDC-11 dispensed Please confirm that Average Wholesale Price (AWP) will be defined as Medi-Span's unit price for the 11-digit national drug		
6	code (NDC) of the product dispensed on the date-of-service for the Please confirm "Generic Drug" will be defined according to Medi-		
_	Span classification (Medi-Span Multisource Code field is a "'" indicator)  Please confirm "Brand Drug" will be defined according to Medi-Span classification (Medi-Span Multisource Code field is a "M",		
8	Span classification (Medi-Span Multisource Code field is a "M",  "N", or "O" indicator)  Please confirm that once a drug product is defined as "Generic" or		
9	"Brand" at adjudication, it will remain classified as such for purposes of all financial measurements including AWP discounts, manufacturer revenue reporting and payment, management reporting and guarantee reconciliation.		
10	Please confirm that rebates will be defined as all revenue received from pharmaceutical manufacturers, whether from the manufacturer directly, rebate aggregator, or other third party and will include all monies received as a result of the formulary utilization which includes but is not limited to rebates, manufacturer administration fees, inflation or price protection		
	payments, and pro rata share of monies received for services provided to manufacturers that depends on the inclusion of		
11	NDPERS' claim utilization or data.  Please confirm postage increases will not be passed on to NDPERS.		
12	Please confirm you have indicated on the specialty drug list which drugs have exclusive or Limited Distribution classification.		
13	Please confirm you have included limited distribution drugs in the specialty drug guarantees OR have provided separate discount and rebate guarantees for exclusive or limited distribution drugs.		
	Please confirm 100% of revenue earned from manufacturers will be passed through to NDPERS, which includes but is not limited		
14	to rebates, manufacturer administration fees, inflation or price protection payments, and pro rata share of monies received for services provided to manufacturers that depends on the inclusion of NDPERS's claim utilization or data.		
15	Please confirm that all revenue resulting from price protection / inflation protection contracts will be included in the 100% pass-through requested for NDPERS?		
16	Please confirm that manufacturer revenue collected as a result of utilization from biosimilars or limited distribution drugs will be paid to NDPERS.		
17	Please confirm that your rebate guarantees are not conditioned on utilization of Hepatitis C products.		
18	Please confirm that your rebate guarantees account for known patent expirations and the proposed guarantees will not be modified on the basis of patent expirations that can be reasonably known at the time of this proposal.		
19	Please confirm that OTC exclusions (to the extent applicable) are not applicable to insulin or diabetic supplies (such as test strips) for purposes of rebate guarantees.		
20	Please confirm that if changes are made to the safe harbor provision governing rebates is eliminated, or if other regulatory changes are implemented that impact the payment of manufacturer revenue to the plan sponsor, the contract resulting from this PEP, may be re-pended.  Please confirm that for purposes of discount and rebate		
21	guarantees, all HIV medications will be included as "specialty"		
22	Please confirm that for purposes of discount and rebate guarantees, all transplant medications will be included as Please confirm that rebate guarantees are not subject to		
23	aggregate day supply minimums and will be reconciled according to distribution channel  Please confirm rebate guarantees will not include any funds		
24	collected through patient assistance programs. Please describe any requirements, terms, exclusions, or other caveats related to your rebate guarantee		
26	What percentage of all generics are included on your MAC list?		
27 28	Please confirm generic discount guarantees are inclusive of MAC and Non-MAC discounts  Please confirm that the MAC list for mail order will be equivalent		
29	or lower price than the MAC list for retail claims. Please confirm that dispensing fees are assessed on paid claims only and not reversed or rejected claims		
30	Please confirm member cost share will always be the lowest of the U&C, MAC, AWP discount, or member cost share.  Please confirm that any coupons used by members will be		
31	excluded from ingredient cost calculation  Please confirm guarantees will include "Zero Balance Due" (100%)		
33	member paid) claims at the ingredient cost prior to application of the member cost share and shall not be counted as AWP-100%. Please confirm that guarantees will exclude all claims that adjudicate at U&C.		
34	Please confirm there is no dispensing fee assessed for U&C claims		
35	In your extended supply retail networks (90-day network) are there different pricing provisions based on pharmacy (e.g. a subset of the pharmacies in the 90-day network receive "mail equivalent" pricing? Please describe any differences that would be applicable to your pricing proposal.		
36	Please confirm that discount guarantees are not subject to aggregate day supply minimums and will be reconciled according to distribution channel		
37	Please confirm your proposal includes either a specialty drug list with drug level discounts or an overall effective specialty discount guarantee.		
38	How will newly introduced specialty drugs be included in the specialty drug discount guarantee? Will new specialty products automatically default to a minimum discount in the therapeutic		
39	Please describe how a claim with a DAW codes (0 through 9) are reconciled in your Brand/Generic discount guarantees. Please confirm the proposed discounts, dispensing fees, and		
40	Please committee proposed discours clasprasing tees, and committee and committee and committee and committee and committee and committee and specialisty distribution channels such that a guarantee surplus in one guarantee component is not offset by a shortfall in another guarantee component		
41	Please confirm that any shortfall determined during guarantee reconciliation will be paid to NDPERS on a dollar-for-dollar basis with no maximum limit of liability		
42	Describe your reconciliation process and timing (in terms of reconciling a manufacturer revenue guarantee against actual payments)		
43	Please confirm that pricing guarantee reconciliation will take place within 90 days of the close of the contract year (including discounts, dispensing fees, admin fees (as applicable), as well as a preliminary analysis of manufacturer revenue paid compared to all manufacturer revenue has been collected and remitted from the manufacturer (no later than 270 days after the end of the contract		
44	Do you collect point-of-sale (POS) price concessions from pharmacies or pay incentives to pharmacies connected to performance criteria? If so, please describe the performance measures tied to payments.		
45	Do you collect retroactive DIR fees or assess copay clawbacks from pharmacies in your network? If so, please describe the situations where these fees or clawbacks also nearly the DIR to the property of the	age 95 of 253	
46	from pharmacles in your network? If so, please describe the situations where these fees or clawthere and the situations where these fees or clawthere are situations. If you collect Direct or Indirect Revenue 1018 from pharmacies in the network, is that DIR passed through to NDPERS in a self-insured contract?	<del>ugo oo ui zoo -</del>	

# North Dakota Public Employees Retirement System Request for Proposals

**Medicare Part D EGWP+Wrap** 

Please complete each of the five (5) tabs in this workbook. The exhibits must be submitted in the prescribed format. Bidders may provide supplemental information but may not deviate from utilizing the provided Excel worksheets. 2019 and 2020 analysis is requested to account for the impact of COVID-19 in the 2020 plan year.

### The Network & Formulary Match consists of the following components and related exhibits:

- 1. EGWP Network Match 2019
- 2. EGWP Network Match 2020
- 3. EGWP Network Access
- 4. EGWP Formulary Match 2019
- 5. EGWP Formulary Match 2020

North Dakota Public Employees Retirement System Request for Proposals Medicare Part D EGWP+Wrap
YOUR COMPANY NAME:
Using the pharmacy ID number, please insert the pharmacy name and answer if the pharmacy is in your proposed broad national network (Y) or if it is out of network (N)
Unique ID # Pharmacy NABP Pharmacy NPI Pharmacy Name Pharmacy City Pharmacy Zip In Network (Y/N) Notes (Closed, Not Found, etc.)
North Dakota Public Employees Retirement System Request for Proposals Medicare Part D EGWP+Wrap  YOUR COMPANY NAME:
Using the pharmacy ID number, please insert the pharmacy name and answer if the pharmacy is in your proposed broad national network (Y) or if it is out of network (N)
Unique ID # Pharmacy NABP Pharmacy NPI Pharmacy NPI Pharmacy Name Pharmacy City Pharmacy Zip In Network (Y/N) Notes (Closed, Not Found, etc.)
North Dakota Public Employees Retirement System Request for Proposals Medicare Part D EGWP+Wrap

Please summarize the results of your analysis in the table below.

network serves and in which participants reside.

Please provide the GeoAccess summaries in the table below as well as back-up detail (back-up detail in electronic submission only, no hard copies) for employees who fall both within and outside the access standards. Your match should include all valid zip codes in each of the counties in North Dakota that your

YOUR COMPANY NAME:

Retail Pharmacy Access	Participating Retail Pharmacy Network	NDPERS Members Categorized as "Urban", "Suburban", "Rural"			ers that <u>Meet</u> the cess Standard	NDPERS Members that <u>Do Not Meet</u> the Convenient Access Standard		
	Standard	Number of Members (#)	Percent of Members (%)	Number of Members (#)	Percent of Members (%)	Number of Members (#)	Percent of Members (%)	
Urban	90% of members within 2 miles	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	
Suburban	90% of members within 5 miles	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	
Rural	70% of members within 15 miles	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	
Total		0	#DIV/0!	0	#DIV/0!	0	#DIV/0!	

**Request for Proposals** 

Medicare Part D EGWP+Wrap

Indicate the tier on your proposed open formulary for each NDC.

You must include a "key" or your responses will not be considered (e.g. 1 = Tier 1 (Generic), 2 = Tier 2 (Preferred Brand), 3 = Tier 3 (Non-Preferred Brand), 4 = Not Covered)

Unique ID #	NDC	Drug Product Label Name	Tier on Proposed Formulary (Tier as of April 2021)	Comments
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# North Dakota Public Employees Retirement System

**Request for Proposals** 

Medicare Part D EGWP+Wrap

YOUR	<b>COMPANY</b>	NAME:	

Indicate the tier on your proposed open formulary for each NDC.

You must include a "key" or your responses will not be considered (e.g. 1 = Tier 1 (Generic), 2 = Tier 2 (Preferred Brand), 3 = Tier 3 (Non-Preferred Brand), 4 = Not Covered)

Unique ID # ND0	oc	Drug Product Label Name	Tier on Proposed Formulary (Tier as of April 2021)	Comments
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### PRESCRIPTION BENEFIT MANAGEMENT SERVICES AGREEMENT

		THI	S PRES	CRIPTIO	N BENEI	FIT MAN	NAGEM	ENT S	SERVICES	<b>AGREE</b>	MENT (herei	nafter re	eferred
to	as	the	"Agreer	nent") is	entered	d into	this		day of _		2	0, bo	etween
				(here	inafter	referre	d to	as	"PBM"),	with	principal	office	s at
							, an	d the	State of No	orth Dako	ta acting thro	ough its	Public
En	nplo	yees	Retirem	ent Syst	em(NDPI	ERS) ("	the Pla	n Spo	nsor"), an	d North	Dakota Pub	lic Emp	oloyees
Re	etirer	nent	System	(NDPER	("the	Plan Ad	dministr	ator"),	with princ	ipal offic	es at 400 E	ast Bro	oadway
Αv	enu	e, Su	ite 505,	Bismard	ck, North	Dakota	58501	(here	einafter ref	erred to	as "NDPER	S"). [F	PBM to
СО	mple	ete al	l "blanks	' in parag	graph, oth	er than	date]						

WHEREAS, NDPERS wants to offer cost-effective prescription benefit services and cost-effective dispensing of prescription drugs and other covered products to its eligible employees and their eligible beneficiaries and dependents; and

WHEREAS, PBM has contracted with retail [,mail order and specialty] pharmacies [and operates its own mail order and specialty drug pharmacy subsidiaries] for the purpose of providing prescription benefit services to its clients, including NDPERS; [PBM to select correct text and delete incorrect text, here, and in all other similar provisions in contract where orange font provides alternatives] and

WHEREAS, NDPERS desires to engage PBM to perform pharmacy benefit management services relating to (i) prescription claims processing; (ii) eligibility verification; (iii) negotiation and execution of contracts with retail[, mail and specialty] pharmacies [and operation of its own mail order and specialty drug pharmacy subsidiaries]; (iv) negotiation and execution of contracts with pharmaceutical manufacturers, wholesalers, distributors, and other third parties to obtain favorable Financial Benefits for its clients, including NDPERS [or negotiation and execution of a contract with a third-party rebate aggregator to obtain favorable Financial Benefits for its clients, including NDPERS]; (v) creation of cost-effective and safe formularies for its clients, including NDPERS; (vi) management and administration of other prescription drug programs to benefit its clients, including NDPERS; and (vii) performance of other pharmaceutical benefit management services identified herein; and

WHEREAS, PBM agrees to perform all such services on a fully transparent basis in accordance with the terms of this Agreement, enabling NDPERS (and its agents) to have complete and full access to all information necessary to determine and verify that PBM has met all terms of this Agreement, and satisfied all Pass-Through Pricing requirements set forth herein; and

WHEREAS, PBM and NDPERS agree to satisfy all terms set forth in this Agreement subject to the terms and conditions hereof:

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein, PBM and NDPERS hereby agree as follows:

### **ARTICLE 1 - DEFINITIONS**

**Additional Fee(s)** – The term "Additional Fee(s)" shall have the meaning set forth in Section 4.3 of the Agreement.

**Administrative Fee(s)** - The term "Administrative Fee(s)" shall have the meaning set forth in Section 4.2 of the Agreement.

**ANOC (Annual Notice of Change)** – The term "ANOC" shall mean the Annual Notice of Change that is required by CMS and will be provided by PBM to the then-current Members enrolled in a Medicare Part D Plan through NDPERS. The ANOC will be timely provided, as required by federal regulations and guidelines, and will provide the Member with all required change notifications that will be made in benefits and costs, including without limitation, cost shares, if any. The ANOC will also include a new, and if necessary, revised EOC, LIS Rider, Formulary and Wrap Certificate of Coverage, if any, for the new Medicare Part D Contract Year.

**Audit(s)** - The term "Audit(s)" shall mean (1) NDPERS' assessment of PBM's satisfaction of all terms under this Agreement; and (2) PBM's verification that all third parties referenced in this Agreement (including but not limited to Participating Pharmacies, the Mail Order Pharmacy, the Specialty Drug Pharmacy and Pharmaceutical Manufacturers) have satisfied their obligations under this Agreement.

**Average Annual Guarantee(s) -** The term "Average Annual Guarantee(s)" shall have the meaning set forth in Exhibit A of the Agreement.

Average Wholesale Price or AWP - The term "Average Wholesale Price" or "AWP" shall mean the average wholesale price of a prescription drug or medication dispensed, on the date the prescription or medication is dispensed, as set forth in the most recent edition of the Medi-Span pricing guide or supplement as of that date. The applicable AWP for all prescriptions dispensed at retail pharmacies, the Mail Order Pharmacy and the Specialty Drug Pharmacy shall be based on (i) the Unit AWP using the NDC from which the medication was dispensed (not the package size of the prescription dispensed); and (ii) the actual manufacturer's AWP (repackager AWPs shall not be substituted for manufacturer AWPs); and (iii) the actual Unit prescribed (and an alternative Unit measure shall not be substituted, such as capsules for tablets, or tablets for capsules.). PBM shall not process any repackagers' AWPs in connection with any Claims.

In the event there is a change in the marketplace in connection with AWP reporting or any methodology impacting pricing and/or guarantees (including but not limited to a change in Medi-Span's information fields related to brand drug and generic drug classification), the Parties will be obligated to meet and agree upon changes in the pricing terms and guarantees contained in the Agreement so as to enable PBM and NDPERS to maintain the same financial relationship and obligations as set forth in the Agreement. PBM may not make any changes in pricing terms or guarantees in the Agreement unless NDPERS agrees to such changes in writing, and the changes are memorialized as a written amendment to the Agreement.

**Benefit Change Form or BCF -** The term "Benefit Change Form" or "BCF" shall mean the agreed upon form to make modifications to NDPERS' Benefit Plan Design. NDPERS' Benefit Change Form must be executed by NDPERS. PBM and NDPERS will each maintain a file of all Benefit Change Forms, but PBM will provide NDPERS with said BCFs upon request for Audits.

Benefit Effective Date or Medicare Part D Benefit Effective Date – The term "Benefit Effective Date" or Medicare Part D Benefit Effective Date shall mean July 1, 2022, which is the date when NDPERS will begin receiving services for its Medicare Part D Members from PBM's Medicare Part D Insurance Company.

**Benefit Plan Design(s) or Plan Design(s) -** The term "Benefit Plan Design(s)" or "Plan Design(s)" shall mean all matters described in Exhibit D to the Agreement and/or in a Benefit Specification Form or Benefit Change Form.

Benefit Specification Form or BSF - The term "Benefit Specification Form" or "BSF" shall mean the form that is completed by NDPERS that specifies the terms and provisions of NDPERS' Benefit Plan Design(s) and the configuration of system edits, including but not limited to which prescription and OTC medications are covered by NDPERS (and/or are not covered); Copayments and Coinsurance requirements; the Medicare Part D Formulary selected; the Benefit Plan Design tier structure; any limitations on coverage such as deductibles; and any Programs selected for any Plan, together with the relevant protocols and services that must be rendered in connection with each Program.

Each Benefit Specification Form must be executed by PBM and NDPERS. PBM and NDPERS will each retain a copy of all Benefit Specification Forms, but PBM will provide NDPERS with said Forms upon request for Audits.

**Biosimilar** – The term "Biosimilar" shall mean a type of biological product that is licensed by the FDA because it is similar to an already FDA approved biological product, the reference product, and has been shown to have the same clinical outcomes as the reference product. Biosimilar products will be included as Specialty Drug(s) in this Agreement.

**Bona Fide Service Fees** – Bona fide service fees means fees paid by a manufacturer to an entity, that represent fair market value for a bona fide, itemized service actually performed on behalf of the manufacturer that the manufacturer would otherwise perform (or contract for) in the absence of the service arrangement, and that are not passed on in whole or in part to a client or customer of an entity, whether or not the entity takes title to the drug. The fee includes, but is not limited to, distribution service fees, inventory management fees, product stocking allowances, and fees associated with administrative service agreements and patient care programs (such as medication compliance programs and patient education programs).

**Brand Drug(s)** - The term "Brand Drug(s)" shall mean the following: The Multisource Code field in Medi-Span contains a "M" (co-branded product), "O" (originator brand) (except where the Claim is submitted with a DAW Code of "3","5" or "6", in which case it shall be considered a Generic Drug), or a "N" (single source brand). The Parties agree that when a drug is identified as a Brand Drug, it shall be considered a Brand Drug for all purposes by PBM, including but not limited to adjudicating the Claim, reimbursing the relevant pharmacy, invoicing NDPERS, determining the Copayment or Coinsurance to be paid by the Member, calculating the satisfaction of Average Annual Guarantees as further described in Exhibit A of the Agreement, calculating the satisfaction of Financial Benefit Guarantees as further described in Exhibit A of the Agreement, and calculating the satisfaction of generic fill rates (if any).

**Claim(s)** - The term "Claim(s)" shall mean all claims transmitted or sent to PBM by any pharmacies or by Members as a result of dispensing Covered Items to Members, including reversed and rejected Claims.

**Claim Adjudication System –** The term "Claims Adjudication System" means PBM's claims processing system.

Claim Processor Fee(s) or Click Fee(s) - The term "Claim Processor Fee(s)" or "Click Fee(s)" shall mean a payment made by retail pharmacies to PBM, or a fee withheld by PBM from retail pharmacy reimbursement when PBM processes an aggregated payment to a retail pharmacy. Claim Processor Fees shall be considered Financial Benefits or DIR and shall not be factored into Average Annual Guarantees for either Ingredient Costs or Dispensing Fees.

**CMS (Centers for Medicare & Medicaid Services)** – The term "CMS" references the federal agency within the United States Department of Health and Human Services that is responsible, among other matters, for administering various Medicare Plans.

**Compound Drug(s)** - The term "Compound Drug(s)" shall mean a drug that needs to be made by a pharmacist because it is not commercially available in the required form and strength. A Compound Drug must consist of two or more solid, semi-solid or liquid ingredients, at least one of which is a Covered Item.

PBM is obligated to provide Pass-Through Pricing for every Compound Drug. PBM's invoiced Ingredient Cost to NDPERS for each Compound Drug shall be the same as PBM's reimbursed Ingredient Cost to the retail pharmacy (and both shall be net of any Copayments, Coinsurance, and deductible, and if relevant, any LICS or Medicare Part D coverage gap rebate) PBM may also invoice NDPERS for the precise professional or compounding fee that PBM has paid to the dispensing pharmacy, if any. However, PBM shall not be allowed to make any profit spread on any Compound Drugs and shall pass through to NDPERS the exact Ingredient Cost and professional or compounding fee that PBM pays the dispensing pharmacy. Compound Drugs are excluded from the calculation of all Average Annual Guarantees, Minimum Guaranteed Discounts, the Default Discount Guarantee, Maximum Guaranteed Prices, and Financial Benefit Guarantees.

In submitting a Benefit Specification Form or a Benefit Change Form, NDPERS may state that if any pharmacy transmits a Claim for a Compound Drug where the total Ingredient Cost is above a dollar amount specified in the Form (e.g., \$100), PBM will be required to (a) conduct a Prior Authorization evaluation to evaluate and verify that the cost of the Compound Drug is appropriate, and/or (b) block the dispensing of the Compound Drug.

**Contract Year** – The term "Contract Year" shall mean for NDPERS the period from July 1<sup>st</sup> to June 30<sup>th</sup> in any year.

**Cost Share** – The term "Cost Share" shall mean the amount of money that a Member must pay to the pharmacy to obtain a Covered Item in accordance with the terms of the Benefit Plan Design of NDPERS.

**Copayment(s)** or **Coinsurance** - The term "Copayment(s)" or "Coinsurance" shall mean those amounts collected from Members by the relevant pharmacy pursuant to NDPERS' Benefit Plan Design as specified in its Benefit Specification Form, and if relevant, as amended in a Benefit Change Form. "Copayment" shall mean any flat amount that a Member is required to pay. "Coinsurance" shall mean any percentage amount that a Member is required to pay.

**Covered Item(s)** - The term "Covered Item(s)" shall mean the covered drugs, supplies and small durable medical equipment ("DME") items listed in NDPERS' Benefit Plan Design, as specified in its Benefit Specification Form, and if relevant, as amended in a Benefit Change Form. PBM understands and agrees that it shall not be entitled to invoice or collect reimbursement from NDPERS for any Covered Item that is not included in, or that is excluded from, NDPERS' list of Covered Items.

**Default Discount Guarantee** - The term "Default Discount Guarantee" shall mean the automatic discount that must be provided by PBM on any and all new-to-market Specialty Drugs, as further described in Exhibit A of this Agreement.

**Direct and Indirect Remuneration or DIR** - The term "Direct and Indirect Remuneration" or "DIR" is defined to mean any and all rebates, subsidies, or other price concessions from any source (including manufacturers, pharmacies, enrollees, or any other person) that serve to decrease the costs incurred by NDPERS (whether directly or indirectly) for Medicare Part D Covered Items, including without limitation: discounts, chargebacks, rebates, cash discounts, free goods contingent on a purchase agreement, up-front payments, coupons, goods in kind, free or reduced-price services, grants, legal judgment amounts, settlement amounts from lawsuits or other legal action, and other price concessions or similar benefits. DIR shall always have the same definition as the definition identified by CMS.

**Dispensed Claim(s)** - The term "Dispensed Claim(s)" shall mean each Claim that is actually dispensed to a Member. With respect to any Claim, if the Claim is not dispensed, but is instead denied, rejected or reversed, the Claim shall not constitute a Dispensed Claim. If the Claim is adjusted in any way, the original Claim and the adjusted Claim(s) shall together constitute only one Dispensed Claim. If a Claim is partially filled, and subsequently the remainder of the Claim is filled, the fills will together constitute only one Dispensed Claim. PBM may only invoice NDPERS for Dispensed Claims, may not invoice NDPERS for denied, rejected or reversed Claims, and may invoice only once for adjusted or partially filled Claims.

**Dispensing Fee(s)** - The term "Dispensing Fee(s)" shall mean the per prescription dispensing fee paid by the PBM to the dispensing pharmacy. Dispensing Fees shall only be invoiced to NDPERS for Dispensed Claims and shall be based on Pass-Through Pricing for retail pharmacy and Mail Order Pharmacy dispensed drugs, with said Pass-Through Pricing satisfying the Average Annual Guarantees for Dispensing Fees identified in Exhibit A of the Agreement. Dispensing Fees for Specialty Drugs dispensed from the Specialty Drug Pharmacy shall be based on the stated Dispensing Fee identified in Exhibit A of the Agreement. For every Dispensed Claim that PBM reimburses to the retail pharmacy based on U&C, PBM shall allocate the entire U&C charge to the Ingredient Cost and shall not allocate any of the U&C charge to the Dispensing Fee.

**Effective Date -** The term "Effective Date" shall mean the date upon which this Agreement becomes effective, namely the date upon which it has been executed by all Parties.

**EGWP Plan** – The term "EGWP Plan" shall mean an Employer Group Waiver Plan under Medicare Part D that is provided by PBM's Medicare Part D Insurance Company via a Medicare Employer Group Policy ("EGWP Policy"), for a fully-insured plan, or a Medicare Employer Group Agreement (ASO) for a self-insured EGWP plan.

**Eligibility Change(s)** - The term "Eligibility Change(s)" shall mean a change in Member eligibility as reported to PBM by NDPERS whether in paper or electronic format.

**Eligibility File** – The term "Eligibility File" shall mean the file created by NDPERS and transmitted to PBM listing the names and other pertinent information necessary for PBM to enroll Members, terminate enrollment, or to make changes to existing Member records.

**EOC** (Evidence of Coverage and Disclosure Information) – The "EOC" is a document based on the CMS provided standardized model, supplied by PBM, approved by NDPERS, and thereafter issued by PBM to enrolled EGWP or EGWP + Wrap Members. The EOC discloses and sets forth the prescription drug benefits and terms and conditions of coverage to which NDPERS' Members are entitled.

**Exhibit(s)** - The term "Exhibit(s)" shall mean an Exhibit to the Agreement, and all written amendments to any such Exhibits. Any Agreement Exhibit must be mutually agreed upon in writing by PBM and NDPERS.

**Extended AWP -** The term "Extended AWP" shall mean the product of the Unit AWP for a Dispensed Claim multiplied by the quantity of Units dispensed by the pharmacy for that Dispensed Claim.

**Financial Benefits -** The term "Financial Benefits" shall mean NDPERS' Pro Rata Share (as Pro Rata Share is defined herein) of all financial benefits received by PBM (as PBM is defined herein) from all Pharmaceutical Manufacturers (as Pharmaceutical Manufacturers is defined herein), including without limitation NDPERS' Pro Rata Share of all: rebates, discounts, administrative or other fees, chargebacks, grants, all other monies of any kind whatsoever paid by Pharmaceutical Manufacturers, all discounts or credits or reimbursements of any kind provided by Pharmaceutical Manufacturers, all financial benefits paid by Pharmaceutical Manufacturers to PBM for Covered Items dispensed on NDPERS' behalf from retail pharmacies, the Mail Order Pharmacy, and the Specialty Drug Pharmacies, and all goods (or in kind services) provided by Pharmaceutical Manufacturers.

**Financial Benefit Guarantee(s) -** The term "Financial Benefit Guarantee(s)" shall mean the minimum amount that PBM has guaranteed will be passed through as Financial Benefits to NDPERS, as further described in Exhibit A of the Agreement.

**Financial Guarantee(s)** – The term "Financial Guarantee(s)" shall mean every financial guarantee in the Agreement (as opposed to Performance Guarantee identified in Exhibit C), including without limitation: every Average Annual Guarantee, every Specialty Drug Minimum Guaranteed Discount, the Specialty Drug Default Discount Guarantee and every Financial Benefit Guarantee.

Formulary - The terms "Formulary" shall have the meaning set forth in Article 5 of the Agreement.

Generic Drug(s) – The term "Generic Drug(s)" shall mean the following: The Multisource Code field in Medi-Span contains a "Y" (generic).\_Claims submitted with a Multisource Code field in Medi-Span containing the value of "O" and also submitted with a DAW Code of "3","5", or "6" shall also be consider a Generic Drug. PBM agrees that when a drug is identified as a Generic Drug, it shall be considered a Generic Drug for all purposes, including but not limited to adjudicating the Claim, reimbursing the relevant pharmacy, invoicing NDPERS, determining the Copayment or Coinsurance to be paid by the Member, calculating the satisfaction of Average Annual Guarantees as further described in Exhibit A of the Agreement, and calculating the satisfaction of generic fill rates (if any).

**Identification Card(s) or ID Card(s) -** The term "Identification Card(s)" or "ID Card(s)" shall mean the printed plastic identification cards, and digital identification cards accessible online or via a mobile application, that contain specific information about the prescription drug benefits to which Members are entitled.

**Ingredient Cost(s)** - The term "Ingredient Cost(s)" shall mean the amount charged for each Dispensed Claim – prior to the deduction of any Copayment or Coinsurance or deductible (if any) – not including Dispensing Fees or any sales or use taxes – and without factoring in any Financial Benefits. For every Dispensed Claim that PBM reimburses to a retail pharmacy based on U&C (as defined herein), PBM shall allocate the entire U&C charge to the Ingredient Cost, and shall not allocate any of the U&C charge to the Dispensing Fee.

**Limited Distribution Drug** – The term "Limited Distribution Drug" shall mean Specialty Drug(s) that Pharmaceutical Manufacturer(s) distribute through a limited number of pharmacies and wholesalers selected by the Pharmaceutical Manufacturer(s).

Mail Order Pharmacy - The term "Mail Order Pharmacy" shall mean \_\_\_\_\_\_, [PBM to fill in the name of the pharmacy] which shall be the mail order pharmacy that PBM uses to service NDPERS.

**MAC** - The term "MAC" shall mean the maximum allowable cost of a Brand Drug or Generic Drug, as established by PBM for certain drugs in connection with reimbursing Participating Pharmacies. PBM's inclusion (or exclusion) of a drug on its MAC list(s) shall not in any way impact any of PBM's obligations in the Agreement, including without limitation its Pass-Through Pricing obligations, Average Annual Guarantees for Brand Drugs and Generic Drugs, since all such Guarantees and obligations are to be applied as specified in the Agreement.

**Medicare Part D Formulary -** The term "Medicare Part D Formulary" shall mean the list of CMS approved drugs and other items covered under an EGWP Plan.

Medicare Part D Insurance Company — The term "Medicare Part D Insurance Company" or "\_\_\_\_\_\_" [PBM to identify actual name of its Med D insurance company provider] shall mean PBM's affiliated insurance entity that will provide self-insured or fully-insured Medicare Part D EGWP coverage to NDPERS. Although the Medicare Part D Insurance Company will be providing said EGWP coverage, when requested, and the Medicare Part D Insurance Company will be contractually responsible for all such EGWP coverage, for simplicity of reference the term "PBM" has also been used throughout this Agreement to reference services that will be provided by, and obligations that must be satisfied by, the Medicare Part D Insurance Company for Medicare Part D matters.

**Member(s)** – The term "Member(s)" shall be defined as any retired Member eligible for and receiving Medicare Part D services. More specifically, a Member shall be defined as: a Medicare-eligible individual who has been enrolled in an EGWP by NDPERS and accepted for membership by CMS. The following individuals are NOT eligible to be a Member in an EGWP (or supplemental Wrap):

(i) Non-Medicare Eligible spouses and dependents of Eligible Individuals; or

(ii) Current employees of NDPERS Employer Group (i.e., active employees) or their eligible spouses and dependents, even if eligible for Medicare Part D.

To be a Member, i.e., a Medicare-eligible individual in an EGWP (and Wrap), the individual must also be eligible for Medicare Part A and/or Medicare Part B and must have a place of permanent residence inside the fifty United States or Washington, D.C. or any territories where PBM is authorized to do business. Individuals who are incarcerated and identified as such by CMS, or by NDPERS, cannot be Members and are not eligible for an EGWP (or Wrap), and may be retroactively disenrolled if PBM receives confirmation that the date incarceration began was prior to the Member's Benefit Effective Date.

Each individual who satisfies all of above standards shall, for purposes of an EGWP or Wrap Plan, be defined as an "Eligible Individual" and a "Member," regardless of whether that individual is a spouse or dependent of another Medicare eligible retiree.

**Member List(s)** - The term "Member List(s)" shall mean the initial Eligibility File provided by NDPERS for Medicare-eligible Members enrolling in NDPERS' EGWP, if any, and supplemental Wrap, if any.

**Minimum Guaranteed Discount(s)** - The term "Minimum Guaranteed Discount(s)" shall mean the minimum discount that PBM has guaranteed will be provided for each Specialty Drug when it is dispensed from the Specialty Drug Pharmacy, as further described in Exhibit A of the Agreement.

NCPDP - The term "NCPDP" shall mean National Council for Prescription Drug Programs.

**New Eligibility Implementation Date(s)** - The term "New Eligibility Implementation Date(s)" shall mean the date on which PBM services for new eligible Members are to begin, or end. PBM shall be obligated as of the New Eligibility Implementation Date to begin providing Covered Items for NDPERS' new Member(ies), and, upon ineligibility of NDPERS' Member(ies), to no longer provide Covered Items.

Over-the-Counter Drug(s) or OTC Drug(s) - The term "Over-the-Counter Drug(s)" or "OTC Drug(s)" shall mean a drug covered under NDPERS' Benefit Plan that is not required by law to be dispensed pursuant to a prescription and which is generally recognized as safe and effective because it meets each of the conditions contained in 21 C.F.R. Part 330 and each of the conditions contained in any applicable monograph.

Participating Pharmacy(ies) and Pharmacy Network - The term "Participating Pharmacy(ies)" shall mean those retail pharmacies that have contracted with PBM to create a "Pharmacy Network," together with the specified Mail Order Pharmacy and Specialty Drug Pharmacy. In the event that NDPERS limits in a Benefit Specification Form or Benefit Change Form the retail pharmacies that can dispense Covered Items to NDPERS' Members, the Participating Pharmacies and Pharmacy Network for NDPERS will be only those pharmacies allowed by NDPERS.

**Party(ies) -** The term "Party" shall refer either to NDPERS or PBM. The term "Parties" shall refer to both NDPERS and PBM.

Pass-Through Pricing - The term "Pass-Through Pricing" shall mean PBM's agreement that it shall not derive any profits whatsoever from the difference between amounts invoiced to NDPERS by PBM and amounts incurred by PBM for any Covered Item dispensed from any retail pharmacy, mail order pharmacy or specialty drug pharmacy (including the Mail Order Pharmacy and Specialty Drug Pharmacy). For purposes of clarification: For each pharmacy, PBM agrees to invoice for every Dispensed Claim - both for the Ingredient Cost and for the Dispensing Fee - the actual cost incurred by PBM. Said agreement includes those Covered Items included within Average Annual Guarantees, and those Covered Items excluded from Average Annual Guarantees. Pass-Through Pricing shall also mean PBM's agreement to invoice for every Coordination of Benefit Claim based on PBM's exact amount paid for the Covered Item. Pass-Through Pricing shall also mean PBM's agreement that it shall invoice NDPERS for every vaccine, LTC dispensed, and home infusion therapy Covered Item based on PBM's exact amount reimbursed for that Covered Item. Pass-Through Pricing shall also mean that PBM shall invoice NDPERS for every Compound Drug based

on PBM's exact reimbursement to the retail pharmacy for the Compound Drug, including PBM's exact reimbursement for the compounding fee.

For any EGWP Plan, Pass-Through Pricing shall mean (i) PBM's agreement that if NDPERS selects a self-insured EGWP Plan PBM shall pass through NDPERS' Pro Rata Share of all DIR, and if NDPERS selects a fully-insured EGWP Plan PBM shall pass through to CMS the legally required DIR allocable to that EGWP Plan; (ii) PBM shall properly allocate and retain only Bona Fide Service Fees; and (iii) PBM shall file accurate DIR and Bona Fide Service Fee reports with CMS. For any Wrap Plan, Pass-Through Pricing shall mean that to the extent that PBM receives any Financial Benefits, PBM agrees to pass through to NDPERS its Pro Rata Share of all such Financial Benefits.

Pass-Through Pricing shall also mean that PBM's only profits shall be those that may be embedded in (i) Administrative Fees; and (ii) Additional Fees.

Pharmacy Network – See Definition of "Participating Pharmacies."

PBM - The term "PBM" shall mean \_\_\_\_\_\_\_ [PBM to identify its name], and all subsidiaries and affiliates providing PBM Services to NDPERS.

**PBM Services -** The term "PBM Services" shall mean claims processing, eligibility verification, all contracting and management and administration of contracts with Participating Pharmacies and/or Pharmaceutical Manufacturers, Formulary and clinical support, and all other services described in or performed by PBM as a result of the Agreement.

**PBM/Participating Pharmacy Contract(s)** - The term "PBM/Participating Pharmacy Contract(s)" shall mean all contracts, amendments or addendums thereto, letter agreements, or other written or oral agreements in any form, setting forth any terms between PBM and any retail, mail order pharmacy or specialty drug pharmacy, whether independent, or owned by or affiliated with PBM.

**PBM/Pharmaceutical Manufacturer Contract(s)** - The term "PBM/Pharmaceutical Manufacturer Contract(s)" shall mean all contracts, amendments or addendums thereto, letter agreements, or other agreements, providing that any Financial Benefits shall be paid or provided by any Pharmaceutical Manufacturer to PBM. PBM/Pharmaceutical Manufacturer Contracts shall include, but not be limited to, all: rebate agreements, administrative fee agreements, inflation protection payments, indication and/or outcomes based pricing arrangements, other fee agreements, service agreements, health or disease management agreements, data sales agreements, discount agreements, prompt payment agreements, bulk purchase agreements, pricing sheets/term sheets/or discount sheets providing pricing terms, etc.

**Pharmaceutical Manufacturer(s)** - The term "Pharmaceutical Manufacturer(s)" shall mean any pharmaceutical manufacturer or company, any drug wholesaler or distributor, or any other third party, that provides Financial Benefits.

**Plan(s)** – NDPERS may provide prescription coverage to one Plan or several different Plans. NDPERS shall have the right to add or eliminate a Plan or Plans during the period when this Agreement is in effect.

**Prescriber** – The term "Prescriber" means a licensed Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of Podiatry (D.P.M.), Doctor of Dentistry (D.D.S.), or other licensed health practitioner with independent prescribing authority in the state in which the dispensing pharmacy is located.

**Program(s)** - The term "Program(s)" shall mean any pharmacy benefit management program that NDPERS chooses to implement, in writing, via this Agreement, a Benefit Specification Form and/or Benefit Change Form, based on specified written protocols provided to the PBM.

**Pro Rata Share -** The term "Pro Rata Share" shall mean the proportion of total Financial Benefits that PBM collects from third parties that PBM is required to pass through to NDPERS, as further described in Exhibit A of the Agreement.

**Protected Health Information or PHI** – The term "Protected Health Information" or "PHI" shall mean individually identifiable health information, including summary and statistical information, collected from or on behalf of a Member that is transmitted by or maintained in electronic media, or transmitted or maintained in any other form or medium and that:

- 1. is created by or received from a Prescriber, health care employer, or health care clearinghouse;
- 2. relates to a Member's past, present or future physical or mental health or condition;
- 3. relates to the provision of health care to a Member;
- 4. relates to the past, present, or future payment for health care to or on behalf of a Member; or
- 5. identifies a Member or could reasonably be used to identify a Member.

**Specialty Drug(s)** - The term "Specialty Drug(s)" shall mean each drug identified on Exhibit B of the Agreement. The term "Specialty Drug" shall also include any new-to-market specialty drug that NDPERS allows to be dispensed. NDPERS shall have the right to select which Specialty Drugs on Exhibit B shall (or shall not) be dispensed to its Members. NDPERS shall also have the right to determine whether (i) to allow a new-to-market specialty drug to be dispensed automatically from the Specialty Drug Pharmacy at the Default Discount Rate prior to the specialty drug being added to Exhibit B; or (ii) to prohibit and block the dispensing of a new-to-market specialty drug until it has been added to Exhibit B, or NDPERS has specified in writing that it wants the drug added.

**Specialty Drug Pharmacy -** The term "Specialty Drug Pharmacy" shall mean \_\_\_\_\_\_, [Each PBM to fill in the name of its proposed Specialty Drug Pharmacy] which shall be the only specialty drug pharmacy that PBM uses to service NDPERS.

**State** – The "State" means the State of North Dakota.

**Successful Security Incidents** - The term "Successful Security Incidents" shall mean security incidents that result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations.

**Supplemental Formulary** – The term "Supplemental Formulary" shall mean the Covered Items that NDPERS is providing to its Members as supplemental benefits (i.e., as Bonus Drugs and a Wrap), as specified in its Supplemental Benefit Plan.

**U&C** or **Usual and Customary** - The term "U&C" or "Usual and Customary" shall mean the walk-in price charged by a retail pharmacy to customers who are without prescription drug coverage. NDPERS shall never be charged for more than the U&C for a transaction. For every Dispensed Claim that PBM reimburses to the retail pharmacy based on U&C, PBM shall allocate the entire U&C charge to the Ingredient Cost and shall not allocate any of the U&C charge to the Dispensing Fee. PBM represents and warrants that each of its contracts with retail pharmacies requires each retail pharmacy to include as its transmitted U&C price to the PBM any and all U&C discounted prices that the pharmacy provides to non-insured customers.

**Unit(s)** - The term "Unit(s)" shall mean the unit of measure dispensed, such as tablet, capsule, ml of liquid, gm of cream, or other unit measure.

**Unit AWP -** The term "Unit AWP" shall mean the Unit of measure price, as defined by the NCPDP, with the Unit of measure being per tablet, or per capsule, or per ml of liquid, or per gm of cream, or per other Unit, dispensed.

**Unsuccessful Security Incidents** – The term "Unsuccessful Security Incidents" shall mean security incidents that do not result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations.

**Wrap Plan** – The term "Wrap Plan" shall mean the self-insured supplemental benefit plan that NDPERS may arrange for Medicare-eligible Members by executing a Coordination of Benefits Agreement.

### ARTICLE 2 - GENERAL DUTIES TO BE PERFORMED BY NDPERS

- 2.1 <u>NDPERS' Duty to Provide Member List.</u> At least forty-five (45) days before NDPERS' Benefit Effective Date, NDPERS shall provide to PBM electronic files reflecting all Members as of that date (the "Member List"). NDPERS shall be solely and exclusively responsible for ensuring the accuracy of its Member List.
- 2.2 <u>NDPERS' Duty to Provide Eligibility Changes in the Member List.</u> NDPERS shall be solely and exclusively responsible for creating and providing Eligibility Files to PBM to update its Member List to reflect all additions and terminations ("Eligibility Changes"). For all eligible Members, NDPERS has determined that it wishes to update its Member List: once a week.
  - NDPERS' additions or deletions to a previously existing Eligibility File will be input and made operable by PBM within at least one (1) business day.
- 2.3 <u>Information Required on Initial Member List, and For Eligibility Changes</u>. NDPERS' Member List and Eligibility Changes shall contain the following minimum "information fields," each of which shall be incorporated into PBM's information system, and each of which shall be available to NDPERS via PBM's internet portal:
  - a. Each Member's identification number and social security number when available
  - b. Each Member's full name (last, first, and middle initial)
  - c. Each Member's date of birth
  - d. Each Member's address
  - e. The date the Member became eligible for coverage (Member's Effective Date)
  - f. The date the Member's eligibility for coverage under the Benefit Plan is terminated
  - g. The Benefit Plan Design identification number
  - h. Each Member's gender
  - i. Each Member's Person Code(s)
  - j. Each Member's Relationship Code(s)
  - k. A coordination of benefits Code or Indicator (as primary or secondary) for each Member
  - I. A Medicare Part D identifier (if relevant)
  - m. An active/retiree identifier (if relevant)

This data shall be provided to PBM in the industry standard, HIPAA-mandated 834 file format. PBM also agrees to provide additional "information fields" as required in writing by NDPERS.

NDPERS shall be responsible for the resolution of any errors identified by PBM in any error report that PBM transmits to NDPERS. Any Claims processed due to incorrect eligibility information transmitted by NDPERS to PBM will be the responsibility of NDPERS.

2.4 <u>Benefit Plan Design Information and Changes.</u> NDPERS' Benefit Plan Design(s) shall be provided to PBM and attached as Exhibit D hereto. NDPERS shall have the right to implement any Benefit Plan Design(s) of its choosing. NDPERS must provide its initial Benefit Plan Design(s) to PBM in writing at least sixty (60) days before NDPERS' Benefit Effective Date.

After NDPERS' Benefit Effective Date, NDPERS must provide all Benefit Plan Design changes to PBM at least forty-five (45) days prior to the date when such changes shall be made effective. PBM shall be obligated to input and perform a test run on any benefit changes identified by NDPERS as requiring said test run prior to the date of required implementation, notifying NDPERS in writing of the results of its test run, and making all Benefit Plan Design changes operative within thirty (30) days of having received NDPERS' Benefit Plan Design changes. NDPERS and PBM may mutually agree, in writing, on different time frames for the implementation of Benefit Plan Design changes.

The specifics of how NDPERS directs PBM to configure the processing of benefits shall be provided to PBM using PBM's Benefit Specification Form (BSF), and any changes to the configuration using

PBM's Benefit Change Form (BCF). PBM shall rely on the terms and provisions provided by NDPERS in the written and executed Benefit Specification Form and written and executed Benefit Change Forms. The most recent executed Benefit Specification Form or Benefit Change Form shall supersede any prior dated executed form to the extent the content of any prior form has been altered.

- 2.5 <u>Cooperation.</u> NDPERS and PBM shall promptly provide to each other all information that is reasonably requested and that is reasonably necessary for each to complete its obligations hereunder, and for NDPERS to provide the PBM Services it decides to provide.
- 2.6 Good Faith Negotiation Obligation. PBM and NDPERS agree that all conferences, meetings and negotiations will take place in good faith by balancing (i) PBM's obligation to provide low-cost pricing to NDPERS, with (ii) PBM's right not to expose itself to financial liability by promising to provide Covered Items and services on terms that PBM cannot satisfy.

Should PBM believe any NDPERS changes in a Formulary or Program require that any financial guarantee(s) be adjusted, PBM shall have the obligation to (i) provide evidence of the need for the change, and (ii) demonstrate through the evidence the extent of the adjustment that is needed as a result of the change, and the Parties thereafter shall negotiate in good faith and make any adjustment that PBM has demonstrated is needed. Similarly, if unforeseeable marketplace events or changes in government laws or regulations require an adjustment in any financial guarantee(s), PBM shall have the same obligations, and the Parties thereafter shall in good faith make any adjustment that PBM has demonstrated is needed. NDPERS may also request adjustments in financial guarantees and ask for documents or data related to its request. In connection with any change in any financial guarantee requested by either Party, PBM agrees that given that PBM retains most information related to the need for, or appropriateness of, any change, PBM shall be obligated to share the requisite information with NDPERS.

In connection with all of the above-described changes, each Party shall be required to consider in good faith the other Party's request, including all supporting PBM evidence that PBM must provide. NDPERS shall also be entitled to consult with outside experts to evaluate: the need for changes, PBM's supporting evidence, and other mitigating circumstances.

If the Parties cannot mutually agree on a requested adjustment within thirty (30) days of either Party's request for an adjustment then NDPERS may terminate this Agreement pursuant to the termination procedures set forth in Article 8.

#### ARTICLE 3 - GENERAL DUTIES TO BE PERFORMED BY PBM

- 3.1 Compliance with Laws, etc. PBM agrees to comply with all laws, rules, and policies, including those relating to nondiscrimination, accessibility, and civil rights. PBM agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes and unemployment compensation and workers' compensation premiums. PBM shall have and keep current at all times during the term of this Agreement all licenses and permits required by law.
- 3.2 <u>Standards of Performance.</u> PBM shall perform its obligations under this Agreement with care, skill, prudence, and diligence, and in accordance with the standards of conduct applicable to a fiduciary. PBM shall also disclose to NDPERS any activity, policy, or practice of which PBM is aware that presents a conflict of interest with the performance of its obligations hereunder. PBM represents and agrees that NDPERS is relying on PBM's expertise to ensure all PBM Services are rendered in accordance with applicable statutes and regulations.
- 3.3 <u>Disaster Recovery Program.</u> PBM shall establish and maintain a disaster recovery program consistent with industry practice and provide a copy of its disaster recovery program policies and procedures, if requested, to any party executing this Agreement and/or any government entity.
- 3.4 <u>Provision of Basic Documents.</u> PBM shall provide its latest SAS 70 report and any publicly available information on an annual basis, upon reasonable request by any party executing this Agreement and/or any government entity.
- 3.5 Indemnification. PBM agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. The legal defense provided by PBM to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. PBM also agrees to reimburse the State for all costs, expenses and attorneys' fees incurred if the State prevails in an action against PBM in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.
- 3.6 <u>Insurance.</u> PBM shall secure and keep in force during the term of this Agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverage:
  - Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$1,000,000 per occurrence.
  - b. Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
  - c. Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
  - d. Employer's liability or "stop gap" insurance of not less than \$1,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
  - e. Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, PBM shall continuously maintain such coverage during the contact period and for

three years thereafter. In the event of a change or cancellation of coverage, PBM shall purchase an extended reporting period to meet the time periods required in this section.

The insurance coverages listed above must meet the following additional requirements:

- a. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of PBM.
- b. This insurance may be in policy or policies of insurance, primary and excess, including the socalled umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
- c. The duty to defend, indemnify, and hold harmless the State under this agreement shall not be limited by the insurance required in this agreement.
- d. The state of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy on a primary and noncontributory basis, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this agreement or by the contractual indemnity obligations of PBM.
- e. A "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State.
- f. PBM shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.
- g. Failure to provide insurance as required in this agreement is a material breach of contract entitling the State to terminate this agreement immediately.
- h. PBM shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements. PBM shall provide on an ongoing basis, current certificates of insurance during the term of the contract. A renewal certificate will be provided 10 days prior to coverage expiration. An updated, current certificate of insurance shall be provided in the event of any change to a policy.

#### 3.7 PBM Provision of Services to NDPERS.

- a. <u>General Terms</u>. PBM shall provide to NDPERS the Prescription Benefit Services detailed in this Agreement. All such services shall be provided at the agreed upon Administrative Fees and Additional Fees specified in this Agreement.
- b. <u>Pass-Through Pricing, Subject to Guarantees</u>. PBM represents and agrees that all PBM Services will be performed using Pass-Through Pricing for every Covered Item dispensed, which Pass-Through Pricing shall be subject to all of the financial guarantees referenced in this Agreement, including (i) the Average Annual Guarantees (ii) Minimum Guaranteed Discounts and Default Discount Guarantees for Specialty Drugs, and (iII) rebate guarantees (referenced as Financial Benefit Guarantees).
- c. <u>Claims Processing, Retail Pharmacy Contracting, and Other Basic Services</u>. PBM shall be solely responsible for all PBM Services detailed in this Agreement including the following:

- Adjudicating all Claims accurately, including by correcting all pharmacy errors, including but not limited to pharmacy quantity errors
- 2. Contracting with and administering a national and local retail Pharmacy Network
- 3. Providing for the coordination of benefits
- 4. Being solely responsible for the timely accepting, inputting and processing of all Eligibility Files that are transmitted in the appropriate format; Also, reporting back to NDPERS any errors or omissions in any Eligibility File that prevent timely inputting by the PBM
- 5. Accurately inputting the beginning and ending date of eligibility for each Member ("New Eligibility Implementation Date"), as provided by NDPERS
- Timely processing all new eligibility information provided by NDPERS as further described in this Agreement
- 7. Providing the standard and customized reports
- 8. Providing additional ad hoc reports (if requested by NDPERS, at the Additional Fees identified if IT Programming time is required)
- 9. Performing concurrent and retrospective DUR
- 10. Performing all identified rebate/Financial Benefit activities
- 11. Providing EOBs (if requested by NDPERS)
- 12. Providing specified Website services for NDPERS and all Members
- 13. Providing E-Prescribing (as requested by NDPERS)
- 14. Operating a Customer Call Service Center with a toll-free number, 24/7/365 other than when the Center is unavailable for routine maintenance, for NDPERS, Members, Prescribers and Participating Pharmacies
- 15. Providing a service team that includes at minimum: an executive sponsor, an account manager, and a clinical account manager
- 16. Providing a complete set of Claims data to NDPERS with each Invoice Statement
- 17. As requested, conferring and/or meeting monthly, quarterly, semi-annually and annually with NDPERS to enable NDPERS to monitor, update and improve the Prescription Drug Services provided to NDPERS, and to enable PBM to educate NDPERS about new developments so as to assist NDPERS in making core choices, including about its Benefit Plan Design.

d.	Retail, Mail Order Pharmacy and Specialty Drug Pharmacy. PBM represents and agrees that
	PBM currently includes retail pharmacies in its national Pharmacy Network. PBM also
	represents that having reviewed NDPERS' Claims data, PBM currently includes retail
	pharmacies in PBM's Pharmacy Network in NDPERS' region (defined as the State of North
	Dakota), and PBM binds itself to maintain retail pharmacies in said Network throughout
	the duration of this Agreement. [PBM to fill in all "blanks" above and below]
	PBM agrees to use as the Mail Order Pharmacy for
	NDPERS, as further described in the definition of Mail Order Pharmacy. PBM also agrees to
	use as the Specialty Drug Pharmacy for NDPERS, as
	further described in the definition of Specialty Drug Pharmacy.
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- e. <u>Programs</u>. Subject to Medicare Part D requirements for the EGWP Program, if NDPERS selects any Program for implementation, PBM will implement said Program based on the protocols agreed to by NDPERS in writing. In connection with any and every Program that PBM implements, the following general terms shall control:
  - 1. <u>Program Protocols and Program Changes.</u> NDPERS may determine which Programs it wants to implement and identify specific protocols for each Program. All such protocols will be memorialized in writing.
  - Changes in Programs or Program Protocols. During the term of this Agreement, NDPERS may request Program or Program protocol changes on no more than a quarterly basis. PBM agrees to confer with NDPERS concerning all such requests,

to provide whatever information is necessary to evaluate each request, and to make suggestions concerning Programs and Program protocols within thirty (30) days of NDPERS' initial request. All agreed upon Program and Program protocol changes will be implemented by PBM within no more than thirty (30) days, unless the Parties mutually agree on a greater delay.

- 3. PBM Suggestions for Program Changes. If at any time PBM believes NDPERS should expand or eliminate or alter any Program or Program protocol, PBM may inform NDPERS of all recommended changes to the Program or Program protocol. PBM will thereafter evaluate and discuss said recommendations with NDPERS. However, PBM may not implement any PBM recommendation unless NDPERS has approved the changes in writing.
- 4. Adherence to Protocols. PBM shall be obligated to implement each Program as specified by NDPERS' standard written requirements as set forth in NDPERS' Benefit Specification Form or Benefit Change Form. If all information necessary for PBM to implement a Program is not provided to PBM, PBM shall notify NDPERS of a need for additional written protocols and obtain said protocols from NDPERS in writing. PBM shall not implement its own protocols for any Program, unless PBM has obtained written approval from NDPERS to do so.
- 5. Program Implementation and Program Changes. The Parties agree that on or before thirty (30) days prior to NDPERS' Benefit Effective Date, NDPERS may choose which Programs to implement, and in connection with which Covered Items. The Parties also agree that at any time during the period when a Program is in effect, NDPERS may terminate any Program, in whole or in part, on thirty (30) calendar days' notice. The Parties also agree that NDPERS' Program choices will be memorialized in NDPERS' Benefit Specification Form and/or Benefit Change Forms.
- 6. PBM's Obligation to Provide Requested Information. At any time during the term of this Agreement, at NDPERS' request (but no more often than quarterly), in connection with any implemented Program, PBM shall provide information to NDPERS concerning the relative "net costs" of specified drugs, factoring in the Financial Benefits to be passed through on those drugs, to enable NDPERS to assess the savings that might be realized from including (or not including) certain specified drugs in a Program. If requested, PBM will also provide a disruption analysis to NDPERS to enable NDPERS to assess the disruption to Members if certain specified drugs are added to or deleted from a Program. If requested, PBM shall also provide a financial analysis to NDPERS to enable it to assess the savings that might result if certain specified drugs are added to or deleted from a Program.
- 7. Potential Program Impact on Guarantees. Should NDPERS choose to implement a Program or make changes to the protocols related to a Program, and PBM believe that any of the above could impact any guarantees stated in this Agreement, the Parties agree that changes may be made in the impacted guarantees, but only based on the procedures set forth in Section 2.6 of this Agreement.
- 8. <u>Timing of Compensation Payment.</u> In the event that NDPERS (or its auditor) determines that PBM has improperly implemented any Program, and its improper implementation results in a financial loss to NDPERS, and PBM is obligated to compensate NDPERS as more fully described in Exhibit D, PBM's payment shall be made within thirty (30) days of the Parties' resolution of the issue.

- 3.8 General Responsibilities In Connection With Medicare Part D Plans. PBM's Medicare Part D Insurance Company will be contractually responsible for satisfying all matters related to NDPERS EGWP Plan. NDPERS acknowledges that this Agreement summarizes the services offered by PBM's Medicare Part D Insurance Company and that the provision of EGWP services will be governed by the agreements entered into between NDPERS and said Medicare Part D Insurance Company. The Parties represent and agree that PBM will be contractually responsible for coordinating all matters related to NDPERS supplemental Wrap Plan.
  - a. <u>Initial Enrollment</u>. NDPERS will provide a Member List to PBM containing all eligible Members.
  - b. Member Eligibility. Each Member's Benefit Effective Date will always fall on the first day of a month. The Parties agree that CMS regulations require that new enrollment information received by a Plan Sponsor on or before the last calendar day of the month must be processed with an effective date of the first day of the following month. For purposes of ensuring that a Member's enrollment is processed and materials are sent in advance of the Member's Benefit Effective Date (including the Member's ID Card), PBM recommends that enrollment information be submitted by NDPERS by the fifteenth (15th) of the month prior to the desired Member Benefit Effective Date. If PBM receives enrollment information after the fifteenth (15th) of the month, but before the end of the month, while enrollment will still be effective on the first day of the following month, PBM will not be obligated to ensure that the newly enrolled Member receives enrollment materials before enrollment begins, but rather will be required to provide such materials within fifteen (15) business days of its receipt of enrollment notification.
  - c. <u>Involuntary Disenrollment of Individual Members by NDPERS</u>. In the event a Plan Beneficiary no longer meets NDPERS' eligibility requirements. PBM shall assist NDPERS in dis-enrolling the Member in conformance with Medicare Laws and Regulations. In the event NDPERS manages the disenrollment, NDPERS shall notify PBM in writing or electronically of the date upon which the disenrollment is requested to be effective. NDPERS must notify PBM by the twenty fifth (25th) day of the month in order for disenrollment to be effective as of the last day of that month. If PBM does not receive a disenrollment request by the twenty fifth (25th) of the month, disenrollment may not be effective until the last day of the month that follows. The disenrollment process of individual Members must include notification to each Member as follows:
    - i. Every Member who is to be disenrolled must be notified; and
    - ii. The notice must be provided not less than twenty-one (21) calendar days prior to the effective date of the Member's disenrollment; and
    - iii. The information provided must include an explanation on how to contact Medicare for information on other Part D options that might be available to the Member.
  - d. <u>Voluntary Disenrollment by Member</u>. Members may only dis-enroll from NDPERS' Medicare Part D Plan during an AEP or SEP. Members may voluntarily dis-enroll in any of the following three (3) ways:
    - i. Enrolling in another plan (during a valid enrollment period);
    - ii. Providing written notice to PBM or the NDPERS;
    - iii. Calling 1 800 MEDICARE.
  - e. <u>Disenrollment Due to Member's Death or Loss of Medicare Eligibility</u>. Pursuant to Medicare Laws and Regulations, CMS will dis-enroll a Member upon his/her death or due to loss of Medicare eligibility, and CMS will provide notification that the Member has died or lost eligibility. Upon receipt of notice of a Member's death or loss of eligibility from CMS, PBM will notify the NDPERS via a monthly enrollment/disenrollment transmitted report. Disenrollment will take place as of the date of death.

- f. <u>NDPERS' Group Disenrollment</u>. Pursuant to Medicare Laws and Regulations, NDPERS may disenroll an entire group of Members from coverage through a group disenrollment process. The group disenrollment process must comply with CMS requirements.
- g. PBM's Monthly Enrollment Reporting Obligation. PBM shall provide to NDPERS a monthly report to capture enrollment, which shall include but not be limited to: new enrollment, new disenrollment, CMS' rejections of enrollment and the reasons for those rejections, retroactive enrollment and disenrollment, and causes for disenrollment (including voluntary, involuntary, and disenrollment due to death/loss of eligibility).
- h. <u>LIP and LIC Subsidies</u>. PBM will reimburse Members eligible for LIP and/or LIC Subsidies in accordance with the processes set forth in the applicable fully-insured EGWP Policy or self-insured EGWP Agreement.
- i. <u>DIR</u>. PBM agrees to invoice for, and to attempt to collect, all DIR from all third parties, and to pass through to each self-insured Medicare Part D EGWP Plan its Pro Rata Share of all collected DIR. PBM further agrees to retain for its own account only Bona Fide Service Fees, as said Fees are defined by CMS and as is required by law. PBM also agrees to timely and accurately file all reports related to DIR (and Bona Fide Service Fees) to CMS on NDPERS' behalf, and in connection with self-insured EGWPs to provide all such reports (without redacting any NDPERS-related information) to NDPERS, if requested. If PBM contracts with and relies on a third party in connection with any DIR-related matters, PBM agrees that it will be fully liable for the above-described matters, and PBM further agrees that it will contractually bind the third party to comply with the above-described matters.
- j. Monitoring and Pass-Through Of CMS and Other Revenues. PBM agrees to: (i) collect from CMS in connection with each NDPERS EGWP Plan all CMS and third party monies (including, without limitation, all CMS direct subsidies, LIPs, LICs, and Catastrophic Coverage reinsurance, and all Manufacturer Discounts and DIR); and (ii) monitor and analyze the accuracy of the amounts paid and received. PBM also agrees to timely and fully pass-through to NDPERS all such revenues as are required to be passed through no later than one month after receiving such revenues, except for LIPs which shall be passed through to those Members entitled to receive them within forty (45) days after receiving said revenues.
- k. PBM's Obligation to Provide All Relevant Data and Reports. PBM agrees to provide on a monthly basis to NDPERS the following data/reports for EGWP Plans (redacted for NDPERS-related information only): PDE, MMR and MOR data/reports. Upon request, PBM also agrees to provide to NDPERS all other data/reports that NDPERS (or its advisors) reasonably believes to be necessary to monitor and evaluate NDPERS EGWP Plan.
- I. <u>PBM's Obligation To Periodically Review and Provide Analytical Cost Analyses</u>. PBM agrees to provide to NDPERS a cost analysis (as described below) for each Medicare Part D Contract Year of coverage, containing cost information broken down on a monthly basis, for each of the following line items of information:
  - i. Revenue
    - 1. NDPERS' Drug or Premium Payments
    - 2. CMS Direct Subsidy
    - 3. Total Revenue
  - ii. Claims
    - 1. Allowed Claims
    - 2. Member Copay
    - 3. NDPERS Plan Liability (or underlying fully-insured Premium costs)
  - iii. Claim Offsets
    - 1. DIR

- 2. Coverage Gap Manufacturer Discounts
- 3. Catastrophic CMS Reinsurance
- 4. LIPs
- 5. LICs
- iv. Net Claims Costs (or underlying fully-insured Premium net costs
- v. Administrative Fees (for self-insured EGWP)
- vi. Profit Margin
- vii. Plan Beneficiaries (per month)
- m. NDPERs may request that each of the above line items will be provided (i) based on the total dollar cost; and/or (ii) based on the PMPM cost.
- n. NDPERS may also request that cost information be subdivided between (i) the Covered Items provided under the EGWP Plan that was covered by CMS under Medicare Part D; and (ii) the Bonus Drugs covered by NDPERS under its supplemental WRAP Plan.
- o. The Parties understand and agree that NDPERS may rely on the cost analysis to:
  - i. understand NDPERS' costs;
  - ii. to make modifications to its Medicare Part D Plan;
  - iii. to determine a reasonable Premium for a fully-insured EGWP for the following Medicare Part D Contract Year and/or
  - iv. to audit PBM's compliance with its pass-through obligations and all other terms of this Agreement and the agreements executed in connection with its Medicare Part D Plan. Accordingly, PBM represents and agrees that it will provide accurate cost analysis information, and all projections will be provided in good faith.
- 3.9 <u>Implementation Services</u>. PBM shall provide the following implementation services for NDPERS, without limitation:
  - p. As soon as is feasible for PBM and NDPERS, PBM and NDPERS shall meet or confer to finalize an agreed-upon transition plan and implementation schedule.
  - q. Perform all tasks necessary to upload eligibility data, and timely "test" the upload as required by the agreed-upon implementation schedule.
  - r. Perform all tasks necessary to upload NDPERS' Benefit Plan Design, and timely "test" the upload as required by the agreed-upon implementation schedule.
  - s. Review PBM's Formulary, Medicare Part D Formulary, and Supplemental Formulary.
  - t. Review with NDPERS its proposed Programs; assist NDPERS in determining to what extent it wishes to implement its existing Programs or add new Programs; memorialize in writing all protocols for all Programs; and timely "test" the Program upload as stated in the agreed-upon implementation schedule.
  - u. Develop comprehensive reporting capability on Prior Authorization activities to include the following:

- 1. Turn-around-time
- 2. Number of total approvals
- 3. Number of total denials
- 4. Number of requests pended to NDPERS
- 5. Number of requests cancelled by PBM
- 6. Number of Prior Authorization requests by drug, drug class, or therapeutic category
- v. Perform all tasks necessary to provide on-line access for Members.
- w. Prepare to provide quarterly EOB Statements, automatically, to Members in a form to be reviewed by NDPERS.
- x. Perform all tasks necessary to enable NDPERS to generate reports using its on-line access, with access to all Claim data elements.
- y. Perform all tasks necessary to generate any customized reports identified in this Agreement.
- z. Prepare and finalize the on-line and mobile access to be used by NDPERS, as well as the on-line and mobile Formularies that Members can access and ensure that all matters on the website accurately reflect all matters relevant to NDPERS.
- aa. Provide training for PBM's online portal usage to NDPERS.
- bb. Provide Member ID cards for approval by NDPERS, and timely print and distribute all ID cards, as required by the agreed-upon implementation schedule.
- cc. Train and ready a sufficient number of Customer Call Service Center representatives to ensure they are knowledgeable about all matters related to NDPERS, as required by the agreed-upon implementation schedule.
- dd. Load detailed Member Claim history in all instances where data is available from the incumbent vendor, including without limitation, Member history related to: Step Therapy, Prior Authorization, quantity limits and drug utilization review.
- ee. Ensure that all Members then undergoing drug treatment for any therapeutic condition be transitioned without disruption in drug therapy or Program involvement, provided the data identified in subparagraph "o" has been made available to PBM.
- NDPERS' Access to and Use of PBM's Computer Systems through an online portal. NDPERS will have access to PBM's computer systems via an online portal, in accordance with PBM's policies and procedures to maintain the confidentiality of such systems, for the following purposes: (a) adding, updating or terminating eligibility; (b) generating overrides, as further detailed in this Agreement or as agreed upon by the Parties; (c) generating Standard Reports, as further detailed in this Agreement or as agreed upon by the Parties. The on-site "screen" information provided by PBM to NDPERS shall be identical to the "screen" information and access available to PBM and shall include at least the following: an eligibility screen, Prior Authorization screen, claims view screen, pricing screens and such other screens that are needed and identified by NDPERS. PBM shall provide assistance and training to NDPERS concerning use of its on-line access as needed. NDPERS acknowledges that PBM's computer systems are proprietary and agrees to maintain the systems in complete confidentiality and to access said systems with appropriate security in place.

#### 3.11 Claims Data

- a. PBM agrees that it is obligated to transmit to NDPERS a complete electronic Claims file, in the then-current NCPDP standard claims billing format monthly or upon request. All Claims shall be included on the file. Claims data shall be produced in one of the following formats: Access, fixed-length flat file or delimited flat file. Any data submitted in flat file format must either have a data layout attached, or the first line of the file must contain field names. File formats must remain constant from submission to submission, unless additional fields need to be added.
- b. PBM shall provide at least the following information fields on the electronic Claims file. In providing such claims data, where "Brand Drug" and "Generic Drug" definitions are relevant, PBM will use the definitions contained in the Agreement.
  - 1. Claim Number
  - 2. Patient Date of Birth (DOB)
  - 3. Patient Gender
  - 4. Service Provider Qualifier
  - 5. Service Provider Number Prescriber Identifier Qualifier
  - 6. Prescriber Identifier
  - 7. DAW
  - 8. Fill #
  - 9. Dispensing Status
  - 10. Drug Coverage Status Code (Partial or Completion or blank)
  - 11. Catastrophic Coverage Code Attachment Point met on this event, Above Attachment Point, or attachment point not met
  - 12. GDCB Gross Drug Cost Below OOP Threshold
  - 13. GDCA Gross Drug Cost Above OOP Threshold
  - 14. TrOOP Amt True Out of Pocket Amount
  - 15. Other TrOOP Amt Other payments by TrOOP eligible payers
  - 16. LIC Status Low Income
  - 17. LIC Amt Low Income Cost Sharing Subsidy Amount
  - 18. CPP Covered Plan Paid
  - 19. NPP Non Covered Plan Paid
  - 20. Received Date of Original Claim
  - 21. Claim Adjudication Began Timestamp/Date
  - 22. Brand/Generic Code (based on the definitions contained in this Agreement)
  - 23. Beginning Benefit Phase
  - 24. Ending Benefit Phase
  - 25. Reported Gap Discount
  - 26. Tier
  - 27. Mail/retail/specialty indicator
  - 28. Unique claims identifier
  - 29. Unique claims identifier cross-reference (for reversals)
  - 30. Claim status
  - 31. Client subaccounts (carrier, group)
  - 32. Date submitted
  - 33. Date filled
  - 34. Cycle Date
  - 35. Rx#
  - 36. Refill #
  - 37. Compound Code
  - 38. Member Submitted Identifier
  - 39. NDC#
  - 40. Drug Description
  - 41. Metric Decimal Quantity

- 42. Days' Supply
- 43. DAW Code
- 44. Pharmacy Number (NABP or NPI)
- 45. Pharmacy Name
- 46. Unit AWP Used
- 47. Usual and Customary
- 48. Pharmacy Ingredient Cost
- 49. Pharmacy Dispensing Fee
- 50. Pharmacy Sales Tax
- 51. Pharmacy Patient Pay
- 52. Pharmacy Amount Due
- 53. Pharmacy Basis of Adjudication
- 54. Client Basis of Adjudication
- 55. Client Ingredient Cost Paid
- 56. Client Dispensing Fee Paid
- 57. Client Sales tax
- 58. Client Patient Pay
- 59. Client Amount Due
- 60. COB Indicator
- 61. COB Amount
- 62. PA#

### 3.12 Standard Reports.

- a. <u>General Terms</u>. PBM shall provide the standard reports identified through PBM's online portal. The Parties agree that the specific layout for these reports will be mutually agreed to during implementation. PBM agrees to provide to NDPERS any standard reports that it provides to other clients and that NDPERS may view as useful or necessary to monitor its prescription drug benefit. All standard reports will be provided at no extra Additional Fee.
- b. Ability of NDPERS to Obtain and Prepare Reports Via Online Portal. PBM represents and agrees that its online portal will enable NDPERS to have access to self-service reporting software and all Claim data fields. Said access will enable NDPERS to analyze Claims data in a [near] real-time environment, with Claims data available for analysis 

  [PBM to state when Claims data becomes available, e.g.: immediately after Claim has been adjudicated, the day following any Claims processing by PBM, etc.] In addition to the standard reports, PBM represents and agrees that the above-referenced access will enable NDPERS to generate reports concerning numerous matters without consultation with PBM, including but not limited to the following:
  - 1. **Enrollment, Termination and Disenrollment Report**: A report sortable by Member, Plan, etc.
  - 2. **Prior Authorization Report:** A report related to Prior Authorizations, sortable by Prior Authorizations, or by Covered Item, or by Member
  - 3. **Utilization Report:** A report related to the utilization of Covered Items, sortable by Covered Item, therapeutic class, cost, Member
  - 4. **Member Claims Report:** A report related to Member Claims history, sortable by Covered Item, prescriber, pharmacy, and therapeutic class
- c. <u>Timing of Online Portal Access to Standard Reports</u>. PBM agrees that standard reports shall be available on the online portal based on the specified time frame (monthly, quarterly or annually), and also capable of being run on demand by NDPERS at any time thereafter for an alternative time period. In the event NDPERS requests that standard reports be posted to

- a secure FTP website, said reports will be provided no later than ten (10) business days after the end of each month for monthly reports and fifteen (15) business days after the close of the identified period for quarterly or annual reports.
- d. <u>Ad Hoc Reports.</u> At NDPERS' request, PBM will assist NDPERS with generating ad hoc reports within seven (7) days of a request. All such reports will be provided at no cost, unless IT programming time is required, in which case the reports will be considered Customized Reports.
- 3.13 <u>Customized Reports</u>: PBM shall prepare and deliver to NDPERS Customized Reports. Certain of these Customized Reports may require PBM to provide IT Programming Time, which will result in the IT Programming Fee identified in Exhibit A of this Agreement.
- 3.14 Eligibility Changes and Benefit Plan Changes.
  - a. <u>Eligibility Changes</u>. PBM shall load and make operable all Eligibility Changes electronically submitted by NDPERS in appropriate format no later than one (1) business day from receipt of such data. Eligibility information will be loaded in the order received. In the event PBM receives electronic Eligibility Changes that it cannot process for any reason, PBM will be responsible for notifying NDPERS within one (1) business day that the information that was transmitted cannot be processed. PBM shall also identify with specificity the deficiency in the eligibility information that prevents processing.
  - b. Benefit Plan Changes. PBM shall electronically load all Benefit Plan Changes submitted by NDPERS into PBM's systems no later than ten (10) business days after receiving said information, unless a different time period is mutually agreed upon in writing by the Parties. The electronic loading of all Benefit Plan Changes shall enable NDPERS to view the changes on-line through the portal. In the event PBM receives electronic submitted Benefit Plan changes that it cannot process for any reason, PBM will be responsible for notifying within twenty-four (24) hours of PBM's receipt of the data that the Benefit Plan information transmitted cannot be processed. PBM shall also identify with specificity the deficiency in the Benefit Plan information that prevents processing.
- 3.15 <u>Standardized Edits</u>. PBM shall be responsible for maintaining standardized "edits" to enable the necessary dispensing of Covered Items on behalf of NDPERS.
  - a. Standardized "edits" shall include the following: Vacation overrides, lost/stolen/spilled overrides, emergency overrides, and school supply and facility overrides, in accordance with NDPERS' directions.
- 3.16 Clinical Services. The following Clinical services will be provided by PBM:
  - a. <u>Concurrent and Retrospective Drug Utilization Reviews</u>. PBM shall provide concurrent and retrospective drug utilization evaluation on all Claims based on an agreed-upon PBM/NDPERS policy.
  - b. Evaluation of Recalls. For prescription and non-lot-specific OTC Drugs, where the FDA or manufacturer has issued a drug recall, PBM shall perform and complete an evaluation to communicate a "hard edit" recommendation to NDPERS within five (5) business days of a recall. If NDPERS elects to accept the "hard edit" recommendation, PBM shall implement such edit within seventy-two (72) hours of NDPERS' decision. Additionally, PBM shall draft Member and prescriber communication regarding the specific recall, and upon approval and authorization by NDPERS, PBM will coordinate the mailing of the communication to the affected Members and/or their prescribing physicians and other qualified prescribing professionals.

- 3.17 Medi-Span Data. PBM agrees to rely on current (updated weekly by PBM), electronic data provided by Medi-Span to calculate all pricing related to this Agreement, including without limitation, all: invoices to NDPERS, reimbursements to Participating Pharmacies and non-network pharmacies, and the calculation of PBM's satisfaction of all Financial Guarantees in this Agreement. PBM further agrees that all such calculations shall be based on Medi-Span data (that has been timely loaded weekly into the system by PBM) as of the date each prescription is dispensed to Members. For all Covered Items (whether retail pharmacy, Mail Order Pharmacy or Specialty Drug Pharmacy dispensed Covered Items), the dispensing date shall be the date the pharmacy filled the prescription for the Member (the fill date), not the date the transaction is submitted to the PBM (the adjudication or submittal date).
- 3.18 <u>Regular Conferences and Meetings between the Parties</u>. PBM shall confer and/or meet with NDPERS on a monthly, quarterly, semi-annually, or annual basis, as requested by NDPERS.
- 3.19 <u>Customer Service Center for Pharmacies, Providers and Members.</u> PBM shall be responsible for responding to inquiries from Participating Pharmacies, providers and Members through a PBM toll-free phone line that will be accessible 24/7/365, except for scheduled maintenance. The Customer Service Center shall meet the following standards:
  - a. The Customer Service Center shall be responsible for answering questions on the following services, as applicable, without limitation: Member eligibility, Benefit Plan guidelines, deductibles, Copayments/Coinsurance, outstanding Copayments/Coinsurance that may be owed, maximum benefit status, instructions on completing a direct member reimbursement claim form, status of direct member reimbursement claims, Claims processing, Claims submission, Claims payment, benefit coverage, and all Programs.
  - b. PBM shall make interpretation services available free of charge in Spanish. PBM shall maintain the availability of services, such as TTY services or comparable services for the deaf or hard of hearing.
- 3.20 <u>Survey.</u> PBM shall work with NDPERS to develop an Annual Customer Satisfaction Survey that shall be transmitted by PBM to a sample of NDPERS Members. PBM agrees that, if requested by NDPERS, PBM will tally the responses of the Survey and report the results to NDPERS.
- 3.21 <u>Performance Guarantees</u>. PBM shall provide PBM Services in accordance with the Performance Guarantees stated in Exhibit C of this Agreement.

#### ARTICLE 4 - PBM's INVOICE REQUIREMENTS AND NDPERS' PAYMENT OBLIGATIONS

4.1 <u>Invoice Statements.</u> The Parties agree that PBM's invoicing procedures for (a) the costs of Covered Items, and (b) Administrative Fees and Additional Fees, in connection with Members are set forth in this Article 4.

All Invoice Statements shall be transmitted to NDPERS within three (3) days of the period specified below. PBM will submit invoices to NDPERS at the following address: 400 E. Broadway Ave., Suite 505, Bismarck, North Dakota 58501.

- a. PBM's Invoicing Procedure For The Cost of Covered Items For NDPERS' Retiree Medicare Part D Self-Insured EGWP Plan. PBM shall provide a monthly Invoice Statement, accurately reflecting the costs for all Covered Items (Ingredient Costs and Dispensing Fees) that were dispensed by PBM to NDPERS' Members.
- b. **PBM's Invoicing Procedure for Its Administrative Fees and Additional Fees.** PBM shall provide a monthly invoice to NDPERS for the Administrative Fees as well as for all Additional Fees owed for services performed during the previous month.
- c. NDPERS' Obligation In Connection with All Payments. NDPERS shall pay each PBM Invoice Statement no later than thirty (30) business days from receipt of said Invoice Statement (inclusive of the day of invoicing) via wire transfer to PBM. Invoice Statements shall be deemed received by NDPERS upon the earliest delivery of the invoice by electronic copy or mail.
- d. PBM's Obligation to Provide Specified Summary Information with Each Invoice Statement. Each Invoice Statement shall contain the following line item summary information, to the extent applicable for that Statement:
  - The amount owed for the costs of Covered Items during the period
  - 2. The Administrative Fees
  - 3. The Additional Fees
  - 4. The total amounts owed, adding items 1) through 3) above.
- e. PBM's Obligation to Pass through Financial Benefits and DIR. PBM agrees to pass through Financial Benefits and DIR disclose such pass-through on Invoice Statements, at least quarterly. PBM will provide NDPERS with a report within thirty (30) days after the end of each calendar quarter that will indicate the DIR that PBM's Medicare Part D insurance company expects to receive for the previous quarter for NDPERS self-insured EGWP Plan Claims identified on Invoice Statements during that previous quarter. In addition, based on the actual DIR collected by PBM's Medicare Part D insurance company by the end of each month, PBM will provide a credit to NDPERS during the following month, and identify said credit on the Invoice Statement of that following month.
- f. PBM will separately invoice for the LICs amounts that are paid by PBM to pharmacies and that PBM anticipates collecting from CMS. PBM shall also separately invoice other monies that PBM's Medicare Part D Insurance Company anticipates collecting from CMS and that PBM's Medicare Part D Insurance Company is required to pass through to NDPERS based on its monthly processed Prescription Drug Event records (e.g., CMS direct subsidy payments, CMS catastrophic reinsurance and coverage gap manufacturer discounts). PBM agrees to provide a final true-up of all monies paid by CMS, which NDPERS will be entitled to audit.

# 4.2 Administrative Fees.

- a. <u>Amounts Owed.</u> Commencing on NDPERS' Benefit Effective Date, NDPERS shall pay PBM an Administrative Fee as described in Exhibit A of this Agreement.
- b. <u>Calculation of Number of "Members" for Each Month's Payment.</u> For purposes of determining the number of NDPERS' Members, the Parties agree that they will rely on the number of eligible Members for NDPERS as of the Monday following the fifteenth (15<sup>th</sup>) day of each month.
- c. NDPERS' Annual Right to Renegotiate Administrative Fees. As long as this Agreement remains in effect, NDPERS shall have the right, at least annually, to renegotiate PBM's Administrative Fees. Should NDPERS choose to exercise said right, NDPERS' newly negotiated Administrative Fees shall be at least as favorable as the Administrative Fees stated above, unless forces outside the control of PBM preclude PBM from providing such Administrative Fees. Should PBM claim that its Administrative Fees must be increased, PBM shall have the obligation to demonstrate the need for the increase. The newly negotiated Administrative Fees shall be memorialized in writing by the Parties as an amendment to this Agreement.

# 4.3 <u>Additional Fees</u>.

- a. <u>Amount of Additional Fees</u>. Commencing at the end of the first month after NDPERS' Benefit Effective Date, and to be paid at the end of each month thereafter, NDPERS shall pay to PBM any Additional Fees incurred during the previous month as described in Exhibit A.
- b. <u>Limit on Additional Fees</u>. PBM represents and agrees that the Additional Fees listed in Exhibit A constitute the only Additional Fees that PBM shall seek during the initial two years of this Agreement. PBM further represents and agrees that PBM's agreed-upon Administrative Fees and profits constitute sufficient compensation to PBM for its administrative overhead and profits during this period, and no further Additional Fees shall be requested.
- 4.4 <u>NDPERS' Payment Obligations in Connection with Disputed Amounts</u>. The Parties agree that NDPERS shall be entitled to review Claims data and question any invoiced amounts or Financial Benefit credits provided in any Invoice Statement.
- 4.5 <u>Failure to Question Invoices Does Not Constitute Waiver</u>. Notwithstanding the provisions of Section 4.4, NDPERS shall not be obligated to raise any questions concerning any Invoice Statement, and NDPERS shall not waive its future right to do so, should NDPERS fail to transmit questions to PBM after receipt of an Invoice Statement.

# **ARTICLE 5 – FORMULARY OBLIGATIONS AND RIGHTS**

- 5.1 <u>Selection of Formulary.</u> NDPERS may use PBM's standard formulary or customize its own formulary subject to Medicare Part D requirements. NDPERS understands and agrees that if NDPERS chooses to use PBM's standard formulary, NDPERS may not change said formulary. However, if NDPERS customizes its formulary, NDPERS shall have sole discretion how to do so, subject to PBM's right to request and obtain changes to Financial Guarantees.
  - If NDPERS wishes to consider customization of its Formulary for its Members, or implements a customized Formulary, PBM agrees to provide the following information to NDPERS: (a) the safety and efficacy of any identified Covered Items; (b) the net drug cost of any identified Covered Items, factoring in potential Financial Benefits that might be passed through; and (c) a disruption analysis for NDPERS to assess the likely impact of using PBM's standard formulary or customizing PBM's standard formulary, or implementing changes to its customized Formulary.
- 5.2 <u>Change in Formulary.</u> Unless otherwise agreed between PBM and NDPERS, NDPERS shall have the right each Contract Year to alter its selection of its Formulary. If NDPERS creates its own customized Formulary, NDPERS may alter its customized Formulary monthly. PBM agrees to provide requested information to NDPERS to enable NDPERS to change its customized Formulary, as requested by NDPERS.

#### **ARTICLE 6 – AUDIT OBLIGATIONS AND RIGHTS**

- 6.1 <u>Audits on Behalf of NDPERS</u>. NDPERS and PBM agree that NDPERS shall have the right to conduct audits via its own internal auditor or a third-party auditor.
  - a. NDPERS will be entitled to conduct an audit to ascertain whether PBM has complied with the terms of this Agreement, including those provisions concerning:
    - Set Up Audit. When NDPERS begins coverage at the time of the Benefit Effective Date NDPERS will be entitled to conduct a Set-Up Audit for purposes of verifying that NDPERS' Benefit Plan Designs were properly input as of each date by PBM. Thirty (30) days after NDPERS' Effective Date, or at any time thereafter identified by NDPERS, NDPERS (or its auditor) may conduct a set-up Audit to verify, among other matters, that its Benefit Plan Design, and every Program and Program protocol, has been accurately loaded into PBM's computer systems. In the event subsequent changes by PBM are necessary to NDPERS' Benefit Plan Design or Program set-up, NDPERS (or its auditor) will be entitled to conduct an additional set-up Audit on reasonable notice after PBM makes requested necessary changes. Notwithstanding NDPERS' right to conduct a set-up Audit, should PBM later be discovered to have improperly input NDPERS' Benefit Plan Design or Programs, PBM shall be liable for any costs resulting from PBM's error, as further described in this Agreement.
    - Pass-Through Pricing Audit. As requested to conduct a Pass-Through Pricing Audit, NDPERS (or its auditor) shall be permitted to make a selection of up to a total of 250 retail pharmacy, Mail Order Pharmacy and Specialty Pharmacy Dispensed Claim transactions, as determined in NDPERS' discretion. In the event that any discrepancies are found in this limited selection, NDPERS (or its auditor) shall work with PBM to develop a plan to extend the selection. In the event that the parties are not able to agree on such a process, or the parties agree to such an extension and additional discrepancies are found, the parties agree that NDPERS (and its auditor) shall have the right to extrapolate from the results of the initial sample or the extended sample to determine the total error and the amount owed to NDPERS as a result of PBM's failure to provide Pass-Through Pricing for Ingredient Costs and Dispensing Fees as required by this Agreement.

In connection with NDPERS' Pass-Through Pricing Audit of Mail-Order Dispensed Claims – and NDPERS' Pass-Through Pricing Audit of Specialty Drug Pharmacy Dispensed Claims: The Parties agree that the Parties will calculate and determine whether PBM satisfied its Pass-Through Pricing requirements by measuring the Mail Order Pharmacy's and Specialty Drug Pharmacy's contractual agreements with the PBM and comparing costs to PBM's invoiced costs for each Dispensed Claim from the relevant Pharmacy.

3. Financial Benefits Audit. As requested for an Audit(s) related to Pass-Through Pricing and Guarantee requirements for Financial Benefits PBM shall provide information to NDPERS (or its auditor) sufficient to allow NDPERS to assess whether PBM (i) has passed through the appropriate Pro Rata Share of Financial Benefits to NDPERS; (ii) has satisfied its Financial Benefit Guarantee obligations; (iii) has performed PBM's Annual Reconciliations of all of the above matters accurately. Upon request, PBM shall break out each of the components of Financial Benefits by the type of Financial Benefit (e.g., Pharmaceutical Manufacturer rebates, health management fees, data sales fees, etc.) and by the manufacturer. PBM shall transmit all such electronic and other data to

NDPERS, or to NDPERS' auditor, as directed by NDPERS. NDPERS' auditor may also request for review – and PBM shall be obligated to provide – copies of (i) PBM/Pharmaceutical Manufacturer Contracts, and/or (ii) PBM's invoices to Pharmaceutical Manufacturers, and/or (iii) Pharmaceutical Manufacturers' payments or credits or discounts (or other Financial Benefits) made to PBM, including remittance statements. All such documents shall be produced by PBM solely at PBM's offices. NDPERS (or its auditor) may make notes of the contents of all referenced documents, however, neither NDPERS nor its auditor will be permitted to make a copy of any such documents.

- 4. Eligibility Audit. NDPERS (or its auditor) will be entitled to conduct an Audit of PBM's enrollment, eligibility and invoicing for eligible Members. PBM will produce its roster of all Members, together with identifying pertinent information about the demographics, including but not limited to, Member number, date of enrollment, and date of disenrollment, if any. In the event of any discrepancies between PBM's enrollment data and NDPERS', PBM will produce relevant Claims data for those Members for whom there is a discrepancy, as permitted under HIPAA. The Parties agree that NDPERS has executed the necessary attestation indicating its compliance with HIPAA thereby enabling NDPERS or its auditor to conduct an Audit of PBM's enrollment, eligibility and invoicing, subject to HIPAA privacy requirements for providing minimum necessary data.
- 5. Low Income Subsidies (LIPs and LICs). NDPERS will be entitled to audit (i) Member LIS status, and (ii) PBM's provision of accurate LIPs and LICs payments to Members to verify PBM is passing through to NDPERS (or Member) all appropriate monies, as required under this Agreement and under Medicare Laws and Regulations. PBM will produce its roster of all Members, including LIS indicator for all LIS Members, and its Claims data, with all fields necessary to enable NDPERS (or its auditor)) to conduct the above Audit.
- 6. <u>Troop Calculations.</u> NDPERS will be entitled to audit PBM's Troop calculations. PBM will produce its Claims data, with all fields necessary to enable NDPERS (or its auditor) to conduct said Audit.
- 7. Audit of Additional Medicare Part D and EGWP Plan Terms. NDPERS will be entitled to audit PBM's compliance with all other Medicare Part D requirements, including those related to EGWP Plans, such as PBM's provision to each self-insured Medicare Part D plan of the accurate amount of (i) CMS direct subsidies; (ii) Manufacturers' Coverage Gap discounts; (iii) CMS' Catastrophic Coverage reinsurance; and (iv) Manufacturers' payment of rebates/DIR to PBM, and PBM's receipt of Bona Fide Service Fees. PBM will provide PDE, MMR and MOR files/data, as requested, to enable the above Audit.
- 8. Fraud, Waste and Abuse Program. NDPERS will be entitled to audit PBM's Fraud, Waste and Abuse Program. PBM will produce its audit report to enable NDPERS to verify that PBM has an adequate Fraud, Waste and Abuse program of prevention, detection and correction.
- 9. Performance Guarantee Audit: NDPERS may conduct Audits of a Performance Guarantee(s) if it receives complaints from Members in connection with any area related to a Performance Guarantee(s), or if NDPERS for any other reason believes a Performance Guarantee(s) is not being satisfied. If it appears necessary for NDPERS to audit several Performance Guarantees, NDPERS will work with PBM to combine its Performance Guarantee Audits. Performance Guarantee Audits shall only cover one Contract Year.

- b. NDPERS may determine which of the above areas to audit at the end of each Contract Year, or thereafter, but may decide to delay auditing certain areas in its own discretion until several months or years have passed. When any area is audited for any Contract Year, NDPERS may not re-audit that particular area for that Contract Year in a subsequent audit.
- 6.2 <u>General Terms Related To Who May Audit, and How Audits Will Be Conducted.</u> The following individuals and/or entities may conduct Audits related to this Agreement, based on the following general guidelines:
  - a. NDPERS shall have the right to use its own auditor or select any audit firm, as long as NDPERS' auditor shall not be an individual or entity that is: a competitor of PBM, a Pharmaceutical Manufacturer representative, or any retail, mail or specialty drug pharmacy representative or vendor.
  - b. NDPERS may not remunerate any auditor based on financial findings or recoveries resulting from any Audit. All audit remuneration must be on a flat fee, or hourly, basis.
  - c. All Audits conducted by NDPERS (or any auditors retained by NDPERS) shall be made during normal business hours. All Audits shall be conducted without undue interference to the audited Party's business activity, and in accordance with reasonable audit practices.
  - d. NDPERS (or its auditors) shall be entitled to commence an Audit within thirty (30) days after NDPERS has provided written notice to PBM of its intention to conduct an Audit. PBM shall be obligated to provide all electronic data identified in Article 6 to NDPERS (or its auditor) within thirty (30) days of PBM's receipt of said notice. PBM shall be obligated to provide or make available at its offices as specified herein, all other documents and data identified in Article 6 no later than forty-five (45) days after PBM's receipt of said notice.
  - e. With respect to all data and documents produced by PBM to NDPERS or to its agents or auditors, PBM's production shall be made without redacting or altering any information from the data and documents produced. When electronic data is produced by PBM, all fields created or maintained or used by PBM shall be produced, and none shall be withheld, redacted or deleted. In addition, appropriate manuals and/or guides identifying the meaning of each field shall be produced.
  - f. As requested for an Audit, PBM shall provide to NDPERS (or its auditor) an electronic data file reflecting all Claims transactions for NDPERS for the specified Audit period. Said electronic file shall include (i) PBM's invoiced costs for NDPERS for each item dispensed from a retail pharmacy and the Mail Order Pharmacy and the Specialty Drug Pharmacy, and (ii) PBM's reimbursement costs to each pharmacy for each such item. Claims data shall be produced in one of the following formats: Access, fixed-length flat file or delimited flat file. Any data submitted in flat file format must either have a data layout attached, or the first line of the file must contain field names. File formats must remain constant from submission to submission, unless additional fields need to be added. PBM shall transmit all such electronic data to NDPERS or to its auditor, or to both, as directed by NDPERS.
  - g. In the event any questions are raised, or any additional requests for information or documents or data are requested, by NDPERS (or its auditor) during any Audit, PBM shall be obligated to respond to all such questions, and produce all additional information, documents and/or data within seven (7) business days of receipt of such questions or requests. If PBM cannot respond in said time period, PBM shall provide a written statement as to when PBM will respond, but in any event, PBM's response must be no later than twenty (20) days after receiving NDPERS' (or its auditor's) written request.
  - h. In the event that an Audit concludes that PBM has violated its obligations or the terms of this Agreement, and PBM disputes said Audit findings, PBM must set forth the basis for its

dispute, with all supporting documentation, within thirty (30) days of PBM's receipt of the disputed Audit findings. PBM shall provide sufficient documentation to permit adequate review of the disputed issues and shall have the burden of demonstrating that NDPERS' (or its auditor's) conclusions are incorrect. To the extent PBM fails to provide documentation substantiating any part of its position, or fails to meet its burden of proof, PBM shall waive its right to further dispute that matter. After receiving PBM's documentation, NDPERS (or its auditor) shall review said documentation and advise PBM whether NDPERS has changed its Audit findings or conclusions. If the Parties do not resolve a dispute over Audit findings within sixty (60) days of PBM's receipt of the disputed Audit findings, NDPERS may terminate the Agreement as set forth in the Agreement.

i. In the event that PBM disputes NDPERS' (or its auditor's) Audit findings, and PBM's basis for dispute is that NDPERS required or authorized certain activity, procedures, mechanisms or calculations to occur that are the subject of the dispute, PBM shall have the burden of providing written documentary evidence demonstrating its allegations. If PBM is unable to provide such evidence, PBM shall waive its right to assert such allegations.

# 6.3 PBM's Agreement to Pay Interest on Amounts Owed As A Result Of An Accurate Audit Finding

- a. PBM acknowledges that should NDPERS (or its auditor) determine in an Audit that PBM has failed to satisfy certain obligations in this Agreement, PBM's subsequent payment to NDPERS will not make NDPERS whole, given the time lag between PBM's violation of terms in this Agreement, and its payment to NDPERS.
- b. PBM agrees that should NDPERS (and its auditor) accurately conclude in an Audit that PBM has failed to satisfy any of the contract provisions included in Exhibit A, PBM will be required to pay interest on all amounts that are found due and owing, from the date that PBM's failure occurred (as more fully described below), until the date that PBM reimburses NDPERS for the damages caused. Interest shall be calculated at three percent (3%) per annum over the 10 Year Treasury Rate as of January 1st of the year that the Audit leading to the reimbursement concluded.
- c. Timely Payment of Amounts Owed. Should NDPERS (or its auditor) accurately conclude that PBM has failed to meet any of the terms identified in this Agreement, PBM shall be obligated to reimburse NDPERS for the appropriate amount of interest within thirty (30) days after the Parties have resolved any dispute. After NDPERS (or the auditor) provides PBM with Audit findings, should PBM dispute any finding, the Parties will first attempt to resolve the dispute through discussion with the business managers of the respective Parties. If the business managers cannot successfully resolve the dispute, then NDPERS may terminate the Agreement under the terms of the Agreement.

#### **ARTICLE 7 - CONFIDENTIALITY**

- 7.1 Confidentiality of Information. PBM and NDPERS shall maintain the confidentiality of all Claims data and eligibility information to the full extent required by applicable law, including without limitation the provisions of the Health Insurance Portability and Accountability Act of 1996 (hereinafter, "HIPAA"), and may not use or disclose the information in any way prohibited by this Agreement or the law.
- Treatment of Confidential Information NDPERS and PBM agree that all participation by NDPERS Members and their dependents in programs administered by NDPERS is confidential under North Dakota law. PBM may request and NDPERS shall provide directly to PBM upon such request, confidential information necessary for PBM to provide the services described in Article 3. PBM shall keep confidential all NDPERS information obtained in the course of delivering services. Failure of PBM to maintain the confidentiality of such information may be considered a material breach of the Agreement and may constitute the basis for additional civil and criminal penalties under North Dakota law. PBM shall not disclose any individual employee or dependent information without the prior written consent of the employee or family member. PBM has exclusive control over the direction and guidance of the persons rendering services under this Agreement.

PBM understands that, except for disclosures prohibited in this Agreement, NDPERS must disclose to the public upon request any records it receives from PBM. PBM further understands that any records that are obtained or generated by PBM under this contract, except for records that are confidential under this Agreement, may, under certain circumstances, be open to the public upon request under the North Dakota open records law. PBM agrees to contact NDPERS immediately upon receiving a request for information under the open records law and to comply with NDPERS' instructions on how to respond to the request.

- 7.3 Protected Health Information. NDPERS and PBM will have access to Protected Health Information (PHI) (as defined by HIPAA). Each party agrees, for itself and all of its officers, directors, management, employees, and any third parties it employs or with which it consults, that PHI shall not be used for any impermissible purpose, including, without limitation, the use of PHI for disciplinary or discriminatory purposes, and any user names and passwords assigned to designated individuals shall not be shared with non-designated individuals. Each Party, for itself and all of the above-identified agents, authorizes the other Party to use and share PHI as necessary to carry out its obligations in this Agreement, subject to each Party's obligation to fulfill all confidentiality requirements of HIPAA and all other applicable law.
- 7.4 <u>HIPAA Compliance.</u> NDPERS and PBM will comply with HIPAA and all applicable regulations published pursuant to HIPAA, as of the effective enforcement date of each standard. In addition, without limiting any other provision of this Agreement:
  - a. All services provided by PBM under this Agreement will be provided in such a manner as to enable every other Party to remain at all times in compliance with all HIPAA regulations applicable to the other Party to the extent that the other Party's compliance depends upon the manner in which such services are performed by PBM; and
  - b. All software, application programs and other products licensed or supplied by PBM under this Agreement will contain such characteristics and functionality (including as applicable, but not limited to, the ability to accept and securely transmit data using the standard HIPAA transaction sets) as necessary to ensure that each Party's use of such software, application programs and other products and associate documentation from PBM, when utilized by any Party in the manner directed by PBM, will fully comply with the HIPAA regulations.
- 7.5 Ownership of Information. All Claims data and other data arising from implementation of this Agreement shall solely be the property of NDPERS pursuant to N.D.C.C. § 54-52.1-12. PBM shall not be allowed to sell such data in any form, to any third party. Upon termination of this Agreement,

for any reason, PBM shall return or destroy all confidential information received from NDPERS, or created or received by PBM on behalf of NDPERS. This provision applies to confidential information that may be in the possession of subcontractors or agents of PBM. PBM shall retain no copies of the confidential information. In the event that PBM asserts that returning or destroying the confidential information is not feasible, PBM shall provide to NDPERS notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of NDPERS that return or destruction of confidential information is not feasible, PBM shall extend the protections of this Agreement to that confidential information and limit further uses and disclosures of any such confidential information to those purposes that make the return or destruction infeasible, for so long as PBM maintains the confidential information.

#### **ARTICLE 8 – TERM AND TERMINATION**

- 8.1 <u>Term of this Agreement.</u> This Agreement shall become effective as of the execution of the Agreement by PBM and NDPERS. This Agreement shall remain in effect for a term of one Contract Year from the Benefit Effective Date of January 1, 2022, unless terminated by the Parties as described herein. NDPERS may terminate this Agreement, with or without cause, with written notice at least ninety (90) days prior to the termination date.
- 8.2 Termination of this Agreement due to NDPERS' Non-Payment. In the event NDPERS fails to timely pay PBM the full amounts owed as set forth in Article 4, PBM may issue a written Notification of Non-Payment informing NDPERS that (i) it is in material breach of the terms of this Agreement; and (ii) NDPERS will have thirty (30) days to cure its breach. Should NDPERS fail to comply with the above requirement, PBM shall be entitled to cease all PBM Services thirty (30) days after NDPERS receives PBM's Notification of Non-Payment. During the above-referenced period when NDPERS is in breach of its obligations to pay non-disputed amounts, PBM agrees to continue to provide PBM Services to NDPERS and its Members. However, PBM may set off any amounts owed for Financial Benefit Guarantees or to compensate PBM during that period for those undisputed amounts that have not been paid. In the event that NDPERS makes payment on or before the referenced thirty (30) day period, to be entitled to continue to receive PBM Services NDPERS must make payment for all amounts owed, less any amounts that PBM has previously set off. In the event that NDPERS fails to make full payment of all amounts owed as of the end of the thirty (30) day period, PBM shall be allowed to cut off all PBM Services to NDPERS, and PBM shall provide NDPERS with a Notice identifying the full amounts owed, less any amounts that PBM has previously set off. PBM shall also be entitled to continue to collect and retain all Financial Benefits until PBM has collected the amounts still owed, after which any additional Financial Benefits that PBM collects that represent NDPERS' Pro Rata Share of Financial Benefits must be passed through by PBM to NDPERS.
- 8.3 <u>Termination by Mutual Agreement or with Notice</u>. This Contract may be terminated at any time by mutual consent of both parties executed in writing, or by either party with ninety (90) days' notice.
- 8.4 Termination for Lack of Funding or Authority. NDPERS by written notice to PBM, may terminate the whole or any part of this Contract under any of the following conditions: 1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term. 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract. 3) If any license, permit, or certificate required by law or rule, or by the terms of this Contract, is for any reason denied, revoked, suspended, or not renewed. Termination of this Contract under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.
- 8.5 Effect of Termination. Termination shall have no effect upon the rights and obligations of the Parties arising out of any transactions occurring prior to the effective date of such termination. Upon termination: (i) all further obligations of the Parties under this Agreement shall terminate as of the termination date (except as provided in this Agreement); (ii) all Confidential Information provided by any Party (except for Confidential Information required by any law, or by a contractual relationship to be retained by a Party) shall be immediately returned to a requesting Party, or the Party from whom information is requested shall certify to the requesting Party that all requested materials have been destroyed; (iii) no Party shall be relieved of any obligation or liability arising from any prior breach by such Party of any provision of this Agreement; and (iv) the Parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in this Agreement, to the extent necessary to satisfy this Agreement's terms.
- 8.6 <u>PBM's Agreements Concerning Documents, Data and Information, Should This Agreement Be Terminated.</u> PBM hereby agrees to provide, without delay, but in any event no later than thirty days

prior to the expiration of the Agreement between NDPERS and PBM, and at no cost, in electronic or other standard PBM formats requested by NDPERS, all reasonably requested documents, data and information that are necessary to enable transition of the services being performed hereunder to any replacement PBM selected by NDPERS. PBM acknowledges that time is of the essence for providing the necessary documents, data and information described herein to effectuate a transition to any replacement PBM. At a minimum, such information shall <code>include</code>: (i) All Member enrollment information, including demographic information; (ii) Electronic claims prescription records from NDPERS' Benefit Effective Date(s) onwards; (iii) Hard copy claim transaction records as requested by NDPERS; and (iv) Information on Prior Authorization and Step Therapy and any other "accumulator benefit," for example, Member deductibles and maximum benefit amounts and refill information, all in electronic format.

#### ARTICLE 9 - RIGHT TO IMPLEMENT PLAN MANAGEMENT PROGRAMS

9.1 NDPERS' Right to Develop Programs, and PBM's Obligation to Assist NDPERS in the Development of Programs. Notwithstanding PBM's right to serve as NDPERS' prescription benefit provider, PBM acknowledges that NDPERS may implement new programs to improve drug coverage benefits, improve the health of Members, and/or reduce costs, provided said programs are in accordance with any CMS, federal or state statutes and/or regulations or rules

Should NDPERS request PBM's assistance with any of the matters identified in the above two paragraphs, PBM agrees to provide said assistance.

The Parties acknowledge that any of the above-described initiatives by NDPERS may impact PBM's ability to satisfy guarantees contained in this Agreement. Accordingly, NDPERS shall discuss all such initiatives with PBM prior to their implementation, and PBM shall thereafter provide a formal written notification to NDPERS of the extent to which any such initiative might impact guarantees in this Agreement. PBM represents and agrees that its notification will reflect the actual impact of NDPERS' initiatives on PBM's ability to satisfy any identified guarantees. Should an adjustment to a guarantee be necessitated due to NDPERS' initiative, PBM shall bear the burden of demonstrating the need for, and amount of, said adjustment.

#### **ARTICLE 10 - MISCELLANEOUS ADDITIONAL PROVISIONS**

- 10.1 <u>Choice of Law and Venue.</u> This agreement shall be construed, interpreted, and governed according to the laws of the State of North Dakota without regard to its conflict of laws and rules. Any action commenced to enforce this Contract must be brought in the District Court of Burleigh County, North Dakota.
- 10.2 <u>Attorneys Fees.</u> In the event a lawsuit is initiated by NDPERS to obtain performance due under this contract, and NDPERS is the prevailing party, PBM shall, except when prohibited by N.D.C.C. § 28-26-04, pay NDPERS's reasonable attorney fees and costs in connection with the lawsuit.
- 10.3 <u>Use of the Name and all Symbols, Trademarks, and Service Marks.</u> Each Party reserves the right to control the use of each of its own names and all symbols, trademarks, and service marks presently existing or subsequently established. Each Party further agrees that it will not use any other Party's name, symbols, trademarks, or service marks in advertising or promotional materials or otherwise without the other Party's prior written consent and will cease any and all usage immediately upon another Party's request or upon termination of this Agreement.
- Force Majeure. A Party's performance obligations under this Agreement shall be suspended to the extent that all or part of this Agreement cannot be performed due to causes that are outside the control of the Party. Without limiting the generality of the foregoing, such causes include acts of God, acts of a public enemy, acts of any person engaged in a subversive or terrorist activity or sabotage, wars, fires, floods, earthquakes, explosions, strikes, slow-downs, freight embargoes, and comparable causes. The foregoing shall not be considered to be a waiver of any continuing obligations under this Agreement, and as soon as said conditions abate sufficiently to allow the resumption of operations, the Party affected thereby shall fulfill its obligations as set forth under this Agreement.
- 10.5 <u>Consent to Amend.</u> This Agreement may be amended at any time during the term of this Agreement, but only by mutual written consent of duly authorized representatives of each or the signatory Parties required to amend this Agreement.
- 10.6 <u>Severability.</u> In the event that any provision of any executed Agreement shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of said Agreement, and the application of such provision other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.
- 10.7 <u>Successors and Assigns.</u> No rights or benefits under this Agreement are assignable by any Party to any third party unless approved, in writing, by the other Parties executing this Agreement. Any assignment by any Party without the express prior written consent of all other executing Parties shall be void and shall not relieve the assigning Party of any of its obligations or liabilities arising from the attached Agreement. Notwithstanding the foregoing, PBM may assign any functions to be performed under this Agreement to its respective wholly-owned subsidiaries, provided all other provisions in the attached Agreement are honored.
  - PBM may not assign or otherwise transfer or delegate any right or duty without the express written consent of NDPERS. However, PBM may enter into subcontracts provided that any subcontract acknowledges the binding nature of this Agreement and incorporates this Agreement, including any attachments. PBM is solely responsible for the performance of any subcontractor. PBM does not have authority to contract for or incur obligations on behalf of NDPERS.
- 10.8 <u>Prior Agreements Invalid.</u> As of the execution date of this Agreement, this Agreement replaces and supersedes all other prior Agreements between the parties executing this Agreement, as well as any other prior written or oral understandings, negotiations, discussions or arrangements between those parties, related to matters covered by this Agreement or the documents incorporated herein.

- 10.9 Entire Agreement. PBM agrees to provide the service(s) as specified in the 2020 RFP and proposal (attached hereto and incorporated by reference Exhibit A). The provisions of this Agreement, including all the Exhibits attached hereto, shall bind and inure to the benefit of the identified Parties executing this Agreement, and to their heirs, legal representatives, permitted successors and permitted assignees. Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Agreement, the documents must control in this order of precedence:
  - a. Bidder's Proposal for 2022
  - b. Bidder's written responses provided as part of the Request for Proposal;
  - c. The terms of this Agreement.
- 10.10 <u>Counterparts.</u> This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall become effective when one or more counterparts have been signed by each of the necessary Parties and delivered to the other necessary signing Parties, it being understood that each Party need not sign the same counterpart. The failure to deliver the original signature copy and/or the non-receipt of the original signature copy shall have no effect upon the binding and enforceable nature of this Agreement.
- 10.11 Representations. Each Party signing this Agreement represents and warrants that he or she (i) has read this Agreement and fully understands and agrees to the content herein; (ii) has entered into this Agreement voluntarily; (iii) has not transferred or assigned or otherwise conveyed in any manner or form any of the rights, obligations or claims which are the subject matter of this Agreement; and (iv) has the full power and authority to execute this Agreement. This Agreement is not binding unless executed by all signatories identified in this Agreement.

# **Signature Page**

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed under seal effective as of the date set forth in the opening paragraph of this Agreement.

PBM:							
Ву:	Date:						
Name ar	nd Title:						
North	Dakota	Public	Employees	Retirement	System	(Plan	Sponsor)
Ву:	Date:						
Name ar	nd Title:						

#### **EXHIBIT A**

#### PRESCRIPTION DRUG PRICING AND GUARANTEES

- 1. PBM's General Representations and Agreements. PBM agrees to provide to NDPERS, in full compliance with CMS and North Dakota law which contains certain restrictions related to pharmacies: (a) a Retail Pharmacy Network, and the ability for Members to process paper claims from retail pharmacies that may not be part of its Retail Pharmacy Network; (b) ongoing dispensing from its Mail Order Pharmacy; (c) ongoing dispensing from its Specialty Drug Pharmacy; (d) ongoing negotiations by PBM with its Retail Pharmacy Network and with Pharmaceutical Manufacturers to attempt to improve its pricing continuously; (e) Pass-Through Pricing for every Covered Item from each of the above pharmacies; and (f) PBM's agreement that to the extent it negotiates multiple contracts with the same pharmacy with different pricing, PBM will provide its "best pricing available" for NDPERS as its Pass-Through Pricing to NDPERS. The Parties agree that said "best pricing available" shall mean PBM will pass through to NDPERS the terms most favorable for (and least expensive to) NDPERS, unless PBM's multiple contracts or alternative financial terms were negotiated by PBM for purposes of providing terms to PBM clients that use limited pharmacy networks or have particular business terms acceptable to a pharmacy for one-off pricing, or that are "dissimilar" to NDPERS, such as Workers Compensation providers, 340(b) providers, a Staff Model Pharmacy, a long term care pharmacy provider or the pricing is for Medicaid or Dual Eligible clients.
- 2. In connection with any Medicare Part D Plan, PBM agrees to comply, and to contractually require all Related Entities and Downstream Entities (as those terms are defined by CMS) to comply, with all CMS Requirements, which require that PBM (and all Related Entities and Downstream Entities)
  - i. pass through in connection with each self-insured EGWP Plan one hundred percent (100%) of all DIR, and
  - ii. retain only those financial benefits that satisfy CMS Requirements concerning Bona Fide Service Fees,
  - iii. properly allocate DIR as set forth in CMS requirements; and
  - iv. properly report to CMS concerning all of the above. In connection with any fullyinsured EGWP Plan, PBM agrees to adhere to the same standards as described above and to accurately account for all DIR and Bona Fide Service Fees to CMS.
- 3. Compliance with North Dakota Century Code. PBM agrees to comply with all provisions of North Dakota Century Code Chapter 54-52.1-04.
- 4. Average Annual Guarantees:

I. Average Annual AWP Discounts – Minimum Guarantees	1/1/2022
30 Day Retail	
Brand (AWP%)	
Generic (MAC & Non MAC%)	
90 Day Retail	·
Brand (AWP%)	
Generic (MAC & Non MAC%)	
Mail Order	<u> </u>
Brand (AWP%)	
Generic (MAC & Non MAC%)	
Specialty	

Guaranteed Overall Effective Discount	
Limited Distribution Drugs	
Guaranteed Overall Effective Discount	
II. Average Annual Dispensing Fees – Maximum Guarantees	1/1/2022
30 Day Retail	
Brand	
Generic	
90 Day Retail	
Brand	
Generic	
Mail Order	
Brand	
Generic	
Specialty	
Brand	
Generic	
Limited Distribution Drugs	
Brand	
Generic	
III. Fixed Monthly Administrative Fees	1/1/2022
EGWP Administrative Fee (insert basis here e.g. PEPM, PMPM, Per Rx)	
IV. Financial Benefits – Minimum Per Brand Claim Guarantees	1/1/2022
Per Brand Prescription - 30 Day Retail	
Per Brand Prescription - 90 Day Retail	
Per Brand Prescription - Mail	
Per Brand Prescription - Specialty Excluding Limited Distribution Drugs	
Per Brand Prescription - Specialty Limited Distribution Drugs	
V. Other Fees	1/1/2022
Intake and load claim history files, prior authorization files, open mail order refill files, accumulator files during implementation	
Ongoing file feed transmission to 3rd party (consultant, data warehouse, wellness and/or disease management, accumulators, stop loss)	
Paper Claim Processing (per claim basis)	
Electronic prescribing (per claim basis)	
Administrative Prior Authorization (per authorization basis)	
Clinical Prior Authorization (per authorization basis)	
Nursing Charges (per visit (if applicable))	
Online Reporting Platform Access (per user basis)	
Custom Reporting Programming (per hour basis)	
Replacement of ID Card	
Other (insert rows and list additional fees)	

VI. Optional Clinical Programs	1/1/2022
(insert program name)	

- 5. <u>The Measurement and Calculation of the Satisfaction of All Average Annual Guarantees</u>. In measuring and calculating whether PBM satisfied every Average Annual Guarantee, all of the following parameters shall be used:
  - a. In calculating each Average Annual Guarantee for Ingredient Costs: PBM shall categorize "Brand Drugs" and "Generic Drugs" based on the definitions contained in this Agreement, and shall include all Dispensed Claims for Covered Items, including, if they are Covered Items, all insulin supplies, all test strips and insulin products, but excluding all (i) coded and uncoded Compound Drugs; (ii) drugs dispensed at the Specialty Drug Pharmacy; (iii) Claims that are from LTC pharmacies or government owned or operated pharmacies (e.g. Veterans Administration); (iv) Claims paid at government required amounts (e.g. Medicaid); (v) 340B Claims; (vi) vaccines; and (vii) Claims processed and paid through another insurer as a result of the coordination of benefits. PBM shall include all of the Dispensed Claims described as being "included" in this paragraph, regardless of whether PBM reimbursed a pharmacy using an AWP discount price, a MAC price or a non-MAC price or U&C; In instances where PBM used U&C to reimburse the retail pharmacy, PBM will allocate its entire cost to the Ingredient Cost, as described in the Definition for Ingredient Cost.
  - b. In calculating each Average Annual Guarantee for Dispensing Fees: PBM shall categorize "Brand Drugs" and "Generic Drugs" based on the definitions contained in this Agreement, and shall include all Dispensed Claims for Covered Items, including, if they are Covered Items, all insulin supplies, all test strips and insulin products, but excluding all (i) coded and uncoded Compound Drugs; (ii) drugs dispensed at the Specialty Drug Pharmacy; (iii) Claims from LTC pharmacies or government owned or operated pharmacies (e.g. Veterans Administration); (iv) Claims paid at government required amounts (e.g. Medicaid); (v) 340B Claims; (vi) vaccines; and (vii) Claims paid through another insurer as a result of the coordination of benefits. PBM shall include all Dispensed Claims described as being "included" in this paragraph, regardless of whether PBM reimbursed a pharmacy using an AWP discount price, a MAC price or a non-MAC price or U&C; In instances where PBM used U&C to reimburse the retail pharmacy, PBM will be entitled to credit itself with a \$0 Dispensing Fee, as described in the Definition for Dispensing Fee.
  - c. <u>Treatment of Financial Benefits:</u> In calculating each Average Annual Guarantee, PBM shall also not include any Financial Benefits.
  - d. Exclusion of Program Savings: In calculating each Average Annual Guarantee, PBM shall also not include any savings brought about by any Program implemented by and for NDPERS. The AWP discount for the Brand Drug dispensed shall be factored into the applicable Brand Drug Average Annual Guarantee, and PBM shall not also include NDPERS' savings resulting from the differential between the cost of the Generic Drug and Brand Drug. Similarly, in connection with Programs such as a Prior Authorization and Step Therapy, the invoiced cost to NDPERS of the drug dispensed shall be the only figure used to determine PBM's satisfaction of Average Annual Guarantees, and any savings resulting from the Program shall not also be factored into calculating satisfaction of Average Annual Guarantees.

- e. <u>PBM's Payment for Failure to Satisfy Any Average Annual Guarantee.</u> In addition to the parameters set forth herein, the Parties agree that the following methods shall be used by PBM, NDPERS and/or NDPERS' auditor to determine whether PBM has satisfied each of the Average Annual Guarantees for NDPERS:
  - 1. For each of the Ingredient Cost Guarantees (one (1) brand, and two (2) generic, in each of three (3) drug categories retail, Retail 90 and mail): The total sum of the Extended AWPs shall be calculated for all Dispensed Claims based on the parameters set forth herein and shall be called "Total AWPs." The total Ingredient Costs invoiced to NDPERS for the same Dispensed Claims shall be calculated and shall be called "Total Invoiced Costs." The following formula shall thereafter be applied:
    - 1 (Total Invoiced Costs/Total AWPs) = Actual Average Annual Rate

If the Actual Average Annual Rate is less than the Guaranteed Average Rate stated for any Guarantee, than the overcharge that the PBM must reimburse to NDPERS shall be:

(Guaranteed Average Rate - Actual Average Annual Rate) x (Total AWPs)

2. For each of the Dispensing Fee Guarantees (retail brand, retail generic, Retail 90 brand, Retail 90 generic, mail brand, and mail generic): The total number of Dispensed Claims shall be calculated based on the parameters set forth herein, and the total Dispensing Fees associated with those Dispensed Claims shall be calculated, and the latter shall be divided by the former to determine the actual average Dispensing Fee for that Guarantee.

If the actual Average Annual Dispensing Fee is greater than the Guaranteed Average Dispensing Fee stated, than the overcharge that PBM must reimburse to NDPERS shall be:

(Actual Average Annual Dispensing Fee - Guaranteed Average Dispensing Fee) x (total numbers of Dispensed Claims)

- f. Non-Offsetting Guarantees. Should PBM be found by NDPERS (or NDPERS' auditor) to have failed to satisfy any of the Average Annual Guarantees (or any renegotiations of said Guarantees), PBM shall pay NDPERS the amounts reflected by the formulas stated in this Exhibit. PBM shall not be allowed to offset any failure to satisfy any Financial Guarantee against PBM's excess satisfaction of any Financial Guarantee. In the event that PBM fails to satisfy any Average Annual Guarantee, PBM shall be fully liable for its failure to satisfy that Guarantee, regardless of PBM's success in exceeding any other Financial Guarantee in this Agreement.
- 6. <u>PBM's Agreement to Provide Annual Reconciliations.</u> PBM agrees to provide to NDPERS (and its auditors) Annual Reconciliations of PBM's Actual Average Rates as compared to its Guaranteed Average Rates. Should PBM's Actual Average Rates be weaker than its Guaranteed Average Rates, PBM further agrees to pay the difference to NDPERS at the time of its Annual Reconciliation.
- 7. On or about the beginning of the tenth (10th) month of each Medicare Part D Contract Year beginning in the second year after the Effective Date of this Agreement and continuing until the year after termination of this Agreement, PBM agrees to perform an Annual Reconciliation calculating the difference between (i) the Financial Benefits or DIR that were passed through up until that date for the previous relevant Contract Year in connection with Invoice Statements, and the (ii) actual Financial Benefits or DIR collected by PBM from Pharmaceutical Manufacturers and due and owing to NDPERS as NDPERS' Pro Rata Share of Financial Benefits or DIR for the previous relevant Contract Year. Should the amounts passed through in item (i) above be less than the amounts calculated in item (ii) above, PBM shall pay NDPERS the difference, at the time PBM transmits its Annual Pass-Through

Reconciliation. Should the amounts passed through in item (i) above be more than the total amounts calculated in item (ii) above, NDPERS will not owe PBM the differential, but said amount shall be used as an offset against PBM's pass-through obligations in the future. Notwithstanding PBM's obligation to provide Annual Pass-Through Reconciliations, NDPERS shall have the right to conduct its own Audit to determine whether PBM has satisfied its Financial Benefit and DIR Pass-Through obligations under this Agreement.

#### 8. Specialty Drugs.

- a. <u>Management and Administration</u>. Subject to the requirements of any regulatory authority, PBM is required to (i) ensure that Specialty Drugs are dispensed using the pricing and guarantees described in this Agreement; (ii) apply any agreed upon protocols established by PBM and NDPERS including but not limited to protocols concerning quantity limits and refill/renewal practices.
- b. Specialty Drug Minimum Guaranteed Discounts for Specialty Drugs Dispensed from the Specialty Drug Pharmacy. The Parties agree that the Minimum Guaranteed Discounts identified on Exhibit B shall constitute "Minimum Guaranteed Discounts" for each Specialty Drug, when it is dispensed from the Specialty Drug Pharmacy. For every Claim, PBM agrees to invoice for each Specialty Drug that is on Exhibit B and that is dispensed from the Specialty Drug Pharmacy using Pass-Through Pricing, with such Pass-Through Pricing being as favorable as, or more favorable than, the Minimum Guaranteed Discounts identified on Exhibit B. [Each PBM Contestant must provide a Specialty Drug Pricing Schedule and thus identify its drug-by-drug Minimum Guaranteed Discount for each Specialty Drug when said Specialty Drug is dispensed from the Specialty Pharmacy.]
- c. <u>Default Discount Guarantee for New-to-Market Specialty Drugs Dispensed from the Specialty Drug Pharmacy</u>. PBM agrees to provide a Default Discount Guarantee of AWP-\_\_\_\_% for all new-to-market Specialty Drugs dispensed from the Specialty Drug Pharmacy. [Each PBM to fill in blank with proposed Default Discount Guarantee]
- d. Protocol for Dispensing New-to-Market Specialty Drugs. In connection with dispensing new-to-market Specialty Drugs (that are not yet listed on Exhibit B), NDPERS has decided that: NDPERS will allow PBM to dispense new-to-market Specialty Drugs from retail pharmacies or the Specialty Drug Pharmacy without the NDPERS' prior approval. For all such dispensed drugs, PBM will be obligated to invoice using Pass-Through Pricing whether the Drugs are dispensed from retail Pharmacies or the Specialty Drug Pharmacy. If the new-to-market Specialty Drug is dispensed from the Specialty Drug Pharmacy, PBM will also be obligated to ensure said pricing is at least as favorable as the Default Discount Guarantee.
- e. PBM's Payment for Failure to Satisfy Any Specialty Drug Minimum Guaranteed Discount, or Default Discount Guarantee. The Parties agree that the following method shall be used by PBM, NDPERS or NDPERS' auditor to determine whether PBM has satisfied each of the Specialty Drug Minimum Guaranteed Discounts stated on Exhibit B, or when applicable, PBM's Default Discount Guarantee: For each Specialty Drug dispensed from the Specialty Drug Pharmacy each Dispensed Claim shall be re-priced according to the Minimum Guaranteed Discounts identified on Exhibit B (or an amendment thereto) or if the Specialty Drug was dispensed from the Specialty Drug Pharmacy but was a new-to-market Specialty Drug not yet listed on Exhibit B with an agreed upon Minimum Guaranteed Discount, based on application of the Default Discount Guarantee. Should the amount calculated be less than the amount invoiced to NDPERS, PBM shall pay the difference to NDPERS.
- f. PBM shall not be allowed to offset its failure to satisfy any Specialty Drug Minimum Guaranteed Discount or Default Discount Guarantee against PBM's excess satisfaction of any other Specialty Drug Minimum Guaranteed Discount or the Default Discount Guarantee (or any other Financial Guarantee in this Agreement).

- 9. PBM's Pass-Through of Financial Benefits. PBM agrees to pass-through 100% of NDPERS' Pro Rata Share of all Financial Benefits that PBM receives from all third parties. PBM agrees to pay its Financial Benefit Guarantees at the end of each quarter, beginning at the end of the second quarter after NDPERS' Benefit Effective Date and continuing until after NDPERS' termination date when all Financial Benefits are paid according to this contract.
  - a. <u>PBM's Agreement To Pass Through and Report To NDPERS Its Pro Rata Share of Financial Benefits.</u> PBM agrees to pass through to NDPERS 100% of NDPERS' Pro Rata Share of all Financial Benefits that PBM receives from all Pharmaceutical Manufacturers, and as are reflected in all PBM/Pharmaceutical Manufacturer Contracts.
  - b. <u>Definition of Pro Rata Share of Financial Benefits.</u> NDPERS' Pro Rata Share of Financial Benefits shall be defined to include, but not be limited to, the following:
    - In connection with any PBM/Pharmaceutical Manufacturer Contract that calls for the payment of a flat amount per prescription (or per Dispensed Claim), PBM shall pass through to NDPERS that amount times the number of prescriptions (or Dispensed Claims) dispensed to NDPERS' Members.
    - In connection with any PBM/Pharmaceutical Manufacturer Contract that calls for the payment of a percentage amount (of the total AWP, or total WAC, or total ASP, etc.) dispensed, PBM shall pass through to NDPERS the percentage amount times the total AWP, or total WAC, or total ASP (or other identified amount) dispensed to NDPERS' Members.
    - 3. In connection with any PBM/Pharmaceutical Manufacturer Contract that calls for the payment of tiered additional payments based on any factor (such as the added market share, or added number of prescriptions dispensed, etc.), PBM shall multiply the total amount paid as a tiered additional payment, by the "Percentage of PBM's Aggregate Book Of Business" that NDPERS represents (as described below in subparagraph v).
    - 4. In connection with any PBM/Pharmaceutical Manufacturer Contract that calls for a flat payment of money related or unrelated to any drugs dispensed (e.g., the payment by a Pharmaceutical Manufacturer of a health management fee, or data sales fee, or educational grant, etc.), PBM shall calculate NDPERS' Pro Rata Share of said payment by multiplying the amount of the payment, by the "Percentage of PBM's Aggregate Book Of Business" that NDPERS represents (as described below in subparagraph v).
    - 5. The "Percentage of PBM's Aggregate Book Of Business" that NDPERS represents shall be measured by the total amount paid to Participating Pharmacies (Ingredient Costs plus Dispensing Fees) by PBM on behalf of NDPERS, divided by the total amount paid to Participating Pharmacies (Ingredient Costs plus Dispensing Fees) by PBM on behalf of all PBM's clients including NDPERS. The time frame for the calculations identified herein shall be the same time frame used by the Pharmaceutical Manufacturer to pay the PBM.
  - c. PBM's Obligation To Pass Through To NDPERS Its Pro Rata Share of All Financial Benefits. In connection with any Financial Benefits that may be collected by PBM from Pharmaceutical Manufacturers, PBM agrees that it is obligated to pass through to NDPERS the appropriate amount of Rebates, including if said Rebates are collected after any Annual Reconciliation or after the termination of this Agreement.
  - d. The Parties agree that in calculating PBM's satisfaction of any Financial Benefit Guarantees, the Parties will determine what constitutes a Brand Drug based on the Definitions in this Agreement, and the Parties will not include: member submitted paper Claims, or Claims submitted to and paid by another provider based on coordination of benefits programs, or

Compound Drugs or VA Claims or 340b Claims. However, the Parties will include: OTC Claims and insulin and test strips. The Parties further agree that in calculating PBM's satisfaction of any Financial Benefit Guarantees, the Parties will not include any Dispensed Claims representing drugs dispensed in connection with government programs that receive rebates, discounts or other forms of price reduction and that therefore preclude PBM from payment of Financial Benefits to NDPERS.

e. Annual Reconciliation of Financial Benefit Guarantees and NDPERS' Right to Audit All Such Guarantees. Within 90 days after the end of each Contract Year, PBM agrees to perform – and transmit to NDPERS – an annual Reconciliation calculating the difference between the amount of payments that were owed during the previous Contract Year based on the Financial Benefit Guarantees stated in this Agreement, and the total amount that was actually passed through during the previous Contract Year. Should the total amounts passed through in connection with Invoice Statements be less than the guaranteed amounts, PBM will pay NDPERS the differential at the time that the Reconciliation is transmitted. Should the total amounts passed through in connection with Invoice Statements be more than the guaranteed amounts, no exchange of funds will take place as a result of this Annual Guarantee Reconciliation, since the guaranteed amounts are in fact guaranteed.

#### **EXHIBIT B**

# LIST OF SPECIALTY DRUGS, AND MINIMUM GUARANTEED DISCOUNTS FOR SPECIALTY DRUGS

The Parties agree that the drugs identified on this Exhibit shall be categorized as Specialty Drugs during the term of the Agreement. The Parties also agree that the drugs identified on this Exhibit can be modified by mutual, written agreement of the Parties on a quarterly basis, as described in Exhibit A of the Agreement.

The Parties further agree that the discounts specified below shall constitute Specialty Drug Minimum Guaranteed Discounts, as described in Exhibit A of the Agreement. The specified Minimum Guaranteed Discounts are exclusive of any Financial Benefits that are passed through by PBM to NDPERS, exclusive of Dispensing Fees or sales taxes or use taxes, but inclusive of any Copayment or Coinsurance to be paid by the Member.

The Parties also agree that assuming that a Specialty Drug identified on this Exhibit is a Covered Item for NDPERS, and allowed by NDPERS to be dispensed from the Specialty Drug Pharmacy, when said Specialty Drug is dispensed by PBM's Specialty Drug Pharmacy PBM shall invoice NDPERS for each such Specialty Drug using Pass-Through Pricing, with said invoiced cost being no more than the cost resulting from application of the Specialty Drug Minimum Guaranteed Discount identified below (or in mutually agreed upon written amendments hereto), less the appropriate Copayment or Coinsurance. In referencing drugs "dispensed from PBM's Specialty Drug Pharmacy" in this paragraph, the Parties agree that said reference includes certain Specialty Drugs that may be dispensed from an alternative specialty drug pharmacy if said pharmacy is the exclusive provider of said drugs.

The Parties also agree that in the event the PBM receives a prescription for a new-to-market Specialty Drug that has not yet been added to this Exhibit, PBM will adhere to NDPERS' protocols, by delaying the dispensing of said new-to-market Specialty Drug until such time as NDPERS has granted approval in writing for the Specialty Drug to be dispensed, at which time PBM will dispense and invoice for the Drug using the agreed-upon Minimum Guaranteed Discount.

If a Specialty Drug with a different NDC or J Code, but the same "Label Name" as identified below is a Dispensed Claim, and the Specialty Drug is dispensed by PBM's Specialty Drug Pharmacy, PBM guarantees that NDPERS shall be invoiced using the above-described protocols, but relying on the AWP discount identified below for that Specialty Drug with that Label Name.

Specialty Drug List to be attached here. List must include NDC, Label Name, and Minimum Guaranteed Discount. The PBM's Specialty Drug Spreadsheet will represent a binding contractual commitment, and will be included and incorporated into this contract prior to NDPERS' execution of the contract.

# **EXHIBIT C**

# PERFORMANCE GUARANTEES

PBM acknowledges its understanding that NDPERS values outstanding and timely performance and services to NDPERS and to all Members. Accordingly, PBM provides the following Performance Guarantees [Appendix G – Performance Guarantees to be inserted below]

# EXHIBIT D NDPERS BENEFIT PLAN DESIGN

[Plan Design to be inserted here by NDPERS]

#### **EXHIBIT E**

### **Business Associate Agreement**

This Business Associate Agreement, which is an addendum to the underlying contract, is entered into by and between, the North Dakota Public Employees Retirement System ("NDPERS") and [PBM to identify its name].

### 1. Definitions

- a. Terms used, but not otherwise defined, in this Agreement have the same meaning as those terms in the HIPAA Privacy Rule, 45 C.F.R. Part 160 and Part 164, Subparts A and E, and the HIPAA Security rule, 45 C.F.R., pt. 164, subpart C.
- b. <u>Business Associate.</u> "Business Associate" means [PBM to identify its name]
- c. <u>Covered Entity.</u> "Covered Entity" means the **North Dakota Public Employees Retirement System Health Plans**.
- d. <u>PHI and ePHI.</u> "PHI" means Protected Health Information; "ePHI" means Electronic Protected Health Information.

### 2. Obligations of Business Associate.

### 2.1. The Business Associate agrees:

- a. To use or disclose PHI and ePHI only as permitted or required by this Agreement or as Required by Law.
- b. To use appropriate safeguards and security measures to prevent use or disclosure of the PHI and ePHI other than as provided for by this Agreement, and to comply with all security requirements of the HIPAA Security rule.
- c. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that it creates, receives, maintains or transmits on behalf of the Covered Entity as required by the HIPAA Security rule.
- d. To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI or ePHI by Business Associate in violation of the requirements of this Agreement.
- e. To report to Covered Entity (1) any use or disclosure of the PHI not provided for by this Agreement, and (2) any "security incident" as defined in 45 C.F.R. § 164.304 involving ePHI, of which it becomes aware without unreasonable delay and in any case within thirty (30) days from the date after discovery and provide the Covered Entity with a written notification that complies with 45 C.F.R. § 164.410 which shall include the following information:
  - i. to the extent possible, the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired or disclosed during the breach;
  - ii. a brief description of what happened;
  - iii. the date of discovery of the breach and date of the breach;
  - iv. the nature of the Protected Health Information that was involved;
  - v. identity of any person who received the non-permitted Protected Health Information;
  - vi. any steps individuals should take to protect themselves from potential harm resulting from the breach;
  - vii. a brief description of what the Business Associate is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and
  - viii. any other available information that the Covered Entity is required to include in notification to an individual under 45 C.F.R. § 164.404(c) at the time of the notification to the State required by this subsection or promptly thereafter as information becomes available.

- f. With respect to any use or disclosure of Unsecured Protected Health Information not permitted by the Privacy Rule that is caused by the Business Associate's failure to comply with one or more of its obligations under this Agreement, the Business Associate agrees to pay its reasonable share of cost-based fees associated with activities the Covered Entity must undertake to meet its notification obligations under the HIPAA Rules and any other security breach notification laws;
- g. Ensure that any agent or subcontractor that creates, receives, maintains, or transmits electronic PHI on behalf of the Business Associate agree to comply with the same restrictions and conditions that apply through this Agreement to the Business Associate.
- h. To make available to the Secretary of Health and Human Services the Business Associate's internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI and ePHI received from, or created or received by Business Associate on behalf of Covered Entity, for the purpose of determining the Covered Entity's compliance with the HIPAA Privacy Rule, subject to any applicable legal privileges.
- i. To document the disclosure of PHI related to any disclosure of PHI as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- j. To provide to Covered Entity within 15 days of a written notice from Covered Entity, information necessary to permit the Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- k. To provide, within 10 days of receiving a written request, information necessary for the Covered Entity to respond to an Individual's request for access to PHI about himself or herself, in the event that PHI in the Business Associate's possession constitutes a Designated Record Set.
- I. Make amendments(s) to PHI in a designated record set as directed or agreed by the Covered Entity pursuant to 45 C.F.R. § 164.526 or take other measures as necessary to satisfy the covered entity's obligations under that section of law.

### 3. Permitted Uses and Disclosures by Business Associate

### 3.1. General Use and Disclosure Provisions

Except as otherwise limited in this Agreement, Business Associate may Use or Disclose PHI and ePHI to perform functions, activities, or services for, or on behalf of, Covered Entity, specifically, Pharmacy Benefit Management Services – provided that such use or disclosure would not violate the Privacy Rule or the Security Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

#### 3.2. Specific Use and Disclosure Provisions

Except as otherwise limited in this Agreement, Business Associate may use PHI and ePHI:

- a. For the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- b. To provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B), but Business Associate may not disclose the PHI or ePHI of the Covered Entity to any other client of the Business Associate without the written authorization of the covered entity Covered Entity.
- c. To report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §§ 164.304 and 164.502(j)(1).

### 4. Obligations of Covered Entity

#### 4.1. Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions

Covered Entity shall notify Business Associate of:

- a. Any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that any such limitation may affect Business Associate's use or disclosure of PHI.
- b. Any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that any such changes may affect Business Associate's use or disclosure of PHI.
- c. Any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that any such restriction may affect Business Associate's use or disclosure of PHI.

### 4.2. Additional Obligations of Covered Entity. Covered Entity agrees that it:

- a. Has included, and will include, in the Covered Entity's Notice of Privacy Practices required by the Privacy Rule that the Covered Entity may disclose PHI for Health Care Operations purposes.
- b. Has obtained, and will obtain, from Individuals any consents, authorizations and other permissions necessary or required by laws applicable to the Covered Entity for Business Associate and the Covered Entity to fulfill their obligations under the Underlying Agreement and this Agreement.
- c. Will promptly notify Business Associate in writing of any restrictions on the Use and Disclosure of PHI about Individuals that the Covered Entity has agreed to that may affect Business Associate's ability to perform its obligations under the Underlying Agreement or this Agreement.
- d. Will promptly notify Business Associate in writing of any change in, or revocation of, permission by an Individual to Use or Disclose PHI, if the change or revocation may affect Business Associate's ability to perform its obligations under the Underlying Agreement or this Agreement.

### 4.2. Permissible Requests by Covered Entity

Covered Entity may not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by Covered Entity, except that the Business Associate may use or disclose PHI and ePHI for management and administrative activities of Business Associate.

### 5. Term and Termination

- a. <u>Term.</u> The Term of this Agreement shall be effective as of January 1, 2019, and shall terminate when all of the PHI and ePHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI and ePHI, protections are extended to any such information, in accordance with the termination provisions in this Section.
- b. <u>Automatic Termination</u>. This Agreement will automatically terminate upon the termination or expiration of the Underlying Agreement.
- c. <u>Termination for Cause.</u> Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
  - 1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Underlying Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

- 2. Immediately terminate this Agreement and the Underlying Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
- 3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

### d. Effect of Termination.

- Except as provided in paragraph (2) of this subsection, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI and ePHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI or ePHI.
- 2. In the event that Business Associate determines that returning or destroying the PHI or ePHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of Covered Entity that return or destruction of PHI or ePHI is not feasible, Business Associate shall extend the protections of this Agreement to that PHI and ePHI and limit further uses and disclosures of any such PHI and ePHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains that PHI or ePHI.

### 6. Miscellaneous

- a. <u>Regulatory References.</u> A reference in this Agreement to a section in the HIPAA Privacy or Security Rule means the section as in effect or as amended.
- b. <u>Amendment.</u> The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, the Security Rule, and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- c. <u>Survival.</u> The respective rights and obligations of Business Associate under Section 5.c, related to "Effect of Termination," of this Agreement shall survive the termination of this Agreement.
- d. <u>Interpretation.</u> Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy and Security Rules.
- e. <u>No Third Party Beneficiaries</u>. Nothing express or implied in this Agreement is intended to confer, nor shall anything this Agreement confer, upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- f. <u>Applicable Law and Venue</u>. This Business Associate Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action commenced to enforce this Contract must be brought in the District Court of Burleigh County, North Dakota.
- g. Business Associate agrees to comply with all the requirements imposed on a business associate under Title XIII of the American Recovery and Reinvestment Act of 2009, the Health Information Technology for Economic and Clinical Health (HI-TECH) Act, and, at the request of NDPERS, to agree to any reasonable modification of this agreement required to conform the agreement to any Model Business Associate Agreement published by the Department of Health and Human Services.

### 7. Entire Agreement

This Agreement contains all of the agreements and understandings between the parties with respect to the subject matter of this Agreement. No agreement or other understanding in any way modifying the terms of this Agreement will be binding unless made in writing as a modification or amendment to this Agreement and executed by both parties.

IN WITNESS OF THIS, **NDPERS** [CE] and *[PBM to identify its name]* [BA] agree to and intend to be legally bound by all terms and conditions set forth above and hereby execute this Agreement as of the effective date set forth above.

For Covered Entity:	For Business Associate:		
Executive Director ND Public Employees Retirement System	Signature		
	Printed Name		
	Title		
	Date		

# Appendix F – This section identifies NDPERS' EGWP plan requirements. Please indicate if you can match these benefits/services and if so with what resources and if not what specifically you would not be able to provide.

Current Contract Benefits	Discuss and Identify comparable service offering.
PDP Plan	
Maintain a Medicare Part D Prescription Drug Plan with EGWP+Wrap, compliant with CMS requirements and will incorporate all required updates for 2022	
Pharmacy Benefit Manager Programs	
Perform the following services:	
Perform claims adjudication	
Maintain retail pharmacy network (compliant with CMS requirements).	
Maintain specialty pharmacy program	
<ul> <li>Maintain mail order pharmacy program</li> </ul>	
Administer clinical programs (compliant with CMS requirements)	
Maintain Formulary (compliant with CMS requirements)	
Drug utilization reviews	
<ul><li>Retrospective DUR</li><li>Concurrent DUR</li><li>Prospective DUR</li></ul>	
<ul> <li>Provide Medication Therapy Management Program (compliant with CMS requirements)</li> </ul>	
Administer Coordination of Benefits	
Allow NDPERS to conduct periodic performance audits	

Current Contract Benefits	Discuss and Identify comparable service offering.
Enrollment Services	
Provide enrollment specialists to be available 24 hours a day 7 days a week to answer questions from members wishing to enroll in a plan or get further information on their enrollment	
<ul> <li>Provide weekly member enrollment/disenrollment report that includes:         <ul> <li>Out of country address</li> <li>Not entitled to Medicare A or B</li> <li>Disenroll due to incarceration</li> <li>Member denied due to no response</li> <li>Cancel enrollment/disenrollment</li> <li>Deaths</li> <li>HICN discrepancies</li> <li>Enrollment in another PDP</li> </ul> </li> <li>Complete enrollment verification of entries by NDPERS staff and</li> </ul>	
sent through NDPERS electronic file	
<ul> <li>Notify NDPERS if there are problems with processing the electronic file</li> </ul>	
Conduct ongoing communication with NPERS including on problems with processing electronic files	
Rush enrollments with immediate updates	
Provide ongoing administrative enrollment process support such as:	
<ul> <li>Send notice to members who report address changes</li> <li>Generate and mail ID cards</li> <li>Mail benefit books</li> </ul>	
Notification and tracking of late enrollment penalty (LEP) and Low Income Subsidy (LIS)	

Current Contract Benefits	Discuss and Identify comparable service offering.
Notifications and tracking of Income-related monthly adjustment amount (IRMAA)	Discuss and facility comparable service offering.
Notify PERS of Annual Adjustment to Part D rates based on the Federal subsidy and the Low-Income Subsidy (LIS)	
Designate a point of contact for questions on enrollments/discrepancies	
Plan Communication Services	
Help Desk: Provide toll-free access to Participating Pharmacies to obtain assistance with eligibility, claims processing, DUR, and other troubleshooting	
Provide communications to members including:	
<ul> <li>All CMS required notices</li> <li>Benefit Overview</li> <li>Formulary List</li> <li>Formulary updates or changes</li> <li>Previous coverage attestation notice to members</li> <li>IRMAA required notices</li> </ul>	
Member Services	
Provide a toll-free telephone number for members, and individuals interested in enrolling, to speak to a licensed pharmacist or other appropriate representative	
Provide a Toll-free telephone number for Members 24 hours a day 7 days a week, answering questions regarding eligibility, claims, prior authorization status, drug coverage, enrollment status, and other PBM related services	
Manage member appeals	

Current Contract Benefits	Discuss and Identify comparable service offering.
Administer communication and educational materials to Members about plan details	
Set-up and maintain a member portal to allow users to look up drugs, pharmacies, and formularies, and mail order and claim information	
Provide reporting on customer service metrics including online and telephonic call types and volume	
Billing	
<ul> <li>Carrier provides monthly billing to NDPERS to include:</li> <li>Detailed listing of each participant (in excel format)</li> <li>LEP detail</li> <li>PERS assigned member ID</li> <li>Retro billing amount and coverage period</li> </ul>	
Carrier provides monthly LIS report and corresponding rebate to NDPERS	
Designate point of contact for questions on billing	
Information Technologies	
Maintain secure data protection protocols	
Maintain a secure file transfer system	
Facilitate NDPERS specific enrollment file	
Update and maintain NDPERS specific benefit matrix and claims processing logic	
Provide access for NDPERS staff to online plan sponsor portal	
Legislative and Legal Services	

Current Contract Benefits	Discuss and Identify comparable service offering.
<ul> <li>Actively monitor State and Federal legislation for changes affecting NDPERS, with corresponding analysis of potential impact of legislation on the plan (costs, design requirements, etc.)</li> </ul>	
<ul> <li>Adhere to CMS compliance requirement related to Medicare Part D and EGWP+Wrap benefits</li> </ul>	
Perform internal audit functions	
<ul> <li>Monitor prescriber and provider trends to maintain compliance with CMS standards</li> </ul>	
Update NDPERS on pharmacy class action lawsuits or settlements that may be applicable to the NDPERS benefit	
Account Management Staff	
Designate individuals for each of the following positions:	
<ul> <li>NDPERS Implementation Manager</li> </ul>	
NDPERS Enrollment Specialists	
<ul><li>NDPERS Account Executive with EGWP expertise</li><li>NDPERS Account Manager (day-to-day)</li></ul>	
NDPERS Clinical Account Manager	
NDPERS Executive Sponsor	
<ul> <li>Provide access to all subject matter experts and other appropriate personnel and make them available for attending board meetings, legislative, hearings, etc. as needed</li> </ul>	
Attend NDPERS Board meetings upon request (remotely or onsite)	
Attend Monthly team meetings to pinpoint any pain points, discuss future plan design and other ongoing items.	
Reporting	
Provide an Annual Review Report	

Current Contract Benefits	Discuss and Identify comparable service offering.
Provide monthly data files through secure file transfer system	
As requested by NDPERS, perform adhoc reporting including cost, utilization and risk analysis	
<ul> <li>Provide reporting on member utilization across all phases of the Part D Standard Benefit to identify the benefits provided by the PDP and the benefits provided by the EGWP+Wrap</li> </ul>	
Report and disclose all Direct and Indirect Remuneration (DIR) including manufacturer rebate payments, CMS subsidies, and any other price concessions	
Reconcile and report on all Performance Guarantees at least annually	
Actuarial Services	
Complete actuarial services to determine the performance of the plan annually	
Communicate prescription drug cost and utilization trends used for analysis, estimates, and underwriting.	
If requested by NDPERS, provide plan design options with impacts to cost (either self-insured claims or fully-insured premium)	
Conduct actuarial services to determine improvements to plan design or program savings	
• For a fully-insured EGWP, provide a preliminary renewal premium projection for a potential renewal (typically provided by the end of April for the upcoming year). Premium projection must include the underwriting elements used to establish the premium (claims, plan design adjustments, risk adjustments, other adjustments (as necessary), trend factors, rebate estimates, subsidy estimates, administration fees, etc.)	

	Current Contract Benefits	Discuss and Identify comparable service offering.
•	For a fully-insured EGWP, provide a final premium calculation for the renewal, no later than August 15 prior to the upcoming plan year. Premium projection must include the underwriting elements used to establish the premium (claims, plan design adjustments, risk adjustments, other adjustments (as necessary), trend factors, rebate estimates, subsidy estimates, administration fees, etc.)	
•	Other services as requested	

### **Appendix G – Performance Standards and Guarantees**

This section identifies the NDPERS performance standards and guarantees requested. Please confirm compliance with each guarantee. Some performance guarantees may not be applicable based on the services proposed. If the performance guarantee is not applicable, please note "N/A".

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
1.	Implementation Team	Vendor will provide NDPERS with an implementation team no later than 14 days after award of contract to be responsible for accurate installation of all administrative, clinical and financial parameters	14 days after award of contract by NDPERS board	\$1,000 per day from day 15 forward for which a team has not been appointed		
2.	Project Plan	Vendor will provide an implementation project plan no later than 20 days after contract award to be responsible for accurate installation of all administrative, clinical and financial parameters	20 days after award of contract by NDPERS board	\$1,000 per day from day 20 forward for which a team has not been appointed.		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
3.	Customer service call center will "go-live" on or before December 1, 2021	Vendor's customer service call center will be fully-operational to respond to member inquiries prior to the effective date to assist members with questions related to the new service and transition	Compliance to be monitored and assessed by NDPERS	\$1,000 for each calendar day after December 1, 2021.		
4.	All services will "go- live" and be fully- operational on January 1, 2022	All services will be fully- operational and the implementation plan complete on or before January 1, 2022	Compliance to be monitored and assessed by NDPERS	\$25,000 if not operational on January 1, 2022 and \$1,000 for each calendar day after January 1, 2022.		
5.	Systems Training for NDPERS Staff	Vendor will provide training on the utilization of systems and reporting tools sixty (60) days prior to implementation	Compliance to be monitored and assessed by NDPERS	\$1,000 for each day less than 60 days prior to implementation		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
6.	Plan Performance Review	Within ten (10) calendar days following delivery of performance reviews to NDPERS, vendor shall develop and submit a corrective action plan (CAP) of issues identified for approval by NDPERS, and implement such plan within the time prescribed in the approved CAP.	Measurement methodology shall be measured from date of delivery of the plan performance review in calendar days	\$1,000 per calendar day beyond the due date		
7.	Identification Cards	For the initial implementation, accurate identification cards will be mailed	At least ten (10) days before the effective date	\$5,000 for each day less than 10 days before the effective date		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
8.	Customer Satisfaction Surveys	Member satisfaction surveys will be designed by the vendor and approved by NDPERS. Vendor will invite a random sample of members to participate in the survey to collect a statistically significant number of completed surveys.  Member satisfaction rate will meet 90% or higher using a 1-5 scale of Completely Satisfied, Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied.  Final survey questions and methodology will be agreed upon by vendor and NDPERS.	Vendor will provide annual survey results to confirm compliance with performance standard	\$25,000 per year		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
9.	Team Meetings	NDPERS requires monthly team meetings to address all planning / implementation, business, financial, clinical / formulary (including new drug review) and operational needs	Compliance to be monitored and assessed by NDPERS	<b>Monthly</b> \$5,000 for each meeting missed		
10.	NDPERS board meetings	Vendor will participate in quarterly performance reviews to examine operational and financial performance	Compliance to be monitored and assessed by NDPERS	<b>Quarterly</b> \$5,000 for each quarter missed		
11.	Electronic Eligibility	Eligibility files will be installed in an electronic medium, logged within eight (8) hours and status will be effective within vendor's system within eighteen (18) hours from date of receipt, seven (7) days per week.	Vendor will provide quarterly reports to confirm compliance with performance standard	<b>Quarterly</b> \$500 for each missed file deadline		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
12.	Manual Eligibility	Manual eligibility will be loaded within eight (8) hours upon receipt or notification and must be applied and active in the vendor's system within one (1) business day.	Vendor will provide quarterly reports to confirm compliance with performance standard	<b>Quarterly</b> \$500 for each missed file deadline		
13.	Error Reports	An error report on all eligibility file updates will be produced within eighteen (18) hours from the update.	Vendor will provide quarterly reports to confirm compliance with performance standard	<b>Quarterly</b> \$500 for each missed file deadline		
14.	Data Files	Monthly data files (membership, medical, pharmacy) will be available by the 15 <sup>th</sup> of the following month.	Will be available to NDPERS on request	\$1,000 for each month not met		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
15.	Claims Financial Accuracy	Claims Financial Accuracy will be 99% or greater, each year of the biennium. Measured as the absolute value of financial errors divided by the total paid value of audited dollars paid based on quarterly internal audit of statistically valid sample.	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year		
16.	Claims Payment Accuracy	Claims Payment incidence Accuracy will be 98% or greater, each year of the biennium. Measured as the percent of Claims processed without financial payment error.	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year		
17.	Claims Processing Accuracy	Claims Procedural Accuracy will be 95% or greater, each year of the biennium. Measured as the percent of Claims processed without non-financial error.	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
18.	Claim Timeliness	Clean claims processing within 14 calendar days will be 95% or greater, each year of the biennium. Measured from the date the claim is received to the date claim is processed	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year		
19.	Average Speed of Answer	Average Speed of Answer will be 30 seconds or less, each year of the biennium. Vendor will have an established measurement process that shall be reviewed with NDPERS	Vendor will provide semi-annual reports to confirm compliance with performance standard	<b>Semi-annually</b> \$10,000 per year		
20.	Call Abandonment	Call Abandonment rate will be 5% or less, each year of the biennium	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$10,000 per year		
21.	Accuracy and Timelines/First Call Resolution Written Inquiry Response Time	a.) 95% percent of callers receive accurate information. Calls requiring additional research is excluded from the computation of	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	Annually \$12,500 per year		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
		this metric.  b.) 95% percent of inquiries must be resolved during the initial call (excluding appeals, billing, errors and escalations).				
22.	Over payment Recovery	One hundred percent (100%) of all confirmed overpayments identified shall be recovered and returned to the Department within ninety Calendar Days.  Measured as the number (count) of overpayments identified by monthly Overpaid Claims Report and paid to the State (not an offset of Claims) within ninety (90) Calendar Days.	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
23.	Prescription drug turnaround time – clean prescriptions	98% within two (2) business days if no intervention required	Vendor will provide quarterly reports to confirm compliance with performance standard	<b>Quarterly</b> \$1,000 for each point below standard-		
24.	Prescription drug mail dispensing accuracy	99.9% Mail service dispensing accuracy rate. Fields measured include member name, drug strength, directions, quantity and prescriber name.	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year		
25.	Prescription drug home delivery member notifications	Vendor is required to notify a member when a mail service prescription is changed or there is any expected shipping delay and provide reporting details to NDPERS capturing all occurrences by member/DOS/Issue	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year		
26.	Prescription drug specialty pharmacy delivery	98% of prescription will be delivered and received by patients on the specified date of delivery	Vendor will provide annual reports to confirm compliance with performance standard	Annually \$12,500 per year		

#	Performance Guarantee	Requirement	Measurement	Performance guarantee reporting period (Monthly, Quarterly, Annual) & dollars at risk	Bidder Response: (Agree, Does Not Agree, N/A)	Requested Modification
27.	Network Pharmacy Access	Pharmacy network composition will not be reduced by more than 5% in North Dakota compared to the network submitted in the RFP	Vendor will provide annual reports to confirm compliance with performance standard	<b>Annually</b> \$12,500 per year		
28.	Data Systems Availability and Adjudication	Guarantees an annual average 99% system availability of the point-of-sale adjudication system on a book of business basis. This standard excludes downtime attributed to regularly scheduled systems maintenance or systems downtime	Book of business level	Annually \$12,500 per year		

# Appendix H Confidential/Proprietary Information Request for Redaction Chart

The Responder submitting a proposal to the attached RFP is required to complete the following. Any provisions of the company's proposal that are desired to be confidential must be identified specifically on each page of the proposal and in a table formatted as provided below. Information not identified in the table will be considered an open record by NDPERS, regardless of whether the information is marked confidential in the body of the proposal.

by NDPERS, regardle	by NDPERS, regardless of whether the information is marked confidential in the body of the proposal.				
In response to the Re	equest for Proposals enti	tled	(please check or	ne):	
co an the	Offeror asserts that the information noted in the table below constitutes proprietary, trade secret, commercial, or financial information as defined by North Dakota Century Code section 44-04-18.4, and desires that the information noted in the table below not be disclosed if requested pursuant to the North Dakota Open Records law.  Offeror makes NO assertion that any information in its Proposal, in whole or in part, should be				
	otected from disclosure (			or mark of the area of	
Technical Proposal:					
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)	
Insert rows above as	nocossary				
Cost Proposal:	necessury				
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)	
Insert rows above as necessary					
The above information	on has been reviewed by onder representative wh		•		
	(Signature)				

### **Appendix I – Proposed Deviations**

Please complete the following worksheet for all deviations and exceptions to the RFP requirements. Suggested alternatives or solutions must be included. Vendors should add additional pages as needed. This document should not include deviations to the sample contract included as Appendix E. A red-lined version of Appendix E should be submitted separately.

NDPERS RFP ALL OTHER DEVIATIONS AND EXCEPTIONS				
Specific Deviation	Proposed Alternative/Solution			



# **Request for Proposal**

Fully Insured and Self-Insured Medicare Part D Employer Group Waiver Plan (EGWP) + Wrap

Release Date: Monday April 19, 2021

Due Date: Friday, May 21, 2021 Effective Date: January 1, 2022

### **Contents**

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Appendix A	Response Template	Attached
Appendix B	Medicare Part D EGWP+Wrap Questionnaire	Attached
Appendix C	Medicare Part D EGWP+Wrap Cost Proposal	Attached
Appendix D	Medicare Part D EGWP+Wrap Formulary & Network Match	Attached
Appendix E	Medicare Part D EGWP+Wrap Model Contract	Attached
Appendix F	Medicare Part D EGWP+Wrap Services to be Performed	Attached
Appendix G	Medicare Part D EGWP+Wrap Performance Guarantees	Attached
Appendix H	Medicare Part D EGWP+Wrap Confidential Information	Attached
Appendix I	Medicare Part D EGWP+Wrap Proposed Deviations	Attached
Exhibit 1	2019 Medicare Part D EGWP+Wrap Prescription Drug Claims	Attached*
Exhibit 2	2020 Medicare Part D EGWP+Wrap Prescription Drug Claims	Attached*
Exhibit 3	2019 & 2020 Medicare Part D EGWP+Wrap Enrollment	Attached
Exhibit 4	2021 Medicare Part D EGWP+Wrap Utilization Management	Attached
Exhibit 5	2021 Member Roster as of March 2021	Attached
Exhibit 6	Medicare Part D Eligibility File Layout	Attached

<sup>\*</sup>Password to access protected files may be requested from the RFP Coordinator via email

# I. Proposed Timetable

The timeline is provided below for informational purposes. NDPERS reserves the right to change the dates. Every effort will be made to notify Vendors of changes to the proposed timeline.

Activity	Date/Time	
RFP Published	Monday, April 19, 2021	
Questions Due	Wednesday, April 28, 2021	
Question Answers Posted	Wednesday, May 12, 2021	
Proposals Due	Friday, May 21, 2021	
NDPERS Staff Interviews	Week of July 19	
NDPERS Board Presentations	Week of July 26	
Selection of Vendor	August 2021	
Contract Effective Date	January 1, 2022	

## **II.** Delivery of Proposals

### Instructions

All proposals should be submitted simply and economically providing a direct, concise delineation of the vendor's proposal and qualifications adhering to the proposal format quidelines outlined below.

- Proposals should be typed or printed on 8.5" x 11" paper.
- All proposals must include the transmittal letter/statement which includes the following:
  - o An acknowledgement of receipt of the EGWP Drug Plan RFP specifications.
  - This letter must include the title and signature of a Duly Authorized Officer of the company.
- All proposals must include a table of contents and appropriate page number references.
- All pages of proposals must have consecutive page numbers.
- Responses to questions must include a restatement of the question (number and text) with the response immediately following.
- Appendices and other supplemental information provided with your proposal must be clearly identified.
- Cost proposal must be submitted in a separate, sealed envelope and clearly marked, "Cost Proposal". Cost Proposal Exhibits will be all-inclusive.
- NDPERS will not be billed any additional amounts for services, including commissions or brokerage fees.
- North Dakota insurance law 54-52.1-10 (Exemption From State Premium Tax) provides that "All premiums, consideration for annuities, policy fees, and membership fees collected under this chapter are exempt from the tax payable pursuant to section 26.1-03-17". Thus, Offeror's responses should not reflect any amounts for premium taxes.
- Any and all deviations must be clearly noted and submitted as defined in this RFP. If you
  do not identify and explain deviations, your proposal will be deemed a certification that
  you will comply in every respect with the requirements and contractual language set forth
  in this RFP.

### **Proposal Format and Contact Information**

From the date of issuance until the announcement of the finalist, Vendors should only contact

the Deloitte RFP coordinators. All correspondence and questions must be submitted in writing via e-mail to Deloitte Consulting in accordance with the timeline set forth in this RFP. NDPERS personnel are not authorized to discuss this RFP with vendor; doing so may result in disqualification. Vendors may continue to communicate with NDPERS staff regarding other relevant business matters.

Proposals should be submitted in two parts, with the cost proposal separate from the qualitative proposal (qualitative to NDPERS, complete proposals to Deloitte Consulting, see below). Late proposals will not be considered unless approved by the NDPERS board. Proposals will be sent to two parties, as described below:

- Qualitative proposals should include:
  - Appendix A
  - o Appendix B
  - Appendix D
  - o Appendix E
  - o Appendix F
  - o Appendix G
  - Appendix H
  - Appendix I
- Cost proposal should include Appendix C and any other documentation supporting your bid financials and cost proposal deviations.

Vendors are required to submit one (1) unbound original and ten (10) paper copies of the *qualitative proposals* along with one (1) electronic copy (flash drive) of the qualitative proposal to:

Bryan Reinhardt Research & Planning North Dakota PERS 400 East Broadway Suite 505 Bismarck, ND 58501

A full electronic copy of the *qualitative proposal*, *cost proposal*, and *deviations* must be emailed to Deloitte Consulting. All appendices provided in Microsoft Word or Excel with the RFP must be provided along with your proposal in Word or Excel.

Josh Johnson Drew Rasmussen
Deloitte Consulting Deloitte Consulting
jkjohnson@deloitte.com & drasmussen@deloitte.com

## III. Objective of RFP

North Dakota Public Employees Retirement System – Strategic Objectives

The North Dakota Public Employees Retirement System (NDPERS) covers approximately 60,000 lives including 9,100 members that participate in the Medicare Part D EGWP+Wrap plan. NDPERS has retained Deloitte Consulting LLP ("Deloitte Consulting") to assist with the RFP process. NDPERS is issuing this RFP with the intention of finding a PBM partner that:

- Provides exceptional service, from both a member and NDPERS's experience
- Adheres to Centers for Medicare & Medicaid Services (CMS) regulations for administration of EGWP products
- Manages pharmacy cost for members and NDPERS
- Champions transparency (and other innovations) in contracting
- Brings innovation to the PBM services provided by NDPERS
- Seamlessly integrates with NDPERS medical plans, and analytical partners
- Complies with North Dakota Century Code 54-52.1

### **Partnership Considerations**

Our goal is to select a partner that will provide the highest quality service at the most competitive price while offering industry leading compliance controls, data security protection, and financial disclosures.

- Administration of CMS required operations, subsidies, compliance, and reporting
- Competitive fully-insured or self-insured pricing
- Pharmacy claims processing and plan administration
- Network Management
- Formulary Management
- Customer Service excellence
- Clinical programs development and administration that focus on specialty drugs and chronic conditions
- Reporting and data analytics capabilities

This request for proposal is intended to provide NDPERS with the necessary information to assess your capabilities and strategic fit. To the extent that you see opportunities to add value that we have not explicitly identified in the RFP, please provide additional information.

We thank you for your engagement in the process and look forward to reviewing your thoughtful responses to our request for proposal.

### Special Self-Insurance Requirements for a Self-Insured Plan

The North Dakota Insurance Commissioner has oversight of PERS and its vendors under a self-insured arrangement:

26.1-36.6-03. Self-insurance health plans - Requirements.

The following policy provisions apply to a self-insurance health plan or to the

administrative services only or third-party administrator, and are subject to the jurisdiction of the commissioner: 26.1-36-03, 26.1-36-03.1, 26.1-3 -05, 26.1-36-10, 26.1-36-12, 26.1-36-12.4, 26.1-36-12.6, 26.1-13, 26.1-36-14, 26.1-36-17, 26.1-36-18, 26.1-36-19, 26.1-36-23, 26.1-36-29, 26.1-36-37.1, 26.1-36-38, 26.1-36-39, 26.1-36-41, 26.1-36-44, and

All self-insured arrangements must comply with the above and other applicable direction from the North Dakota Insurance Commissioner.

### Pharmacy Benefit Manager (PBM) Requirement

26.1-36-46

North Dakota Century Code chapter 54-52.1 includes specific provisions for pharmacy benefits disclosures. Proposals are expected to comply with the law.

If you are unable to comply with the provisions described in North Dakota Century Code chapter 54-52.1, you may still submit a proposal that specifies which provisions you are unable to comply with, why you are unable to comply, additional costs associated with compliance, and a recommended approach to meeting the intent of the law.

North Dakota statutes provide a preference for proposals with PBM efforts that meet the following requirements:

# 54-52.1-04.15. Health insurance benefits coverage – Prescription drug coverage - Transparency - Audits - Confidentiality.

- 1. If the prescription drug coverage component of a health insurance benefits coverage contract received in response to a request for bids under section 54-52.1-04 utilizes the services of a pharmacy benefits manager, either contracted directly with a pharmacy benefits manager or indirectly through the health insurer, in addition to the factors set forth under section 54-52.1-04 the board shall consider and give preference to an insurer's contract that:
  - a. Provides the board or the board's auditor with a copy of the insurer's current contract with the pharmacy benefits management company which controls the prescriptions drug coverage offered as part of the health insurance benefits coverage, and if the contract is revised or a new contract is entered, requires the insurer to provide the board with the revision or new contract within thirty days of the change.
  - b. Provides the board with monthly claims data and information on all programs being implemented or modified, including prior authorization, step therapy, mandatory use of generic drugs, or quantity limits.
  - c. Describes the extent to which the board may customize the benefit plan design, including copayments, coinsurance, deductibles, and out-of-pocket limits; the drugs that are covered; the formulary; and the member programs implemented.
  - d. Describes the audit rights of the board.
- 2. The board may conduct annual audits to the extent permitted under the contract terms agreed to under subsection 1. The audits must include:

- a. A review of a complete set of electronic prescription coverage claims data reflecting all submitted claims, including information fields identified by the board.
- b. A review of a list of all programs that have been implemented or modified during the audit period under subsection 1, and in connection with each program the auditor shall report on the cost, the cost savings or avoidance, member disruption, the process for and number of overrides or approvals and disapprovals, and clinical outcomes.
- c. Recommendations for proposed changes to the prescription drug benefit programs to decrease costs and improve plan beneficiaries' health care treatment. 3. Information provided to the board under the contract provisions required under this section are confidential; however, the board may disclose the information to retained experts and the information retains its confidential status in the possession of these experts. 4. The board may retain an auditor of the board's choice which is not a competitor of the pharmacy benefits manager; a pharmaceutical manufacturer representative; or any retail, mail, or specialty drug pharmacy representative or vendor.

### 54-52.1-04.16. Prescription drug coverage - Performance audits

- 1. Except for Medicare part D, prescription drug coverage, the board may not enter or renew a contract for prescription drug coverage unless the contract authorizes the board during the term of the contract to conduct a performance audit of the prescription drug coverage and any related pharmacy benefits management services. The contract must provide:
  - a. The board must have full access to data regarding:
    - (1) The total dollars paid to the pharmacy benefits manager by the carrier and the board;
    - (2) The total amount of dollars paid to the pharmacy benefits manager by the carrier which were not subsequently paid to a licensed pharmacy in the state; and
    - (3) Payments made to all pharmacy providers.
  - b. The board must have full access to data regarding the average reimbursement, by drug ingredient cost, dispensing fee, and any other fee paid by a pharmacy benefits manager to licensed pharmacies with which the pharmacy benefits manager shares common ownership or control or is affiliated.
  - c. The board must have full access to data regarding the average reimbursement, by drug ingredient cost, dispensing fee, and any other fee paid by a pharmacy benefits manager to pharmacies licensed in the state.
  - d. The board must have full access to data regarding any direct and indirect fees, charges, or recoupment, or any kind of assessments imposed by the pharmacy benefits manager on pharmacies licensed with which the pharmacy benefits manager shares common ownership or control or is affiliated.
  - e. The board must have full access to data regarding any direct and indirect fees, charges, or recoupment, or any kind of assessments imposed by the pharmacy benefits manager, on pharmacies licensed in the state.
  - f. The contract must provide that all drug rebates, financial incentives, fees, and discounts must be disclosed to the board.
- 2. The board shall use an independent auditor who has no conflict of interest with the carrier, pharmacy benefits manager, or board. The board's auditor, the insurance department, and the employee benefits programs committee may access any information the board may access under this section. All information accessed by the board, board's auditor, insurance

- department, or employee benefits programs committee which is trade secret is a confidential record. This subsection does not limit the information required to be disclosed to the board under subsection 1.
- 3. If the board contracts directly with a pharmacy benefits manager or provides prescription drug coverage through a self-insurance plan, the contract must provide the pharmacy benefits manager shall disclose to the board and the board's auditor all rebates and any other fees that provide the pharmacy benefits manager with sources of income under the contract, including under related contracts the pharmacy benefits manager has with third parties, such as drug manufacturers.
- 4. Anything the board has access to under this section, the insurance department and employee benefits programs committee has access to.

### **Model Contract**

NDPERS has provided in Appendix E a model contract, NDPERS proposes to use this contract as a starting point for discussions with bidders. Please review the attached and redline this contract with any changes you would propose as part of the terms of your proposal. Include the marked-up contract with your proposal submission. Firms offering this contract may be eligible for the preference provided in this section. Firms that substantially alter this contract or offer a new contract will not be eligible for this preference.

### **Contract Term and Renewals**

The term of this contract is one year, January 1 through December 31, 2022. The NDPERS Board intends that the successful bidder will have the opportunity to renew this contract five (5) additional times. The NDPERS Board will consider the following when determining whether to renew for subsequent plan years:

- 1. Satisfactory renewal price
- 2. Whether vendor performance has met the board's expectations, and
- 3. Any other information the board chooses to consider

The above are outlined in more detail NDCC 54-52.1-05. The renewal process will begin each May when the PBM partner will submit an estimated renewal to the board. The process will continue in August when the carrier will submit a formal renewal proposal and the NDPERS Board will decide to renew or go to bid.

### IV. Overview of the NDPERS Program

### **NDPERS**

North Dakota Public Employees Retirement System (NDPERS) is a separate agency created under North Dakota state statute, and while subject to state budgetary controls and procedures, as are all state agencies, is not a state agency subject to direct executive control. NDPERS is managed by a Board comprised of nine members:

- Chairman appointed by the Governor
- Member appointed by the Attorney General
- Member elected by retirees
- Members (3) elected by active employees

- Legislators (2) appointed by Legislative Management
- State Health Officer or Designee

#### **PROGRAMS**

To review the benefit programs administered by NDPERS visit the NDPERS web site at:

http://www.nd.gov/ndpers/

### **Current EGWP Benefit**

The following table provides a summary of the current (2021) NDPERS EGWP benefit, including cost-sharing information. This plan provides coverage across all stages of an individual's benefit. Please be advised that NDPERS will update the Initial Coverage Limit, Out-of-Pocket Threshold, and Catastrophic Coverage Benefit consistent with the CMS Standard Benefit in 2022.

### Initial Coverage stage

Member will pay the following until the total yearly drug costs (what member and the plan pay) reach \$4,130. Please note that member can get up to a 90-day supply either at a retail network pharmacy or through home delivery:

Tier	Retail Three-Month (90-day) Supply	Home Delivery Three-Month (90-day) Supply
Tier 1: <b>Generic Drugs</b>	\$5 copayment plus 15% coinsurance	\$5 copayment plus 15% coinsurance
Tier 2: Preferred Brand Drugs	\$15 copayment plus 25% coinsurance	\$15 copayment plus 25% coinsurance
Tier 3: Non-Preferred Brand Drugs	\$25 copayment plus 50% coinsurance	\$25 copayment plus 50% coinsurance

If the member fills a prescription for a one-month (31-day) supply at a retail network pharmacy, they will pay the same copayment amount that a member would for a three-month supply. If the member's doctor prescribes less than a full month's supply of certain drugs, the member will pay a daily cost-sharing rate based on the actual number of days of the drug that they receive.

The member may receive up to a 90-day supply of certain maintenance drugs (medications taken on a long-term basis) by mail through our home delivery service. There is no charge for standard shipping.

Not all drugs are available at a 90-day supply, and not all retail pharmacies offer a 90-day supply.

Coverage Gap stage	Under the plan, the member reaches the Coverage Gap stage once the total yearly drug costs reach \$4,130. During this stage, the cost-sharing amounts for generic and brand-name drugs will remain the same until the yearly out-of-pocket drug costs reach \$6,550.
Catastrophic Coverage stage	After the member's yearly out-of-pocket drug costs (what the member and others pay on their behalf, including manufacturer discounts but excluding payments made by the member's Medicare prescription drug plan) reach \$6,550, the member will pay <b>the greater of 5% coinsurance or:</b> • a \$3.70 copayment for covered generic drugs (including brand drugs treated as generics)  • a \$9.20 copayment for all other covered drugs.

For complete details on the plan, please review the Benefits Overview at <a href="https://ndpers.nd.gov/retired-members/insurance-plan/group-health-plan/dakota-retiree-plan-medicare/">https://ndpers.nd.gov/retired-members/insurance-plan/group-health-plan/dakota-retiree-plan-medicare/</a>

#### **Services**

Refer to Appendix F for details about current services the current EGWP provider is administering.

#### **Eligibility**

Retirees or surviving spouses who are age 65 or entitled to Medicare and are receiving a retirement benefit from the Public Employees Retirement System, the Highway Patrolmen's Retirement System, the Teachers' Insurance and Annuity Association of America- (TIAA), the Job Service Retirement System, Judges' Retirement System, the Teachers' Fund for Retirement (TFFR), or from a participating political subdivision are eligible to receive benefits. The NDPERS supplemental medical plan and prescription drug plan (EGWP) are currently bundled products.

Thus, a retiree electing to enroll with NDPERS must participate in both the NDPERS supplemental plan (Dakota Retiree Plan) and the NDPERS EGWP plan. NDPERS expects that this requirement will continue, however, if your proposed quote would change based on an "unbundled" benefit (or if the proposal would change based on higher or lower enrollment), please describe how your proposal would change in your Appendix C submission.

If the retiree elects to enroll, their Medicare eligible spouse is also eligible to enroll for coverage within the same timeframe, as long as the retiree provides coverage for the spouse on their medical supplemental plan. NDPERS does not conduct an annual open enrollment.

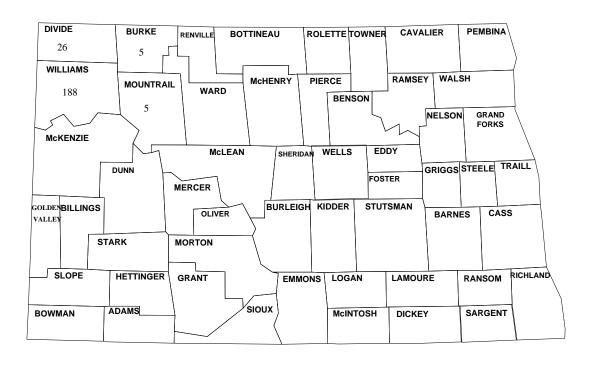
Application for coverage must be submitted within 31 days of Medicare entitlement or an NDPERS-approved qualifying event. The retiree and/or spouse must have both Medicare A & B in order to be eligible for coverage. The NDPERS qualifying events are:

- Date of retirement, defined as either:
  - The last day of active employment if member does not defer his/her retirement benefit or take a lump-sum refund of his/her retirement account, or
  - Date of first retirement check if member deferred his/her retirement benefit.
- Member's 65th birthday or eligibility for Medicare;
- Member's spouse or eligible dependent's 65th birthday or eligibility for Medicare;
- The loss of coverage in a health plan sponsored or provided by member's employer or member's spouse's employer, if covered through spouse's employer group plan. This includes loss of coverage due to the death of, or divorce from a spouse as well as completion of COBRA continuation coverage.
- Marriage
- Birth, adoption, or appointment of children for legal guardianship.

If a member or surviving spouse does not enroll within 31 days of any one of the above qualifying events, or does not meet one of the above qualifying events, he/she will have forfeited his/her rights to enroll in the Plan in the future.

Eligibility to receive benefits under the Benefit Plan is initially determined by the Plan Administrator and is subject to CMS requirements. NDPERS has the ultimate decision making authority regarding eligibility to receive benefits.

#### **Geographic Distribution of the Population**



### V. Confidentiality

All materials submitted in response to this RFP will become property of NDPERS and, upon receipt by NDPERS, are subject to the North Dakota open records law. If the bidder

submits information in response to this RFP that it believes to be confidential financial, commercial, proprietary or trade secret information, the bidder must:

- a. Clearly mark in the body of the proposal each provision that respondent believes to be confidential. Merely marking the entire page as confidential is not sufficient, and will not be recognized as an assertion of confidential information.
- b. Complete the table provided in Appendix H, using the format provided, identifying the specific information that the responder asserts is confidential, the page and section number(s), and the reason the responder believes the information is confidential, including a specific citation to the North Dakota Public Records Law. Only confidential or propriety information on this table will be considered confidential by NDPERS. All other information not on this table will be considered an open record by NDPERS.
- c. Attest whether the information sought to be protected has ever been previously publicly disclosed.
- d. Indicate the response has been reviewed by the responder's legal counsel and is so attested.

Responder is put on notice that, except for information that is determined by NDPERS to be confidential or otherwise exempt from the North Dakota public records law, NDPERS must disclose to the public upon request any records it receives from Responder. If NDPERS receives a request for information that Responder has requested be kept confidential, NDPERS will review the information submitted by Responder and may also contact Responder for additional input regarding the nature of those records. However, NDPERS will be solely responsible for making the ultimate determination of whether the materials submitted are open or exempt. All information that has not been clearly identified by Responder as being confidential pursuant to this section and which NDPERS has not determined constitutes confidential or exempt information under the North Dakota public records law will be disclosed as an open record. NDPERS will not consider the bid cost information submitted by the Responder to be confidential under any circumstances.



## North Dakota Public Employees Retirement System 400 East Broadway. Suite 505 • Box 1657

400 East Broadway, Suite 505 ● Box 1657 Bismarck, North Dakota 58502-1657

Scott A. Miller Executive Director (701) 328-3900 1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

# Memorandum

**TO:** NDPERS Board

FROM: Rebecca

**DATE:** April 13, 2021

**SUBJECT:** American Rescue Plan Act Update

In follow-up to the March 24 Board meeting, the following is an update on the two areas of the American Rescue Plan Act that are impacting NDPERS benefits.

#### **COBRA Premium Subsidy for Health, Dental and Vision Insurance Plans**

Staff continue to await additional guidance and the model notice from the federal government regarding the subsidy. In the meantime, the following activities have occurred:

- ➤ A team has been formed representing staff from insurance processing, communications, administrative services, IT, accounting and member services to work on implementation and ongoing efforts. The Insurance Programs Administrator, Lindsay Schaf, is the project lead.
- > Staff have prepared preliminary queries to identify those individuals to whom the model notice should be provided.
- Communications are being reviewed, along with necessary forms for use during the subsidy window.
- Meetings have been held with OMB to discuss the best way to handle the COBRA billing and tax credit. Through these meetings, OMB has verified that NDPERS should bill OMB for any individuals that are on the OMB PeopleSoft payroll system since they are the responsible party for requesting the quarterly tax credit.
- A meeting has been held with Higher Education payroll staff to discuss the COBRA billing and tax credit. Since each Higher Education payroll handles their own tax reporting, NDPERS will be each specific agency payroll for the COBRA premium so that entity can submit for the tax credit.

Once the final guidance and model notice is released, staff will review and determine if any modifications in our implementation plan need to occur.

#### FlexComp Plan

Based upon the Board decision to allow the increased dependent care spending account limit from \$5,000 to \$10,500 for calendar year 2021, staff have done the following:

- Notified ASIFlex of the Board's decision.
- Finalized the enrollment window to be from the date of announcement to employees, which was March 31, through April 16.
- Prepared a special election form for use during the one-time window.
- Revised and tested PERSLink to allow the higher limit.
- > Tested the upload of revised elections due to the window to the PeopleSoft payroll system.
- Revised Member Self Service (MSS), as well as the FlexComp Enrollment form, to allow the higher limit for new hires and individuals with a qualified IRS change in status to complete their benefit elections.
- > Revised communications on the NDPERS website and New Hire Kit.
- Prepared a specialized communication announcing the window to employers which was distributed on March 29.
- Prepared a specialized communication announcing the window to employees, which was distributed on March 31. The notice provided details on the special enrollment window that closes on April 16<sup>th</sup>.
- A two week window, which would likely occur in April, with the deadline being prior to the PeopleSoft payroll cutoff date for the May paycheck.
- Worked with ASIFlex to obtain a list of current participants with dependent care spending accounts from ASIFlex to also do targeted emails to these individuals. Emails are expected to be distributed on April 6.

Staff will provide updates as we move forward with both components during upcoming Board meetings. This item is informational and does not require action by the Board at this time.



#### North Dakota **Public Employees Retirement System** 400 East Broadway, Suite 505 ● Box 1657

Bismarck, North Dakota 58502-1657

Scott A. Miller **Executive Director** (701) 328-3900 1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

# Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

April 13, 2021 DATE:

**SUBJECT:** Consultant Fees for the Quarter Ended March 2021

Attached is a quarterly report showing the consulting, investment, and administrative fees paid during the guarter ended March 2021.

Attachment

## North Dakota Public Employees Retirement System Consulting/Investment/Administrative Fees For the Quarter ended March 31, 2021

	Program/Project	Fee Type	Jan-21	Feb-21	Mar-21	Fees Paid During The Quarter	Fees Paid Fiscal Year-To-Date
Actuary/Consulting Fees:							
Mid Dakota Clinic	Retirement Disability	Time charges		150	500	650	\$ 4,000
Ice Miller	Legal fees Employee benefit matter		7,911		243	8,154	
Deloitte	Legislative Analysis		1,300	5,037	10,238	16,575	
Deloitte	Claims Projections		.,	2,221	,		\$ 12,229
Deloitte	Consulting		1,544	163	2,438	4,144	
Gabriel Roeder Smith & Company	Retirement	Fixed Fee				-	\$ 73,000
Gabriel Roeder Smith & Company	RHIC	Fixed Fee				-	\$ 13,600
Gabriel Roeder Smith & Company	GASB 67/68	Fixed Fee	22,000			22,000	\$ 44,000
Gabriel Roeder Smith & Company	GASB 74/75	Fixed Fee	4,125			4,125	\$ 8,250
Gabriel Roeder Smith & Company	Actuarial Factor Updates	Fixed Fee				-	\$ 17,900
Gabriel Roeder Smith & Company	Projections	Fixed Fee	10,000			10,000	\$ 20,000
Gabriel Roeder Smith & Company	Legislation	Time Charges	6,400		16,400	22,800	\$ 22,800
Gabriel Roeder Smith & Company	Retirement	Time Charges	9,865		340	10,205	\$ 30,855
Gabriel Roeder Smith & Company	RHIC	Time Charges				-	\$ 340
Gabriel Roeder Smith & Company	Deferred Comp	Time Charges				-	\$ -
Gabriel Roeder Smith & Company	Flexcomp	Time Charges				-	\$ -
Callan & Associates	Asset Allocation & Liability Study	Fixed Fee				-	\$ 68,000
Audit Fees:							
Clifton Larson Allen	Annual Audit Fee	Fixed Fee	50,900	128,400		179,300	\$ 241,800
Website Maintenance	W 1 '' 5 1 '	T: 01					
MABU	Website Redesign	Time Charges				-	-
Legal Fees:							
ND Attorney General	Administrative	Time charges	2,255	3,395	3,484	9,134	\$ 37,284
Investment Fees:							
SIB - Investment Fees	Retirement (DB)	% Allocation	532,601	547,747	*	1,080,348	
SIB - Investment Fees	Ret Health Credit	% Allocation	111,791	113,703	*	225,494	
SIB - Investment Fees	Insurance	% Allocation	16,520	16,964	*	33,484	
SIB - Administrative Fees	Retirement (DB)	% Allocation	51,669	43,508	*	95,177	
						1,434,503	\$ 8,396,964
Administrative Fee:							
Sanford Health Plan	Health Plan	Fixed fee	2,212,981	2,209,811	*	4,422,792	\$ 17,987,199



# North Dakota Public Employees Retirement System 400 East Broadway, Suite 505 • Box 1657

Bismarck, North Dakota 58502-1657

Executive Director (701) 328-3900 1-800-803-7377

Scott A. Miller

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

# Memorandum

TO: NDPERS Board

**FROM:** Derrick Hohbein

**DATE:** April 13, 2021

**SUBJECT:** CliftonLarsonAllen Contract

The Office of the State Auditor has finalized the Request for Proposal (RFP) process to provide financial statement audits for the fiscal years ending June 30, 2021, 2022, and 2023. This RFP process is a work effort conducted by the Office of the State Auditor, and our agency offers input on the scope, timing, and commentary on how the current contract has worked for our agency. The Office of the State Auditor has the final determination in the awarding of the contract, and has once again awarded the contract to CliftonLarsonAllen, LLP.

The maximum audit fees are as follows:

Fiscal Year	Maximum Audit Fee
2021	\$ 111,934
2022	115,391
2023	118,848

For comparative purposes, the table below shows the annual audit fees paid as part of the contract we currently have in place with CliftonLarsonAllen, LLP.

Fiscal Year	Maximum Audit Fee
2018	\$ 120,100
2019	124,240
2020	128,400

We are excited to not only retain CliftonLarsonAllen's expertise (especially in the pension and Governmental Accounting Standard Board arena) and are happy the contracted price reflects a reduction in overall fees to our agency.

#### **Board Action Requested**

Approve and authorize Scott to sign the Clifton arson Allen contract. April Board Book - Page 189 of 253

STATE AUDITOR Joshua C. Gallion



Attachment

**PHONE** 701-328-2241

**FAX** 701-328-2345

www.nd.gov/auditor

## STATE OF NORTH DAKOTA OFFICE OF THE STATE AUDITOR STATE CAPITOL

600 E. Boulevard Ave. Dept. 117 Bismarck, North Dakota, 58505 ndsao@nd.gov

The parties to this contract are the state of North Dakota, acting through the State Auditor, the North Dakota Public Employees' Retirement System and CliftonLarsonAllen LLP (CONTRACTOR);

#### 1. SCOPE OF WORK

CONTRACTOR, in exchange for the compensation paid by North Dakota Public Employees' Retirement System under this Contract, shall provide the following services:

CONTRACTOR agrees to provide financial statement audits of North Dakota Public Employees' Retirement System for the fiscal years ending June 30, 2021, 2022, and 2023.

The required audit function is to express opinions on the fairness of North Dakota Public Employees' Retirement System financial statements, and to determine North Dakota Public Employees' Retirement System's compliance with applicable state and federal laws and regulations. The request for proposal (RFP 117-21-01) and the actual proposal from CONTRACTOR are incorporated into this contract by reference. In the event of conflict between this contract and the actual proposal from CONTRACTOR, this contract governs the matter. North Dakota Public Employees' Retirement System retains primary responsibility for properly recording transactions in the records, and for preparing reliable financial statements.

#### 2. COMPENSATION

#### a. Contractual Amount

The period of performance of this contract begins April 2021 and continues until the performance promised by CONTRACTOR is completed.

#### b. Compensation

#### **Contractual Amount**

In full consideration of CONTRACTOR's service under this contract, North Dakota Public Employees' Retirement System shall, pursuant to N.D.C.C. § 54-10-01(5), make payment to CONTRACTOR in accordance with the RFP and proposal submitted by CONTRACTOR. The maximum audit fee for 2021, 2022, and 2023 must not exceed \$111,934, \$115,391, and \$118,848, respectively (as detailed in the CONTRACTOR's proposal).

#### **Payment**

 Payment made in accordance with this Compensation section shall constitute payment in full for the services and work performed and the deliverables and work(s) provided under this Contract and CONTRACTOR shall not receive any additional compensation hereunder.

- STATE shall make payment under this Contract within forty-five (45) calendar days after receipt of a correct invoice.
- 3) Payment of an invoice by STATE will not prejudice STATE's right to object to or question that or any other invoice or matter in relation thereto. CONTRACTOR's invoice will be subject to reduction for amounts included in any invoice or payment made which are determined by STATE, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute allowable costs. At STATE's sole discretion, all payments shall be subject to reduction for amounts equal to prior overpayments to CONTRACTOR.
- 4) For any amounts that are or will become due and payable to STATE by CONTRACTOR, STATE reserves the right to deduct the amount owed from payments that are or will become due and payable to CONTRACTOR under this Contract.

#### c. <u>Prepayment</u>

STATE will not make any advance payments before performance by CONTRACTOR under this Contract.

#### d. Payment of Taxes by STATE

STATE is not responsible for and will not pay local, state, or federal taxes. STATE sales tax exemption number is E 2001. STATE will furnish certificates of exemption upon request by the CONTRACTOR.

#### e. Renewal Option

This contract will not renew.

#### 3. TERMINATION

#### a. Termination by Mutual Agreement

This Contract may be terminated by mutual consent of both parties executed in writing.

#### **Early Termination in the Public Interest**

STATE is entering into this Contract for the purpose of carrying out the public policy of the State of the North Dakota, as determined by its Governor, Legislative Assembly and Courts. If this Contract ceases to further the public policy of the State of North Dakota, STATE, in its sole discretion, by written notice to the CONTRACTOR, may terminate this Contract in whole or in part.

#### b. <u>Termination for Lack of Funding or Authority</u>

STATE by written notice to CONTRACTOR, may terminate the whole or any part of this Contract under any of the following conditions:

 If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.

- 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract.
- 3) If any license, permit, or certificate required by law or rule, or by the terms of this Contract, is for any reason denied, revoked, suspended, or not renewed.

Termination of this Contract under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

#### c. Termination for Cause

STATE may terminate this Contract effective upon delivery of written notice to CONTRACTOR, or any later date stated in the notice:

- 1) If CONTRACTOR fails to provide services required by this Contract within the time specified or any extension agreed to by STATE; **or**
- 2) If CONTRACTOR fails to perform any of the other provisions of this Contract, or so fails to pursue the work as to endanger performance of this Contract in accordance with its terms.

The rights and remedies of STATE provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

#### 4. FORCE MAJEURE

Neither party shall be held responsible for delay or default caused by fire, riot, terrorism, acts of God or war if the event is beyond the party's reasonable control and the affected party gives notice to the other party promptly upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.

#### 5. WORKS FOR HIRE

CONTRACTOR acknowledges that all work(s) under this Contract is "work(s) for hire" within the meaning of the United States Copyright Act (Title 17 United States Code) and hereby assigns to STATE all rights and interests CONTRACTOR may have in the work(s) it prepares under this Contract, including any right to derivative use of the work(s). All software and related materials developed by CONTRACTOR in performance of this Contract for STATE shall be the sole property of STATE, and CONTRACTOR hereby assigns and transfers all its right, title, and interest therein to STATE. CONTRACTOR shall execute all necessary documents to enable STATE to protect STATE's intellectual property rights under this section.

#### 6. WORK PRODUCT

All work product, equipment or materials created for STATE or purchased by STATE under this Contract belong to STATE and must be immediately delivered to STATE at STATE'S request upon termination of this Contract.

#### 7. NOTICE

All notices or other communications required under this Contract must be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

STATE	CONTRACTOR
Lindsey Slappy	Jason Ostroski
Quality Assurance Manager	Principal
600 E Boulevard Ave, Dept 117	1966 Greenspring Drive, Suite 300
Bismarck, ND 58505	Timonium, MD 21093

Notice provided under this provision does not meet the notice requirements for monetary claims against the State found at N.D.C.C. § 32-12.2-04.

#### 8. CONFIDENTIALITY

CONTRACTOR shall not use or disclose any information it receives from STATE under this Contract that STATE has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this Contract or as authorized in advance by STATE. STATE shall not disclose any information it receives from CONTRACTOR that CONTRACTOR has previously identified as confidential and that STATE determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota public records law, N.D.C.C. ch. 44-04. The duty of STATE and CONTRACTOR to maintain confidentiality of information under this section continues beyond the term of this Contract.

#### 9. COMPLIANCE WITH PUBLIC RECORDS LAWS

CONTRACTOR understands that, STATE must disclose to the public upon request any records it receives from CONTRACTOR. CONTRACTOR further understands that any records obtained or generated by CONTRACTOR under this Contract, except for records that are confidential under this Contract, may, under certain circumstances, be open to the public upon request under the North Dakota public records law. CONTRACTOR agrees to contact STATE promptly upon receiving a request for information under the public records law and to comply with STATE's instructions on how to respond to the request.

#### 10. INDEPENDENT ENTITY

CONTRACTOR is an independent entity under this Contract and is not a STATE employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR'S activities and responsibilities under this Contract, except to the extent specified in this Contract.

#### 11. ASSIGNMENT AND SUBCONTRACTS

CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without STATE'S express written consent. However, CONTRACTOR may enter into subcontracts provided that any subcontract acknowledges the binding nature of this Contract and incorporates this Contract, including any attachments. CONTRACTOR is solely responsible for the performance of any subcontractor with whom CONTRACTOR contracts. CONTRACTOR does not have authority to contract for or incur obligations on behalf of STATE.

#### 12. SPOLIATION - PRESERVATION OF EVIDENCE

CONTRACTOR shall promptly notify STATE of all potential claims that arise or result from this Contract. CONTRACTOR shall also take all reasonable steps to preserve all physical evidence and information that may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and grants to STATE the opportunity to review and inspect the evidence, including the scene of an accident.

#### 13. MERGER AND MODIFICATION, CONFLICT IN DOCUMENTS

This Contract constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this contract, This contract may not be modified, supplemented, or amended, in any manner, except by written agreement signed by both parties.

#### 14. SEVERABILITY

If any term of this Contract is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms is unaffected and, if possible, the rights and obligations of the parties are to be construed and enforced as if the Contract did not contain that term.

#### 15. APPLICABLE LAW AND VENUE

This Contract is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this Contract must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or forum non conveniens.

#### 16. ALTERNATIVE DISPUTE RESOLUTION - JURY TRIAL

STATE does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. STATE does not waive any right to a jury trial.

#### **17. ATTORNEY FEES**

In the event a lawsuit is instituted by STATE to obtain performance due under this Contract, and STATE is the prevailing party, CONTRACTOR shall, except when prohibited by N.D.C.C. § 28-26-04, pay STATE'S reasonable attorney fees and costs in connection with the lawsuit.

#### 18. NONDISCRIMINATION AND COMPLIANCE WITH LAWS

CONTRACTOR agrees to comply with all laws, rules, and policies, including those relating to nondiscrimination, accessibility, and civil rights. CONTRACTOR agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes, unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the term of this Contract all licenses and permits required by law.

#### 19. STATE AUDIT

All records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this Contract are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors, if required. CONTRACTOR shall maintain all of these records for at least three (3) years following completion of this Contract and be able to provide them at any reasonable time. STATE, State Auditor, or Auditor's designee shall provide reasonable notice to CONTRACTOR prior to conducting examination.

#### 20. EFFECTIVENESS OF CONTRACT

This Contract is not effective until fully executed by both parties. If no start date is specified in the Term of Contract, the most recent date of the signatures of the parties shall be deemed the Effective Date.

#### **CONTRACTOR**

	Jason Ostrowski Principal
	CliftonLarsonAllen LLP
DAT	E:
STA	TE OF NORTH DAKOTA

#### **STATE OF NORTH DAKOTA**

BY: Scott Miller Executive Director Public Employees' Retirement System
DATE:



## North Dakota Public Employees Retirement System 400 Fast Broadway, Suite 505 • Box 1657

400 East Broadway, Suite 505 ● Box 1657 Bismarck, North Dakota 58502-1657

Scott A. Miller Executive Director (701) 328-3900 1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

# Memorandum

**TO:** NDPERS Board

**FROM:** Derrick Hohbein

**DATE:** April 13, 2021

**SUBJECT:** Office Relocation Update

Staff has begun the preparation for the office relocation to the WSI building for next biennium. Staff plans to bring forward a monthly update to the Board to discuss progress, provide an update on estimated costs, and seek any contract approvals needed from the Board to proceed. These memos each month will keep running totals so the Board has full transparency regarding what this relocation effort will cost.

At the March 2021 Board meeting, the Board approved the cost quotes associated with the visitor office remodel, as well as relocating 15 offices from the current location to the WSI space. This update is letting you know the 3 items the Board took action on have been executed and are locked in place. We are proceeding with having the DIRTT walls ordered so we have them in our possession this biennium, allowing them to be charged in our current biennium appropriation. The other two items are services and will be paid and charged to our appropriation when the service actually takes place.

At last month's meeting we also discussed the possibility of having "white noise" added to both the visitor offices, as well as our hoteling area to help mask confidential conversations that are taking place in those locations. We are happy to report that the WSI building already has noise masking throughout the building and is a benefit our office will have at no additional expense.

Attachment A includes a cost quote from NOVA to move one sprinkler head in the visitor offices at a cost of \$750. We are seeking Board approval for this expenditure and is a quote that the WSI office will sign off on since it is a work effort they are coordinating.

Attachment B includes a cost quote from NDIT to relocate and add network connections to our office at a cost of \$762. We are seeking Board approval for this expenditure and is a quote that Scott will sign off on and our office will submit the work request to accomplish this effort.

Some work will need to be done to make the hoteling area customized to our business needs. There will be three staff members that permanently occupy space in the hoteling area, leaving five offices that will have staff rotating through them. We are seeking Board approval on Attachment C, which is a cost quote to procure eight office chairs at a cost of \$7,171.60. Five of the chairs will be used for the hoteling area and three chairs will be used for the staff member in the visitor offices. These chairs were chosen because they are easy to customize based on the user's needs and are durable enough to withstand staff continually adjusting them.

Attachment D contains a cost quote to secure our office with secure doorways, as well as optional considerations to secure our front entrance. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) and North Dakota confidentiality laws requires our office to be secure from the general public because of the kind of information we have. The \$55,000 quote to secure our office is before you today for approval, but the cost is a necessity to comply with HIPAA and state law requirements. This quote will also secure the doorway from our office to the hallway north of the Board Room, as well as secure the entrance to our mail room and microfiche room.

There are some optional requests for consideration on Attachment D as well. Option #1 is adding a secure glass window to the door that separates our reception area from our back office at a cost of \$3,000. Staff believes this addition would be beneficial so staff can see the reception area and anyone using the door would have the ability to see oncoming traffic.

Option #2 and #3 address the security of the front door. Option #2 would add a secure film to the glass at our entrance to prevent potential intruders from breaking the glass to gain entry at a cost of \$1,300. Option #3 would be an upgrade similar to what RIO/TFFR have to lock the front door and install an intercom/buzzer system. This upgrade would prevent unwanted intruders from ever entering the office and would cost \$15,500.

Attachment E includes a cost quote to move our office. Keep in mind that a large portion of our office will be sent to surplus property as we are moving into a location that is half of our current space, and another company is moving the furniture in 15 of the offices. This cost quote is to move the remaining items from our office to the WSI building, at a total cost of \$8,520.

The Department of Commerce has found the office space they will be occupying next biennium. Commerce intends to be out of their current location by June 1, 2021 which would allow our agency to begin renovation efforts one month earlier than originally anticipated. It looks like they will surplus enough rising legs for our hoteling area, the furnishings in the corner offices, as well as some small tables in the conference room. This will offer us the ability to acquire these items at a fraction of the cost of having to buy them new.

At this time we do not anticipate needing to use contingency funding to make this office move a success. We are trending below our expectations on our operating expenditures for this biennium because of a reduction in activities due to the pandemic. We are trying to procure and receive as many pieces to this puzzle as we can in the current biennium since we do not know what our appropriation for next biennium will look like.

A summary of ongoing work efforts, expected costs, and current status is outlined below:

Activity	Cost	Status
Cost to move 15 walled offices	\$ 9,623.40	Approved March 2021
Visitor office DIRTT walls	18,719.00	Approved March 2021
Visitor office HVAC/Lighting/Fire alarm	6,275.00	Approved March 2021
Cost to move one sprinkler head	750.00	Seeking Board approval
NDIT cost to move network connections	762.00	Seeking Board approval
Customization of hoteling area		
8 Chairs	7,171.60	Seeking Board approval
Secure office with locked doorways	55,000.00	Seeking Board approval
Add secure window between reception		
area and back office	3,000.00	Seeking Board approval
Telecom system and lock the front door	15,500.00	Seeking Board approval
Secure glass on the front door	1,300.00	Seeking Board approval
Fettes Transportation Systems for moving	8,520.00	Seeking Board approval
services (state contract)		
Update signs inside and outside the office	-	WSI pays
Update lettering on front door glass	-	WSI pays

The layout of the new office space is included in Attachment F so the Board can get a feel for the office space that will be dedicated to our agency. You can see the location of the secure doorways outlined in red that will separate the reception area from our back office, as well as the two in the hallways that will separate us from a future tenant.

#### **Board Action Requested**

Consider and approve the attached cost proposal for the following:

- 1) Cost to move one sprinkler head (\$750)
- 2) Cost to have NDIT move network connections and authorize Scott to sign the quote (\$762)
- 3) Cost to procure 8 chairs for the hoteling area and visitor offices and authorize Scott to sign the quote (\$7,171.60)
- 4) Cost to secure the office with locked doorways and authorize Scott to sign the quote (\$55,000)
- 5) Cost to add a secure window by the reception area (\$3,000)
- 6) Cost to add secure film to the front entrance windows (\$1,300)
- 7) Cost to lock the front door and add a buzzer/intercom (\$15,500)
- 8) Cost to move the remaining office to WSI and authorize Scott to sign the quote(\$8,520)

Staff is available to answer any questions the Board may have.



3/10/2021 Service ID: 5381

Workforce Safety and Insurance Attn: Mike Schumacher 1600 E Century Ave, Suite 1 Bismarck, ND 58501 Ph.: (701) 328-3800 Fax: (701) 328-3770 Email: mschumacher@nd.gov

Client: 0

Job: WSI - RELOCATE AND ADD HEADS 1600 EAST CENTURY AVE BISMARCK, ND 58506

### **Proposal**

#### SCOPE:

Relocate 1 sprinkler head and add an additional 2 sprinkler heads

Items NOT included in this proposal:

Base Bid for the scope of work above is		\$7	750.00
We appreciate the opportunity to submit thi company. Prices are valid for 30 days from		vard to working with your	
Sincerely,			
Dallas Pehl			
Dallas Pehl, Service Manager c: (701) 220-4105 e:			
Acceptance: The above price, scope, and authorized to do the work as specified. Pro			
Accepted by:	PO #:	Date:	

Attachment B

DELL (OOM)	DDODOCAL	Proposal #:	ES212	202-00	21	
DELL/COMM	<b>PROPOSAL</b>	•	1		Of	1
4860 Mustang Circle	Bismarck - ND	Page #: Branch Contact:	Jon G		Ji	1
Mounds View, MN 55112	Branch Office				1 700	1 000 0000
Tel 763-783-0035, Fax - 763-783-0896 Proposal Submitted To	5	Branch Tel./Fax #:	701-222	2-2887 Today's D		1-222-2926
Information Technology Depa	rtment	701-328-2280		March		2021
Address 4210 Normandy Street		Job Name NDPERS at WSI I	Bldg.	,		
City, State, & Zip Code Bismarck, ND 58501		Job / Site Location Bismarck, ND				
	E-mail Address	<u>Fax #</u>	Estimator			Person
Conrad Stearns  Dell-Comm, Inc. proposes the			JSG		JS	J
<ol> <li>Place two (2) two port local</li> <li>In the existing data closet,</li> <li>Relocate an existing location</li> <li>All cables will be machine laborate includes labor, material,</li> <li>Total Proposed Price</li> </ol>	terminate cables on an exicon in the new office from 5' eled and tested with a level taxes and miscellaneous e	sting 110 style bloc to 18" terminate w IV tester with docu expenses.	ith exis	tion av	ailab	
This proposal is predicated on Dell-Con manufacturer's warranty- labor guarante all internal, external routes and building and all cost or damages incurred by De	eed for 1 year. Customer is responsi entrance and exits. If the customer	ble for obtaining written a is not building owner, the	pproval f	rom own	er/cus	
We Propose hereby to furnish mate	erial and labor – complete in acco	ordance with above spe	ecificatio	ns, for		
The sum of: Seven	hundred sixty two and 00/1	00 Dolla	rs \$	762.0	0	
Payment to be made as follows: Terms: Net 15 days, 1.5% per mont 4.5% will be added to the total prop Dell-Comm, Inc. invoices for all labor, m percentage of completion or time and m price, Dell-Comm, Inc. shall be entitled  All material is guaranteed to be as specified. All work to be	th, 18% annual will be charged or osed price of this bid. naterials, and equipment delivered to naterials basis monthly. If any action to reimbursement of its reasonable or	n balance 30 days pas the job site or stored on is required by Dell-Comr collection and/or attorney	t due. If behalf of n, Inc. to s fees.	paid with our custocollect the	h a cr omer oner	on a chase
will be executed only upon written orders, and will become fire, tornado and other necessary insurance. Our workers a	an extra charge over and above the estimate. All agre	ements contingent upon strikes, accid	lents or delav	s beyond our	control.	Owner to carry
Authorized Signature :	teull		Date: 03	3-23-20	21_	
NOTE: This proposal may be withd Acceptance of Proposal – The ab are authorized to do the work as sp	ove prices, specifications & cond ecified. Payment will be made a	litions are satisfactory as outlined above.	Days. & are he	reby acc	cepte	d. You
Date of Acceptance:						
Signature						

FORM #D.C.I. 0001, 9/7/2017

### Attachment C



### ND Public Emplyees Retirement System

HERMAN MILLER AERON CHAIRS

**Date: 3/31/2021**Prepared For: Jan Lund

Quote Number: 5770-30585

Valid For 30 Days

Prepared by: Kyle Hellman

#### Confidential

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InterOffice - Fargo 1630 1st Ave N, Suite A Fargo, ND 58102

920 E. Front Ave. Suite B Bismarck, ND 58504 Phone: (701) 232-3013 Phone: (701) 751-2998 Fax: (701) 476-0911 Fax: (701) 751-1519 http://www.interofficend.com http://www.interofficend.com



#### **CUSTOMER QUOTE**

# 5770-30585

Expires: 4/30/2021

Interoffice - Bismarck

ND Public Emplyees Retirement System Bismarck

400 East Broadway Bismarck, ND 58502

Print Name

**Bill To** 

Jan Lund

#### Ship To

InterOffice - Bismarck 920 E Front Ave, Suite B Bismarck, ND 58504

#### Install To

ND Public Emplyees Retirement System Bismarck 400 East Broadway Bismarck, ND 58502

#### **Herman Miller Aeron chairs**

for Hoteling Space at WSI Location

Price goo	d through N	May 28, 202	1					
project #	salespers	on	quote name		payment terms			print date
5770	Kyle Hellr	man	Aeron Chairs		Net 15			3/31/2021
LINE #	QTY UNIT	PART # / DESC	RIPTION				PRICE EA	EXT PRICE
1	8.00 EA		/ Work Chair, New Aeron, B Size, Higdj Arms, Non-Uphst Armpads  +Adjustable Posturefit SI (Back +Graphite (Frame Finish) +Graphite (Chassis Finish) +Graphite (Base Finish) +2 1/2" Caster, Black Yoke, Halback (Armpad Finish) +8Z Pellicle-Pr Cat 1 (8Z Pellicl +8Z Pellicle Graphite (231_Col	<ul><li>Support Option)</li><li>rd Floors Or C (Casters,</li><li>e)</li></ul>	_		\$896.45	\$7,171.60
Customer Si	ign-Off						(0	Option Total)
						subtotal sales tax		\$7,171.60 \$0.00
						total		\$7,171.60
Authorized S	Signature			Accepted Date				

## Attachment D

#### CAPITAL CITY CONSTRUCTION, INC.

1501 E. Calgary Avenue P.O. Box 7337 Bismarck, North Dakota 58507 Phone: (701) 255-4002

Fax: (701) 222-0731

Workforce Safety & Insurance	
Attn: Mike Schumacher	
PO Box 5585	
Bismarck, ND 58506-5585	

## **PROPOSAL**

NO.	PAGE		
	1	OF	1
PHONE		DATE 04	4/05/21
JOB NAME			
PERS Remod	del		
JOB LOCATION			
Bismarck, No	orth Dakota		
		JOB PH	ONE
ARCHITECT		DATE	F PLANS

Bismarck, ND 58506-5585	ARCHITECT	DATE OF PLANS
E HEREBY SUBMIT SPECIFICATIONS AND ESTIMATES FOR:		
Capital City Construction, Inc. proposes to perform the following	lowing work:	
- Furnish and install all materials, tools, and labor to complete	lete Items 3, 4, 5, 6, and 7 on your sketch/work	scope.
TOTAL	\$ 55,000.00	
Option #1: Add sidelight with safety glass at Door #4.		
OPTION #1 TOTAL	\$ 3,000.00	
Option #2: Add 8 mil clear security film at entrance.		
OP <b>T</b> ION #2 TOTAL	\$ 1,300.00	
Option #3: Add panic hardware, electric strikes, card read	ders, intercom, and buzz-in at entrance doors.	
OPTION #3 TOTAL	\$ 15,500.00	
Exclusions: - Night/weekend work		
- Performance/Payment Bond	_	
- Mechanical work		
- Flooring work		
If you have any questions, please fe	eel free to contact our office	
WE PROPOSE HEREBY TO FURNISH MATERIAL AND LABOR - COMPL		OR THE SUM OF:
Fifty-five thousand and no/100	DOLLARS	\$ 55,000.00
PAYMENT TO BE MADE AS POLLOWS:		
Progress billings will be due upon receipt.		
ALL MATERIAL IS GUARANTEED TO BE AS SPECIFIED. ALL WORK WILL BE COMPLETED IN A SUBSTANTIAL WORKMANLIKE MANNER ACCORDING TO SPECIFICATIONS SUBMITTED PER STANDARD PRACTICES. ANY ALTERATION OR DEVIATION FROM ABOVE SPECIFICATIONS INVOLVING EXTRA COSTS WILL BE EXECUTED ONLY UPON WRITTEN ORDERS AND WILL BECOME AN EXTRA CHARGE OVER AND ABOVE THE ESTIMATE.	AUTHORIZED SIGNATURE	Jayden Haider Estimator
ALL AGREEMENTS CONTINGENT UPON STRIKES, ACCIDENTS OR DELAYS BEYOND OUR CONTROL. OWNER TO CARRY FIRE, TORNADO AND OTHER NECESSARY INSURANCE. OUR WORKERS ARE FULLY COVERED BY WORKMEN'S COMPENSATION INSURANCE.	NOTE: THIS PROPOSAL MAY BE WITHDRAWN BY US IF NOT ACCEPTED WITHIN	30 DAYS.
ACCEPTANCE OF PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.		
	SIGNATURE	
DATE OF ACCEPTANCE	SIGNATURE	
April Board Book	C- Page 204 of 253	

#### **Non-Binding Price Estimate** ESTIMATE & ORDER FOR SERVICE Registration No:

Attachment E

		Registra	ITION INO:			
SHIPPER / MAIN P	ICKUP	ORIGIN AGENT	CONSIGNEE / MAIN D	ELIVERY	DESTI	NATION AGENT
ND, PERS 400 E. Broadway #505 Bismarck, ND, 58502 (701) 426-9362 jlund@nd.gov	1830 B West (701) 2	s Transportation Systems Building B 4th Ave. NW Fargo, ND, 58078 277-3631 t.lehr@fettesmovers.com	ND, PERS 1600 East Century Avenue Bismarck, ND, 58503 jlund@nd.gov			
EXTRA PICKUP 1	EXTRA PICKUP	2 ADDITIONAL CONTACT	EXTRA DELIVERY 1	EXTRA DE	LIVERY 2	ADDITIONAL CONTACT
MOVE CONSU	LTANT	PAYMENT METHOD		VALUATION	COVERAGE	
Dave Glas dave.glase om	er er@fettesmovers.c	<ul><li>□ Cash</li><li>□ Credit Card</li><li>□ Cashier's Check</li><li>□ Company Bill</li></ul>	Coverage Type ☐ Insurance with \$0 ☐ Insurance with \$25 ☐ Insurance with \$50 ☑ Basic Coverage	50 deductible	Max. Protec \$0.00 \$0.00 \$0.00	**************************************

ESTIMATE SUMMARY						
Moving	Miscellaneous \$8,520.00					
	Non-Binding Price \$8,520.00					

Consultant's Signature	Date
Customer's Signature	Date



**MOVE COORDINATOR** Dave Glaser

dave.glaser@fettesmovers.c

## Non-Binding Price Estimate ESTIMATE & ORDER FOR SERVICE Registration No:



ESTIMATE DETAIL						
Moving	Moving \$0.00					
Total			\$0.00			
Miscellaneous			\$8,520.00			
2 trucks and 6 people @ \$310.00 per hour22 hours	1 flat	\$6,820.00	\$6,820.00			
Packing and misceleanous materials	1 flat	\$1,100.00	\$1,100.00			
Packing Labor(if needed)	1 flat	\$300.00	\$300.00			
Equipment Charge	1 flat	\$300.00	\$300.00			
Total			\$8,520.00			
			\$8,520.00			

Customer's Signature

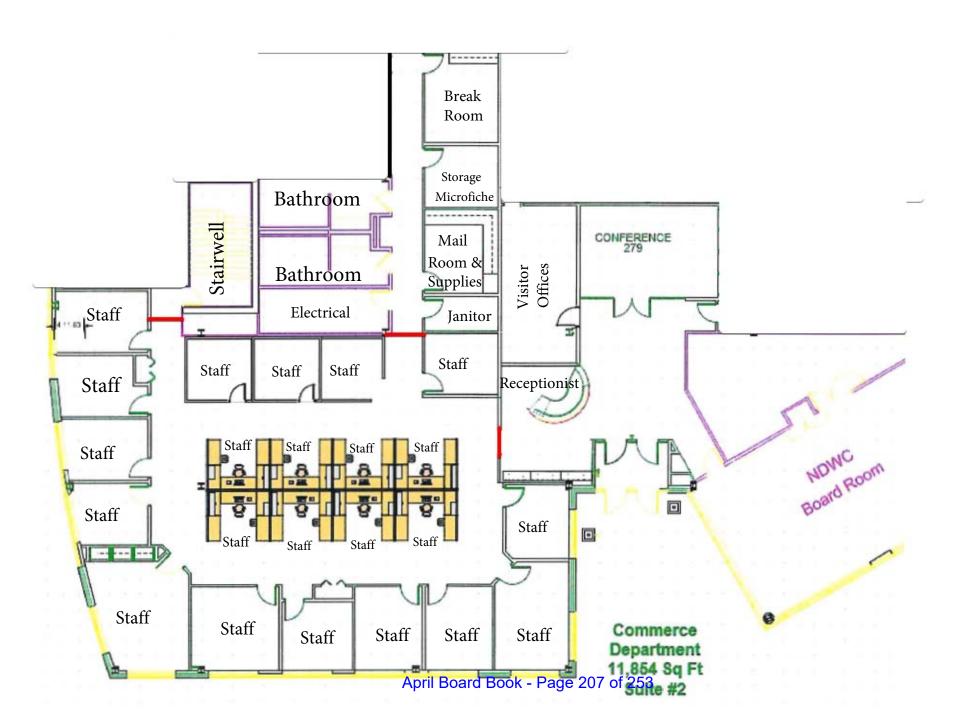
Date



Consultant's Signature

Date

### **Attachment F**





## North Dakota Public Employees Retirement System 400 East Broadway Avenue. Suite 505 • Box 165

400 East Broadway Avenue, Suite 505 • Box 1657 Bismarck, North Dakota 58502-1657

**Scott A. Miller** Executive Director (701) 328-3900 1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

# Memorandum

TO: NDPERS Board

FROM: Shawna Piatz

**DATE:** March 9, 2021

**SUBJECT:** Audit Committee Minutes, Charter Matrix & Audit Plan

Attached are the approved minutes for the November 9, 2020 meeting. The minutes may also be viewed on the NDPERS web site at <a href="https://www.nd.gov/ndpers">www.nd.gov/ndpers</a>.

The Audit Committee Charter states that it will "confirm annually all responsibilities outlined in this charter have been carried out." To meet this requirement the Audit Committee Charter Matrix was updated to reflect activities for the calendar year 2020 to ensure that the Audit Committee has met is responsibilities. The Audit Committee Charter Matrix was approved by the Audit Committee at the February 2021 meeting and is attached for your information.

The Audit Plan is updated each biennium with an update provided every year. Internal Audit coordinated the completion of the risk assessment updates in October 2020. No new major risks were noted and therefore no updates were made to the 2020 – 2021 Audit Plan. The 2020 – 2021 Internal Audit Plan was approved by the Audit Committee at the February 2021 meeting and is attached for your information.

The next audit committee meeting is scheduled virtually for May 10, 2021 at 3:00 p.m. This is for your information.

Attachments

#### <u>MEMORANDUM</u>

**TO:** Audit Committee

Mona Rindy Adam Miller Julie Dahle Dirk Wilke

Senator John Grabinger

**FROM:** Shawna Piatz, Chief Audit Executive

**DATE:** November 9, 2020

**SUBJECT:** November 9, 2020 Audit Committee Meeting

In Attendance:

Mona Rindy Adam Miller

Senator John Grabinger

Julie Dahle
Dean DePountis
Shawna Piatz
Scott Miller
Derrick Hohbein
Rebecca Fricke
Sarah Marsh

Jason Ostroski (CLA)

The meeting was called to order at 3:00 p.m. by Ms. Rindy. The committee began the meeting with approving the prior Audit Committee minutes.

#### I. August 17, 2020 Audit Committee Minutes

A. The Audit Committee minutes were examined. Mr. Miller motioned approval of the minutes. The motion was seconded by Ms. Dahle. This was followed and approved by voice vote.

#### II. Internal Audit Reports

A. Quarterly Audit Plan Status Report – A summary of the Internal Audit staff time spent for the past quarter was included with the Audit Committee materials. Of the total hours reported, 61.31% was spent in audit, 10.34% in consulting, and 28.35% in administrative hours. A large portion of the audit hours were spent on auditing the retirement program, as we are reviewing 100% of the new BDS's work and a sample of the rest. The Retirement Program hours increased as

there is new BDS staffing, we are completing a more thorough compliance review of the retirement accounts, and continue working to incorporate the new FAS calculation for those who terminate employment after 12/31/2019. The consulting hours were largely attributable to Internal Audit's assistance with the FY 2020 external audit as well as assistance with a service purchase clean-up project and missed interest reconciliations. Internal Audit also completed the Contract Process Review and started preliminary work with the Sanford Health Plan Interest Calculation Report and Settlement Audit this quarter.

A status update was provided on the 2020 – 2021 Audit Plan for each area of review. Along with the work done in the Retirement Benefit and Refund Payments audit, Internal Audit completed an audit of NDPERS Contract Process, completed an audit on the Sandford Health Plan interest calculation report, started audit prep work for the Deferred Compensation - Other 457/403b Eligibility & Vesting %, and assisted with numerous consulting projects.

- B. Retirement Benefit Payment Status Report Information was provided to the Audit Committee, which summarizes the accuracy percentages of the retirement benefit and refund payments. The report shows the number of new retirees or refunds each month, the total number of new retirees or refunds audited and whether issues identified were procedure, system, compliance, or employer issues. An accuracy rate of 96.77% was achieved fiscal YTD as of October 2020 for new retirement benefit payments, which was below 97% goal. 100% J&S and Single Life benefits continue to be the largest new retiree benefit categories. An accuracy rate of 81.82% was achieved fiscal YTD as of October 2021 for retirement refunds, which is below our 97% goal. However, a limited number of retirement refunds were audited and a portion of the sample was focused on those refunds in which a known system issue may have occurred.
- C. <u>Benefit/Premium Adjustments Report</u> The quarterly benefit adjustment report was provided to the Audit Committee. The report is in several sections, each representing the type of corrections. These adjustments are considered errors, not adjustments made in the normal course of business. It was noted that the dollar amount of errors stayed in par with last quarter, which is good as the dollar amount greatly declined from the quarter prior to that.
- D. Outstanding Issues Status Report As stated in the Audit Policy #103, the Internal Audit Division is to report quarterly to management and to the Audit Committee, the status of the audit recommendations of the external auditors, as well as any found by the Internal Auditor. The report has been updated to reflect what has been accomplished August 1, 2020 through October 31, 2020. Staff reviewed the recommendations with the committee. There are 17 issues that remain outstanding, with 13 where progress was made, 1 with no change, and 3 with no response. 9 issues were closed. We expect a number of the issues to be resolved at the next Board meeting.

#### III. Administrative

A. <u>Audit Committee Meeting Date & Time</u> – The next Audit Committee meeting is

scheduled for Monday, February 8, 2021 at 3:00 p.m. The following are the additional proposed audit committee meeting dates: May 10, 2021; August 16, 2021; and November 8, 2021. Mr. Miller motioned to approve the upcoming Audit Committee meeting dates and Ms. Dahle seconded the motion, followed by voice vote.

B. <u>External Audit Updates</u> – CliftonLarsonAllen (CLA) performed their fieldwork remotely this year, due to COVID-19 concerns. Internal Audit worked to provide supporting documentation for all items needed, as CLA was not able to obtain remote network access. An exit meeting was held to discuss the audit results with ND PERS staff. Jason Ostroski from CLA presented the preliminary audit report to the Audit Committee and will attend the December Board meeting to present the final report.

#### IV. Miscellaneous

- A. <u>Travel Expenditures</u> There were no out-of-state travel expenditures incurred by the Executive Director or Board for the period August 1, 2020 through October 31, 2020. This was provided for the Audit Committee's information.
- B. Risk Management Report Updates were presented to the Audit Committee related to the Loss Control Committee activities. The Audit Committee was provided the minutes from the Loss Control Committee's June 30, 2020 meeting and the agenda for the September 23, 2020 meeting. The Loss Control Committee reviewed a number of action items for the previous quarter including disaster recovery training, reviewed and updated the COG plan and NDPERS user access control chart, reviewed outstanding audit recommendations, conducted quarterly office inspections and reviewed agency incident reports.
- C. Report on Consultant Fees According to the Audit Committee Charter, the Audit Committee should "Periodically review a report of all costs and payments to the external financial statement auditor. The listing should separately disclose the costs of the financial statement audit, other attest projects, agreed-upon-procedures and any non-audit services provided." A copy of the report showing the consulting, investment and administrative fees paid during the quarter ended September 2020 was provided for the Audit Committee's information.
- D. <u>CPEs and Webinars</u> A report on the continuing professional education webinars, luncheon meetings and seminars Internal Audit participated in for the period August 1, 2020 through October 31, 2020 was provided to the committee. The Chief Audit Executive attended three webinars.
- E. <u>Publications</u> A copy of Assessing Corporate Culture: A Proactive Approach to Deter Misconduct from the Anti-Fraud Collaboration was provided to the Audit Committee.

Meeting adjourned at 4:02 p.m, by Ms. Rindy.

		Steps to Accomplish the		Achieve (Frequency	
Αι	udit Committee Charter Objective	Objective	Deliverable	Due Date)	Status
	RUCTURE				
1.	The Audit Committee will consist of two to five members with the majority of the members selected from the Board of Directors, and one may be selected from outside the organization. The Board or its nominating committee will appoint committee members and the committee chair.	The Board of Directors determines who will serve on the Audit Committee when they are assigning committees.	Indicate in Audit Committee meeting minutes whenever a new member is appointed.	Whenever there is a change in Audit Committee members.	The Audit Committee had three new members over the past year. The Board Chair, the State Health Officer and the legislative representative were all replaced by those holding the respective positions on the NDPERS Board in 2020. All other committee members remained the same.
2.	The Board should attempt to appoint committee members who are knowledgeable and experienced in financial matters, including the review of financial statements.	Ascertain that at least one member of the Audit Committee is knowledgeable and experienced in financial matters, including the review of financial statements.	Indicate in Audit Committee meeting minutes which member of the Audit Committee is knowledgeable and experienced in financial matters, including the review of financial statements.	Whenever there is a change in board members.	At least one member has knowledgeable experience in financial matters.
ME	ETINGS				
3.	The Audit Committee will meet as often as it determines is appropriate, but not less frequently than quarterly.	Hold meetings at least once each quarter.	Prepare minutes that document decisions made and action steps following meetings and review for approval.  Meeting minutes should be filed with the Board of Directors.	Quarterly, or more often if necessary, but no later than prior to the next meeting.	Meeting minutes for February, May, August, and November 2020 were prepared and presented for approval at the next quarterly meeting. These minutes are made available on the NDPERS web site after approval. The approved minutes are provided to the Board at the next Board meeting.
4.	All committee members are expected to attend each meeting, in person or via tele- or video-conference, with a minimum of two required for a quorum.	Accommodations should be made available to committee members to encourage attendance.	Note in the Audit Committee meeting minutes the members who attended the meeting.	Quarterly, or more often if necessary, but no later than prior to the next meeting.	Audit Committee member attendance was noted in the respective meeting minutes. A quorum was met for all meetings.
5.	The committee periodically will hold individual meetings with management, the internal auditor and the external auditor.	Establish these sessions in conjunction with quarterly meetings or as necessary.	Contact appropriate people to arrange time for meetings.	As needed.	An individual meeting with the Internal Auditor was not held in 2020.

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Α	udit Committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
	The Audit Committee may invite any officer or employee of the agency, the external auditor, the agency's outside counsel, or others to attend meetings and provide pertinent information.	Establish these sessions in conjunction with quarterly meetings or as necessary	Contact appropriate people to arrange time for meetings.	Annually, or more often if necessary.	The Benefit Program Development and Research Manager provided an update on the 2020 Loss Control Committee activities at the August 2020 Audit Committee meeting. The Executive Director, Chief Operating Officer/Chief Financial Officer, Chief Benefits Officer and Attorney General representative are invited to each of the Audit Committee meetings.
7.	Meeting agendas will be prepared by the Chief Audit Officer (CAO) and provided in advance to members, along with appropriate briefing materials.	The agendas for meetings should be prepared and provided to members in advance, along with appropriate briefing materials.	Prepare and provide meeting agenda, previous meeting minutes, and appropriate briefing materials to members in advance.	Quarterly, or more often if necessary	Meeting agendas are provided to Audit Committee 7 days prior to meeting.
8.	Minutes will be kept by a member of the Audit Committee or a person designated by the Audit Committee.	Designate the appropriate person to keep the minutes of meetings.	Prepare minutes documenting decisions made and future action steps and review for approval at the next meeting.	Quarterly, or following each meeting.	One of the Internal Audit staff takes notes and prepares minutes. These minutes are provided to the Audit Committee at the next quarterly meeting for their approval. See #3.
9.	Members of the Audit Committee will be compensated for attendance at committee meetings in accordance with NDPERS' policy for compensation in effect at the time for Board members. Audit Committee members who are not NDPERS board members will be compensated at the same rate.	A memo with the date and length of time of the Audit Committee meeting is provided to the NDPERS Payroll Administrator for payment.	Prepare memo with attendance information and length of meeting time following meeting and deliver to payroll administrator.	Quarterly following each Audit Committee meeting.	Memo was provided to Payroll Administrator following each meeting with required information.
AU	THORITY				
10.	The Audit Committee has authority to conduct or authorize examinations into any matters within its scope of responsibility. It is empowered to:	Please see the responsibility section for more information.	Please see the responsibility section for more information.	Please see the responsibility section for more information.	Please see the responsibility section for more information. Additional notes are as follows:

Audit Committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
Seek any information it requires from NDPERS employees, external auditors, consultants, and external parties. All parties are directed by the Board to cooperate with the Committee's requests.				No information requested.
<ul> <li>Oversee the work of all external auditors employed by the organization.</li> </ul>				The Chief Financial Officer assisted the external auditors with their financial statement requirements, Internal Audit assisted with all other information.
Assist in resolving any disagreements between management and the external auditors regarding financial reporting, if necessary.				There were no disagreements between management and the external auditors.
Oversee the retention of independent counsel, accountants or others to advise or assist the Committee in the performance of its				The need for outside counsel has not been necessary.
responsibilities.  Approve the consultants, or others retained by the organization to assist in the conduct of an audit, review, and/or a special				No consultants were necessary as the external auditors are also the external auditors for RIO.
investigation.  Meet with management, external and internal auditors, or outside counsel as necessary.				Met with the external auditors in November 2020.

Αι	ıdit C	ommittee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status		
RE	SPOI	NSIBILITIES	C S J C C L V C		<u> </u>			
11.	11. The Audit Committee will carry out the following responsibilities:							
1)	Fin	ancial Reporting:						
	a.	Obtain information and/or training to enhance the committee members'	Provide information related to financial reporting standards and	Articles, publications, external auditors, speakers with information regarding	Quarterly, or as they become available.	Articles from the Institute of Internal Auditors and other organizations are provided as they become available.		
		expertise in financial reporting standards and processes so the committee may adequately oversee financial reporting.	processes to the Audit Committee.	changes to accounting rules.				
	b.	Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, recent professional and regulatory	Bring external auditors in to explain new changes to accounting reporting and how they impact NDPERS.			External auditors discussed with staff and the Audit Committee significant accounting and reporting issues as they develop.		
	C.	pronouncements, and understand their impact on the financial statements. Review with management, the external auditors, and the internal auditors the results of the external audit, significant adjustments or revisions to	Review with management and Audit Committee any proposed significant adjustments.	Submit annual audit reports and any audit findings and their status at the November Audit Committee meeting.		External auditors met with the Audit Committee in November 2020.		
		the financial statements, including attestation on the effectiveness of the internal control structure and procedures for financial reporting and any difficulties encountered.	Review management letter with management and Audit Committee.			External auditors provided a management letter with recommendations discussed with management and management's responses.		
	d.	Inquire as to the external auditors' independent judgment about the appropriateness, not just the acceptability, of the accounting principles adopted by the	Ensure the external auditors provided the statement of management responsibility and review with them.			The statement of management responsibility was provided to PERS management.		

Audit C	Committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
e.	organization and clarity of financial statements. Review the annual financial statements, consider whether they are complete, consistent with information known to the Committee, and reflect appropriate	Invite the external auditors to present the financial statements upon completion of their audit.	Audited Financial Statements, including the Independent Auditor's Report, Management Discussion and Analysis, Financial Statements.	Annually	Staff reviewed the annual financial statements for completeness, consistency of information and accounting principles.
f.	accounting principles. Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.	Inquire of management and external auditors if there are any matters required to be communicated to the committee under GAAS.	Required Supplementary Information, Supplementary Information, Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards, and Special Comments Requested by the Legislative Audit and Fiscal Review Committee.		The external audit firm presented the financial statements and associated reports to the Audit Committee at the November 2020 meeting.
g.	Review the responsiveness and timeliness of management's actions to address findings and recommendations resulting from the financial statement audit or internal audits.	Provide a quarterly audit recommendation report to the Audit Committee.	Audit Recommendation Report	Quarterly	A report of all audit recommendations is provided to the Audit Committee quarterly, with a progress update for each audit issue. Significant progress has been made on resolution of outstanding audit issues and many have been closed.
h.	Review with the General Counsel the status of legal matters that may have an effect on the financial statements, as deemed appropriate.	Bring to the General Counsel's attention any legal matters that may influence the financial statements. Audit Committee should ask of management if the annual financial statements are complete.		As needed.	There were no legal matters relating to financial statements.

Audit C	Committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
a.	sk Management Obtain information and/or training to enhance the Committee's understanding of organization and its related risk management processes.	Provide the Audit Committee members with information regarding risk management.	Articles, publications, etc. relating to risk management.	Quarterly	Articles, publications, etc. relating to risk management are provided as they become available.
b.	Review the adequacy of the organization's policy on risk management.	Review risk management policy periodically.  Create a portfolio that documents the material risks that the agency faces. Update as events occur. Review with management and the CAO periodically to make sure it is up to date.	Current risk management policy and most recent information relating to risk management.	As needed	It is required by Risk Management of OMB to have a Loss Control Committee. A presentation on the annual activities was provided in August 2020. In addition, quarterly agendas and minutes of the Loss Control Committee were provided to the Audit Committee at each meeting.
	Review the effectiveness of the organization's system for assessing, monitoring, and controlling significant risks or exposures.	Provide Audit Committee a summary of results of self-assessment of risks, and how these risks are mitigated.  Provide the Audit Committee information on how external and internal audit review risk management over financial reporting.	Submit a risk report including mitigation strategies and quantifiable risks and insurance to cover such risks, e.g., loss of business.		Internal Audit worked with management to update the agency risk assessments and develop a process to ensure they are reviewed at least annually going forward. Internal Audit did not perform an independent fraud risk assessment of the Agency in 2020.  An outside vendor performed penetration testing and an internal vulnerability assessment in early 2020.
e.	Review management's reports on risks and related risk mitigations. Hire outside experts and consultants in risk management, as necessary, subject to full board approval.	Develop a request for proposal if an outside expert is deemed necessary.			The need for outside experts has not been necessary.

A	udit C	ommittee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
3)	Inte a.	Prnal Control Obtain information and/or training to enhance the Committee's understanding of the organization's system of internal control.	Provide the Audit Committee members with information regarding internal control process.	Report to the board on issues relating to internal controls, with emphasis on management's ability to override and related monitoring and testing.	Quarterly for all activities as needed.	Information relating to internal control is provided as it becomes available.
	b.	Consider the effectiveness of the organization's internal control system, including information technology security and control.	Review periodically the policy on internal controls, ethics, code of conduct and fraud.  Review the reports of the internal audit team for all audits completed since the prior Audit Committee meeting.  Review key internal controls with the CAO and understand how these controls will be tested during the year.  Determine that all internal control weaknesses are quantified, reviewed, and addressed.			There have been a number of staffing changes in FY 2019 & FY 2020 and the majority of staff moved to work from home in 2020. Internal Audit coordinated the completion of and reviewed the updated risk assessments. Internal Audit considered how these staffing and location changes may have impacted current internal controls. Internal controls are reviewed as part of each risk assessment update as well as with each audit project and/or special examination.  Internal audit includes a review of internal controls as part of each audit, consulting project, and/or special examination.  External auditors conduct a review of internal accounting controls annually. There have been no areas of concern as a result of these reviews.  The Outstanding Audit Issues report was reviewed at all Audit Committee meetings in 2020.
	C.	Understand the scope of the external auditor's review of the organization's internal control over financial reporting.	Review plans with the independent auditor to understand their scope with respect to key controls			j

Audit Committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
external audit findings and	Outstanding Audit Issues are reviewed and tracked as they occur.	Review the updated Outstanding Audit Issues report with management responses at each meeting.	Quarterly	

Αι	ıdit C	ommittee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
4)	Inte	rnal Audit	0.0,00000		200 200)	
	a.	Obtain information and/or training to enhance the Committee's understanding of the internal audit function.	Provide information and/or training.		As they become available.	Articles are provided to Audit Committee when available.
	b.	Periodically review and approve the Internal Audit Division Charter.	Review charter periodically. Assess the suitability of each point in the charter based on past experiences. Evaluate completeness of the charter against best practices and legal or regulatory requirements. Revise charter as needed and obtain Audit Committee and Board approval for changes.	Revised Internal Audit Charter, as needed.	As needed.	A revised Internal Audit charter was approved by the board 12/15/2005. No changes were made since. Internal Audit charter was reviewed in December 2020.
	C.	Concur in the appointment, replacement, or dismissal of the CAO.	Hold special meetings as necessary to address appointment, reassignment, or dismissal of CAO.		As needed.	There were no changes to the CAO in 2020. A performance review for the CAO was written by the Executive Director, sent to the Audit Committee
	d.	Review the performance of the CAO and the internal audit function annually.	Meet annually with other members of executive management and the external auditors to discuss the performance of CAO.	Job performance review.	Annually	for input and approved by the Audit Committee in May 2020. The CAO reports functionally to the Audit Committee and administratively to the Executive Director. Structure is in accordance with best practices.
	e.	Review and confirm, through organizational structure and/or by other means, the independence of the internal audit function annually.	Discuss job satisfaction and other employment issues with the CAO.	Various documentation	Annually	Updates to the 2020-2021 Internal Audit plan will be presented to Audit

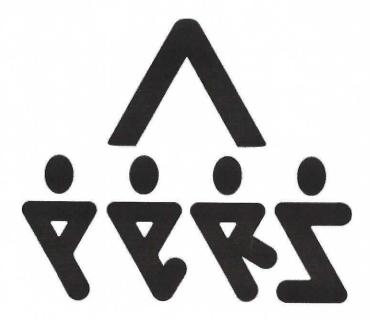
Audit C	Committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
f.	Review with management and the CAO the charter, objectives, plans, activities, and organizational structure of the internal audit function.				Committee at the February 2020 meeting.  Reports were reviewed at each Audit Committee meeting.
g.	Review and approve the risk-based internal audit annual plan.	Review and approve Annual audit plan	Annual audit plan	Annually in the Fall	
h.	Review internal audit reports provided to the Audit Committee.	Review all internal audit reports provided.  Provide a quarterly audit recommendation report to the Audit Committee.	Report on the status of all current internal audits and audits planned for the next quarter and/or year.	Quarterly	A report of all audit recommendations was provided to the Audit Committee quarterly, with a progress update for each audit issue.
i.	Review the responsiveness and timeliness of management's follow-up activities pertaining to any reported findings and	The Audit Committee chair should be available if any unforeseen issues	Provide quarterly audit recommendation report	Quarterly	Audit Committee Chair is always available if needed.
j.	recommendations. Bring to the attention of the Board any internal audit issues the Committee determines significant and appropriate for consideration by the Board.	arise between meetings relating to the CAO.		As needed.	An individual meeting with the CAO was not held in 2020.
k.	On a regular basis, meet separately with the CAO to discuss any matters the committee or internal audit believes should be discussed privately (subject to open meeting			As needed.	The Internal Audit Division is the primary contact for the external auditors, and coordinated all matters related to the 2020 financial audits.
I.	laws). Designate the CAO as the primary point of contact for handling all matters related to audits, examinations,				

Αι	ıdit C	Committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
		investigations or inquiries of the state auditor and other state or federal agencies.				
5)	Au	gagement of External ditors				
	a.	Obtain the information and/or training to enhance the Committee's understanding of the organization's financial statements audit and the role of external auditors.	Provide the Audit Committee members with information regarding the selection of the external audit firm(s).	Document the meeting in the Audit Committee meeting minutes.	Provide information and training as needed.	Am RFP is being issued for a contract for the fiscal years ending June 2021 through June 2023.
	b.	Review the performance of the external financial statement audit firm, and review the State Auditor's recommendation for the final approval on the request for proposal for, and the appointment, retention or discharge of the audit firm. Obtain input from the CAO,	Provide input on the external audit performance to the State Auditor's Office.  Provide input to the State Auditors Office on the request for proposal for the appointment of the next audit firm.		Every three years	Input was provided in January 2020 to the State Auditor's Office on the RFP for the 2021-2023 contract period.
	C.	management and other parties as appropriate. Review the external auditor's audit scope and approach, including coordination of efforts with internal audit.	Meet with independent audit partner, the accounting manager and CAO to discuss scope of the previous year's audit,		Annually	The Audit Committee met with the external auditors in November 2020. The external audit firm reported there were no issues between them and management during the most recent audit.
	d.	Review the independence of the external auditors by	and lessons learned. Later, discuss planned scope for audit of current year. Obtain from external audit firm and/or management		Annually	The Audit Committee met with the external auditors to discuss the FY 2020 audit report in November 2020.
		obtaining statements from the auditors on relationships between the auditors and the	any documentation of any activity or issues between the audit firm and organization if information			Quarterly consultant reports were provided to the Audit Committee

Au	dit Committe	ee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
	e. On a r separa financ firm to the co believe discuss	ization for all audit on-audit services. regular basis, meet ately with the external cial statement audit o discuss any matters ommittee or auditors e should be seed privately ect to open meeting	should be provided to the Audit Committee. Review at the exit conference with management, and again with the Audit Committee. Provide opportunity at the time external auditors are at meeting to present audit report. Provide a quarterly report to the board of all external audit costs.	Annual financial audit report presentation  Consultant Fees report	Annually	when available.
6)	Compliand					
	the org for mo with la contra the res manag investi (includa	w the effectiveness of ganization's system onitoring compliance aws and regulations, acts, and policies and sults of gement's igation and follow-up ding disciplinary of any instances of ompliance.	Review the reports of compliance with laws and regulations.  Discuss compliance issues and resolutions.	Record discussion and any action steps in the Audit Committee meeting minutes.	Review as necessary.	Compliance with laws and regulations are reviewed for each specific audit by both the external auditors and internal auditors. Any concerns will be brought before management, the Audit Committee and/or board as necessary. Focus for FY 2020 was mainly on new retiree and refund benefits to ensure accuracy in the final benefit payment. Reported any observations of potential issues.
	exami agenc observ compl respor timelir manaç addres	gs/observations.	Report to Audit Committee as necessary.	Report to Audit Committee at meeting, if matters arise.	As they occur.	There were none during 2020.
	manag	n updates from gement and ization legal counsel	Report to Audit Committee as needed.	Report to Audit Committee of changes in laws, regulations and rules.	As they occur.	There were none during 2020.

Aı	udit C	committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
	regarding compliance matters, as needed.				,	
7)		ecial Investigations and istleblower Process				
	a.	Institute and oversee special investigations, as needed.	Review procedures with CAO and the general counsel.	Review an original of each complaint received, no matter the media used to submit. Discuss the status or resolution of each complaint.	Review at each meeting.	There were none during 2020.
	b.	Ensure the creation and maintenance of an appropriate whistleblower mechanism for reporting any fraud, noncompliance, and/or inappropriate activities.	Review all complaints that have been received and the status of resolution.	Review a cumulative list of complaints submitted to date to review for patterns or other observations.		The CAO is the point of contact for any staff concerns of fraud or abuse.
	C.	Retain independent counsel, accountants, or other specialist to advise the Committee or assist in the conduct of an investigation, subject to full board approval.	Ensure proper steps are taken to investigate and resolve complaints timely.			None were needed during 2020.
8)		ner Responsibilities	Submit Audit Committee	Submit Audit Committee	Quartarly	Conice of the Audit Committee
	a.	Report at least annually to the Board of Directors the Audit Committee activities, audit issues, and related recommendations.	meeting minutes to the board after Audit Committee approval.	meeting minutes after Audit Committee approval to the board for their next meeting.	Quarterly	Copies of the Audit Committee minutes are provided to the board after the Audit Committee 's approval of the minutes.
	b.	Confirm annually all responsibilities outlined in this charter have been carried out. Review and assess periodically the adequacy of the Audit Committee charter, request Board approval for proposed changes, and	Utilize a matrix to determine if all responsibilities outlined in the charter are carried out.	An Audit Committee Charter review matrix will be updated each year and presented to the Audit Committee to present a report to the Board for approval.	Annually	Annual review was conducted December 2020 and will be reported to the Audit Committee at the February 2021 Audit Committee meeting, and to the Board at the March 2021 meeting.

Audit C	Committee Charter Objective	Steps to Accomplish the Objective	Deliverable	Achieve (Frequency Due Date)	Status
	ensure appropriate disclosure as may be required by law or regulation.				
C.	Evaluate the Audit Committee's performance and report the results of the evaluation to the Board annually.		Report to the board on the appropriateness of the Audit Committee charter and any revisions recommended.	Annually.	A self-assessment was not performed by Audit Committee members in 2020.
d.	Provide an open avenue of communication between the internal auditors, external auditors, management and the Board.	Holdan annual meeting with internal auditor, external auditor, management, and Board of Directors to discuss issues as needed.		As needed	CAO did not independently meet with the Audit Committee in 2020 The external auditors met with the Audit Committee in November 2020, and the Board in December 2020.
e.	Avoid conflicts of interest, paying strict attention to board matters.	Require staff to sign off on ethics/code of conduct and fraud policy annually during performance reviews.		Annually	NDPERS' policy is to have staff review and sign off annually on an ethics/code of conduct policy during their annual performance evaluations.  Audit Committee Charter was
f.	Perform other activities related to this Charter as requested by the Board.	Review charter periodically. Assess the suitability of each point in the charter based on past experiences Evaluate completeness of the charter against best practices and legal or regulatory requirements. Revise charter as needed and obtain Audit Committee and Board approval for changes.	Review signed form stating the employee read the policies	As needed.	reviewed, updated, and approved by the board December 2014. No changes have been made since. The Audit Committee Charter was reviewed in December 2020.



# NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM INTERNAL AUDIT DIVISION

#### **AUDIT PLAN**

JANUARY 1, 2020 - DECEMBER 31, 2021

(Updated February 2021)

Shawna Piatz
Shawna Piatz, CIA, CPA, CEBS

**Chief Audit Officer** 

Mona Rindy Chairman, Audit Committee

**Board of Directors** 

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#### Introduction

The Internal Audit Division's Audit Plan defines specific areas intended to be audited in the next two years. We appreciate this opportunity to provide our vision of the plan to serve NDPERS Board Audit Committee, management, employees and active and retired members.

This report will provide the purpose and scope of work of which Internal Audit will focus. In addition, an explanation of NDPERS' risk management is provided to enhance your understanding of the risk assessment process.

As part of the audit planning process, we actively seek input from NDPERS management, Board, Audit Committee members, and external auditors. This collective input is extremely useful in helping us decide how to provide the best value to the NDPERS organization. Our normal process is to facilitate a risk assessment with management so that we can prepare a comprehensive risk evaluation of the entire agency. The results of the risk assessment are weighed to determine high-risk areas, and to establish audit priorities for the upcoming biennium.

There are many areas to review to ensure that agency business operations continue to run effectively and efficiently while maintaining integrity of our funds. Limited resources in Internal Audit do not allow us to audit all high-risk areas every year. The Audits listed on page 3 outlines what we consider to be the most important audit projects.

#### **Purpose and Scope**

This audit plan communicates the project objectives for the period January 1, 2020 through December 31, 2021.

The following objectives are the focus for Internal Audit:

- Develop the Annual Audit Plan based upon inherent risk
- Focus on areas of higher inherent risk, strategic importance, or NDPERS audit priority
- Provide NDPERS with value added recommendations to improve controls, mitigate identified risks, and increase efficiency and effectiveness within operations

The scope of work by Internal Audit is to determine whether NDPERS' framework of risk management, control, and governance processes, as designed and represented by Board and management is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed;
- Interaction with various governance groups occurs as needed;
- Significant financial, managerial, operating information is accurate, reliable, and timely;
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected;
- Programs, plans, and objectives are achieved;
- Quality and continuous improvement are fostered in control processes;
- Significant legislative or regulatory issues impacting NDPERS' fiscal operations are recognized and addressed appropriately; and
- Adequate controls are incorporated within new systems and processes.

#### Risk Management

Risk management is fundamental to organizational control and is a critical part of providing sound corporate governance. Managing risk touches all the organization's activities. Establishing an effective enterprise-wide risk management system is a key responsibility of management and the board, ensuring that managing risk is integrated into the organization, both at the strategic and operational level.

Because of the unique perspectives and skills that management, internal audit, risk management and compliance each have, it is important that assurance activities be coordinated between the groups. This will help to ensure resources are used in an efficient and effective way, and risk and control processes operate as intended. In 2019, Internal Audit worked with management to update the agency risk assessments and develop a process to ensure they are reviewed at least annually going forward. Internal Audit did not perform an independent fraud risk assessment of the Agency in 2019 but will work to get this completed.

To have effective and adequate risk management within the agency, there should be three lines of defense. The first line would be operational management owning and managing the risks. They should be responsible for implementing corrective actions to address process and control deficiencies daily. The second line of defense would be the risk management and compliance functions. This line would facilitate and monitor the implementation of effective risk management practices by operational management, and assist owners in defining the target risk exposures and reporting adequate risk-related information throughout the organization. It is this step that is parallel to what internal audit has provided in the past facilitating enterprise risk assessments with management. This line would ensure the first line of defense is properly designed, in place, and operating as intended. The third line of defense is internal audit which provides the board, audit committee and senior management with comprehensive assurance based on the highest level of independence and objectivity within the organization. Internal audit does not give independent assurance on any part of the risk management framework for which it is responsible.

#### **Planned Audits**

The audit plan was developed with input from NDPERS management and the external auditors. Because of this input, the Internal Audit Division will focus its attention on the following for 2020-2021:

	Audit Projects					
Priority	Area	Division				
1	Retirement Benefit Payments with expanded compliance audit	Benefits Administration				
2	Retirement Refund Payments with expanded compliance audit	Benefits Administration				
3	Sanford Interest Calculation Report – Audit 2017-2019 (June 2020 settlement)	Accounting				
4	Contracts Review	Executive				
5	Deferred Compensation, Other 457/403b Eligibility & Vesting %	Accounting				
6	Service Purchases	Benefits				

Consulting	Consulting and Clean-Up Projects					
Priority	Area	Division				
1	Review Joint & Survivor Beneficiaries with Graduated	Benefit Administration				
	Benefit Options					
2	Review of wage adjustments for members participating in	Accounting				
	the PEP program (PIR 20962)					
3	Review of interest calculations for service purchases when	Accounting				
	installments are made quarterly/semi-annually/annually					
	(PIR 20185)					
4	Review Original Minimum Guarantee balances for issued	Accounting				
	payments incorrectly reducing the balance (PIR 19331)					

	Administrative/Other								
✓	Audit/Board Related Activities								
✓	Audit Plan Development and Issuance								
✓	Audit Report Development and Issuance								
✓	Liaison Activities with External Auditors, including Field Work								
✓	Record Retention Purge								
✓	Review and Update Internal Audit and Audit Committee Charters								
✓	Review and update Internal Audit Manual								
✓	Training/Continuing Education								

#### Total Project Hours (2,080 \* 2)

<u>4,160</u>

New retirees from July 1, 2017 through May 31, 2019 have been audited 100% due to management's goal of achieving 97% accuracy. This process will continue as there is staff turnover in the new retirement payment process roles and will be audited on a sample basis as the 97% goal is achieved and maintained. Due to the time it takes to do these audits, the time that is available to work on the projects listed above may be limited.

#### **Audit Hours**

Budgeting the project hours was not completed for each individual project as it is difficult to estimate the amount of time that will be spent in any one area. However, the estimated time that is our goal for each area is listed below:

2020 / 2021 Projects	<u>Hours</u>	<u>%</u>
-	Approxi	mate Range
Audits	2,080-2,496	50-60.0%
Consulting	208-416	5-10.0%
Administrative	832-1,248	20-30.0%
<u>Total</u>	<u>4,160</u>	<u>100.0%</u>

#### **Planning and Administrative Projects**

Internal Audit responsibilities include the completion of numerous administrative and planning projects including:

- ✓ Automated Workpaper Development
- ✓ Committee (non-voting) participation on a variety of management topics
- ✓ Consulting with management as needed
- ✓ Development of the Audit Plan
- ✓ Development of the Audit Report
- ✓ Follow-up on outstanding internal and external audit recommendations
- ✓ Conduct an internal quality assurance review with the goal to have an external quality. assurance review in accordance with the IIA Standards in the future
- ✓ Liaison with external audit groups
- ✓ Meetings
- ✓ Quarterly reporting to the Board Audit Committee
- ✓ Training/Education minimum 40 hours per calendar year per auditor with certifications
- ✓ Updates and revisions to the Audit Policy Manual
- ✓ Updates and revisions to the Audit Procedures Manual
- ✓ Updates and revisions to the Risk Assessment
- ✓ Develop and implement the Internal Audit's independent analysis of NDPERS risk

#### **Performance Measures**

Internal Audit performance measures for the 2020-2021 years are as follows:

- ✓ Prepare and provide Audit Committee materials at minimum one week prior to the Audit Committee meetings
- ✓ Ensure that the Audit Committee is meeting all requirements as set forth in the Audit Committee Charter
- ✓ Ensure that the Internal Audit function is meeting all requirements as set forth in the Internal Audit
- ✓ Act as liaison between External Audit Firm and NDPERS
- ✓ Spend approximately 55-70% of total hours available on direct audit and consulting work
- ✓ Complete development of the Annual Audit Report by the February Audit Committee meeting
   ✓ Complete development of the Annual Audit Plan by the November Audit Committee meeting
- ✓ Conduct internal annual risk assessment of the agency in the fall
- ✓ Attend a minimum of 40 hours of continuing education

#### **Audit Organization and Staffing**

A current organization chart for the Internal Audit Division is located on the last page. The Division is staffed with two full-time equivalent (FTE) positions. The audit plan was developed based on the assumption that the Auditor IV and Auditor III positions would be filled for the entire two years. An intern position is currently not available.

Internal Audit staff has a combined 18 years of auditing experience. The Chief Audit Officer currently holds the Certified Internal Audit (CIA), Certified Public Accountant (CPA), and Certified Employee Benefits Specialist (CEBS) certifications..

#### Follow-Up and Reporting

Follow-up is an important part of our audit effort and is required by professional standards. We communicate the status of all internal and external audit recommendations in a quarterly report to the Audit Committee and NDPERS executive management. Reporting will continue until all recommended actions or management action plans are implemented or otherwise resolved.

#### **Coordination with External Auditors**

Internal Audit coordinated activities with the North Dakota State Auditor's Office (SAO) and with other external audit groups working at NDPERS. The SAO contracted with CliftonLarsonAllen LLP to conduct our financial audits for fiscal years ending June 30, 2015 through 2019. The SAO will be going out to bid for the contract period 2021 – 2023 sometime in 2020. The Internal Audit Division will work with all external groups as necessary.

#### Management Controls

During 2019, Internal Audit provided information to NDPERS managers on the importance of effective internal controls within an organization. We used nationally recognized COSO's *Internal Control-Integrated Framework (2013)* that has five interrelated internal control components with seventeen principles.

Managing internal controls are most effective when they are built into the organization's infrastructure and are a fundamental part of management's philosophy. "Built in" controls support quality and empowerment initiatives, avoid unnecessary costs, and enable quick response to changing conditions.

Internal Audit staff will engage in promoting greater understanding of these internal control concepts while conducting audit projects, attending management meetings, providing training activities for staff, and through dissemination of any other pertinent information throughout the year.

#### **Professional Organizations**

Internal Audit staff participates in several professional auditing and accounting organizations. These groups are excellent sources for information on auditing, accounting, business management, and other professional issues and concerns. The current professional organizations include:

□ Association of Public Pension Fund Auditors (APPFA)

- □ Central NoDak Chapter of the Institute of Internal Auditors (IIA)
- □ North Dakota Society of Certified Public Accounts (NDSCPA)
- □ International Foundation of Employee Benefit Plans (IFEBP)

#### **Quality Assurance**

An external quality assurance review of Internal Audit has not been requested nor completed in the NDPERS Internal Audit Division. The result of this non-compliance is the Internal Audit Division cannot state in their audit reports that they are conducting the audits in accordance with the International Standards for the Professional Practice of Internal Auditing. However, once a successful quality assurance review is completed, the Internal Audit Division will be able to indicate audits were done in accordance with the International Standards for the Professional Practice of Internal Auditing.

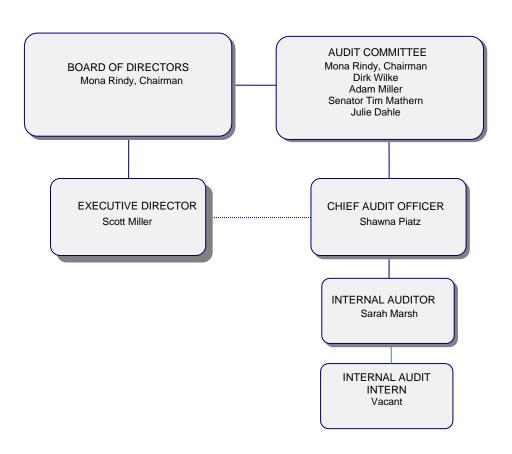
It is Internal Audit's goal to conduct an internal quality review to assess where our strengths and weaknesses are before we can develop a plan of action to have a formal quality assurance review conducted by an independent source. It is our intent to try and accomplish this by December 31, 2021, however, limited resources and workload may interfere with this goal.

#### Questions

For further information on the Internal Audit Annual Audit Plan, please contact Shawna Piatz by phone during normal business hours at (701) 328-3965 or via e-mail at spiatz@nd.gov.

#### **Internal Audit Division Organizational Chart**

### NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM Internal Audit Division January 2020





#### North Dakota **Public Employees Retirement System** 400 East Broadway, Suite 505 ● Box 1657

Bismarck, North Dakota 58502-1657

Scott A. Miller **Executive Director** (701) 328-3900 1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

# Memorandum

TO: NDPERS Board

Scott FROM:

April 13, 2021 DATE:

Legislation SUBJECT:

I have attached our current bill tracking matrix for your information. We will review legislative actions on bills we are tracking.

**Board Action:** Unknown – pending any additional action from the Legislative Assembly

### **Attachment**

bill #	short name	Title	fiscal Impact	bill status	chamber/ committee	hearing date	hearing time	meeting room	Committee	members
HB 1023	1023	A BILL for an Act to provide an appropriation for defraying the expenses of the public employees retirement system; and to provide an exemption.	FN 1023	1/5 1st reading 1/12 committee hearing 2/17 reported back amended DP 21-0-0 2/18 consideration of amendments Passed 2/18 amendment adopted, placed on calendar 2/19 2nd reading Passed 87-5 2/22 Senate - received from House 2/22 1st reading, referred to Senate Appropriations 3/17 Senate committee hearing	House Approps Government Operations Division Meets M-F Senate Approps	1/12/2021 3/17	10:00:00 AM 3:15 PM	Roughrider Room	House Approps Gvt Ops D Vigesaa, chair M Brandenburg, vice L Bellew M Howe K Kempenich L Meier C Mock	Senate Approps R Holmberg, chair K Krebsbach, vice T Wanzek B Bekkedahl K Davison D Dever R Erbele J Heckaman D Houge T Mathern D Oehlke N Poolman D Rust R Sorvaag
НВ 1032	1032	Relating to prescription drug cost transparency; and to provide a penalty.		1/5 1st reading, referred to House Human Services 1/6 committee hearing 2/17 reported back amended DP 12-2-0 2/18 consideration of amendments Passed 2/18 amendment adopted, placed on calendar 2/19 2nd reading PASSED 63-29 2/22 Senate - received from House 2/22 1st reading, referred to Senate Human Services 3/16 Senate committee hearing	House Human Services Meets M, T, W Senate Human Services	3/16	1:30:00 PM	Sakakawea	House Human Serv R Weisz, chair K Rohr, vice M Beltz C Damschen B Devlin G Dobervich C Gegler D Kiefert T Porter M Ruby M Schneider K Skroch B Tveit G Westlind	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen
HB 1041	1041	Relating to public employees retirement system penalties for late payments or failures to follow required processes; and to provide a penalty.		1/5 1st reading, referred to House GVA 1/7 committee hearing 1/18 reported back DNP, 10-3-1 1/19 2nd reading PASSED 59-31 1/20 Senate - received from House 2/8 1st reading referred to Senate GVA 3/11 Senate committee hearing GVA 3/15 Reported back DP 7-0-0 3/16 2nd reading Passed 46-1 3/17 returned to the House 3/18 Senate Signed by President	House GVA Meets Th, F Senate GVA Meets Th, F	1/7/2021 3/11	10:15 AM 9:00 AM	Room 216	House GVA J Kasper, chair B Koppelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schneider V Steiner G Stemen S Vetter	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema

HB 1042	1042	Relating to the public employees retirement system's uniform group insurance program part D contracts with pharmacy benefit managers.	1/5 1st reading, referred to House GVA 1/7 committee hearing 1/18 reported back, DP, 12-0-2 1/19 2nd reading PASSED 90-0 1/20 Senate - received from House 2/3 1st reading referred to Senate GVA 3/4 Senate Committee Hearing GVA 3/4 Reported back, DP placed on calendar 7-0-0 3/5 Senate 2nd reading Passed 47-0 3/5 2nd reading Passed 47-0 3/8 Returned to the House	House GVA Meets Th, F Senate GVA Meets Th, F	1/7/2021  3/4	10:45 AM	Room 216	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schauer V Steiner G Stemen S Vetter	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema
HB 1154	1154	A BILL for an Act to create and enact chapter 26.1 36.8 of the North Dakota Century Code, relating to transparency in dental benefits contracting; and to provide a penalty	1/8 1st reading referred to Human Services 1/13 request return from committee re-referred to IB&L 2/3 committee hearing IB&L 2/16 committee work 2/17 committee work 2/18 reported back DP amendment on calendar 13-0-1 2/19 consideration of amendments Passed 2/22 2nd reading Passed 60-34 2/23 Senate - 1st reading, referred to Human Services 2/23 received from House 3/9 Senate committee hearing Human Services 3/17 reported back, DP 5-1-0 3/19 2nd reading Passed 45-1 3/22 returned to the House 3/22 signed by President	House IB&L Meets M,T,W	2/3/2021 2/16 2/17 3/9	9:00 AM 10:00 AM 9:00 AM	Sakakawea	House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louser D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas	Senate IB&L J Klein, chair D Larson, vice R Burckhard C Kreun R Marcellais S Vedaa
<u>HB 1209</u>	1209	A BILL for an Act to amend and reenact section 54 52 02.9, 54 52 06, 54 52 06.5, and 54 52.6 09 of the North Dakota Century Code, relating to public employees retirement system employer and temporary employee contribution rates; and to provide an effective date.	1/11 - Introduced, first reading, referred GVA 1/21 committee hearing 2/16 reported back amended, DP 11-1-2 2/17 consideration of amendments Passed 2/17 amendment adopted, placed on calendar 2/23 2nd reading PASSED 89-5 3/3 Senate - received from the House 3/3 Senate 1st reading, referred to GVA 3/18 Senate committee hearing GVA 3/26 reported back amended DP 6-1-0 3/29 Consideration of amendments Passed 3/29 2nd reading Passed 34-13 3/30 returned to House	House GVA Meets Th, F	1/21/2021 3/18	2:00 P.M. 9:00AM	Room 216	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Scheider V Steiner G Stemen S Vetter	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema

HB 1231	1231	Relating to duty of the investment director to consider investing locally.	1/11 - Introduced, first reading 1/22 committee hearing 2/8 reported back amended, D 2/9 consideration of amendme 2/9 amendment adopted, plac 2/16 2nd reading, Passed 94-6 2/17 Senate - received from the 2/18 1st reading, referred to G 3/4 Senate committee hearing 4/1 committee hearing 4/1 Reported back, DP 7-0-0 4/5 2nd reading Passed 42-5 4/6 returned to House	P 9-3-2 nts Passed ed on calendar ) e House VA	House GVA Meets Th, F  Senate GVA	1/22 <b>3/4</b> 4/1	8:30 A.M. 3:15 P.M. 10:00 AM	16		Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema
<u>HB 1233</u>	1233	A BILL for an Act to provide for the public employees retirement system to contract for an audit of pharmacy benefit managers providing contract services for the state uniform group health insurance program; and to provide for a legislative management report.	1/11 - Introduced, first reading 2/4 committee hearing 2/22 reported back DP amend 2/23 consideration of amendm 2/23 amendment adopted, pla 2/24 2nd reading Passed 91-2 3/3 Senate - received from the 3/3 Senate 1st reading, referre 3/17 Senate committee hearin 3/19 Reported back amended 3/22 consideration of amendm 3/22 amendment adopted 3/22 referred to Approps 3/30 committee hearing	ment on calendar 13-1-0 ents Passed ced on calendar  House d to Human Services DP 5-1-0 ents	House GVA Meets Th, F  Senate Human Services  Senate Approps	3/17 3/30	9:00 AM 11:15 AM	oughrider Room	J Hoverson K Karls	Senate Human Services J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen

НВ 1380	1380	Relating to an economic diversification research fund, a legacy sinking and interest fund, a career and technical education support fund, a legacy earnings fund, a behavioral health support fund, a legacy infrastructure project fund, a state building maintenance and project fund, and an information technology cybersecurity fund; to amend and reenact subsection 1 of section 21-10-06 and section 21-10-12 of the North Dakota Century Code, relating to funds invested by the state investment board and legacy fund definitions; to provide for a transfer; and to provide a report.	FN 1380	1/18 1st reading, referred to Appropriations 2/2 committee hearing 2/23 reported back DP amendment on calendar 16-3-2 2/24 Consideration of amendments PASSED 2/24 2nd reading Passed 71-22 2/24 amendment placed on calendar 2/24 2nd reading Passed 71-22 3/3 Senate - received from the House 3/3 Senate - received from the House 3/3 Senate - st reading, referred to Finance & Tax 3/17 Senate committee hearing 3/24 committee work AT 10:15 Fin & Tax - Ft Totten 3/24 committee work 2:30 Fin & Tax - Ft Totten 3/26 reported back amended DP 7-0-0 3/29 consideration of amendments Passed 3/29 re-referred to Appropriations 3/31 committee hearing Approps 4/5 Committee Work: Sub-committee - Bonding bill - 11:00 AM - Appropriations - Roughrider Room 4/8 Committee Work: Sub-Committee - Bonding Bills - 3:00 PM - Appropriations - Roughrider Room	Appropriations  Finance & Tax  Senate Approps	2/2/2021 3/17 3/31 4/5 4/7	9:00 AM  10:00 AM  3:30 PM  11:00 AM  11:00 AM  3:00 PM		House Approps Gvt Ops D Vigesaa, chair M Brandenburg, vice L Bellew M Howe K Kempenich L Meier C Mock	Senate Approps R Holmberg, chair K Krebsbach, vice T Wanzek B Bekkedahl K Davison D Dever R Erbele J Heckaman D Houge T Mathern D Oehlke N Poolman D Rust R Sorvaag
HB 1435	1435	Relating to peace officers, patrolmen, correctional officers, and firefighters who die in the line of duty; and to provide for retroactive application.		1/18 first reading, referred to Political Subs 1/28 committee hearing 2/5 reported back amended 10-3-1, placed on calendar 2/8 consideration of amendements Passed 2/8 amendment adopted, placed on calendar 2/15 2nd reading Passed 75-18 2/16 Senate - received from House 2/17 1st reading, referred to GVA 3/11 Senate - committee hearing GVA 3/12 Senate - reported back ND 7-0-0 3/15 Senate - 2nd reading, referred to appropriations 3/30 committee hearing Appropriations 3/31 reported back DP 14-0-0 4/1 2nd reading Passed 43-4 4/5 returned to House 4/6 signed by President	House Political Subdivisions Meets T, F Senate GVA Senate Approps	3/11 3/30	9:45 AM 2:30 PM	Roughrider Room	House Political Subs J Dockter, chair B Pyle, vice M Adams C Cory S Ertelt C Fegley P Hatlestad M Johnson L Klemin D Longmuir D Nehring M Nelson L Simons N Toman	Senate Politcal Subs R Burckhard, chair H Anderson, vice J Heitkamp J Kannianen D Larson J Lee E Oban

HB 1465	1465	Relating to freedom of choice for health care services.	1/18 Introduced, first reading, referred Human Services Committee 2/3 committee hearing 2/17 reported back amended, DP, 13-1-0 2/18 consideration of amendments Passed 2/18 amendment adopted placed on calendar 2/19 2nd reading Passed 70-22 2/22 Senate - received from the House 2/22 1st reading referred to Senate Human Services 3/9 Senate committee hearing 3/23 committee work	Human Services Meets M, T,W  Senate Human Srv	3/9 3/23/2021	10:30:00 AM 3:00 PM 2:30 PM	Sakakawea	House Human Serv R Weisz, chair K Rohr, vice M Beltz C Damschen B Devlin G Dobervich C Gegler D Kiefert T Porter M Ruby M Schneider K Skroch B Tveit G Westlind	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen
HB 1492	1492	A BILL for an Act to amend and reenact section 43 15 25.3 of the North Dakota Century Code, relating to permitting pharmacists to administer SARS CoV 2 tests; and to declare an emergency.	1/18 1st reading, referred to Human Services 1/26 Committee Hearing 02:30 2/2 reported back DP 13-0-1 2/8 2nd reading PASSED 89-2, emergency clause carried 2/9 Senate - received from the House 2/15 1st reading, emerg clause, referred to Human Services 3/3 Senate committee hearing 3/3 Senate Reported back DP 5-1-0 3/4 Senate 2nd reading, referred 3/4 Senate re-referred to Human Services 3/24 Reported back, DP amendment 5-1-0 3/25 amendment passed 3/26 2nd reading passed as amended 44-1 3/26 emergency clause carried 3/29 returned to House	Human Services Meets M, T,W  Senate Human Srv	1/26	2:30 PM 9:40 A.M.	Sakawea	House Human Serv R Weisz, chair K Rohr, vice M Beltz C Damschen B Devlin G Dobervich C Gegler D Kiefert T Porter M Ruby M Schneider K Skroch B Tveit G Westlind	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen

SB 2043	A BILL for an Act to amend and reenact section 39 03.1 10 of the North Dakota Century Code, relating to contributions to the highway patrolmen's retirement system by the state.	FN 2043	1/5 1st reading, referred to Senate GVA 1/15 committee hearing 2/4 reported back DP 7-0-0 2/4 re-referred to appropriations 2/11 committee hearing 2/18 reported back DP, placed on calendar 14-0-0 2/19 2nd reading Passed 47-0 2/22 house - received from the senate 3/9 1st reading, referred to GVA 3/19 House committee hearing 3/25 reported back DP amendment on calendar 14-0-0 3/26 Consideration of amendments Passed 3/26 amendment adopted 3/26 re-referred to Appropriations 3/31 committee work 4/1 Reported back, do pass, place on calendar 19 0 2 4/6 2nd reading Passed	Senate GVA Meets Th, F  Senate Appropriations Meets M-F  House GVA	2/11 3/19 3/31	9:00 AM 8:30 AM	Brynhild Haugland Room	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobberna  Senate Approps R Holmberg, chair K Krebsbach, vice T Wanzek B Bekkedahl K Davison D Dever R Erbele J Heckaman	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schauer M Schneider V Steiner G Stemen S Vetter
SB 2044	A BILL for an Act to amend and reenact section 39 03.1 10, subsection 2 of section 39 03.1 11.2, subsection 8 of section 54.52 17, subsection 2 of section 54.52 26, subsection 2 of section 54.52 28, subsection 2 of section 54 52.1 03.2, subsection 1 of section 54 52.1 03.3, and subsection 2 of section 54 52.1 03.3, and subsection 2 of section 54 52.6 21 of the North Dakota Century Code, relating to public employees retirement system unpaid benefit payments, missing member confidentiality requirements, compliance with Internal Revenue Code distribution requirements, insurance programs for which retiree health insurance credit moneys may be used, and clarification of eligibility for retiree health insurance credit payments.	FN 2044	1/5 1st reading, referred to Senate GVA 1/14 committee hearing 1/14 Reported back, DP, place on calendar 7-0-0 1/15 2nd reading, PASSED 47-0 1/18 House - received from Senate 2/24 1st reading, referred to GVA 3/11 House committee hearing GVA 3/12 House Reported back DP 11-0-3 3/17 2nd reading Passed 91-0 3/18 Returned to Senate	Senate GVA Meets Th, F  House GVA	3/11	1:00:00 PM 2:00 PM	Pioneer	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schauer G Stemen S Vetter

SB 2046	2046	A BILL for an Act to amend and reenact subsection 1 of section 54,52,02.9, subsection 2 of section 54,52 05, subsection 1 of section 54 52 06, subsection 6 of section 54 52.6 02, and section 54 52.6 09 of the North Dakota Century Code, relating to increased employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans; and to provide a penalty.	FN 2046	1/5 1st reading, referred to Senate GVA 1/14 committee hearing 2/4 reported back DP 7-0-0 2/4 re-referred to appropriations 2/11 committee hearing 2/18 reported back amended, DP 13-1-0 2/19 consideration of amendments Passed 2/19 2nd reading Passed 47-0 2/22 house - received form Senate 3/9 1st reading, referred to GVA 3/19 House committee hearing GVA	Senate GVA Meets Th, F Senate Appropriations House GVA	1/14 2/11 3/19	1:00 PM  10:00 AM Roughrider  9:00 AM	Pioneer	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schneider V Steiner G Stemen S Vetter
SB 2074	2074	Relating to health insurance utilization reports.		1/5 1st reading, referred to IB&L 1/12 committee hearing 1/20 reported back DP 6-0-0 amendment 1/21 amendment adopted 1/22 2nd reading of bills PASSED 47-0 1/25 House - Received from the Senate 2/18 1st reading, referred to IB&L 3/9 House committee hearing IB&L 3/19 Reported back amended, DP 10-3-1 3/22 consideration of amendments Passed 3/22 amendment adopted, placed on calendar 3/24 2nd reading Passed 87-6, emergency clause carried 3/24 2nd reading Passed as amended 87-6 3/25 returned to Senate 4/5 consideration of other chamber messages - not concurred 4/5 refused to concur	Senate IB&L Meets M, T, W  House IB&L	1/12/2021 3/9	9:45:00 AM 9:00 AM	Room 327C	Senate IB&L J Klein, chair D Larson, vice R Burckhard C Kreun R Marcellais S Vedaa	House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louser D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas

<u>SB 2130</u>	2130	Relating to a cost-benefit analysis for mandated health insurance coverage measures.	1/5 1st reading, referred to Senate Human Services 1/19 committee hearing 1/27 reported back, DP, amendment on calendar 5-0-1 1/28 consideration of amendments PASSED 1/29 2nd reading PASSED 45-1 2/1 House - received from Senate 2/19 1st reading, referred to IB&L 3/15 House committee hearing 3/17 consideration of amendments Passed 3/17 amendment adopted, placed on calendar 3/22 2nd reading Passed 89-1 3/23 returned to Senate	Senate Human Services Meets M, T, W House Human Services House IB&L	3/15	9:00:00 AM 2:30 PM	327C	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen	House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louser D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas
<u>SB 2170</u>	2170	Relating to prescription drug costs; and to provide a penalty.	1/11 Introduced, first reading, (emergency), referred Human Services 1/27 committee hearing 2/17 reported back amended, DP, 4-2-0 2/18 consideration of amendments Passed 2/18 amendment adopted, placed on calendar 2/19 2nd reading Passed 24-22 2/22 house - received from Senate senate - motion to reconsider FAILED 3/9 1st reading, referred to IB&L 3/22 committee hearing 4/5 reported back DNP 10-3-1	Senate Human Services Meets M, T, W	1/27/2021 3/22/2021	9:00 AM 2:30 PM	Room 327C	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen	House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louser D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas

<u>SB 2209</u>	2209	Relating to increased access to low- cost prescription drugs; to amend section 43-15.3-12 of the North Dakota Century Code, relating to drug wholesaler fees; to provide for a report; to provide a continuing appropriation; to provide for a transfer; and to provide a contingent effective date.	1/14 Introduced, first reading, referred Human Services Committee 1/27 committee hearing 2/8 committee hearing 2/9 reported back amended DP 5-1-0 2/10 consideration of amendments Passed 2/10 amendment adopted, placed on calendar 2/12 2nd reading Passed 35-12 2/15 House - received from Senate 2/19 1st reading, referred to Human Services 3/9 House Committee Hearing 4/5 reported back DNP 13-1-0	Senate Human Services Meets M, T, W House Human Services	1/27 2/8 3/9	10:00 AM 11:00 AM 9:30 AM	Pioneer	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen	House Human Serv R Weisz, chair K Rohr, vice M Beltz C Damschen B Devlin G Dobervich C Gegler D Kiefert T Porter M Ruby M Schneider
<u>SB 2212</u>	2212	Relating to increased access to low- cost prescription drugs; to provide for a report; and to provide a contingent effective date.	1/14 Introduced, first reading, referred Human Services Committee 1/27 committee hearing 2/8 committee work 2/10 reported back amended DP 5-1-0 2/11 consideration of amendments Passed 2/11 2nd reading Passed 45-2	Senate Human Services Meets M, T, W	1/27	9:30 AM 11:00 AM	Pioneer	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen	K Skroch B Tveit G Westlind  House Human Serv R Weisz, chair K Rohr, vice M Beltz C Damschen B Devlin G Dobervich
			2/12 House - received from the Senate 2/19 1st reading, referred to Human Services 3/9 House committee hearing Human Services 4/5 reported back amended DP 13-1-0 4/6 consideration of amendments Passed 4/6 Amendment adopted, placed on calendar	House Human Services	3/9	9:00 AM			C Gegler D Kiefert T Porter M Ruby M Schneider K Skroch B Tveit G Westlind

SB 2291	2291	Relating to social investments made by the state investment board and the boycott of energy or commodities companies; to provide for a department of commerce study of the implications of complete divestment of companies that boycott energy or commodities; and to provide for reports to legislative management.	1/25 1st reading, referred to Energy & Natural Resources 2/4 committee hearing 2/15 reported back DP amendment placed on calendar 2/16 consideration of amendments Passed 2/16 amendment adopted, placed on calendar 2/17 2nd reading Passed 42-4 2/17 2nd reading Passed 42-4 emergency clause carried 2/18 House - received from Senate 3/5 House 1st reading emerg clause, referred to Nat Resources 3/12 House hearing Energy & Nat Resources 3/12 Reported back DP 12-2-0 3/17 2nd reading Passed 82-12, emergency clause carried 3/18 returned to Senate	Energy & Natural Resources Meets Th, F  House Energy & Natural Resources	3/12	9:30:00 AM	Coteau AB Room	Senate C Kreun, chair J Roers, vice J Bell D Pattem M Piepkorn D Schaible	House T Porter, chair C Damschen, vice D Anderson G Bosch B Devlin R Guggisberg P Heinert Z Ista G Keiser M Lefor A Marschall S Roers Jones M Ruby D Zubke
SB 2341	2341	Relating to access to public employees retirement system uniform group insurance data	1/25 first reading, referred Industry, Business and Labor Committee 2/8 committee hearing 2/10 reported back DP 6-0-0 2/11 consideration of amendments Passed 2/12 2nd reading Passed 47-0 2/15 House - received from Senate 2/19 1st reading, referred to IB&L 2/23 request return from committee 2/23 House - referred to GVA 3/11 House committee hearing 3/11 Reported back DP amendment placed on calendar 3/12 House amendment adopted 3/16 2nd reading Passed 94-0 3/17 returned to the Senate	Senate IB&L Meets M, T, W  House GVA	2/10/2021 3/11	8:30:00 AM 8:30 AM	Fort Union	Senate IB&L J Klein, chair D Larson, vice R Burckhard C Kreun R Marcellais S Vedaa	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schneider V Steiner G Stemen S Vetter
HB 1029	1029	Relating to public employee uniform group insurance for health benefits; to provide for application; and to declare an emergency	1/5 1st reading, referred to House GVA 1/7 committee hearing 1/11 Reported back, DP, place on calendar 14 0 0 1/12 2nd Reading - PASSED 90-0, Emerg clause carried 1/13 Senate - received from House 2/3 1st reading referred to Senate GVA Emergency clause 2/12 committee hearing 2/22 reported back DP 7-0-0 placed on calendar 3/3 Senate 2nd reading Passed 46-0, emerg carried 3/4 Returned to House 3/5 Senate - signed by the President 3/8 House - signed by the Speaker 3/8 sent to the Governor	House GVA Meets Th, F Senate GVA Meets Th, F	1/7 2/12	9:15:00 AM 9:30 AM Room 216	Room 216	House GVA J Kasper, chair B Kapelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schneider V Steiner G Stemen S Vetter	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema

띪	1139	Relating to duration limits for	띧	1/8 Introduced, first reading, referred Industry, Business and	House IB&L	1/18/2021	8:00:00 AM	F	House IB&L	Senate IB&L
		opioid therapy and	1	Labor Committee	Meets M,T,W			=	M Lefor, chair	J Klein, chair
1139		benzodiazepine; and to provide	FN 1139	1/18 committee hearing				Fort Union	G Keiser, vice	D Larson, vice
lω		for application	9	1/21 reported back DP 12-1-1				9	M Adams	R Burckhard
9				1/27 2nd reading PASSED 64-26					P Anderson	C Kreun
				1/28 Senate - Received from the House	Senate IB&L				J Hagert	R Marcellais
				2/15 1st reading, referred to IB&L	Meets M,T,W	3/8	2:30 PM		J Kasper	S Vedaa
				3/8 Senate - committee hearing IB&L					S Louser	
				3/22 reported back DP, 5-1-0					D Nehring	
				3/23 2nd reading Passed 38-8					E O'Brien	
				3/24 returned to House					M Ostlie	
				3/25 signed by President					D Ruby	
				3/29 signed by Speaker					A Schauer	
				3/29 sent to Governor					G Stemen	
									P Thomas	
HB	1425	Relating to the legacy infrastructure revolving loan fund and the state investment board;	E	1/18 1st first reading, referred Finance and Taxation	Finance and	2/2/2021	9:00:00 AM	Ro	House Finance & Tax	Senate Finance & Tax
ıσ		infrastructure revolving loan fund	1	Committee	Taxation			gu	C Headland, chair	J Bell, chair
12		and the state investment board;	42	2/2 commttiee hearing	Committee			<u> </u>	V Steiner, vice	J Kannianen, vice
1425		to amend and reenact sections 21	, G	2/9 reported back DP 14-0-0	Meets M, T, W			Roughrider	Danerson	S Meyer
G		10-02 and 21-10-11 of the North		2/10 consideration of amendments				ż	G Bosch	D Patten
		Dakota Century Code, relating to		2/12 commttee work	Appropriations	2/12	10:45 AM	Room	J Dockter	M Piepkorn
		the state investment board and		2/10 reported back amended DP 12-0-1				3	S Ertelt	J Roers
		the legacy and budget		2/10 re-referred to Finance and Taxation					J Fischer	M Weber
		stabilization fund advisory board;		2/11 consideration of amendments Passed					P Hatlestad	
		and to provide a continuing		2/11 amendment adopted					Z Ista	
		appropriation.		2/11 re-referred to Appopriations					T Kiading	
				2/22 reported back amended DP 15-5-1					B Koppelman	
				2/23 consideration of amendments Passed					M Nelson	
				2/23 amendment adopted, placed on calendar					N Toman	
				2/24 2nd reading Passed 85-8					W Trottier	
				3/3 Senate - received from the House	Senate Finance &	3/10	10:00 AM			
				3/3 Senate - 1st reading referred to Finance & Tax	Tax					
				3/10 Senate committee hearing Finance & Tax						
				3/24 committee hearing Senate Appropriations	Senate Approps	3/24	8:30 AM			
				3/25 reported back DP 14-0-0		5				
				3/26 2nd reading - Laid Over						
				3/29 2nd reading Passed 47-0						
				3/30 returned to House						
				3/31 signed by President						
				4/6 signed by Speaker						
				4/6 Sent to Governor						
				4/0 Sent to Governor						

1147	Relating to public employee fertility health benefits; to amend and reenact section 26.1-36.6-03 of the North Dakota Century Code, relating to self-insurance health plans; to provide for a report; to provide for application; to provide an expiration date; and to declare an emergency.	FN 1147	1/8 1st reading (emergency) referred to House IB&L 1/26 committee hearing 2/8 committee work 2/9 reported back DP amendment on calendar 8-6-0 2/10 consideration of amendments Passed 2/10 amendment adopted 2/10 referred to appropriations 2/12 Committee work 2/19 reported back DNP 17-3-1 2/24 2nd reading FAILED 31-63	House IB&L Meets M,T,W	1/26 2/8 2/12	2:00 PM 9:00 AM 10:30 AM	d Haugland	House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louser D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas	Senate IB&L J Klein, chair D Larson, vice R Burckhard C Kreun R Marcellais S Vedaa
1155	Relating to the public employees retirement system uniform group insurance program benefits; and to provide for application.		1/8 1st reading, referred to House IB&L 1/18 committee hearing 1/18 reported back DO PASS 11 -2 -1 1/18 re-referred to appropriations 2/5 committee work 8:30 2/18 reported back, DNP 18-2-1 2/23 2nd reading FAILED 37-56	House IB&L Meets M,T,W House Appropriations	1/18 2/5/2021	8:00 A.M. 8:30 AM		House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louser D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas	Senate IB&L J Klein, chair D Larson, vice R Burckhard C Kreun R Marcellais S Vedaa
1203	Relating to requirements of health insurance policies; to amend and reenact section 50-24.1-37 of the North Dakota Century Code, relating to continuation of Medicaid Expansion; to repeal sections 40 and 41 of chapter 11 of the 2017 Session Laws, relating to repeal of the Medicaid Expansion program; to provide for application; and to provide a contingent effective date.		1/11 Introduced, first reading, referred to Industry, Business and Labor Committee 2/8 committee work 2/9 reported back DNP 9-5-0 2/17 2nd reading FAILED 20-72	House IB&L Meets M,T,W	1/18 2/8	8:00 A.M. 9:00 AM	327C	House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louser D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas	Senate IB&L J Klein, chair D Larson, vice R Burckhard C Kreun R Marcellais S Vedaa

		A DILL for on Aster second	_	A (AA Introduced first reading (consequence) and an I O) (A	11 O)/A	0/44/0004	0.00 AM	-	11 0)//	Compte CVA
HB 1245	1245	A BILL for an Act to amend and reenact sections 54 52.1 04, 54.52.1 04.1, 54.52.1 04.2, 54.52.1 04.7, 54.52.1 04.8, and 54.52.1 05 of the North Dakota Century Code, relating to public employee uniform group insurance plans; to provide for application; and to declare an emergency.		1/11 Introduced, first reading, (emergency), referred GVA 2/11 committee hearing 2/16 reported back amended, DP 12-2-0 2/17 consideration of amendments Passed 2/17 amendment adopted, placed on calendar 2/23 2nd reading Passed 90-4 3/3 Senate - received from the House 3/3 Senate 1st reading, emergency clause GVA 3/18 Senate Committee hearing 4/1 Reported back amended, DNP 4 3 0 4/5 consideration of amendments Passed 4/5 2nd reading Failed 12-35	House GVA Meets Th, F  Senate GVA	2/11/2021 3/18	8:00 AM	Room 216	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schneider V Steiner G Stemen S Vetter	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema
	1250	Relating to public employee health insurance drug benefit coverage; to amend and reenact section 26.1-36.6-03 of the North Dakota Century Code, relating to self-insurance health plans; to require a report; to provide for application; to provide an expiration date; and to declare an emergency.		1/11 Introduced, first reading, (emergency), referred House IB&L 1/18 committee hearing 1/18 reported back DNP 12-2-0 1/19 2nd reading FAILED 12-78  Canadian importation bill	House IB&L Meets M,T,W	18-Jan	8:00 AM		House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louser D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas	Senate IB&L J Klein, chair D Larson, vice R Burckhard C Kreun R Marcellais S Vedaa
	1328	A BILL for an Act to create and enact a new section to chapter 43 15 and section 54 52.1 04.18 of the North Dakota Century Code, relating to vitamin D screening and testing; to amend and reenact section 26.1 36.6 03 of the North Dakota Century Code, relating to self insurance health plans; to provide for a report; to provide for application; to provide an expiration date; and to declare an emergency.	FN 1328	1/12 Introduced, first reading, referred Human Services 1/25 Committee Hearing 2/9 reported back DNP 7-6-1 2/10 consideration of amendments Passed 2/10 Amendemnt adopted, placed on calendar 2/18 2nd reading FAILED 35-59	Human Services Meets M, T,W	25-Jan	10:15 AM		House Human Serv R Weisz, chair K Rohr, vice M Beltz C Damschen B Devlin G Dobervich C Gegler D Kiefert T Porter M Ruby M Schneider K Ksroch B Tveit G Westlind	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen

1342	Relating to increased employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans; to provide an appropriation; and to provide a statement of legislative intent.	FN 1342	I1/14 Introduced, first reading, referred Government and Veterans Affairs Committee 2/4 committee hearing 2/12 reported back DNP 9-4-1 2/19 2nd reading, laid over 2/23 2nd reading FAILED 37-57	House GVA Meets Th, F	4-Feb	8:00 AM		House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schneider V Steiner G Stemen S Vetter	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema
2029	A BILL for an Act to create and enact sections 26.1 36.4 03.2 and 26.1 36.4 03.3 of the North Dakota Century Code, relating to hospital and medical insurance pre-existing conditions and guaranteed issue; and to amend and reenact section 26.1 36.3 01, subsection 2 of section 26.1 36.3 06, and sections 26.1 36.4 02 and 26.1 36.4 04 of the North Dakota Century Code, relating to small employer employee health insurance and hospital and medical insurance guaranteed issue and guaranteed availability.		1/5 1st reading, referred to Senate IB&L 1/6 committee hearing 1/18 reported back DNP 5-1 -0 1/19 2nd reading FAILED 7-40  ACA bill	Senate IB&L Meets M, T, W	6-Jan	2:30 PM	Fort Union	Senate IB&L J Klein, chair D Larson, vice R Burckhard C Kreun R Marcellais S Vedaa	House IB&L M Lefor, chair G Keiser, vice M Adams P Anderson J Hagert J Kasper S Louse D Nehring E O'Brien M Ostlie D Ruby A Schauer G Stemen P Thomas
2042	A BILL for an Act to amend and reenact subsection 1 of section 54,52 02.9, subsection 1 of section 54,52 06. subsection 6 of section 54 52.6 02, and subsection 2 of section 54 52.6 09 of the North Dakota Century Code, relating to increased employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans; and to provide a penalty.	FN 2042	1/5 1st reading, referred to Senate GVA 1/29 committee hearing 2/18 reported back, DNP, placed on calendar 2/19 2nd reading FAILED 1-46	Senate GVA Meets Th, F	29-Jan	11:00 AM	om 216	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schneider V Steiner G Stemen S Vetter

<u>SB 2045</u>	2045	A BILL for an Act to create and enact a new section to chapter 54 52.2 of the North Dakota Century Code, relating to payment of administrative expenses for the public employees retirement system deferred compensation plan; and to provide a continuing appropriation.	FN 2045	1/5 1st reading, referred to Senate GVA 1/15 committee hearing 1/15 Reported back, DO PASS, place on calendar 7 0 0 1/18 2nd Reading - PASSED 46-1 1/19 House - Received from Senate 2/24 1st reading, referred to GVA 3/11 House committee hearing GVA 3/25 reported back DNP 11-3-0 3/29 House 2nd reading Failed 7-87	Senate GVA Meets Th, F  House GVA Meets Th, F	3/11	10:00:00 AM 2:00 PM	Pioneer	Senate GVA S Vedaa, chair S Meyer, vice J Elkin R Marcellais K Roers M Weber M Wobbema	House GVA J Kasper, chair B Kopelman, vice P Anderson J Hoverson K Karls S Louser J Magrum M Ostlie K Rohr A Schauer M Schneider V Steiner G Stemen S Vetter
<u>SB 2179</u>	2179	Relating to health insurance coverage of telehealth; and to declare an emergency.		1/11 Introduced, first reading, (emergency), referred Human Services 1/20 committee hearing 2/11 reported back DP 5-1-0 2/12 consideration of amendments Passed 2/12 amendment adopted, placed on calendar 2/12 2nd reading Passed 44-3 2/15 House - received from the Senate 2/19 1st reading, referred to Human Services 3/15 House committee hearing 3/31 reported back amended DP 9-5-0 4/1 amendments Passed 4/1 Amendment adopted, placed on calendar 4/5 2nd reading Failed 29-64	Senate Human Services Meets M, T, W House Human Services	1/20/2021 3/15	2:30 PM 3:15 PM	Pioneer	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen	House Human Serv R Weisz, chair K Rohr, vice M Beltz C Damschen B Devlin G Dobervich C Gegler D Kiefert T Porter M Ruby M Schneider K Skroch B Tveit G Westlind
	2183	Relating to accident and health insurance coverage of diabetes drugs and supplies; to amend and reenact section 26.1-36.6-03 of the North Dakota Century Code, relating to public employees self-insurance health plans; to provide for application; to provide an effective date; and to declare an emergency.		1/12 Introduced, first reading, (emergency), referred Human Services 1/19 committee hearing 2/4 reported back amended DP 4-2-0 2/5 consideration of amendments Passed 2/5 amendment adopted, re-referred to Appropriations 2/16 committee hearing 2/19 reported back amended, placed on calendar 14-0-0 2/22 consideration of amendments Passed 2/22 amendment proposed on the floor, failed 2/22 2nd reading, FAILED 21-26	Senate Human Services Meets M, T, W Senate Approps	2/16	9:00:00 AM 9:30 AM	Roughrider Room	Senate Human Serv J Lee, chair K Roers, vice H Anderson D Clemens K Hogan O Larsen  Senate Approps R Holmberg, chair K Krebsbach, vice T Wanzek B Bekkedahl K Davison D Dever R Erbele J Heckaman D Houge T Mathern D Oehlke N Poolman D Rust R Sorvaag	House Human Serv R Weisz, chair K Rohr, vice M Beltz C Damschen B Devlin G Dobervich C Gegler D Kiefert T Porter M Ruby M Schneider K Skroch B Tveit G Westlind



#### North Dakota Public Employees Retirement System 400 East Broadway, Suite 505 ● Box 1657

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## Memorandum

TO: NDPERS Board

FROM: Scott

April 13, 2021 DATE:

**Executive Director Annual Evaluation** SUBJECT:

The process for my evaluation has been for the Board Chairperson appoint a three-person evaluation subcommittee to collect information from the other Board members, Shawna Piatz, me, and the survey of our staff; meet to consider that information; and, create a recommendation for the full Board. The staff survey, Shawna's evaluation, and my selfevaluation are complete. Jan will send out the Board evaluation document after this meeting, and set a meeting time for the subcommittee.

**Board Action:** Appoint the three-person evaluation subcommittee.



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### Memorandum

TO: NDPERS Board

FROM: Scott

**DATE:** April 13, 2021

**SUBJECT:** Assurance NM Testing

This is a test of our emergency communication network Assurance NM.

No Board Action is necessary, other than letting us know if you do NOT get the communication.

### VI. MEMBER \*Executive Session

- A. Retirement Appeal Case #674
- B. Retirement Appeal Case #676

Material for the Executive Session will be sent under separate cover.